Change Creator

PNC Infratech Limited

Annual Report, 2009-10

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Forward looking statement

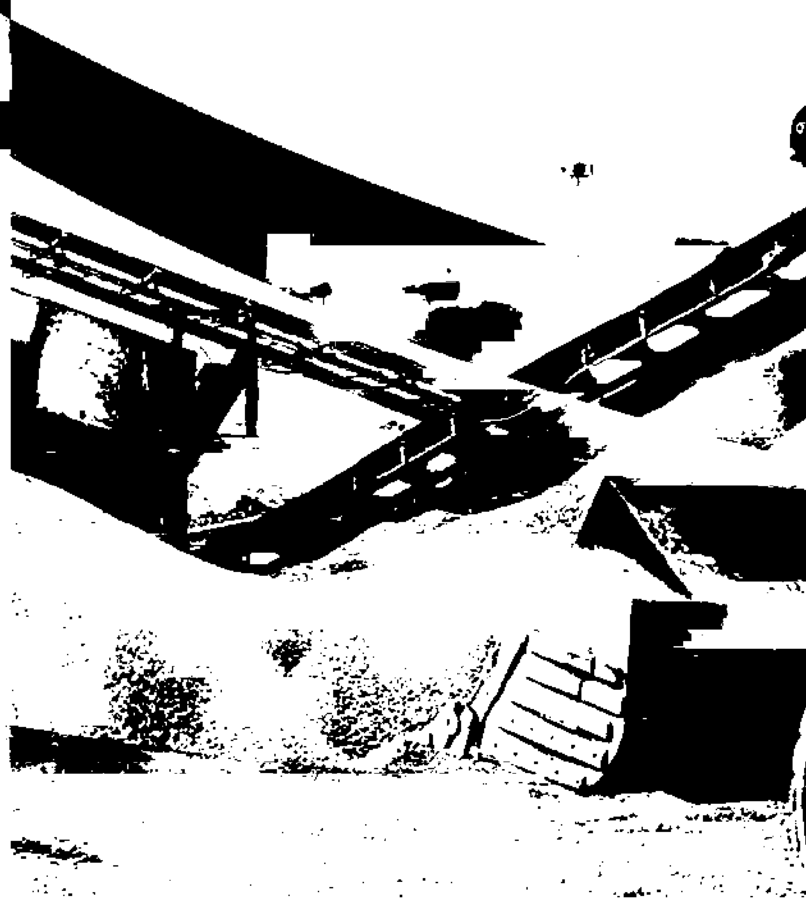
In this annual report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

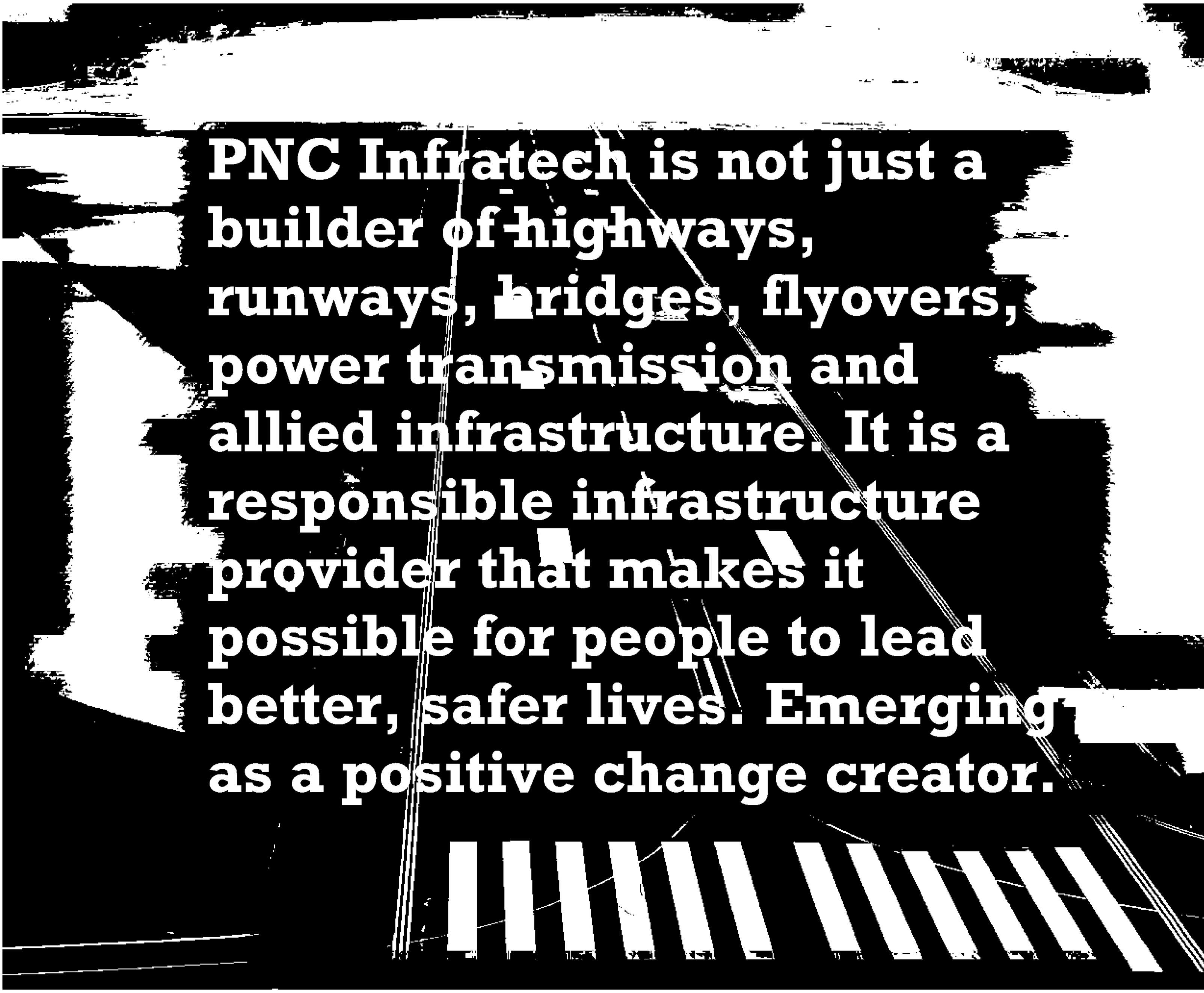
We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Disclaimer

"The Company is proposing, subject to market conditions and other considerations, an initial public offer of its equity shares and will file a [Draft] Red Herring Prospectus with SEBI. Prospective investors are advised to refer to the [Draft] Red Herring Prospectus for risk factors and other details. This is a seperate document depicting the Company's performance during the year under review."



In a world where change is the only constant, we like to see ourselves as a responsible change creator.
Touching lives. Inspiring lives. Enriching lives.
Across major Indian states. And in major infrastructure sectors.
For more than eight brand-enhancing customers.



PNC Infratech is not just a builder of highways, runways, bridges, flyovers, power transmission and allied infrastructure. It is a responsible infrastructure provider that makes it possible for people to lead better, safer lives. Emerging as a positive change creator.

Journey over a decade

2001

■ Received 'SS' class certification from the Military Engineer Services

2002

■ Executed its first NHAI road project of the Agra-Gwalior section of NH-3 (NS-4) independently

2003

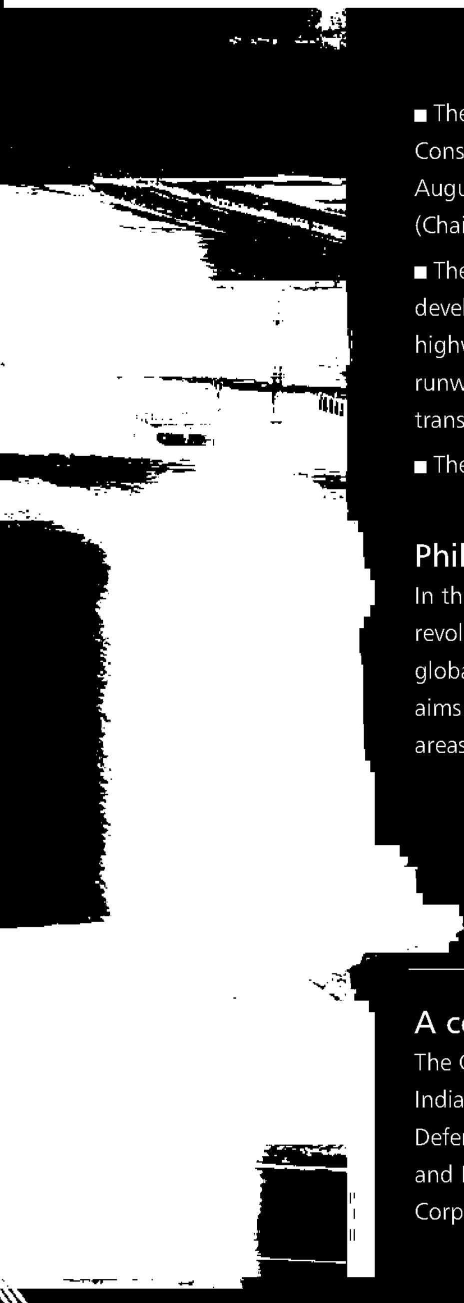
■ Received bonus from NHAI for ahead-of-schedule completion of project (Agra-Gwalior road (NH-3) project)

