NOTES TO FINANCIAL STATEMENTS

for the financial year ended March 31, 2019

1. Company Overview:

PNC Infratech Limited was incorporated on 9th August 1999 as PNC Construction Company Private Limited. The Company was converted into a limited company in 2001 and was renamed PNC Infratech limited in 2007. The Company is listed with National Stock Exchange and Bombay Stock Exchange.

The Company is engaged in India's infrastructure development through the construction of highways including BOT (built, operate and transfer projects), HAM (Hybrid Annuity Model), Airport Runways, Bridges, Flyovers and Power Transmission projects, among others.

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

The Company's registered office is located in New Delhi, corporate office in Agra and operations are spread across Haryana, Karnataka, Madhya Pradesh, Maharashtra, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh, Uttarakhand, Assam, West Bengal and Bihar among others.

The Company is ISO 9001:2008-certified, awarded 'SS' (Super Special) class from the Military Engineering Services as well as appreciation from NHAI and the Military Engineer Services, Ministry of Defence.

The Standalone financial statements were authorised for issue in accordance with the resolution of the directors on 24th May 2019.

2. Summary of Significant Accounting Policies

2.1. Basis of Preparation

The Standalone financial statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company, with effect from 1 April 2016, has adopted Indian Accounting Standards (the 'Ind AS') notified under the Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) (Amended) Rules, 2016.

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

The Standalone financial statements are presented in Indian rupees ('INR₹) and all values are rounded to the nearest lakhs and two decimals thereof, except if otherwise stated.

These Standalone financial statements have been prepared under the historical cost convention on the accrual basis, except for certain financial instruments & provisions which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2.2. Use of Estimates

The preparation of Standalone financial statements in conformity with Indian Accounting Standards (Ind AS) requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosure of contingent liabilities at the date of Standalone financial statements and results of operations during the reporting period. The Management believes that the estimates used in preparation of Standalone financial statements are prudent and reasonable. Differences between actual results and estimates are recognized in the year in which the results are shown/materialized.

2.3. Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash

NOTES TO FINANCIAL STATEMENTS

for the financial year ended March 31, 2019

equivalents. The company has identified twelve months as its operating cycle.

2.4. Property Plant & Equipment

The Company has elected to continue with the carrying value of all its property, plant and equipment as recognized in the financial statement at the date of transition i.e. at 1st April, 2015, measured as per the previous GAAP and used that as its deemed cost as at the transition date.

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Cost includes cost of acquisitions or construction including incidental expenses thereto and other attributable cost of bringing the assets to its working condition for the intended use and is net of recoverable duty/tax credits.

2.5. Intangible Asset

The company recognises the intangible asset according to Ind AS-38 which are stated at cost of acquisition net of accumulated amortization and impairment losses, if any.

In accordance with Ind AS 38, Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Other intangible assets are amortised on straight line basis over the period in which it is expected to be available for use by the company.

2.6. Intangible Asset under development

Expenditure related to and incurred during development of Assets are included under "Intangible assets under development". The same will be transferred to the respective assets on its completion.

2.7. Capital Work in progress

Capital work in progress comprises of expenditure, direct or indirect incurred on assets which are yet to be brought into working condition for its intended use.

2.8. Depreciation and Amortization

Depreciation on Fixed Assets is provided on straight line method (other than specified Plant & Machinery which are depreciated on written down value basis) based on useful life stated in schedule II to the Companies Act 2013, and is on pro-rata basis for addition and deletions. The useful life is reviewed at least at the end of each financial year. In case of Plant & Machinery as per technical estimate (excluding Cranes & Earth Moving equipment), the useful life is more than as stated in schedule II. The estimated useful life of Property, Plant & Equipment and Intangible assets as mentioned below:

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

2.9. Cash & Cash Equivalent

Cash & cash equivalents comprise of cash at bank and cash-in-hand. The Company consider all highly liquid investments which are subject to an insignificant risk of change in value with an original maturity of three months or less from date of purchase to be cash equivalent.

2.10. Revenue recognition

The Company recognised revenue when the company satisfies a performance obligation by transferring a promised good or service (i.e., assets) to a customer. An asset is transferred when the customer obtain control of that assets and it is probable that the company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

Construction Contract: Contract revenue is recognized under percentage of completion method. The Stage of Completion is determined on the basis of physical completion of work as acknowledged by the client.

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

Other sales are accounted on dispatch of material and exclude applicable tax including Goods and Service tax and are net of discount.

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

Interest Income

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

In the absence of ascertainment with reasonable certainty the quantum of accruals in respect of claims recoverable, the same is accounted for on receipt basis. Income from investments is accounted for on accrual basis when the right to receive income is established.

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument. Income from dividend is recognized when the right to received is established.

Dividend

Dividends are recognised in profit or loss only when:

(i) the company's right to receive payment of the dividend is established;

(ii) It is probable that the economic benefits associated with the dividend will flow to the entity; and

(iii) The amount of dividend can be measured reliably.

2.11. Inventories

The stock of raw material, stores, spares and embedded goods and fuel is valued at lower of cost or net realizable value. Cost is computed on first in first out basis.

Work-in- progress is valued at the item rate contracts in case of completion of activity by project department, in case where the Work-in- progress is not on item rate contract stage then item rate contract are reduced by estimated margin or estimated cost of completion and/or estimated cost necessary to make the items rates equivalent to Stage of Work-in- progress.

2.12. Leases

Where the Company is the lessee

A lease is classified at the inception date as a finance lease or an operating lease. Payments made under Leases, being in the nature of operating leases, are charged to statement of Profit and Loss on straight line basis as per terms of the Lease Agreement over the period of lease.

Finance leases are capitalized as assets at the commencement of the lease, at an amount equal to the fair value of leased asset or present value of the minimum lease payments, whichever is lower, valued at the inception date. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Finance charges are recognized as finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the company's general policy on borrowing cost. A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

2.13. Employee benefits

Short Term:

All employee benefits payable wholly within twelve months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered the service entitling them to the contribution.

Long Term:

"**Provident Fund:** The contribution to provident fund is in the nature of defined contribution plan. The Company makes contribution to statutory provident fund in accordance with the Employees Provident Fund and Miscellaneous Provisions Act, 1952.The contribution paid or payable is recognized as an expense in the period in which services are rendered.

Gratuity: The cost is determined using the projected unit credit method with actuarial valuation being carried at cash at each Balance Sheet date by an independent actuary. The retirement benefits obligation recognized in the Balance Sheet represent the present value of defined benefit obligation as adjusted for recognized past service cost

Actuarial gains and losses are recognized in full in the other comprehensive income for the period in which they occur.

Other long term employee benefits:

The cost of long term employee benefits is determined using project unit credit method and is present value of related obligation, determined by actuarial valuation done on Balance Sheet date by an independent actuary. The unrecognized past service cost and actuarial gain & losses are recognised immediately in the Statement of Profit & Loss in which they occur.

2.14. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they

NOTES TO FINANCIAL STATEMENTS

for the financial year ended March 31, 2019

occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.15. Segment reporting

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

2.16. Earnings per share:

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The Weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue, buy back of shares, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

2.17. Taxation

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income. Current income tax is charged at the end of reporting period to profit & loss.

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

Deferred Tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity."

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Unrecognized Deferred Tax Assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the Deferred Tax Asset to be recovered.

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

2.18. Impairment of Financial Assets

The company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL.

For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.

2.19. Impairment of Non-Financial Assets

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an Individual asset basis unless the asset does not generate cash flows that are largely Independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset.

An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

2.20. Claims & Counter Claims:

Claims and counter claims including under arbitrations are accounted for on their final settlement/Award. Contract related claims are recognized when there is a reasonable certainty

2.21. Provisions, Contingent liabilities and Contingent assets

Provisions

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

The expense relating to a provision is presented in the statement of profit and loss

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

Contingent liabilities and assets

Contingent liabilities are disclosed in respect of possible obligation that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimates of the obligation cannot be made.

A contingent assets are disclosed where an inflow of economic benefit is probable. An entity shall not recognise the contingent assets unless the recovery is virtually certain.

2.22. Financial instruments

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

Initial recognition

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition.

Subsequent measurement

A. Financial Assets

For the purpose of subsequent measurement, financial assets are classifies in three broad categories:

(i) Financial Assets carried at amortized cost

A financial assets is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

B. Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition :-

A. Financial Assets

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognized when:

NOTES TO FINANCIAL STATEMENTS

for the financial year ended March 31, 2019

(i) The contractual right to receive cash flows from the assets have expired, or

(ii) The company has transferred its right to receive cash flow from the financial assets and substantially all the risks and rewards of ownership of the asset to another party.

B. Financial Liability

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

Reclassification of financial assets

The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities.

2.23. Foreign currencies

i. Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction

ii. Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date.

iii. Exchange differences:

The company accounts for exchange differences arising on translation/settlement of foreign currency monetary items by recognizing the exchange differences as income or as expenses in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

2.24. Fair Value Measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Entity uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Standalone financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Company has determined classes of assets & liabilities on the basis of the nature, characteristics and the risks of the asset or liability and the level of the fair value hierarchy as explained above.

3. Critical accounting estimates and Judgements

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

The Company assess the remaining useful lives of Intangible assets and property, plant and equipment on the basis of internal technical estimates. Management believes that assigned useful lives are reasonable.

Before transition to IND AS, the company has revisited the useful life of the assets during financial year 2013-14 in accordance with Schedule II of Companies Act, 2013 and the impact of change in life is considered in opening carrying values of that year.

ii. **Income taxes:**

Deferred tax assets are recognised for the unused tax credit to the extent that it is probable that taxable profits will be available against which the losses will be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

Defined benefit plans and Other Long Term Benefits:

The cost of the defined benefit plan and other long term benefit and their present value are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The most sensitive is discount rate. Future salary increases and gratuity increases are based on expected future inflation rates.

iii. **Contingent liabilities:**

Management judgment is required for estimating the possible outflow of resources, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy. The management believes the estimates are reasonable and prudent.