2004

■ Received ISO 9001:2000 for quality assurance from DNV

2005

■ Executed its first international airport runway project for Airports Authority of India at Kolkata; executed an airport runway project for the Military Engineer Services at Bangalore for air show services



- The Company was incorporated as PNC Construction Company Private Limited on August 9, 1999 by Mr Pradeep Kumar Jain (Chairman and Managing Director).
- The Company is engaged in infrastructure development covering the following segments: highways (including BOT projects), airport runways, bridges, flyovers and power transmission projects, among others.
- The Company's registered office is in New Delhi.
- The Company's operations are spread across Haryana, Karnataka, Madhya Pradesh, Maharashtra, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh, Uttarakhand and West Bengal, among others.
- The Company was awarded the ISO 9001:2008 certification, 'SS' (Super Special) class from the Military Engineering Services and appreciation and accolades from NHAI and the Military Engineer Services, Ministry of Defence.

Philosophy

In this age of technological revolution, one has to think globally and act locally. PNC aims to achieve excellence in all areas of its activity.

Vision

Being a progressive organisation, we are committed to maintaining the status of leadership in the industry and achieve excellence in all spheres of business.

Mission

- Spearhead infrastructure development
- Contribute towards societal development
- Work as per the highest work ethics
- Adopt the latest and eco-friendly technologies
- Think globally and act locally

A company is known by the company it keeps

The Company's major clients include National Highways Authority of India (NHAI), Airports Authority of India (AAI), Public Works Department (PWD), RITES Limited, Military Engineer Services (Ministry of Defence) (MES), Madhya Pradesh Road Development Corporation Limited (MPRDC), Haryana State Road and Bridges Development Corporation Limited (HSRDC) and Uttar Pradesh Power Transmission Corporation Limited (UPPTC), among others.

2006

- Surpassed ₹1,500 million in revenue

2007

Awarded BOT road project by MPRDC, Madhya Pradesh

2008

- Entered into the business of setting up power transmission lines

2009

- Awarded Ghaziabad Aligarh section of NH-91 (km 23.60 to km 140.20) on DBFOT in consortium, by NHAI with the project cost of approximately ₹20,190 million
- Revenue over ₹5,000 million
- Awarded bid contract for ₹3,380 million (largest in value terms) by the Haryana State Roads & Bridges Development Corporation Ltd

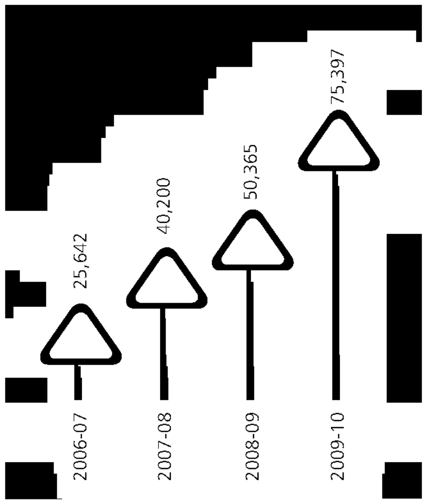
2010

Awarded sole EPC contract of ₹17,250 million for 126 km-long 4/6 laning under DBFOT (design, build, finance, operate and transfer) basis from Ghaziabad to Aligarh of NH-91 in Uttar Pradesh under NHDP Phase III by Ghaziabad Aligarh Expressways Pvt Ltd (SPV for Ghaziabad-Aligarh project)

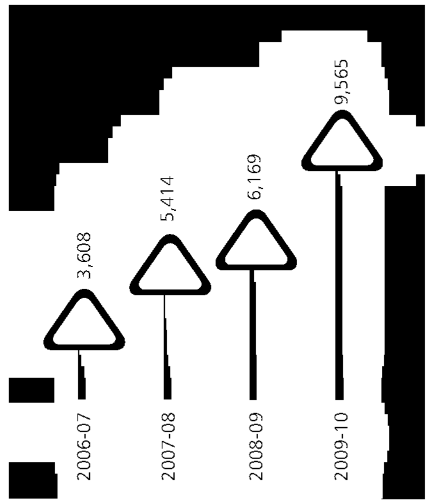
Revenue over ₹7,500 million

Financial trends

Total income *(₹ in lac)*



EBIDTA *(₹ in lac)*



Operational highlights

- Completed 35 major projects
- Embarked on 17 major projects

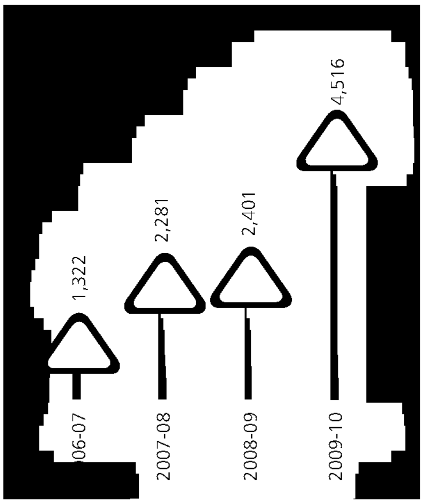
Financial highlights

- Revenue increased 49.70 percent from ₹50,365 lac in 2008-09 to ₹75,397 lac in 2009-10
- EBIDTA increased 55.06 percent from ₹6,169 lac in 2008-09 to ₹9,565 lac in 2009-10
- PAT grew 88.07 percent from ₹2,401 lac in 2008-09 to ₹4,516 lac in 2009-10
- Order book grew 126.64 percent from ₹1,14,500 lac to ₹2,59,505 lac in 2009-10

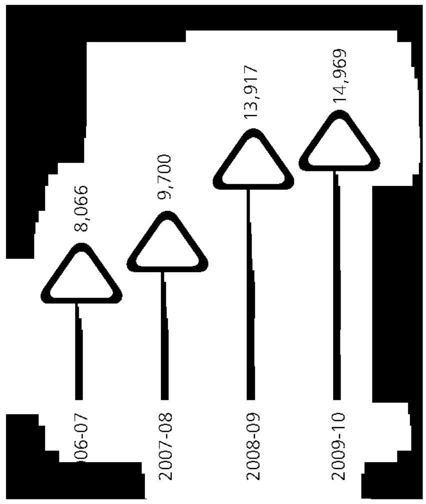
Landmark projects completed

Road projects	Employer	Location
Four-laning of the existing two lane section of the Etawah bypass (km 307.5 to km 321) on NH-2	National Highways Authority of India	Uttar Pradesh
Development of Phase-II of Package-6 for road no. 9. SH-19, Porsa-Mehagon-Mau-Seonda section, totaling 77.4 km	Madhya Pradesh Road Development Corporation Limited (funded by the Asian Development Bank)	Madhya Pradesh
Construction of ROB and approaches on Ajmer-Beawar Road in lieu of L.C. No. 5A/2E	Rajasthan State Road Development and Construction Corporation Ltd	Rajasthan
Four-laning of Agra-Gwalior section (km 8 to km 24) of NH-3, including the construction of a major bridge on the Khari River (contract package No. NS-4)	National Highways Authority of India	Uttar Pradesh
Four-laning of Agra-Gwalior section (km 24 to km 41) of NH-3, including construction of a ROB (contract package No. NS-19)	National Highways Authority of India	Uttar Pradesh
Short-term improvement and maintenance of the Panipat-Jalandhar section (km 96 to km 372.86) on NH-1, including collection of user fee (toll)	National Highways Authority of India	Punjab
Development of the Sagar Beena Road, totalling 71.8 km under Madhya Pradesh Road Sector Development Program Phase I	Madhya Pradesh Road Development Corporation Limited (funded by Asian Development Bank)	Madhya Pradesh
Rehabiliation of Bareilly-Badaun Road (km 56 to km 99)	Public Works Department, Uttar Pradesh (funded by World Bank)	Uttar Pradesh
Construction of F.O.B. across Dahisar river, near Rustomjee School, Dahasr (West), Mumbai	Municipal Corporation of Brihanmumbai	Maharashtra