NOTES TO FINANCIAL STATEMENTS

for the financial year ended March 31, 2019

Note 4 : Property, plant & equipment

Year ended 31st March 2018

(₹ in Lakhs)

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

Year Ended 31st March 2019

(₹ in Lakhs)

Particulars	Freehold Land	Buildings	Plant & Equipment	Office Equipment	Furniture & Fixtures	Vehicles	Computers	Temporary Constructions	Total
Gross carrying value									
At April 01, 2018	202.69	615.79	51,032.21	633.03	273.97	2,306.03	407.87	1,574.84	57,046.44
Addition during the year	54.70	-	28,347.69	215.16	98.10	889.20	132.54	6.72	29,744.12
Disposal/Adjustments	-	-	644.69	0.10	-	78.51	-	46.15	769.45
At March 31, 2019	**257.39**	**615.79**	**78,735.21**	**848.09**	**372.07**	**3,116.72**	**540.41**	**1,535.41**	**86,021.11**
Accumulated Depreciation									
At April 01, 2018	-	63.33	14,076.33	246.14	64.80	457.61	348.57	1,308.59	16,565.39
Addition during the year	-	19.58	8,053.07	121.69	34.41	309.51	93.01	125.36	8,756.63
Disposal/Adjustments	**-**	**-**	**565.20**	**0.02**	**-**	**70.44**	**-**	**16.17**	**651.84**
At March 31, 2019	**-**	**82.91**	**21,564.20**	**367.81**	**99.21**	**696.68**	**441.58**	**1,417.78**	**24,670.18**
Net carrying value as at March 31, 2019	**257.39**	**532.88**	**57,171.01**	**480.28**	**272.86**	**2,420.04**	**98.83**	**117.63**	**61,350.93**

Notes :

(i) Property,Plant and Equipment hypothicated/pledged as security except project assets.

(ii) Borrowing cost capitalised during the periods is Nil. (Previous year is Nil)

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

(iv) Refer Note No.38 for disclosure of Contractual Commitment for the acquistion of Property, Plant & Equipment.

NOTES TO FINANCIAL STATEMENTS
for the financial year ended March 31, 2019

Note 5 : Capital Work In Progress

(₹ in Lakhs)

Particulars	Amount
Gross Carrying Value	
Opening Balance as at April 1, 2017	781.62
Addition during the year	1,113.64
Capitalized/Adjustments during the year	781.62
As at March 31, 2018	**1,113.64**
Opening Balance as at April 1, 2018	1,113.64
Addition during the year	614.41
Capitalized/Adjustments during the year	1,107.54
As at March 31, 2019	**620.51**

Note 6 : Intangible assets

Year ended March 31, 2018

(₹ in Lakhs)

Particulars	Computer software	Mining Lease	Total
Gross carrying value*			
Opening Balance as at April 1, 2017	281.73	-	281.73
Addition during the year	6.51	-	6.51
Disposals/Adjustments	-	-	-
As at March 31, 2018	**288.24**	**-**	**288.24**
Accumulated Amortisation			
Opening Balance as at April 1, 2017	82.71	-	82.71
For the year	45.25	-	45.25
Disposals/Adjustments	-	-	-
As at March 31, 2018	**127.96**	**-**	**127.96**
Net carrying value as at March 31, 2018	**160.28**	**-**	**160.28**

Year ended March 31, 2019

(₹ in Lakhs)

Particulars	Computer software	Mining Lease	Total
Gross carrying value*			
Opening Balance as at April 1, 2018	288.24	-	288.24
Addition during the year	61.65	33.53	95.18
Disposals/Adjustments	-	-	-
As at March 31, 2019	**349.89**	**33.53**	**383.42**
Accumulated Amortisation			
Opening Balance as at April 1, 2018	127.96	-	127.96
For the year	55.36	2.19	57.55
Disposals/Adjustments	-	-	-
As at March 31, 2019	**183.32**	**2.19**	**185.51**
Net carrying value as at March 31, 2019	**166.57**	**31.34**	**197.91**

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

NOTES TO FINANCIAL STATEMENTS

for the financial year ended March 31, 2019

Note 7 : Investments

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Investments in equity instruments		
A. Subsidiaries		
10 Equity shares (Previous Year 10) of PNC Raebareli Highways Private Limited of ₹ 10/- each (Face value ₹ 10/- each)*	0.00	0.00
10 Equity shares (Previous Year 10) of PNC Bundelkhand Highways Private Limited of ₹ 10/- each (Face value ₹ 10/- each)*	0.00	0.00
10 Equity shares (Previous Year 10) of PNC Chitrdurga Highways Private Limited of ₹ 10/- each (Face value ₹ 10/- each)*	0.00	0.00
10 Equity shares (Previous Year 10) of PNC Khujrao Highways Private Limited of ₹ 10/- each (Face value ₹ 10/- each)*	0.00	0.00
50,00,000 Equity shares (Previous Year 50,00,000) of PNC Bareilly Nainital Highways Private Limited of ₹ 10/- each (Face value ₹ 10/- each)	500.00	500.00
50,000 Equity shares (Previous Year 50,000) of PNC Infra Holdings Limited of ₹ 10/- each (Face value ₹ 10/- each)	5.00	5.00
10,7618788 Equity shares (Previous Year 9,19,70,790) of PNC Infra Holdings Limited acquired of ₹ 50/- each (Face value ₹ 10/- each)	53,809.40	45,985.40
10 Equity shares (Previous Year 10) of PNC Triveni Sangam Highways Private Limited of ₹ 10/- each (Face value ₹ 10/- each)*	0.00	0.00
10 Equity shares (Previous Year 10) of PNC Rajasthan Highways Private Limited of ₹ 10/- each (Face value ₹ 10/- each)*	0.00	0.00
10 Equity shares (Previous Year Nil) of PNC Challakere Karnataka Highways Private Limited of ₹ 10/- each (Face value ₹ 10/- each)*	0.00	-
10 Equity shares (Previous Year Nil) of PNC Aligarh Highways Private Limited of ₹ 10/- each (Face value ₹ 10/- each)*	0.00	-
5,100 Equity shares (Previous Year 5,100) of Ferrovia Transrail Solutions Private Limited of ₹ 10/- each (Face value ₹ 10/- each)	0.51	0.51
10 Equity shares (Previous Year 10) of PNC Kanpur Ayodhya Tollways Private Limited of ₹ 10/- each (Face value ₹ 10/- each)*	0.00	0.00
Investment in Subsidiaries (A)	54,314.91	46,490.91
B. Associates		
2,93,24,000 Equity shares (Previous Year 2,93,24,000) of Ghaziabad Aligarh Expressway Private Limited of ₹ 10/- each (Face value ₹ 10/- each)**	2,932.40	2,932.40
Investment in Associates (B)	2,932.40	2,932.40
C. Others		
5,55,370 Equity shares (Previous Year 5,55,370) of Indian Highways Management Company limited of ₹ 10/- each (Face value ₹ 10/- each)	55.54	55.54
Investment in Others (C)	55.54	55.54
Total(A+B+C)	57,302.85	49,478.85

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

NOTES TO FINANCIAL STATEMENTS
for the financial year ended March 31, 2019

Particulars	As at March 31, 2019	As at March 31, 2018
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate book value of unquoted investments	57,302.85	49,478.85
Aggregate amount of impairement in value of investment	-	-
	57,302.85	**49,478.85**

Out of the Investments of the Company following investments are pledged with the Financial Institutions/Banks for security against the financial assistance extended to the companies under the same management and others:

No.of Equity shares of ₹ 10 each

Name of the Company	Relationship	As at March 31, 2019	As at March 31, 2018
PNC Bareilly Nainital Highways Pvt. Ltd.	Subsidiaries	2,550,000	2,550,000
Ghaziabad Aligarh Expressway Private Limited**	Associates	14,955,240	14,955,240

**The Company has entered into a Share Purchase Agreement (SPA) dated 4th May 2019 with a Purchaser inter alia, with Cube Highways and Infrastructure Pte Ltd. ("Cube Highways") for sale of its entire stake i.e. 29324000 Equity shares, representing (15.12%) of the total shareholding in Ghaziabad Aligarh Expressway Highways Private Limited (GAEPL), "associate" of the company.

As per the proposed transaction the Enterprise value of the entire project is ₹ 1834 Crores however the equity value of proposed transaction is subject to adjustments of debt and other capital and operational cost at closing date and hence net consideration receivable is not ascertainable at this stage.

Additionally, PNC Infra Holdings Limited, a 100% wholly owned subsidiary of PNC Infratech Limited, holding 38576000 equity shares representing (19.88%) of the total share holding in Ghaziabad Aligarh Expressway Highways Private Limited has also entered into the aforementioned Share Purchase Agreement for disinvestment of its entire stake in GAEPL to Cube Highways

In view of the company the aforesaid Enterprise value will sufficiently cover the stake of the company and it will improve the liquidity of the company and augment resources for funding present & future projects.

The valuation date for sale as per the SPA is 31st December 2018. However, the company has continued the existing practice of following the associate method of accounting for it's investment in GAEPL for the financial year ended 31st March 2019. Any negative/positive impact, if any of its share of profit/loss in GAEPL for the period 1st January to 31st March 2019 will be adjusted on closure of the transaction.

Note 8 : Other Financial assets

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Terms Deposits (having maturity of more than 12 months)*		
-Term deposits as margin money for bank guarentees	113.72	496.04
-Earnest money deposits (in the form of term deposits, NSC etc)	2.84	28.06
Share Warrants in Ghaziabad Aligarh Expressway Pvt Ltd (GAEPL)#	8,754.83	7,679.67
Advances other than capital advances		
- Security deposits and Retention Money		
a. Held with departments	10,321.19	7,671.79
b. Held with related party	824.23	824.23
c. Others	67.13	67.13
	20,083.94	**16,766.93**

* For details refer Note 13

The share warrants are convertible into equity shares or unsecured Debentures as per the following condition:

NOTES TO FINANCIAL STATEMENTS

for the financial year ended March 31, 2019

8.1. Warrants entitle the Warrant-holder to subscribe to one equity share of ₹ 10/- (Face Value of ₹ 10 per share) in the Company (GAEPL) for each warrant held by the Warrant-Holder, subject to a re-characterisation event not having taken place on the maturity of the Warrants, that is, at the end of the Tenure (60 months). If the Warrant-holder opts not to subscribe to equity shares in the Company (GAEPL), the amount paid on the Warrants will be fully forfeited, and thereupon, the Warrant will be deemed to have expired.