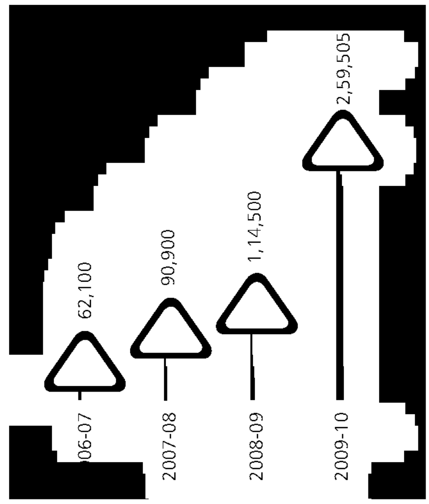
Profit after tax *(₹ in lac)*



Gross block *(₹ in lac)*



Order book *(₹ in lac)*



Road projects	Employer	Location
Construction of 48 km new road in magnet city, Gwalior of Special Area Development Authority of Government of Madhya Pradesh	Special Area Development Authority – Madhya Pradesh	Madhya Pradesh
Construction work under the Uttar Pradesh State Road Project for package no. UPSRP/RMC/37 (Kasganj-Hathras)	Uttar Pradesh – Public Works Department (World Bank funded)	Uttar Pradesh
Construction work under the Uttar Pradesh State Road Project for package no. UPSRP/RMC/42 (Etah-Sikohabad)	Uttar Pradesh – Public Works Department (World Bank funded)	Uttar Pradesh
Widening and strengthening the Garhmukteshwar- Moradabad section of NH-24 to four-lane standards (km 93 to km 149.25) and bridges on NH-87 (Package II) – Part I, joint venture – PNC-BELJV	National Highways Authority of India	Uttar Pradesh

Airport runway projects	Employer	Location
Strengthening of the main runway 19L/01R and providing CAT-II lighting at 19L approach at the NSCBI Airport, Kolkata	Airports Authority of India	West Bengal
Upgradation of airstrips for operation of Boeing 737 type aircrafts at the Saifai, Etawah	RITES Ltd	Uttar Pradesh
Resurfacing of existing runway and shoulders and area drainage works at Air Force Station, Yelahanka	Military Engineer Services	Karnataka
Resurfacing of runway, taxiway at the civil airdrome, Raipur	RITES Ltd	Madhya Pradesh
Resurfacing of hard standing at Mehra Chowk at 402 AFS Chakeri	Military Engineer Services	Uttar Pradesh
Extension and upgradation of the existing Dehradun Airport for the operation of AB-320/B-737-800 type aircrafts	Airports Authority of India	Uttarakhand
Extension of the pavement and allied works services (Group B) at the Air Force Stations, Bidar	Military Engineer Services	Karnataka
Construction of a runway and allied works at Madurai Airport	Airports Authority of India	Tamil Nadu
Construction of the main runway and rapid exit taxi track at the Air Force Station, Pune	Military Engineer Services	Maharashtra
Extension and strengthening of the runway and construction of the new apron and isolation bay and associated works at the Devi Ahilyabai Holkar Airport, Indore	Airports Authority of India	Madhya Pradesh
Construction of a runway, taxi track and civil airport at Meerut	RITES Ltd	Uttar Pradesh
Expansion and strengthening of apron and construction of new taxiway and associated works at the Lucknow Airport	Airports Authority of India	Uttar Pradesh

PNC.
Change creator.
Delighting customers. Changing lives.

Project: Four-laning the existing two-lane section of the Etawah bypass (km 307.5 to km 321) on NH-2

Location: Uttar Pradesh

PNC Infratech took up the challenge of finishing up this leftover job which remained at standstill for years and completed it ahead of extended completion schedule.

Project: Development of Sagar Beena Road (71.8 km)

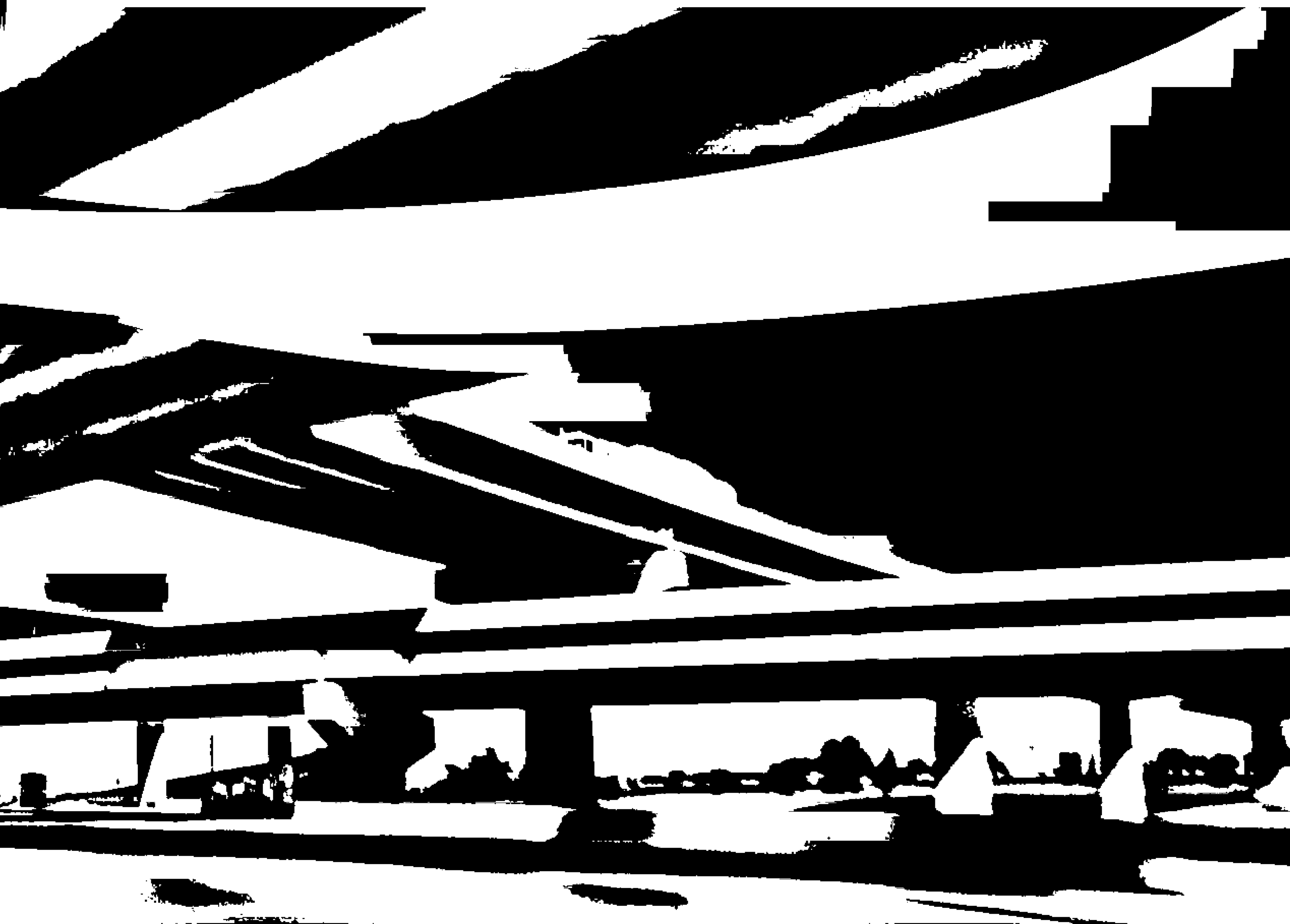
Location: Madhya Pradesh

Even as monsoons delayed construction by 45-60 days, PNC completed the project (71.8 km and five bridges) on schedule which benefited the citizens.

Project: Four-laning of the Agra-Gwalior section of NH-3, including the construction of a major bridge on Khari River

Location: Madhya Pradesh

The project challenges comprised late land acquisition and construction difficulty over the Khari River. The Company completed the project in 21 months and earned Bonus of two months.



Project: Development of road in Porsa-Mehagon-Mau-Seonda section

Location: Madhya Pradesh

Grim law and order situation in the vicinity made this a challenging location. With the help of the state government, the Company completed the project on time.

Project: Extension and strengthening of the runway at Devi Ahilyabai Holkar Airport, Indore

Location: Madhya Pradesh

The Company was required to strengthen the runway as well as construct a new apron and isolation bay. The Company succeeded in doing so even as the airport continued to be in service, accommodating the take-off and landing of 20 flights a day.

Project: Extension and upgradation of the existing Dehradun airport

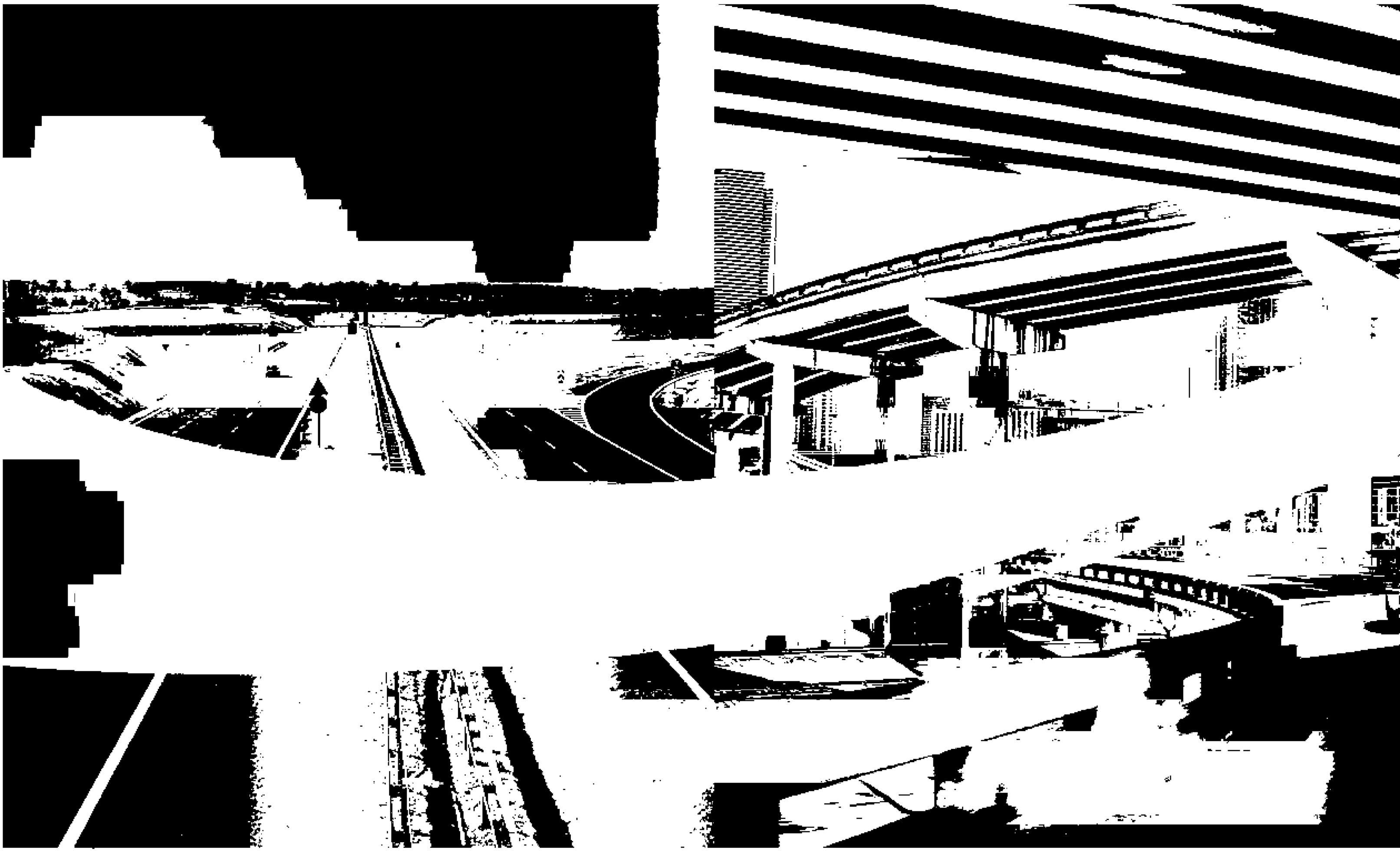
Location: Uttarakhand

Some 25 lac cubic metre of earthwork was required on the runway. The Company completed the project in record time of four months against heavy odds.

Project: Repairs and resurfacing of the shoulders of an existing runway and drainage at Air Force Station, Yelahanka

Location: Karnataka

The project was to be completed in a challenging nine months for the proposed show which is a global event. The Company completed this time bound and prestigious project on schedule to the entire satisfaction of one and all.

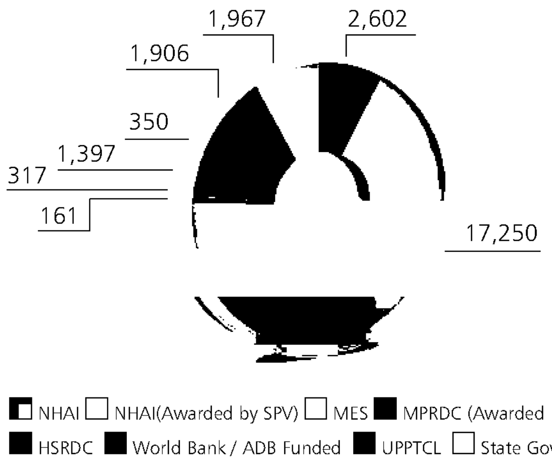


Order book

Client wise order book composition as on March 31, 2010

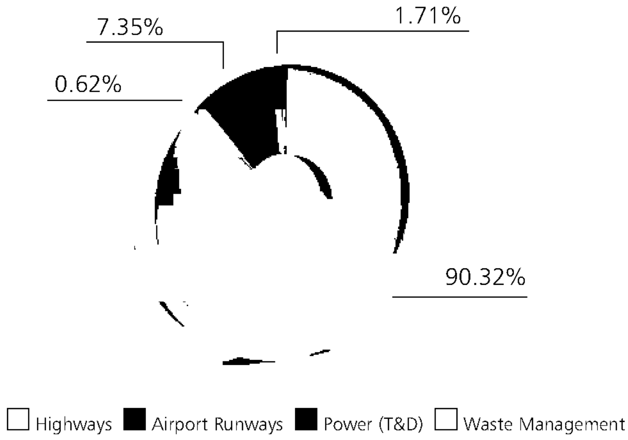
As reflected in the table below, around 76.50 percent of our order book (₹25,950 million) as on March 31, 2010 related to projects of NHAI.

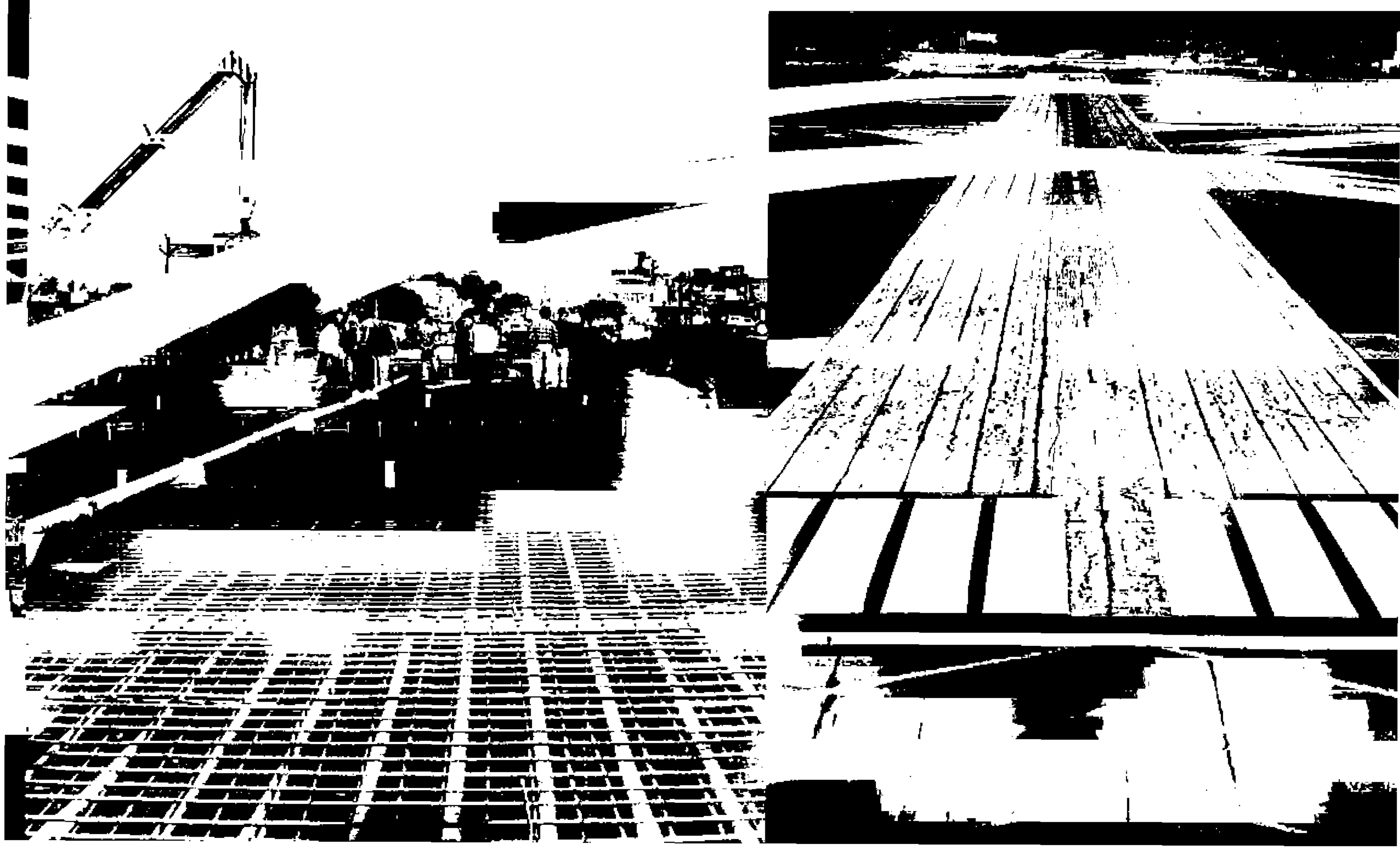
(in ₹ million)



Segment wise order book composition as on March 31, 2010

As reflected in the table below, about 90.32 percent of our order book (₹25,950 million) as on March 31, 2010 is related to construction of projects in the road sector.