8.2. In case of re-characterisation event taking place as per terms of the issue, the warrant shall be deemed to have been converted into unsecured debenture.

On occurrence of any of the following events, the Warrants shall, on and from the notification Date (provided for below), be deemed to have been converted into Debt Obligations, with features provided for herein::

- Change of control over the Company (GAEPL).
- The Company (GAEPL) not achieving Final COD for its project within 2.5 years from the date of the issuance of the Warrants.
- The Company (GAEPL) not achieving revenue and/or Cash accrual as per the Projected cash flow with a (+/-) 20% variation.

The tenure of debenture shall be 17 years from the date of issue. The debenture shall carry interest @ 14% p.a. payable only when the company (GAEPL) has distributable cash profits.

Regarding improvement in liquidity refer Note No. 7.

Note 9 : Deferred Tax Assets/(Liabilities)

9.1. The balance comprises temporary differences attributable to:

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Deferred Tax Assets/(Liabilities)		
Fixed Assets	(362.09)	(57.53)
Retention Assets	139.58	125.24
Retention Liabilities	326.04	(57.82)
Deffered Retention Liabilities	(324.15)	56.87
Deffered Retention Assets	(136.96)	(119.54)
Gratuity & Leave encashment	408.47	256.17
Mat Credit Entitlement	16,682.79	16162.12
Net deferred tax Assets/(Liabilities)	**16,733.68**	**16,365.51**

9.2 Movement in Deferred tax (Liabilities)/Assets

(₹ in Lakhs)

Particulars	Property, plant & equipment	Retention Assets	Retention Liabilities	MAT Credit Entitlement	Deffered Retention Liabilities	Deffered Retention Assets	Gratuity & Leave encashment	Total
At April 1, 2017	37.96	705.15	-	11,305.94	-	(700.49)	182.79	11,531.35
(Charged)/credited:-								
-to profit & loss	(95.49)	(579.91)	(57.82)	-	56.87	580.95	52.27	(43.12)
-to Other Comprehensive Income	-	-	-	-	-	-	21.10	21.10
-to Mat Credit Availability/ Utilisation	-	-	-	4,856.18	-	-	-	4,856.18
At March 31, 2018	**(57.53)**	**125.24**	**(57.82)**	**16,162.12**	**56.87**	**(119.54)**	**256.17**	**16,365.51**
(Charged)/credited:-								
-to profit & loss	(304.56)	14.34	383.86	-	(381.02)	(17.42)	101.40	(203.40)
-to Other Comprehensive Income	-	-	-	-	-	-	50.90	50.90
-to Mat Credit Availability/ Utilisation	-	-	-	520.67	-	-	-	520.67
At March 31, 2019	**(362.09)**	**139.58**	**326.04**	**16,682.79**	**(324.15)**	**(136.96)**	**408.47**	**16,733.68**

NOTES TO FINANCIAL STATEMENTS
for the financial year ended March 31, 2019

Note 10 : Other Non current assets

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
- Advances other than Capital Advances		
Balance with Statutory Authorities	3,572.39	3,601.99
- Deferred Retention Money		
Held with departments	391.91	345.41
- Others		
- Advance tax and tax deducted at source*	6,825.59	3,633.48
- Tax and duty deposited under demand	697.85	1,314.22
- GST Input & GST TDS	2,381.36	-
- Mobilization advance to sub-contractors	735.85	682.32
- Deferred Share Warrant assets (refer note no 8)	3,050.14	4,125.30
Total	**17,655.09**	**13,702.71**

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

Note 11 : Inventories

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Raw Materials (Construction Material)	32,437.12	14,053.92
Raw Materials in transit	36.75	71.26
Work-in-progress	3,430.83	712.39
Stores and Spares	4,450.38	2,737.49
Total	**40,355.08**	**17,575.06**

Note 11.1 : Bifurcation of Raw Material and WIP under broad heads:

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Raw material		
Bitumen	208.80	194.15
Cement	2,139.04	858.65
Steel	6,862.37	3,464.98
Stone,Grit and Sand	18,024.73	7,622.09
High speed diesel and Fuel oil	2,092.84	417.53
Others	3,109.34	1,496.52
	32,437.12	**14,053.92**
Work-in-progress		
Road	3,430.83	712.39
Total	**3,430.83**	**712.39**

NOTES TO FINANCIAL STATEMENTS

for the financial year ended March 31, 2019

Note 12 : Trade Receivables

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade Receivable considered good-unsecured		
Related Parties	16,767.06	22,596.80
Other	44,776.41	46,402.28
Total	**61,543.47**	**68,999.08**

Note 13 : Cash & Bank Balanaces

(i) Cash & Cash Equivalents

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with Banks		
In Current Account	9,251.63	10,457.75
Fixed deposits with maturity less than 3 months	15,800.00	-
Cash on hand	134.98	153.57
Total	**25,186.61**	**10,611.32**

(ii) Other Bank Balanaces

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Fixed Deposit		
(with maturity less than 3 months maturity)		
Fixed deposits as Margin money on bank guarentee	1,198.45	681.16
Earnest money deposits (in the form of term deposits, NSC etc)	291.27	163.72
(with maturity more than 3 months but upto 12 months)		
Fixed deposits as Margin money on bank guarentee	3,944.96	3,253.57
Earnest Money Deposit	320.43	19.02
	5,755.11	**4,117.47**
Current Account		
Earmarked balances-unclaimed dividend	0.42	0.25
Total	**5,755.53**	**4,117.72**

FDR having original matuirty more than twelve months but maturing within twelve months from the Balance sheet date amounting to ₹ 1019.87 Lakhs (P.Y. ₹ 431.98 Lakhs)

NOTES TO FINANCIAL STATEMENTS
for the financial year ended March 31, 2019

13 (ii).1. Details of FDR kept as security

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Fixed deposits as Margin money on bank guarantee		
Under lien in favour of Banks as margin deposits for letter of credit and	5,257.13	4,430.77
Bank Guarentees		
Earnest money (in form of term deposits) deposits in favour of customers.	614.54	210.81
Add: Interest accrued but not due on margin money & Earnest money deposit	228.67	191.68
Less: Interest accrued but not due on margin money & Earnest money deposit	(228.67)	(191.68)
Total Deposits	**5,871.67**	**4,641.58**
Deposit having more than 12 months maturity from reporting date		
Fixed Deposits	113.72	496.04
Earnest Money Deposits	2.84	28.06
Total Non-Current Deposits	**116.56**	**524.11**
Total Current Deposits	**5,755.11**	**4,117.47**

Note 14 : Loans

(₹ in Lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
Unsecured and considered good- unless otherwise stated				
Loans				
- Related Party*		29,334.60		17,239.01
- Advance With Significant Risk	7546.19		0.00	
- Less: Impairment Allowance (Allowance for doubtful advances)	332.50		0.00	
		7,213.69		-
Total		**36,548.29**		**17,239.01**

* The Company has given unsecured loan to its subsidiaries and associates for financial assistance, out of which ₹ 20,957.59 lakhs (P.Y. ₹ 6,857.34 lakhs) is non interest bearing as per Concession Agreement.

* The Interest rate in case of Interest bearing loan ₹ 15,923.20 lakhs (P.Y. RS. 10,381.67 lakhs) is 12%.

* The amount is net off of impairement of ₹ 332.50 Lakhs (P.Y. Nil)

Note 15 : Other Current Financial assets

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Security deposits and Retention Money		
- With Department	6,646.60	6,296.35
- With related parties	2,573.46	781.29
Others		
-Interest accrued but not due on margin money & Earnest money deposit	228.67	191.68
Total	**9,448.73**	**7,269.32**

NOTES TO FINANCIAL STATEMENTS

for the financial year ended March 31, 2019

Note 16 : Other Current assets

(₹ in Lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
Unsecured and considered good- unless otherwise stated				
Balances with Satutory authority		7,288.19		7,299.54
Advances to supplier/Contractor				
- Unsecured and considered good	8705.58		5529.16	
- Doubtful	0.00		35.42	
	8705.58		5564.59	
- Less Provision for doubtful advance	0.00		35.42	
		8,705.58		5,529.16
Mobilization advance to sub contractor		735.85		682.32
Other Advances		2,044.14		1,252.39
Total		**18,773.76**		**14,763.41**

Note 17 : Share Capital

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised		
Equity Shares of ₹ 2/- each		
27,50,00,000 (Previous Year 27,50,00,000)	5,500.00	5,500.00
	5,500.00	**5,500.00**
Issued ,Subscribed & Fully Paid up		
Equity Shares of ₹ 2/- each		
25,65,39,165 (Previous Year 25,65,39,165)	5,130.78	5,130.78
	5,130.78	**5,130.78**

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

(₹ in Lakhs)

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

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

(₹ in Lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	No of Shares	% Holdings	No of Shares	% Holdings
NCJ Infrastructural Consultants Private Limited	25,534,008	9.95	26,683,500	10.40
NCJ Infrastructural Private Limited*	24,765,000	9.65	24,765,000	9.65
Naveen Kumar Jain	18,096,000	7.05	18,096,000	7.05
Madhavi Jain	17,998,500	7.02	17,998,500	7.02
Yogesh Kumar Jain	16,794,000	6.55	16,794,000	6.55
Pradeep Kumar Jain	15,349,500	5.98	15,349,500	5.98
HDFC Mutual Fund	14,971,550	5.84	16,153,820	6.30

C Rights and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each shareholder is eligible for one vote per share held. In case any dividend is proposed by the Board of Directors the same is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in the case of Interim Dividend. There are no restrictions attached to Equity Shares after the issue of 1,29,21,708 shares, prior to the IPO, the equity shares were subject to restriction as per investment agreement dated 11th January 2011 and subsequent amendment thereto.