Why?

Why would NHAI turn to PNC for building a major bridge across an important river?

Why would Airports Authority of India award the prestigious Indore Airport project to PNC?

Why would the UP PWD engage PNC for a World Bank-funded project?

Why would NHAI work with PNC across major Indian states?

The answer lies in a single PNC attribute.

Change Creator.

"I see a bright future for the Company which will translate into attractive margins and sustainable growth."

There are four ways to appraise our Company.

- Does the Company have a presence in multiple business segments?
- What is the size of its clients and what is the prospect of repeat business from them?
- How much the Company is investing in its own assets to reduce costs?
- How effectively the Company is retaining its people?

As the Company's Chairman, I must state that PNC Infratech has performed competently in each of these areas.

Any company that performs better does so within the context of its industry and national economy. This is so in our case as well.

There is a significant investment that is being made and will be made, in the country's infrastructure. The greater and quicker is this investment, the stronger are our prospects.

My optimism is derived from a distillation of all the numbers being considered about the projected growth in the country's infrastructure. And this is my conclusion: we have only seen 15 percent of India's infrastructure potential being achieved over the last decade. Over the coming decade, we see the remaining 85 percent of this potential being achieved. In simplistic terms, this indicates that the infrastructure sector expects to report a near six-fold increase in growth that has already transpired.

This is also an index of the kind of growth that companies like ours, outperforming the sectoral average, are likely to report.

The excitement at PNC Infratech is not as much about where we are but the direction in which we are headed.

These are the four infrastructure areas where we intend to enhance our presence:

- **Railways:** The most exciting development within India's railways is the proposed ₹40,000-crore rail freight corridors expected to be fully operational by 2016-17. As an opportunity-focused organisation, we will appraise opportunities arising from this segment and grow our presence in this space.
- **Roads:** We will not only bid for new road building contracts but increase the proportion of BOT projects in our revenue mix. This will generate sustainable revenues well into the long-term and also enrich the value of these investments when traffic throughput increases and the properties become considerably more valuable.

For a company with an order book of ₹25,950 million as on March 31, 2010, the key will not just lie in the availability of adequate funds, it will also lie in our ability to recruit, train and retain professionals.

- **Urban infrastructure:** We will capitalise on the growing urban infrastructure investments, especially in the seweage and water treatment segments.
- **Power:** We will bid for projects to erect power transmission lines across the country.

At first glance, while these business segments may appear diverse, the reality is that there is a synergy running through them. For instance, a road bed and a rail bed are essentially the same with similar core civil engineering requirements and capabilities. While the core element of all these business segments remains the same, the peripheral manifestation will require different competencies, which will not be difficult to acquire or grow. The result is that the Company will extend into related business segments without stretching its managerial bandwidth. In turn, our knowledge derived from a presence in one business will enable us to extend into another business. The result will be sustainable growth arising out of growing scale in one business segment and an extension into a number of others.

I must assure our shareholders that as a fiscally conservative organisation, we do not expect to compromise the strength of our balance sheet in pursuing scale. For one, we will not pursue scale for the sake of scale. These are some of the criteria that will influence our decision to enter business segments:

- The segments that we enter must be large enough to offer the prospect of sustainable growth.
- The segments must be able to grow our competencies that can be used for entering other business segments.
- The projects constituting the Company's presence in these segments must be profitable enough to justify the Company's presence in them, as measured by accepted benchmarks like IRR.
- The public projects that we embark on must be financially closed or preferably funded by World/ADB Bank or similar institutions.

However, at PNC Infratech we recognise that we will need to rightsize our net worth, strengthen our pre-qualification credentials and mobilise adequate resources to fund a growing business. In view of this, the Company proposes to enhance its net worth through fund raising.

For a company with an order book of ₹25,950 million as on March 31, 2010, the key will not just lie in the availability of adequate funds, it will also lie in our ability to recruit, train and retain professionals. This is an area of strength for PNC Infratech. Our people retention is high, a result of looking after our people, recognising their achievements, remunerating them in line with the best industry standards and providing them with a challenging workspace and experience of working in different terrains and business segments.

In view of this, I see a bright future for the Company which will translate into attractive margins and sustainable growth.

P K Jain, *Chairman*

Strengths

Project delivery: Mobilisation of resources (equipment, raw materials and personnel) proactively to accelerate timely project execution. **Result:** Appreciation from the government

Presence: Project execution across Uttar Pradesh, Rajasthan, Maharashtra, Haryana and West Bengal, among other states. **Result:** A dispersed national presence

People empowerment: A decade-long industry experience of employee force including engineers and other professionals. **Result:** Rich intellectual capital

Multi-vertical presence: Presence across multiple business verticals (highways, bridges, airport runways, flyovers and power transmission, among others). **Result:** Prudent portfolio diversification

Enduring relationships: Sustained relationships with partners and clients. **Result:** Repeat engagements

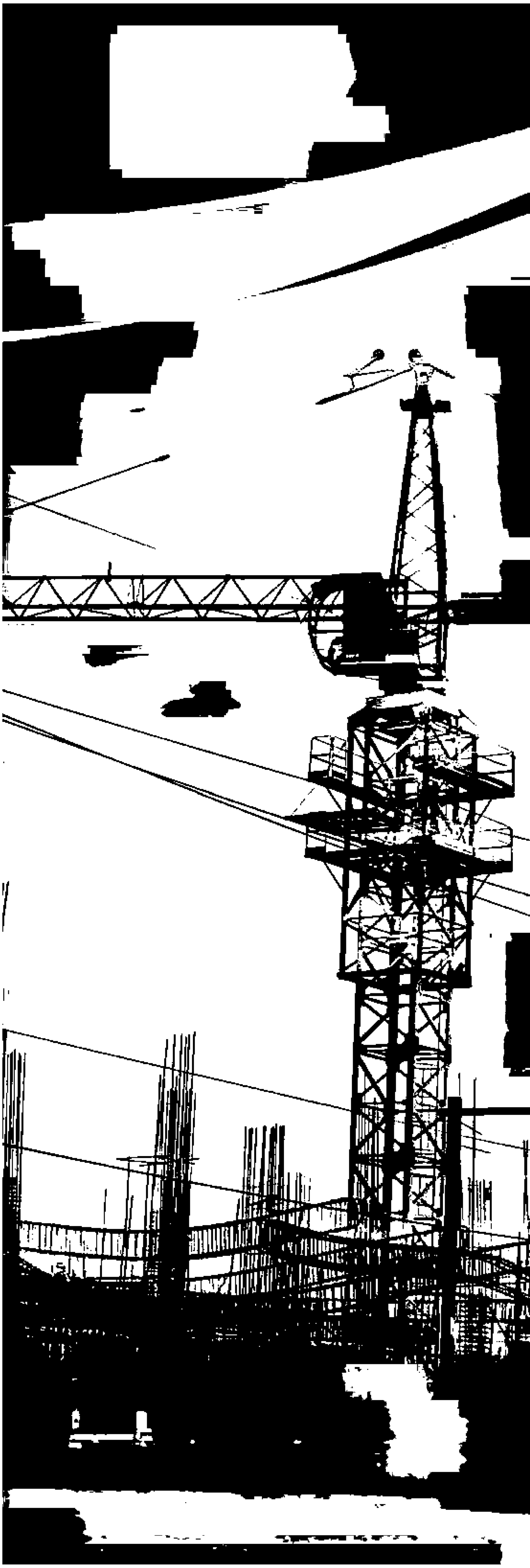
Prestigious certifications: Certifications like ISO 9001:2008 from DNV (Det Norske Vertias) and 'SS' (Super Special) class from Military Engineer Services for superior delivery and compliance. **Result:** Respect and recognition

Clientele: Major clients include brand-enhancing names like NHAI, Airports Authority of India, Public Works Department and the Military Engineer Services, among others. **Result:** Stronger client portfolio

Bidding and pre-qualification capability: Sustained growth in bidding and prequalification capability through rich technical insight, high performance standards, superior quality assurance and comprehensive safety compliance. **Result:** Healthy order book

Strong financials: Gearing of 0.51 and ROCE of 24.21 percent as on March 31, 2010. **Result:** Robust financial strength

Captive generation: The Company set up its own crusher plant for key raw-material such as gritt. **Result:** Lesser dependence on suppliers

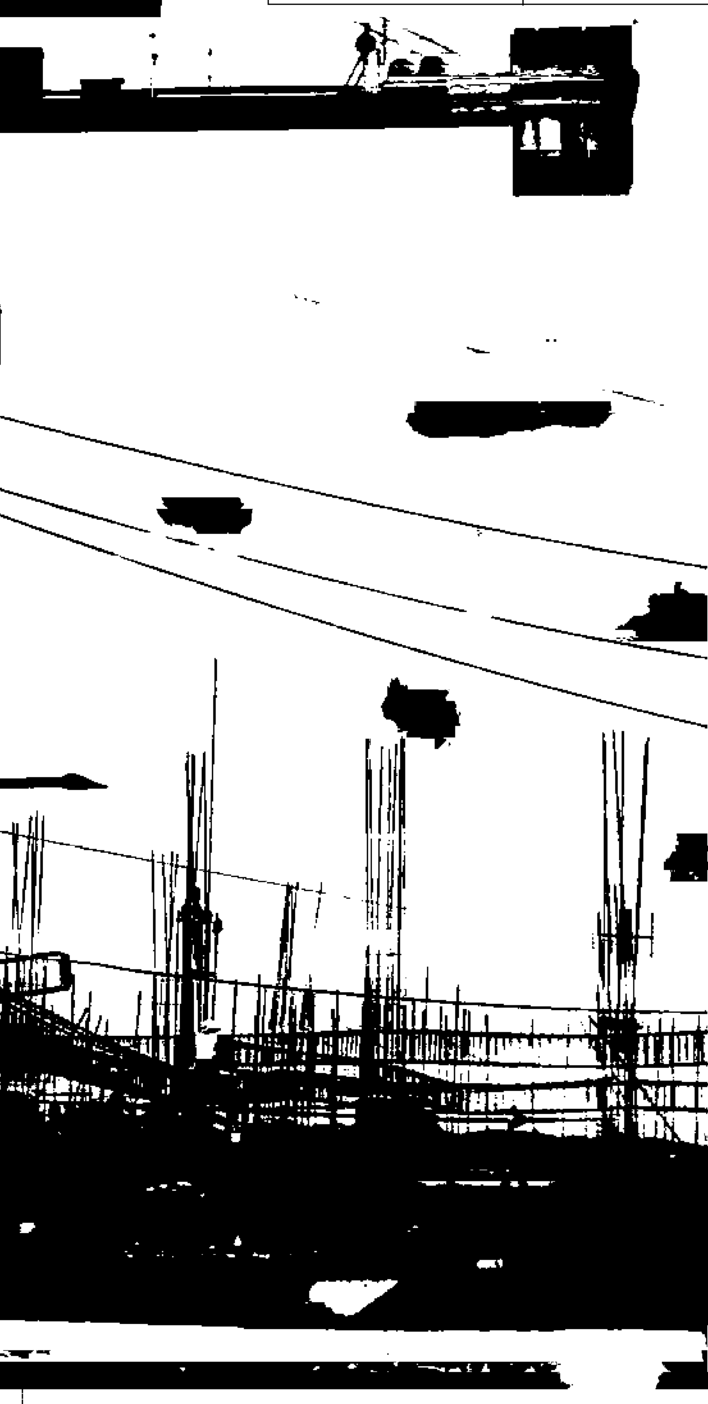


Business segment

Highways, flyovers and bridges

Snapshot

	Revenue in 2009-10 (in ₹ lac)	Proportion of Company's total revenue 2009-10 (in %)	Order book as on March 31, 2010 (in ₹ lac)
Highways, flyovers and bridges	62,891	83.67	2,34,391



Overview

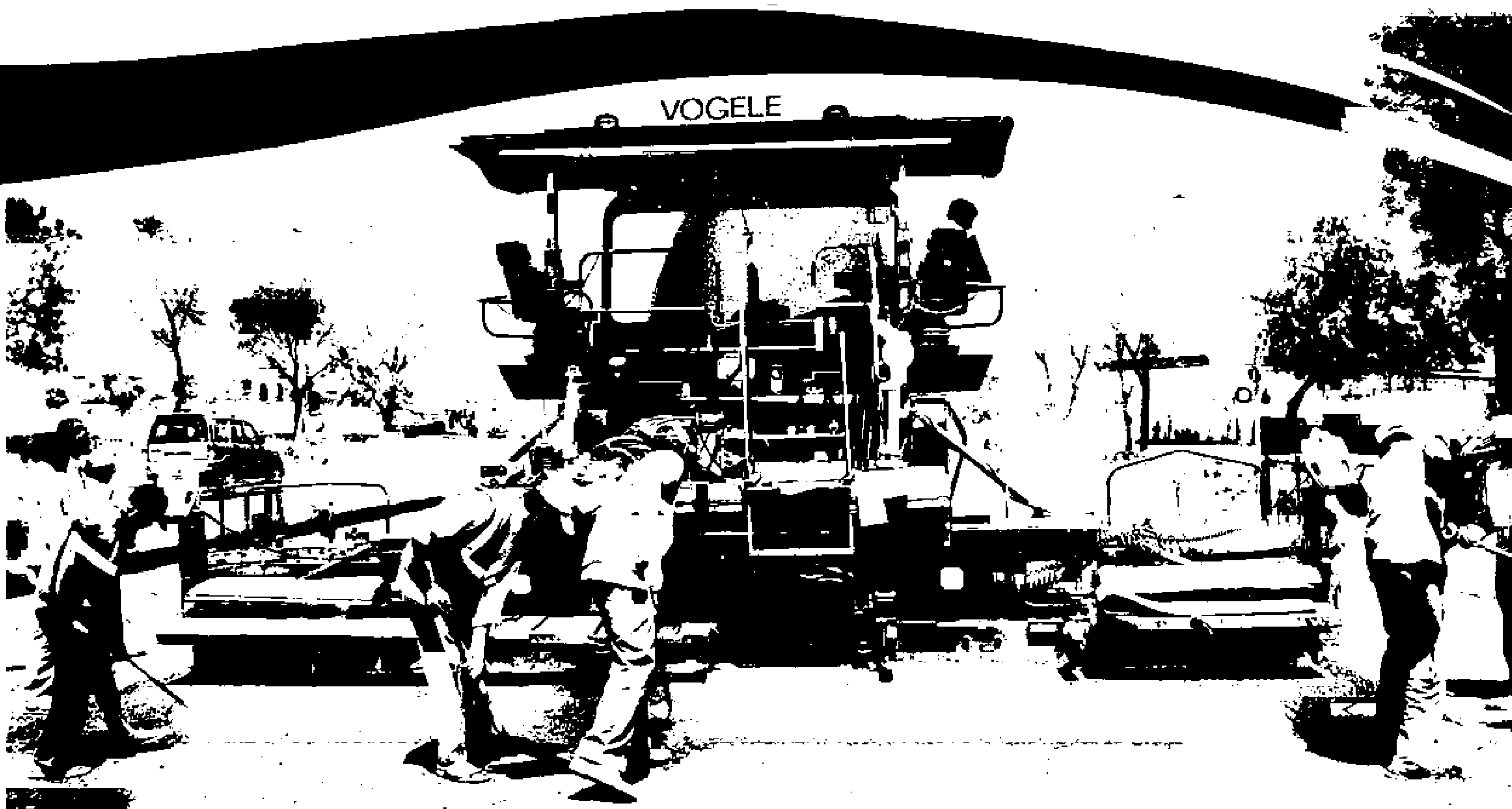
The Company undertakes projects for highways, flyovers and bridges where the scope of work comprises designing, engineering, financing, constructing, operating and maintaining. The Company leveraged its timely execution of EPC projects and extended into BOT contracts for road projects. As on March 31, 2010, the number of projects executed by the Company stood at 18, while 14 highway projects – of which two projects are being executed through joint ventures and two on BOT basis, the rest being EPC contracts – were under execution.