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

*Pursuent to order dt 01.06.2018 The merger of PPPL Construction Private Limited (PPPL) in to NCJ Infrastructural Private Limited(NCJ), 23921250 equity shares of PPPL has been considered in NCJ.

Note 18 : Other Equity

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Securities Premium	59,009.66	59,009.66
General Reserve	128.96	128.96
Retained Earnings	147,250.41	116,400.37
Total	**206,389.03**	**175,538.99**

(i) Securities Premium

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	59,009.66	59,009.66
Addition(Issue Of Shares)	-	-
Utilization of the reserve	-	-
Closing Balance	**59,009.66**	**59,009.66**

(ii) General Reserve

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	128.96	128.96
Addition during the year	-	-
Utilisation during the year	-	-
Closing Balance	**128.96**	**128.96**

(iii) Retained Earnings

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	116,400.37	92,947.84
Profit for the Period	32,491.22	25,104.10
Remeasurement of Defined Benefit Obligation	(94.77)	(40.99)
(This is the item of comprehensive income directly booked in retained earnings)		
Dividend	(1,282.70)	(1,282.70)
Corporate Dividend Tax	(263.72)	(327.88)
Closing Balance	**147,250.41**	**116,400.37**

NOTES TO FINANCIAL STATEMENTS

for the financial year ended March 31, 2019

Nature and purposes of Reserves

Securities Premium

Securities Premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

General Reserve

This represents appropriation of profit by the company.

Retained Earnings

This comprise company's undistributed profit after taxes.

Note 19 : Long Term Borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Secured		
Term loans -from Banks (For Maturity pattern refer detail below)	23,308.46	11,935.89
Term loans -from NBFCs (For Maturity pattern refer detail below)	5,059.99	919.51
Total	28,368.45	12,855.40

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

(₹ in Lakhs)

Particulars		Total Loan Outstanding	Non - Current Maturity	Current Maturity
Term Loan From Banks				
Axis Bank	At March 31, 2019	6,728.00	4,849.38	1,878.62
	At March 31, 2018	(4,459.25)	(3,363.53)	(1,095.72)
HDFC Bank	At March 31, 2019	12,365.32	9,488.20	2,877.12
	At March 31, 2018	(7,363.10)	(5,622.52)	(1,740.58)
ICICI Bank	At March 31, 2019	3.16	-	3.16
	At March 31, 2018	(21.35)	(3.17)	(18.18)
Yes Bank	At March 31, 2019	1,559.72	1,150.88	408.84
	At March 31, 2018	(1,516.47)	(1,212.12)	(304.35)
IDFC First Bank Ltd	At March 31, 2019	920.66	707.81	212.85
	At March 31, 2018	-	-	-
Indusind Bank Ltd	At March 31, 2019	1,791.76	1,420.98	370.78
	At March 31, 2018	-	-	-
Kotak Mahindra Bank Ltd	At March 31, 2019	7,169.86	5,691.21	1,478.65
	At March 31, 2018	(2,147.13)	(1,734.55)	(412.58)
Term Loan From NBFCs				
Kotak Prime Ltd	At March 31, 2019	25.24	6.57	18.67
	At March 31, 2018	(42.45)	(25.23)	(17.22)
Hinduja Leyland Finance Ltd	At March 31, 2019	1,099.17	816.83	282.34
	At March 31, 2018	-	-	-
Tata Capital Financial Services Ltd	At March 31, 2019	2,573.68	1,712.93	860.75
	At March 31, 2018	(615.58)	(248.60)	(366.98)
Tata Motor Finance Ltd	At March 31, 2019	1,456.84	1,151.02	305.82
	At March 31, 2018	-	-	-
SREI Equipment Finance Limited	At March 31, 2019	1,780.00	1,372.64	407.36
	At March 31, 2018	(805.53)	(645.68)	(159.85)
		37,473.41	28,368.45	9,104.96
		(16,970.85)	(12,855.40)	(4,115.45)

*For Detail refer Note No. 25

(i) The above loans are secured by way of hypothecation of asset financed out of said loans.

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

(iii) Above Loans carrying Interest rate ranging 8.70% to 9.51%

(iv) Figures in brackets represents previous year figures.

Note 20 : Other financial liabilities excluding provisions

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Retentions & Security Deposit	11,098.24	6,482.03
Security received from contractor/suppliers	42.82	42.93
Capital creditors	-	4,200.92
Total	**11,141.06**	**10,725.88**

Note 21 : Provisions

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Employee Benefits*		
Provision for Gratuity (Funded)	608.20	343.37
Provision for Leave Encashment (Unfunded)	276.00	126.98
Total	**884.20**	**470.35**

*For details refer Note No.43

Note 22 : Other Non current Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred Retentions & Security deposit	927.64	164.34
Advances from customers		
Related Parties	8,637.36	4,231.75
Others	16,321.13	1,395.93
Total	**25,886.13**	**5,792.02**

Note 23 : Borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Secured		
Working Capital Loans		
From banks	-	-
	-	-

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

Particulars	Particulars of security/guarantee
Loan repayable on demand from banks-	
Working Capital Loans	Cash credit facilities and working capital demand loans from consortium of banks are secured by:
	(i) Hypothecation against first charge of Stocks viz raw material, stocks in process, finished goods, stores and spares and book debts of the company.
	(ii) Further secured by hypothecation of plant & machinery (excepting to hypothecated to Banks and NBFCs)
	(iii) Equitable mortgage of 6 properties (Land & Building) as per joint deed of Hypothecation belonging to the Directors, group company and relatives of directors.
	(iv) Corporate Guarantee of Taj Infrabuilders Private Limited.
	(v) Personal guarantee of promoters and relatives of directors.

NOTES TO FINANCIAL STATEMENTS

for the financial year ended March 31, 2019

Note 24 : Trade Payables

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Micro & Small Enterprises (Refer note 24.1)	375.49	-
Other than Micro & Small Enterprises	46,998.88	46,284.49
Total	**47,374.37**	**46,284.49**

Note 24.1 :

Based on available information, the outstanding is to the extent of information received by Company under the Micro, Small & Medium Enterprises Development Act 2006, is as below

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

Particulars	As at March 31, 2019	As at March 31, 2018
-Principal amount due to suppliers	375.49	-
-Interest accrued due to suppliers on the above amount and unpaid.	-	-
-The amount of interest paid by the company in terms of Section 16 of the MSMED Act 2006, along with the amount of the payament made to the supplier beyond the appointed date during each accounting year.	-	-
-The amount of interest due and payable for the period of delay in making payment(which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
-Interest accrued and remaining unpaid at the end of the each accounting year.	-	-
-Amount of further interest remaining due and payable in succeeding years,untill such date when the interest dues above are actually paid to small enterprise, for the purpose of disallowance of a deductible expendieture u/s 23 of MSMED Act, 2006	-	-

Note 25 : Other financial liabilities excluding provisions

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
A. Current Maturities of long term debt		
-Term Loan From Banks*	7,230.02	3,571.41
-Term Loan From NBFC'S*	1,874.94	544.04
Sub Total (A)	**9,104.96**	**4,115.45**
B. Others		
Capital creditors	6,809.76	2,089.38
Due to Employees	1,989.67	1,512.15
Retention Money	6,089.95	1,478.19
Expenses payable	4,773.78	4,853.89
Sub Total (B)	**19,663.16**	**9,933.61**
Total (A+B)	**28,768.12**	**14,049.06**

*For Detail refer Note No. 19

Note 26 : Other Current Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
- Other Advances		
Advances from Customers		
Related Parties	5,758.24	2,821.17
Others	10,880.75	930.62
- Payable to Government Authority		
a. ESI/PF Payable	39.86	33.59
b. TDS Payable	649.77	502.25
c. Vat & GST Payable	-	2,056.31
d. Others	0.88	167.53
Total	**17,329.50**	**6,511.47**

Note 27 : Provisions

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Employee Benefits*		
Provision for Gratuity (Funded)	215.72	222.01
Provision for Leave Encashment (Unfunded)	69.02	47.85
Others		
Provision for Income Tax	-	1,015.59
(PY Net of TDS & Advance Tax of ₹ 3979.78 Lacs)		
Total	**284.74**	**1,285.45**

*For details refer Note No. 43

Note 28 : Revenue from Operations

(₹ in Lakhs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Contract Revenue*	308,275.33	182,869.73
Other Operating Revenues		
(a) Sale of material	1,288.20	2,568.79
(b) Sale of scrap material	123.78	219.57
Total	**309,687.31**	**185,658.09**

*During the F.Y. 2018-19 Bonus of ₹ 2529.84 Lakhs (Previous year is ₹ 5823.27 Lakhs) received from PNC Raibareilly Highways Pvt Ltd on early compleation of project and Arbitration Award of ₹ 164.35 Lakhs (Previous year is Nil) received from AFS Jorhat.