Highlights, 2009-10

- Declared as a successful bidder by NHAI for designing, engineering, financing, constructing, operating and maintaining the Ghaziabad-Aligarh section of NH-91 (km 23.60 to km 140.20) on DBFOT basis under consortium
- Undertook the widening, strengthening and beautification of the Goverdhan Parikrama Marg independently
- Undertook a project to construct the Agra–Samshabad-Rajkhera road section
- Undertook a project to strengthen and widen the Chandosi-Agra-Tantpur road section
- Completed a project to improve, operate, maintain, rehabilitate and strengthen the Vadape-Gonde section

Highway projects under execution

Name of projects	Employer	Location
EPC contract for designing, engineering, finance, construction, operation and maintenance of Ghaziabad-Aligarh section of NH-91 from km 23.60 to km 140.20 in Uttar Pradesh under NHDP Phase-III on DBFOT basis	Ghaziabad Aligarh Expressway Private Limited	Uttar Pradesh
Improvement of Gurgaon-Nuh-Rajasthan border at SH-13 (km 7.20 to km 95.89) by four-laning, widening, strengthening and providing drains and culverts along with widening bridges, retaining structures and other miscellaneous works	Haryana State Road & Bridges Development Corporation Limited	Haryana
Four-laning of the Dholpur-Morena section of NH-3 on the North-South Corridor, including Chambal Bridge (from km 51 to km 61), a project awarded to our joint venture – PNC-TRG JV	National Highways Authority of India	Rajasthan/ Madhya Pradesh
Designing, constructing, developing and financing the four-laning of the Jaora-Nayagaon section of SH-31 (from km 125 to km 252.81)	Jaora Nayagaon Toll Road Company Private Limited	Madhya Pradesh
Strengthening and widening of the Chandosi-Agra-Tantpur Koat Road at Agra	Public Works Department, Agra	Uttar Pradesh
Rehabilitation and upgradation of: (a) Gairatganj-Silwani-Gadarwada (SH-44) (b) NH-12 junction to Silwani (SH-15) (c) Bareli-Pipariya Road (SH-19)	Madhya Pradesh Road Development Corporation Limited	Madhya Pradesh
Widening and strengthening of the Garhmukteshwar to Moradabad section of NH-24 to four lane standards (from km 93 to km 149.25) and constructing a ROB at km 181 of NH-24 (Part II), joint venture – PNC-BEL JV	National Highways Authority of India	Uttar Pradesh
Widening, strengthening and beautification of the Goverdhan Parikarma Marg	Public Works Department, Aligarh	Uttar Pradesh
Widening and strengthening of Muratganj-Rajapur Marg (SH-94), Kaushambi	Public Works Department, Allahabad	Uttar Pradesh
Rehabilitation road work of major district road no. 139 Chatta to Gomat (from chainage km. 0.00 to chainage km 42.00)	Public Works Department, Uttar Pradesh	Uttar Pradesh
Construction of a high-level bridge at Mahal Road, Jaipur	Jaipur Development Authority	Rajasthan



Name of projects	Employer	Location
Construction of the Agra-Samshabad-Rajakhera Road	Public Works Department, Agra	Uttar Pradesh
Various works in Agra	Public Works Department, Agra	Uttar Pradesh

BOT Projects under Execution

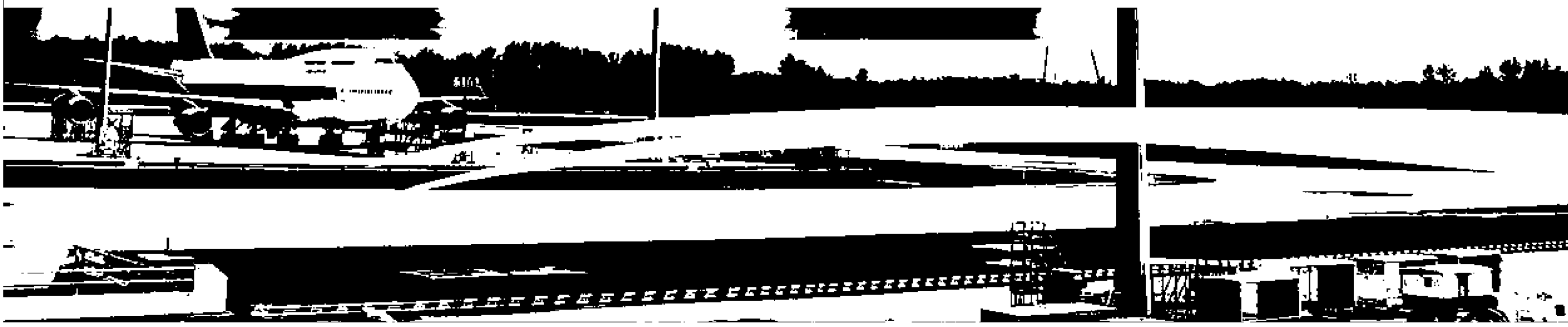
(in ₹ million)

Name of Projects	Cost of BOT	Value of EPC Contract being executed by PNC Infratech Limited
Design, construction, finance, strengthening, widening, operation and maintenance on BOT basis for the Four laning of Jaora-Nayagaon Section of SH-31 (from 125 km to km 252.81) in the state of Madhya Pradesh*	8,470	2,960
Design, engineering, finance, construction, operation and maintenance of Ghaziabad-Aligarh section of NH-91 from km 23.600 to km 140.20 in Uttar Pradesh under NHDP Phase-III on DBFOT basis*	20,190	17,250
Development of Gwalior-Bhind-up to U.P. Border (NH-92) on BOT basis in the state of Uttar Pradesh & Madhya Pradesh**	3,500	EPC contract is yet to be awarded

* In consortium ** Successful L1 Sole Bidder

Road ahead

As a part of its ongoing strategy, the Company will continue to bid for projects on BOT or EPC basis.



Business segment Airport runways

Snapshot

	Revenue in 2009-10 (in ₹ lac)	Proportion of Company's total revenue 2009-10 (in %)	Order book as on March 31, 2010 (in ₹ lac)
Airport runways	6,673	8.88	1,619

Overview

The Company constructs and resurfaces domestic and international airport runways. As on March 31, 2010, it had executed 12 airport runway projects while two are under execution.

Highlights, 2009-10

- Completed the extension and strengthening of the runway as well as construction of the new apron and isolation bay and associated works of the Devi Ahilyabai Holkar Airport (Indore)
- Completed the expansion and strengthening of the apron, new taxiway and associated works at the Lucknow Airport for AAI

Road ahead

The Company intends to bid for more airport runway projects.

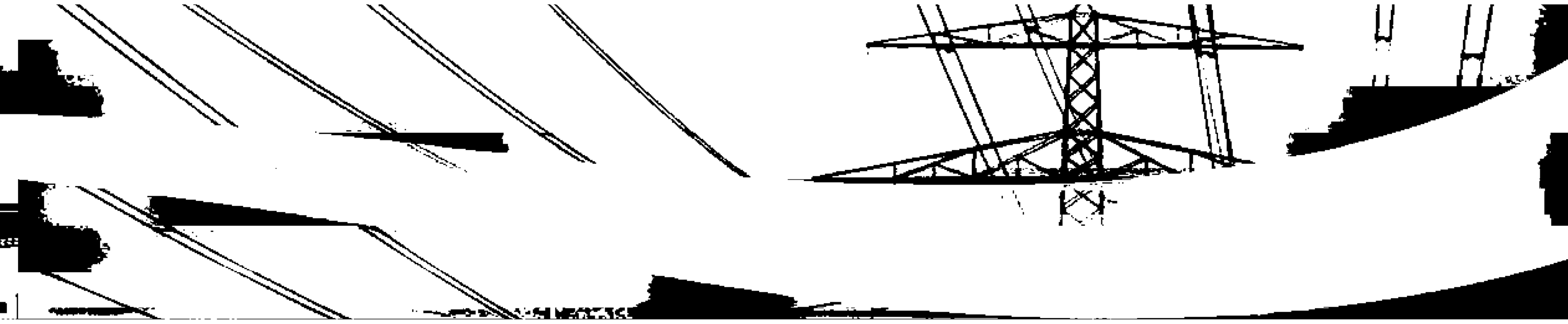
Projects under execution

Name of projects	Employer	Location
Widening, extending and resurfacing of parallel taxi track and associated works at Air Force Station, Maharajpur, Gwalior	Military Engineer Services	Madhya Pradesh
Work services for resurfacing of runway, extention of runway and allied works at AFS Jorhat, PO Nonglyer, Shillong	Military Engineer Services	Shillong

Business segment Power transmission

Snapshot

	Revenue in 2009-10 (in ₹ lac)	Proportion of Company's total revenue 2009-10 (in %)	Order book as on March 31, 2010 (in ₹ lac)
Power transmission	1,020	1.36	19,060



Overview

The Company diversified into the power transmission segment in 2009. The scope of work comprises survey, route alignment, installation and optimisation of tower locations. Two power transmission projects were under execution as on March 31, 2010.

Road ahead

The Company intends to embark on BOT power transmission projects.