Bifurcation of Contract Revenue are as under:

(₹ in Lakhs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Contract Revenue		
Road	295,722.72	161,917.79
Airport Runways	9,515.32	16,953.82
Power Projects	102.37	1,060.17
Others	2,934.92	2,937.94
Total	**308,275.33**	**182,869.73**

NOTES TO FINANCIAL STATEMENTS

for the financial year ended March 31, 2019

Note 29 : Other Income

(₹ in Lakhs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Interest Income:		
From Bank	461.95	363.87
From Others*	1,889.52	1,071.32
Profit/Loss on Sale of Fixed Asset (Net)	1,264.57	38.92
Other non-operating income (net of expenses)	687.75	828.00
(including income arising on account of fair valuation of Retention money)	**4,303.79**	**2,302.11**

*Includes Interest on Income Tax Refund of ₹ 337.18 Lakhs (Previous year is Nil)

Note 30 : COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Cost of Materials Consumed	**145,931.91**	**85,037.30**

Note 31 : Employee Benefit Expense

(₹ in Lakhs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Salaries, Wages and Bonus	18,688.55	11,805.29
Contributions to Provident fund & other funds	485.71	396.45
Workmen and Staff welfare expenses	58.64	195.68
Total	**19,232.90**	**12,397.42**

Note 32 : Finance Costs

(₹ in Lakhs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Interest expense on:		
Loan	5,199.18	2,407.76
Retention	145.20	57.29
Loan Processing Charges	54.96	20.04
Guarantee Charges	1,010.07	586.99
Total	**6,409.41**	**3,072.08**

Note 33 : Depreciation and Amortization Expense:

(₹ in Lakhs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Depreciation on Tangible Assets	8,756.64	6,985.19
Amortization on Intangible Assets	57.55	45.25
Amortization of Deferred Retention Assets	410.14	689.95
Total	**9,224.33**	**7,720.39**

Note 34 : Other Expenses

(₹ in Lakhs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Consumption of Stores and Spare parts*	4,920.97	2,499.21
Power & Fuel	519.51	404.45
Contract Paid	65,463.16	37,384.75
Hire Charges of Machineries	845.30	925.29
Other Manufacturing & Construction expenses	2,335.49	3,046.49
Rent (refer note no 40)	924.60	459.83
Insurance	718.70	444.53
Repairs to Buildings	47.88	29.07
Travelling and Conveyance	374.89	362.70
Legal & Professional Expenses	762.71	345.59
Rates and Taxes**	19,586.25	8,413.68
Auditor's Remuneration***	30.56	30.61
Tender & Survey Expenses	145.12	83.04
Hire charges of Vehicles	-	45.52
Director's Sitting fees	6.50	6.90
Corporate Social Responsibility	432.90	362.04
Impairment Allowance for doubtful advances	332.50	-
Contribution to Political Party	500.00	-
Miscellaneous and General Expenses****	841.25	1,496.63
Total	**98,788.29**	**56,340.33**

* Being all material repair jobs are done in-house, the expenses of repair to plant and machinery are not significant, and also because numerous repair jobs are done and it is difficult to segregate the repair expenses from consumption of store & spares.

** Includes Sales/Works contract tax and GST (net) of ₹ 17415.34 lakhs (Previous year ₹ 6515.79 lakhs)

	Year Ended March 31, 2019	Year Ended March 31, 2018
*** Auditor Remuneration includes:		
Audit Fees	29.00	29.00
For Reimbursment of Expenses	1.56	1.61

**** Includes Foreign Exchange Gain of ₹ 275.11 lakhs.(Previous year Foreign Exchange Loss ₹ 874.19 lakhs)

CORPORATE SOCIAL RESPONSIBILITY

The Company planned towards CSR activities at least two per cent of the average net profits of the company made during the three immediately preceding financial years. Accordingly Company was required to spend ₹ 420.00 Lakhs (P.Y. ₹ 357.00 lakhs) for the Financial Year 2018-19 and Company has spent ₹ 432.90 (P.Y. ₹ 362.04)Lakhs.

NOTES TO FINANCIAL STATEMENTS

for the financial year ended March 31, 2019

Note 35 : Tax Expense

A. Income Tax Expenses

(₹ in Lakhs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
(a) Current tax		
Current tax on profit for the period	8,287.77	3,230.41
Adjustments for current tax of prior periods	(6,578.13)	(4,984.95)
Total Current tax expense	**1,709.64**	**(1,754.54)**
(b) Deferred tax		
Decrease (increase) in deferred tax assets	(499.60)	94.44
(Decrease) increase in deferred tax Liabilities	703.00	(51.33)
Total Deffered Tax Expenses	**203.40**	**43.12**
Total Income tax Expense	**1,913.04**	**(1,711.42)**

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

(₹ in Lakhs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Profit before tax	34,404.26	23,392.67
Tax at Indian tax rate of 34.944% (F.Y. 2017-18-34.608%)	**12,022.22**	**8,095.74**
Tax Adjustments for earlier years		
Current Tax	(6,578.13)	(4,984.95)
Others:		
Income Tax Exempt under Tax Holiday	(3,930.36)	(5,266.96)
Expenses not allowed for tax puposes	195.90	401.63
Decrease (Increase) in deferred tax assets/Liabilities		
Retention & Deferred Retention Assets	3.08	(1.04)
Retention & Deferred Retention Liabilities	(2.84)	0.95
Gratuity & Leave encashment	(101.40)	(52.27)
Property, plant & equipment	304.56	95.49
Income Tax expenses Charged to P/L	**1,913.04**	**(1,711.42)**

Note 36 : Earning Per Share

In accordance with Ind-AS 33 on 'Earning Per Share', the following table reconciles the numerator and denominator used to calculate Basic and Diluted earning per Share:

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
(a) Profit/(Loss) available to Equity Shareholders (₹ In lakhs)	32,491.22	25,104.10
(b) Weighted Average Number of Equity Shares	256,539,165	256,539,165
(c) Nominal value of Equity Shares (in ₹)	2.00	2.00
(d) Basic and Diluted Earnings Per Share [(a)/(b)]	**12.67**	**9.79**

NOTES TO FINANCIAL STATEMENTS
for the financial year ended March 31, 2019

Note 37 : Contingent Liabilities & Assets

(₹ in Lakhs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Claims against the Company not acknowledged as debts		
Disputed demand of Income Tax for A.Y. 2010-11. (During the Previous Year Disputed demand of Income Tax includes, net of advance tax & TDS under verification, adjusted from demand of ₹ 33.51 crore arised in assessment of search proceedings up to AY 2012-13) for which company has won the appeal, but limitation of period for further appeal has not expired.)	645.81	1,125.93
Disputed demand of Sales Tax/VAT for which company preferred appeal	9,870.06	9,200.12
Disputed demand of Service Tax for which company preferred appeal	572.57	549.74
Disputed demand of Entry Tax for which company preferred appeal	592.79	176.03
Others (including motor accident, labour & civil matters)	421.04	438.27
(Interest and penalties if any, on above cases will be decided at the time of settlement)		

Note 37.1 : The status of various project claims in arbitrations is as under :

(a) The company had initiated arbitral proceedings against the Uttar Pradesh Public Works Department (UP PWD) for compensation for ₹ 851.31 lakhs (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 lakhs (including interest) in favors of the Company. The respondent UP PWD has preferred objection against the aforesaid award before the Distt. Judge Mathura and the case is still pending with Hon. Distt. Judge Mathura. Treatment of the same will be done on final settlement.

(b) Further, the Company has filed Eight arbitration claims including claims for delay damages and interest which are pending at arbitration stage. The same will be accounted for on final settlement.

Note 38 : Guarantees

(₹ in Lakhs)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
(i) Bank Guarantees - Executed in favour of National Highways Authority of India and others	245,456.76	206,027.18
(ii) Corporate guarantee -		
- The outstanding liability at reporting date against the corporate guarantee of ₹ 20500.00 Lakhs 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)	8,641.85	9,984.84
- The outstanding liability at reporting date against the corporate guarantee of ₹ 5361.00 Lakhs in favour of India Infrastructure Finance Compnay Limited for securing their debt to a subsidiary PNC Raibareli Highways Private Limited for discharging the differential between the secured obligation and termination payment.	-	5,361.00

NOTES TO FINANCIAL STATEMENTS

for the financial year ended March 31, 2019

Note 39 : Commitments

(₹ in Lakhs)

	Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
(a)	Estimated amount of contracts remaining to be executed on capital account and not provided for, Including Letter of Credit against Capital P.O. amounting of ₹ 1219.93 Lakhs	7,911.12	424.86
(b)	Capital Commitment for Equity and others (Net of Investment)		
	PNC Rajasthan highways Private Limited	642.00	1,947.00
	PNC Chitradurga Highways Pvt Ltd	5,201.00	10,377.00
	PNC Bundelkhand Highways Pvt Ltd	6,400.00	12,575.00
	PNC Khajurao Highways Pvt Ltd	6,110.00	9,985.00
	PNC Triveni Sangam Highways Pvt Ltd	18,885.00	-
	PNC Aligarh Highways Pvt Ltd	12,175.00	-
	PNC Challakere Highways Pvt Ltd	10,675.00	-

Note 40 : Leases

Disclosure as required under AS - 17 "Leases" as prescribed under Companies (Accounting Standards) Rules, 2006 for the Company is given below:

(a) The Company has entered into cancellable/non-cancellable leasing agreement for office, residential and warehouse premises renewable by mutual consent on mutually agreeable terms.

(b) Future minimum lease payments under non-cancellable operating lease are as under:

(₹ in Lakhs)

Particulars	Future Minimum Lease Rentals			Period of Lease
	Less than 1 Year	Between 1 to 5 Years	More than 5 Years	
Office Premises	99.97	486.60	505.54	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 ₹ 924.60 Lakhs (PY ₹ 459.83 Lakhs).

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

Note 41 : Disclosure pursuant to Indian Accounting Standard-115 " Revenue form Contracts"

(₹ in Lakhs)

(a)	Type of Goods or Service	Construction Services
(b)	Geographical Region	India
(c)	Market or Type of Customer	Government and Non-Government
(d)	Type of Contract	Fixed-price Construction Contracts
(e)	Contract Duration	Long-term Contracts
(f)	Timing of transfer of goods or service	Transferred over time
(g)	Sales Channels	Directly to consumers

NOTES TO FINANCIAL STATEMENTS
for the financial year ended March 31, 2019

Note 42 : Related Party Disclosures

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

A. List of Related Parties and Relationships

Subsidiaries (The Ownership Directly or Indirectly through subsidiaries)

1	MP Highways Private Limited
2	PNC Kanpur Highways Limited
3	PNC Delhi Industrialinfra Private Limited.
4	Hospet Bellary Highways Private Limited.
5	PNC Infra Holdings Limited
6	Ferrovia Transrail Solutions Private Limited
7	PNC Kanpur Ayodhya Tollways Private Limited
8	PNC Raebareli Highways Private Limited
9	PNC Bareilly Nainital Highways Private Limited.
10	PNC Rajasthan Highways Pvt Ltd
11	PNC Bundelkhand Highways Pvt Ltd
12	PNC Khajurao Highways Pvt Ltd
13	PNC Chitradurga Highways Pvt Ltd
14	PNC Triveni Sangam Highways Pvt Ltd
15	PNC Aligarh Highways Pvt Ltd
16	PNC Challakere Karnataka Highways Pvt Ltd

Associates

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

Key Managerial Personal (KMP)

1	Pradeep Kumar Jain	(Chairman and Managing Director)
2	Chakresh Kumar Jain	(Managing Director & Chief Financial Officer)
3	Yogesh Kumar Jain	(Managing Director)
4	Anil Kumar Rao	(Whole Time Director)
5	Tapan Jain	(Company Secretary)

Relatives of KMP

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

NOTES TO FINANCIAL STATEMENTS

for the financial year ended March 31, 2019

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

1 MA Buildtech Private Limited

2 Taj Infra Builders Private Limited

3 Ideal Buildtech Private Limited

4 Subhash International Private Limited

5 Exotica Buildtech Private Limited

6 Shri Mahaveer Infrastructures Pvt Ltd

B. Transactions with Related Parties

(₹ in Lakhs)

S.No.	Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
	Transactions during the Year		
1	**Receipt on account of EPC and Other Contract**		
	Subsidiaries Companies		
	MP Highways Private Limited	-	802.28
	PNC Kanpur Highways Limited	1,009.50	1,525.31
	PNC Raebareli Highways Private Limited	2,529.84	5.66
	PNC Kanpur Ayodhya Tollways Pvt Ltd	5,581.32	4,274.65
	PNC Rajasthan Highways Pvt. Ltd.	18,327.65	36,830.49
	PNC Khajurao Highways Pvt Ltd	40,843.75	9,017.06
	PNC Chitradurga Highways Pvt Ltd	39,043.36	6,709.84
	PNC Bundelkhand Highways Pvt Ltd	34,017.55	6,338.36
	Associates Compay		
	Ghaziabad Aligarh Expressway Private Limited	563.64	50.60
	Total	**141,916.61**	**65,554.25**
2	**Payment of Rent/Services**		
	Entities controlled/influenced by KMP and their relatives		
	Subhash International Private Limited	99.97	89.82
	Exotica Buildtech Private Limited	8.05	9.66
	Shri Mahaveer Infrastructures Pvt Ltd	3.20	-
	Pradeep Kumar Jain HUF	12.75	9.00
	Naveen Kumar Jain HUF	10.63	7.50
	Yogesh Kumar Jain HUF	8.50	5.50
	Pradeep Kumar Jain	9.56	6.75
	Naveen Kumar Jain	9.56	6.75
	Chakresh Kumar Jain	10.63	7.50
	Yogesh Kumar Jain	10.63	7.50
	Meena Jain	24.04	21.11
	Madhvi Jain	13.42	13.61
	Renu Jain	13.42	9.72
	Ashita Jain	13.42	13.61
	MA Buildtech Private Limited	3.00	8.00
	Taj Infra Builders Private Limited	9.00	9.00
	Ideal Buildtech Private Limited	-	2.40
	Total	**259.78**	**227.43**

NOTES TO FINANCIAL STATEMENTS
for the financial year ended March 31, 2019

S.No.	Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
3	**Mobilization Advance Received/Security Deposits**		
	Subsidiaries Companies		
	PNC Rajasthan Highways Pvt Ltd	-	8,810.00
	PNC Chitradurga Highways Pvt Ltd	2,300.88	14,170.00
	PNC Khajurao Highways Pvt Ltd	6,550.00	6,550.00
	PNC Bundelkhand Highways Pvt Ltd	14,100.00	-
	PNC Kanpur Ayodhya Tollways Pvt Ltd	1,454.84	-
	Total	**24,405.72**	**29,530.00**
4	**Sale/Purchase of Investment/Loan and Shares Application Money in Equity Share Capital**		
	Subsidiaries Companies		
	PNC Infraholdings Limited	7,824.00	2,721.50
	PNC Delhi Industrialinfra Private Limited	500.00	1,450.00
	PNC Bareilly Nainital Private Limited	3,900.00	1,400.00
	PNC Bundelkhand Highways Pvt Ltd	3,136.00	0.00
	PNC Khajurao Highways Pvt Ltd	2,100.00	0.00
	PNC Chitradurga Highways Pvt Ltd	2,700.00	0.00
	PNC Rajasthan Highways Pvt. Ltd.	1,304.00	2,600.00
	PNC Triveni Sangam Highways Pvt Ltd	50.00	0.00
	PNC Aligarh Highways Pvt Ltd	150.00	-
	PNC Challakere Highways Pvt Ltd	300.00	-
	Associates Compay		
	Ghaziabad Aligarh Expressway Private Limited	4,340.25	3,735.84
	Total	**26,304.25**	**11,907.34**
5	**Interest Income**		
	Subsidiaries Companies		
	PNC Bareilly Nainital Highways Pvt. Ltd.	607.25	241.19
	PNC Delhi Industrial Infra Pvt. Ltd.	863.34	830.10
	Total	**1,470.59**	**1,071.29**
6	**Other Professional, Technical & Business Services**		
	Subsidiaries Companies		
	Ferrovia Transrail Solutions Pvt Ltd	17.14	-
	Total	**17.14**	**-**
7	**Interest Expenses**		
	Subsidiaries Companies		
	PNC Rajasthan Highways Pvt Ltd	178.98	241.45
	PNC Chitradurga Highways Pvt Ltd	805.61	13.48
	PNC Bundelkhand Highways Pvt Ltd	471.89	-

NOTES TO FINANCIAL STATEMENTS

for the financial year ended March 31, 2019

S.No.	Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
	PNC Khajurao Highways Pvt Ltd	651.60	1.12
	Total	**2,108.08**	**256.05**
8	**Corporate Guarntee Given/(Extinguished) on behalf of**		
	Subsidiaries Companies		
	PNC Delhi Industrial Infra Pvt. Ltd.	-	4,300.00
	PNC Delhi Industrial Infra Pvt. Ltd.	-	(4,300.00)
	Total	**-**	**-**
9	**Key management personnel compensation**		
	Short Term Employee Benefits		
	Pradeep Kumar Jain	234.00	180.00
	Naveen Kumar Jain	-	108.00
	Chakresh Kumar Jain	210.00	162.00
	Yogesh Kumar Jain	210.00	162.00
	Anil Kumar Rao	71.08	188.15
	Bijali Rao	16.20	16.20
	Harshvardhan Jain	25.50	24.00
	Ashish Jain	34.30	32.55
	Ishu Jain	1.60	4.80
	Tapan Jain	14.04	10.80
	D K Agarwal	-	9.24
	Total	**816.72**	**897.74**

C. Balances Outstanding at Reporting Date

(₹ in Lakhs)

S.No.	Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
1	**Amount Recoverable**		
	Subsidiaries Companies		
	PNC Rajasthan Highways Pvt. Ltd.	12,947.56	6,575.27
	PNC Delhi Industrialinfra Private Limited	8,377.01	7,282.00
	PNC Bareilly Nainital Highways Private Limited	7,586.79	4,796.70
	PNC Raebareli Highways Private Limited	85.37	116.69
	PNC Kanpur Ayodhya Tollways Private Limited	25.79	310.92
	MP Highways Private Limited	159.03	235.50
	Ferrovia Transrail Solutions Private Limited	-	-
	PNC Kanpur Highways Limited	219.36	314.04
	PNC Khajurao Highways Pvt Ltd	-	3,106.29
	PNC Bundelkhand Highways Pvt Ltd	4,213.90	6,750.36
	Associates Compay		
	Ghaziabad Aligarh Expressway Private Limited	15,718.07	11,363.84
	Entities controlled/influenced by KMP and their relatives		

S.No.	Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
	Subhash International Private Limited	724.23	724.23
	Meena Jain	25.00	25.00
	Madhvi Jain	25.00	25.00
	Renu Jain	25.00	25.00
	Ashita Jain	25.00	25.00
	Total	**50,157.11**	**41,675.84**
2	**Amount Payable**		
	Subsidiaries Companies		
	PNC Chitradurga Highways Pvt Ltd	7,592.34	7,036.14
	PNC Khajurao Highways Pvt Ltd	1,616.06	-
	Entities controlled/influenced by KMP and their relatives		
	Shri Mahaveer Infrastructures Pvt Ltd	0.36	-
	Pradeep Kumar Jain HUF	1.35	-
	Naveen Kumar Jain HUF	1.13	-
	Yogesh Kumar Jain HUF	0.90	-
	Pradeep Kumar Jain	1.01	-
	Naveen Kumar Jain	1.01	-
	Chakresh Kumar Jain	1.13	-
	Yogesh Kumar Jain	1.13	-
	Meena Jain	2.26	-
	Madhvi Jain	1.14	-
	Renu Jain	1.14	-
	Ashita Jain	1.14	-
	MA Buildtech Private Limited	0.22	-
	Taj Infra Builders Private Limited	0.67	-
	Total	**9,222.99**	**7,036.14**
3	**Corporate Guarntee Given on behalf of**		
	Subsidiaries Companies		
	PNC Raebareli Highways Private Limited	-	5,361.00
	Associates Compay		
	Ghaziabad Aligarh Expressway Private Limited	8,641.85	9,984.84
	Total	**8,641.85**	**15,345.84**

D. Terms and Conditions

The transactions with the related parties are made on term equivalent to those that prevail in arm's length transactions. The assessment is under taken each financial year through examining the financial position of the related party and in the market in which the related party operates. Outstanding balances are unsecured and will be settled in cash.

NOTES TO FINANCIAL STATEMENTS

for the financial year ended March 31, 2019

Note 43 : Detail of Employee Benefit Expenses

The disclosures required by Ind- AS-19 "Employee Benefits" are as under:

(a) Defined Contribution Plan

(i) The contribution to providend fund is charged to accounts on accrual basis. The contribution made by the company during the year is ₹ 73.65 Lakhs (previous year ₹ 41.69 lakhs)

(ii) In respect of short term employee benefits, the company has at present only the scheme of cumulative benefit of leave encashment payable at the time of retirement/cessation and the same have been provided for on accrual basis as per actuarial valuation.

(b) Defined Benefit Plan

(i) Liability for retiring gratuity as on March 31, 2019 is ₹ 823.92 Lakhs (Previous year ₹ 568.69 Lakhs). The liability for Gratuity is actuarially determined and provided for in the books.

(ii) Details of the company's post-retirement gratuity plans and leave encashment for its employees including whole-time directors are given below, which is certified by the actuary and relied upon by the auditors

(₹ in Lakhs)

	Particulars	Gratuity	
		2018-19	2017-18
1.	**Change in Present Value of Obligation**		
	Present value of obligation at the beginning of the period	832.08	619.57
	Acquisition cost		
	Interest cost	66.57	43.14
	Current service cost	206.93	120.51
	Past service cost	-	2.64
	Benefits paid	-	(6.47)
	Actuarial gain/(loss) on obligation		
	a) Effect of changes in demographic assumptions	15.36	
	b) Effect of changes in financial assumptions	23.53	(18.22)
	c). Effect of experience adjustments	40.53	70.92
	Present value of obligation at end of period	**1,185.00**	**832.08**
	Current Obligation	215.72	222.01
	Non Current Obligation	**969.28**	**610.07**
2.	**Change in Fair Value of Plan Assets**		
	Fair value of plan assets at the beginning of the period	263.40	221.47
	Acquisition adjustment		
	Interest Income	24.98	16.97
	Contributions	73.66	41.69
	Benefits paid	-	(6.47)
	Actuarial gain/(loss) on plan assets	(0.96)	(10.26)
	Fair value of plan assets at the end of the period	**361.08**	**263.40**
3.	**Amount to be recognised in Balance Sheet**		
	Present value of obligation as at end of the period	1,185.00	832.08
	Fair value of plan assets as at the end of the period	(361.08)	(263.40)
	Funded Status	-	568.67
	Net Asset/(liability) recognised in Balance Sheet	**823.92**	**568.69**

(₹ in Lakhs)

Particulars		Gratuity 2018-19	Gratuity 2017-18
4.	**Expenses recognised in the statement of profit & loss.**		
	Current service cost	206.93	120.51
	Past service cost	-	2.64
	Net Interest cost		
	Interest Expense on DBO	66.57	43.14
	Interest (income) on plan assets	24.98	16.97
	Total Net Interest Cost	**41.59**	**26.17**
	Net actuarial (gain)/loss recognised in profit/loss		
	Expenses recognised in the statement of Profit & Loss	**248.52**	**149.32**
5.	**Recognised in other comprehensive income for the year**		
	a) Effect of changes in demographic assumptions	15.36	-
	b) Effect of changes in financial assumptions	23.53	(18.22)
	c) Effect of experience adjustments	40.53	70.92
	d) (Return) on plan assets (excluding interest income)	(0.96)	(10.26)
	e) Changes in asset ceiling (excluding interest income)	-	-
	f) Total remeasurements included in OCI	80.37	62.97
	Actuarial gain/(loss) for the year on DBO	79.41	52.70
	Returns above interest cost	(0.96)	(10.26)
	Actuarial gain/(loss) for the year on Asset	-	-
	Unrecognized actuarial gain/(loss) at the end of the year	-	-
6.	**Maturity Profile of Defined Benefit Obligation**		
	1. Within the next 12 months (next annual reporting period)	215.72	222.01
	2. Between 2 and 5 years	607.79	472.82
	3. Between 6 and 10 years	429.30	232.62
7.	**Quantitative sensitivity analysis for significant assumptions is as below**		
	Impact of the change in discount rate		
	Present Value of Obligation at the end of the period		
	a. Impact due to increase of 100 Basis Points	1,135.16	806.59
	b. Impact due to decrease of 100 Basis Points	1,239.45	859.39
	Impact of the change in salary increase		
	Present Value of Obligation at the end of the period		
	a. Impact due to increase of 1 %	1,231.72	854.86
	b. Impact due to decrease of 1 %	1,141.16	810.33
	Attrition Rate		
	Present Value of Obligation at the end of the period		
	a. Impact due to increase of 1 %	1,173.52	827.68
	b. Impact due to decrease of 1 %	1,197.05	836.62

Sensitivities due to mortality & withdrawals are not material & hence impact of change not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

NOTES TO FINANCIAL STATEMENTS

for the financial year ended March 31, 2019

(iii) Sensitivity Analysis Method

Sensitivity analysis is determined based on the expected movement in liability if the assumptions were not proved to be true on different count.

Sensitivity analysis - DBO end of Period	31.03.2019	31.03.2018
1. Discount rate +100 basis points	1,135.16	806.59
2. Discount rate -100 basis points	1,239.45	859.39
3. Salary Increase Rate +1%	1,231.72	854.86
4. Salary Increase Rate -1%	1,141.16	810.33
5. Attrition Rate +1%	1,173.52	827.68
6. Attrition Rate -1%	1,197.05	836.62

Significant Actuarial assumptions	31.03.2019	31.03.2018
a) Economic Assumptions		
i. Discounting Rate -current year	7%	8%
Discounting Rate - Previous Year	8%	7%
ii. Salary escalation	9%	9%
iii. Attrition rate	20%	25%
b) Demographic Assumption		
i) Retirement Age (Years)	60	58
ii) Mortality rates inclusive of provision for disability	IALM (2012 - 14) Ultimate	IALM (2006 - 08) Ultimate
Disability	Nil	Nil

Mortality Rates for specimen ages

Age	Mortality Rate	Age	Mortality Rate
18	0.000874	43	0.002144
23	0.000936	48	0.003536
28	0.000942	53	0.006174
33	0.001086	58	0.009651
38	0.001453	60	0.011162

(C) Defined Term Employee Benefits Leave Obligation

(₹ in Lakhs)

Particulars	Leave Enchasement	
	2018-19	2017-18
Present Value of unfunded obligation	345.02	174.83
Expeses recognised in Statement of Profit and Loss	170.19	39.59
Discount rate (p.a)	7%	8%
Salary escalation rate (p.a)	9%	9%

Note 44 : Fair Value Measurement

Financial instruments by category

(₹ in Lakhs)

Particulars	As at March 31, 2019			As at March 31, 2018		
	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI
Financial Asset						
Investments						
-Investments in equity instruments (Refer Note 7C)		55.54	-	-	55.54	-
Trade receivables (Refer Note 12)	61,543.47			68,999.08		
Cash and cash equivalents (Refer Note 13(i))	25,186.61	-	-	10,611.32	-	-
Bank Balances (Refer Note 13(ii))	5,755.53			4,117.72		
Loans (Refer Note 14)	-	36,548.29		-	17,239.01	
Other Financial Assets (Refer Note 8 & 15)	29,532.67		-	24,036.25		-
Total Financial Assets	**122,018.28**	**36,603.83**	**-**	**107,764.37**	**17,294.55**	**-**
Financial Liabilities						
Borrowings (Refer Note 19 & 25)	37,473.41			16,970.85		
Trade payables (Refer Note 24)	47,374.37			46,284.49		
Other Financial Liabilities (Refer Note 20 & 25)	30,804.22			20,659.49		
Total Financial Liabilities	**115,652.00**	**-**	**-**	**83,914.83**	**-**	**-**

(i) Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (A) recognised and measured at fair value and (B) measured at amortised cost and for which fair values are disclosed in financial statements. To provide an indication about the reliability of inputs used in determining fair values, the group has classified its financial instruments into three levels prescribed under the accounting standards.

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3 as described below :-

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

NOTES TO FINANCIAL STATEMENTS
for the financial year ended March 31, 2019

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

(₹ in Lakhs)

Particulars	Fair Value Measurement using		
	Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
(A) Financial Asset and Liabilities measured at fair value through profit and loss or other comprehensive income at March 31, 2018			
-Investment in Equity			55.54
Total	-	-	**55.54**
Financial Assets and Liabilities measured at amortised cost for which fair values are disclosed at March 31, 2018			
(i) Financial Assets			
- Security Deposit			8,563.15
Total	-	-	**8,563.15**
(ii) Financial Liabilities			
- Borrowings		16,970.85	
- Retentions			6,524.96
- Others		4,200.92	
Total	-	**21,171.77**	**6,524.96**

(₹ in Lakhs)

Particulars	Fair Value Measurement using		
	Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
(A) Financial Asset and Liabilities measured at fair value through profit and loss or other comprehensive income at March 31, 2019			
-Investment in Equity			55.54
Total	-	-	**55.54**
Financial Assets and Liabilities measured at amortised cost for which fair values are disclosed at March 31, 2018			
(i) Financial Assets			
- Security Deposit			11,212.55
Total	-	-	**11,212.55**
(ii) Financial Liabilities			
- Borrowings		37,473.41	
- Retentions			11,141.06
- Others		-	
Total	-	**37,473.41**	**11,141.06**

(ii) Valuation techniques used to determine Fair value

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Specific valuation technique used to value financial instrument includes:

- the use of quoted market prices or dealer quotes for similar financial instruments.
- the fair value of financial assets and liabilities at amortised cost is determined using discounted cash flow analysis.

The following method and assumptions are used to estimate fair values:

The Carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents, short term deposits etc. are considered to be their fair value , due to their short term nature.

Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. For borrowing fair value is determined by using the discounted cash flow (DCF) method using discount rate that reflects the issuer's borrowings rate. Risk of non-performance for the company is considered to be insignificant in valuation.

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

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

Note 45 : FINANCIAL RISK MANAGEMENT

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

The Company's activities are exposed to market risk, credit risk and liquidity risk.

I. Market risk

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

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regard to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of the fixed rate and floating rate financial instruments in its total portfolio.

(i) The exposure of Company borrowings to interest rate changes at the end of reporting period are as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Variable rate borrowings	-	-
Fixed rate borrowings*	37,473.41	16,970.85
Total borrowings	**37,473.41**	**16,970.85**

*For Detail refer Note 19 & 25

NOTES TO FINANCIAL STATEMENTS

for the financial year ended March 31, 2019

(ii) As at the end of reporting period, the company had the following variable rate borrowings. (₹ in Lakhs)

Particulars	As at March 31, 2019			As at March 31, 2018		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Cash Credit Limit	8.91%	-	0.00%	8.88%	-	0.00%
Net exposure to cash flow interest rate risk		-			-	

(iii) Sensitivity

Profit/loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. (₹ in Lakhs)

Particulars	Increase/Decrease in Basis Points		Impact on Profit before Tax	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
INR	+50	+50	-	-
	- 50	- 50	-	-

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company does not operates internationally and as the Company has not obtained any foreign currency loans but import certain machineries and have foreign currency trade payables outstanding and is therefore, exchange to foreign exchange risk.

The company does not hedges its exposure of foreign currency risk.

The carrying amounts of the Company's foreign currency denominated monetary liabilities at the end of the reporting period as follows:

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

Particulars	As at March 31, 2019	As at March 31, 2018
Trade Payable		
- Exposure in Euros (In INR)	7,090.34	6,024.90

Foreign currency sensitivity

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

Particulars	2018-19		2017-18	
	5% increase	5% decrease	5% increase	5% decrease
Euros (In INR)	354.52	354.52	301.24	301.24

(c) Price Risk

The company exposure to equity securities price risk arises from the investments held by company and classified in the balance sheet at fair value through profit and loss. The company does not have any investments whose value will be based on the market observable input at the current year end and previous year which are held for trading. Therefore no sensitivity is provided.

II. Credit risk

Credit risk arises from the possibility that the counterparty will default on its contractual obligations resulting in financial loss to the company. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial conditions, current economic trends, and analysis of historical bad debts and ageing of accounts receivable.

The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an on going basis through each reporting period. To assess whether there is significant increase in credit risk, it considers reasonable and supportive forward looking information such as:

(i) Actual or expected significant adverse changes in business.

(ii) Actual or expected significant changes in the operating results of the counterparty.

(iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligation

(iv) Significant increase in credit risk an other financial instruments of the same counterparty

(v) significant changes in the value of collateral supporting the obligation or in the quality of third party guarantees or credit enhancements

The company major exposure is from trade receivables, which are unsecured and derived from external customers. Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in deposit with Bank for specified time period

The history of Trade Receivable shows a negligible allowance for bad & doubtful debts.

Expected credit loss for trade receivable on simplified approach :

The ageing analysis of the trade receivables (gross of provision) has been considered from the date the invoice falls due:

(₹ in Lakhs)

Ageing	0-180 Days	181-365 Days	More than 365 days	Total
As at March 31, 2019				
Gross Carrying Amount	53,845.66	-	7,697.81	61,543.47
Expected Credit Loss (in ₹)	-	-	-	-
Carrying Amount (net of impairment)	**53,845.66**	**-**	**7,697.81**	**61,543.47**
As at March 31, 2018				
Gross Carrying Amount	60,491.73	126.37	8,380.97	68,999.08
Expected Credit Loss (in ₹)	-	-	-	-
Carrying Amount (net of impairment)	**60,491.73**	**126.37**	**8,380.97**	**68,999.08**

The Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default data over the expected life of the trade receivable and is adjusted for forward- looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analysed. In case of probability of non collection, default rate is 100%

III. Liquidity Risk

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Company requires funds both for short term operational needs as well as for long term capital expenditure growth project. The Company generates sufficient cash flow for operations, which together with the available cash and cash equivalents and short term investments provide liquidity in the short-term and long-term. The Company has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and by matching the matching the maturity profiles of financial assets and liabilities.

NOTES TO FINANCIAL STATEMENTS

for the financial year ended March 31, 2019

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments:

(₹ in Lakhs)

As at March 31, 2019	Carrying Amount	On Demand	Less than One Year	More than one year and less than three year	More than 3 Years	Total
Borrowings	37,473.41	-	9,104.96	19,112.96	9,255.49	37,473.41
Trade payables	47,374.37	-	47,374.37	-	-	47,374.37
Other Liabilities	30,804.22	-	19,663.16	11,141.06	-	30,804.22
Total	**115,652.00**	**-**	**76,142.49**	**30,254.02**	**9,255.49**	**115,652.00**

(₹ in Lakhs)

As at March 31, 2018	Carrying Amount	On Demand	Less than One Year	More than one year and less than three year	More than 3 Years	Total
Borrowings	16,970.85	-	4,115.45	7,616.41	5,238.99	16,970.85
Trade payables	46,284.49	-	46,284.49	-	-	46,284.49
Other Liabilities	20,659.49	-	9,933.61	10,725.88	-	20,659.49
Total	**83,914.83**	**-**	**60,333.55**	**18,342.29**	**5,238.99**	**83,914.83**

Financing arrangements

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

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Cash Credit	75,000.00	65,000.00
Bank Gaurantee	81,257.75	53,398.66
Total	**156,257.75**	**118,398.66**

Note 46 : Capital Management

(a) Risk Management

The primary objective of the Company's Capital Management is to maximize the shareholder value and also maintain an optimal capital structure to reduce cost of capital. The principle source of funding of the company has been and is expected to continue to be, cash generated from its operation supplemented by funding from bank borrowing and the capital market. The Company is not subject to any externally imposed capital requirements.

The Company reqularly considers other financing opportunities to diversify its debt profile, reduse Interest cost.

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

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Debt	37,473.41	16,970.85
Cash & Bank balances	30,942.14	14,729.04
Net Debt	6,531.27	2,241.81
Total Equity	211,519.81	180,669.77
Gearing Ratio	**0.03**	**0.01**

Notes-

(i) Debt is defined as long-term and short-term borrowings including current maturities (excluding derivatives) as described in notes

(ii) Total equity (as shown in balance sheet) includes issued capital and all other equity reserves.

(b) Loan Covenants

In order to achieve this overall objective, the Company capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.Breaches in meeting the financial covenants would permit the bank to call loans and borrowings or charge some penal interest.There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the current years and previous years.

(C) Dividends

(₹ in Lakhs)

Particulars	Recognized in the year ending	
	As at March 31, 2019	As at March 31, 2018
(i) Dividends Recognized		
Final dividend for the year ended 31st March 2018 of ₹ 0.5/- per equity share of ₹ 2/-		
(31st March 2017 ₹ 2.5/- per Equity Share of ₹ 10/-)	1,546.42	1,610.58
(ii) Dividend proposed but not recognised in the books of accounts*		
In addition to the above dividends, for the year ended 31st March 2019 the directors have recommended the payment of a final dividend of ₹ 0.50/-equity share of ₹ 2/-.	1,546.42	1,546.42
(31st March 2018- ₹ 0.5/- per equity share of ₹ 2/-)		

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

Note 47 : Operating Segment Information

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

The Chairman and Managing directors of the company have been identified as The Chief Operating Decision Maker (CODM). The Chief Operating Decision Maker also monitors the operating results as one single segment for the purpose of making decisions about resource allocation and performance assessment and hence, there are no additional disclosures to be provided other than those already provided in the financial statements.

Note 48 : The Company was subject to search U/s 132 of the Income tax Act, 1961 in the month of August 2011. The assessment for returns filed in response of search proceedings has been completed by the Department wherein certain additions were made and partial allowance of claims U/s 80IA which were claimed in the return filed and subsequently allowed by the CIT (A) in favour of the Company. The Department has filled the appeal with Honerable High Court of Allahabad only in one issue of Share Capital and allowed claims of Section 80-IA of which the Company has adjusted it financial in Current Year.

Note 49 : Recent Accounting Pronouncements

Standards issued but not yet effective:

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective. The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

I) Ind AS 116 Leases

Ind AS 116 Leases was notified by MCA on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. The principle of Ind AS 116 is that it requires lessee to recognize assets and liabilities for all leases with a term of more than 12 month, unless the underlying assets is of low value. A lessee is required to recognize a right-of-use asset representing its right of use the underlying leased assets and a lease liability representing its obligation to make lease payment. As a consequence, a lessee recognizes depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and present them in the statement of cash flow.

NOTES TO FINANCIAL STATEMENTS

for the financial year ended March 31, 2019

The effective date for adoption of Ind AS 116 is annual period beginning on or after April 1, 2019. The standard permit two possibe method of transition:

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

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

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

Certain practical expedients are available under both the method.

On completion of evaluation to the effect of adoption of Ind AS 116, the company is proposing to use the "Modified Retrospective Approach" for transitioning to Ind AS 116, and take amount equal to lease liability as Right-of-use, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted.

The effect of adoption as on transition date would majorly result in an increase in Right of use asset approximately by ₹ 995.47 lakhs and an increase in lease liability approximately by ₹ 995.47 lakhs.

ii) Ind AS 12 Income taxes:

On March 30, 2019, Ministry of Corporate Affairs issues amendments to the guidance in IND As 12, ""Income Tax"", in connection with accounting for dividend distribution taxes.

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

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

iii) Ind AS 19 - plan amendment, curtailment or settlement

On March 30, 2019, Ministry of Corporate Affairs issues amendments to IND As 19, 'Employee Benefits' in connection with accounting for plan amendments, curtailments or settlements.

The amendments require an entity:

- To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendments, curtailments or settlements; and
- To recognize in profit or loss as part of past service cost, or a gain or loss on settlements, any reduction in a surplus, even if that surplus was not previously recognized because of that impact of the asset ceilling.

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

iv) Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments

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

The standard permits two possible methods of transition

i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and

ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

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

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

Note 50 : The Company and S P Singla Construction Pvt Ltd has formed a Joint Venture (JV) namely "PNC-SPSCPL JV" specifying their ratios. Two projects were awarded to JV by National Highway Authority of India (NHAI).

The JV has further awarded the contract to Joint Venturers in their respective ratio as specified in the contract with NHAI.

The biling to NHAI is being done by JV after consolidating of bills submitted by the Joint Venturers.

None of the Joint Venturers has employed any capital to this JV.

As per our report of even date attached.

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

Neeraj Bansal
Partner
Membership No. 95960

Place: Agra
Date: May 24, 2019

Tapan Jain
Company Secretary
M. No. A22603

On behalf of the Board of Directors

Pradeep Kumar Jain
Chairman and Managing Director
DIN 00086653

Chakresh Kumar Jain
Managing Director and Chief Financial Officer
DIN 00086768