Power project under execution

Name of projects	Employer	Location
Supplying, erecting and maintaining about 350 km of 132/220 KV transmission lines on turnkey basis	Uttar Pradesh Power Transmission Corporation Limited	Uttar Pradesh
Construction of 275 km of 220 KV double circuit lines and 611 km of 132 KV single circuit lines on turnkey basis	Uttar Pradesh Power Transmission Corporation Limited	Uttar Pradesh

Business segment
Waste management

Snapshot

	Revenue in 2009-10 (in ₹ lac)	Proportion of Company's total revenue 2009-10 (in %)	Order book as on March 31, 2010 (in ₹ lac)
Waste management	2,198	2.92	4,436

Overview

The Company is diversifing into the waste management segment. It is executing a waste management project.

Road ahead

The Company intends to embark on more waste management projects.

Waste management project under execution

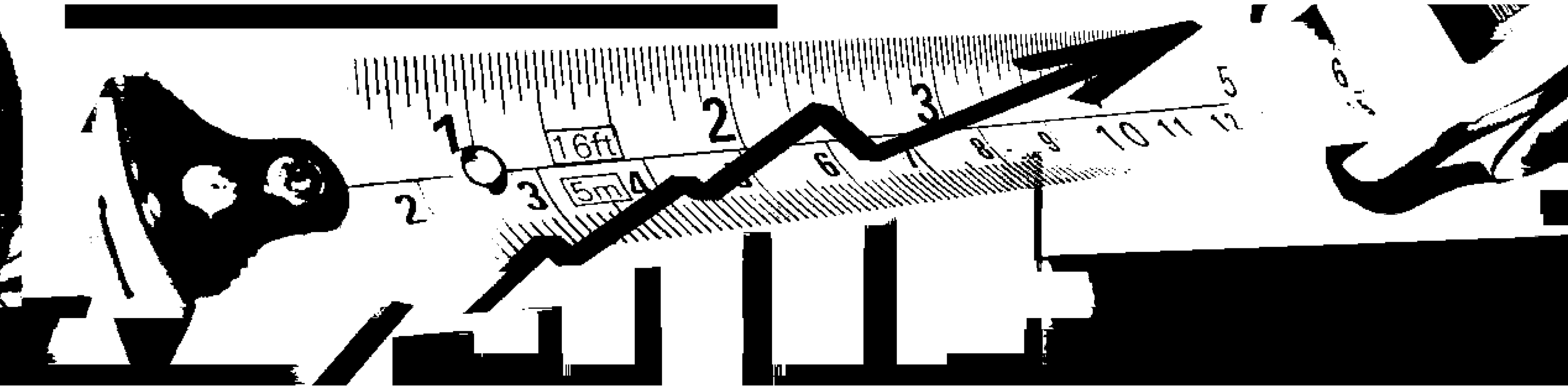
Project	Employer	Location
Construction of warehouse for waste disposal	Madurai Municipal Waste Processing Company Private Limited	Tamil Nadu

Five-year financial summary

Summary of profits and losses

(₹ in lac)

Particu[redacted]	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006
Income					
Income from operation	75,163.38	50,153.54	40,033.43	24,503.71	15,069.98
Other income	233.52	211.78	167.02	138.26	149.17
Total income (A)	75,396.90	50,365.32	40,200.45	25,641.97	15,219.15
Expenditure	65,829.74	44,196.24	34,785.77	22,033.76	13,345.72
Financial charges	1,094.55	973.75	775.80	615.38	276.11
Depreciation	1,594.79	1,528.10	1,150.66	987.86	533.02
Preliminary expenditure w/o	2.09	0.35	0.35	0.35	0.35
Total expenditure (B)	**68,521.17**	**46,698.44**	**36,712.58**	**23,637.35**	**14,155.20**
Profit before tax (A-B)	**6,875.73**	**3,666.88**	**3,487.87**	**2,004.62**	**1,063.95**
Provision for taxes					
Current tax	2,339.96	1,180.19	1,209.34	669.17	113.44
Tax for earlier years	21.54	15.81	-	-	-
Deferred tax	(1.94)	61.79	(9.18)	8.34	181.81
Fringe benefit tax	-	7.75	6.85	5.42	6.10
Profit after tax	**4,516.17**	**2,401.34**	**2,280.86**	**1,321.69**	**762.60**
Profit and loss account (at the beginning of the year)	6,578.41	4,177.07	1,896.21	1,074.52	611.92
Balance available for appropriation	**11,094.58**	**6,578.41**	**4,177.07**	**2,396.21**	**1,374.52**
Transfer to general reserve	--	--	--	500.00	300.00
Balance carried forward	11,094.58	6,578.41	4,177.07	1,896.21	1,074.52



Summary statement of assets and liabilities

(₹ in lac)

Particulars	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007	March 31, 2006
Fixed assets					
Gross block	14,969.17	13,916.61	9,700.23	8,065.91	6,739.90
Less: Depreciation	6,071.15	4,619.45	3,261.50	2,260.08	1,272.22
Net block	8,898.02	9,297.16	6,438.73	5,805.83	5,467.68
Investment	2,290.14	1,012.00	77.12	--	--
Net current assets	19,529.87	13,749.69	9,561.51	8,214.77	4,969.24
Secured loans	9,426.21	10,279.99	5,733.74	6,357.19	4,658.94
Provision for tax	2,339.96	1,187.94	1,216.19	674.59	119.54
Deferred tax liabilities	298.73	300.67	238.88	248.06	239.72
Net worth	**18,653.13**	**12,290.25**	**8,888.55**	**6,740.76**	**5,418.72**
Net worth represented by					
share capital	3,412.10	2,211.40	2,161.40	1,080.70	1,080.70
Reserves and surplus	15,397.55	10,182.08	6,830.73	5,661.26	4,339.57
Less: Miscellaneous expenditure (to the extent not written off)	(156.52)	(103.23)	(103.58)	(1.20)	(1.55)
Net worth	**18,653.13**	**12,290.25**	**8,888.55**	**6,740.76**	**5,418.72**

Management discussion and analysis

Indian economic overview

The Indian economy showed resilience in the downturn, registering a 7.4 percent GDP growth in 2009-10, compared with 6.7 percent in 2008-09. Although 2009 started on a difficult note, the turnaround came in the last quarter when the economy grew 8.6 percent.

Indian construction sector

The Indian construction sector (housing, infrastructure, industrial and commercial) grew 6.5 percent in 2009-10 against 5.9 percent in 2008-09. A cumulative capex of ₹14,500 billion is expected to be required across the Eleventh Five Year Plan for structural infrastructure construction across all sectors. By 2020, the country's construction market is projected to be worth around US$650 million (5 percent of the world's total construction output) *(Source: Financial Express).*

India's construction growth (in %)

2008-09	2009-10
5.9	6.5

Infrastructure optimism

An infrastructure investment of ₹20,56,150 crore (US$514.04 billion) was projected for the Eleventh Five Year Plan (2007-12). This Plan emphasises the role of expanding investments in infrastructure (6 percent in 2006-07 to 9 percent in 2011-12) through a combination of expanded public investment combined with private investment (public private partnership or PPP) wherever feasible. PPPs make it possible for the government to transfer construction and commercial risks to the private sector and attract private funds into public infrastructure.

In the Union Budget 2010-11, ₹1,73,552 crore (US$37.57 billion) was allocated for infrastructure development, over 46 percent of the total Plan allocation. Besides, the take-out financing scheme announced in the Budget 2009-10 is expected to provide finance for about ₹25,000 crore in three years.

Initiatives by India Infrastructure Finance Company Limited (IIFCL)

- IIFCL's disbursements are expected to touch around ₹20,000 crore by March 2011.
- IIFCL refinanced bank lending to infrastructure projects of ₹3,000 crore during the current year and is expected to more than double that amount in 2010-11.

(Source: indiabudget.nic.in)

Mid-term appraisal of the Eleventh Five Year Plan

The mid-term appraisal of the Eleventh Five Year Plan was done in March 2010 to highlight the Indian economy's strength and the resilience it exhibited during the global economic crisis. The government started using gross capital formation in infrastructure (GCFI) as a percentage of GDP, a standard measure of performance evaluation. The GCFI is likely to rise from 5.08 of the GDP in the Tenth Plan to about 7.55 percent in the Eleventh Plan. The private sector's share in the total investment is expected to go from 25 percent in the Tenth Plan to 36 percent in the Eleventh Plan *(Source: Business Standard).*

Mid-term appraisal of Eleventh Plan (2007-12) infrastructure investments

Sector	₹ lac crore Eleventh Plan projection	₹ lac crore Eleventh Plan revised projections in March, 2010	% Achievement expected
Electricity	6.67	6.59	99
Roads and bridges	[redacted]	[redacted]	[redacted]
Telecom	2.58	3.45	134
Railways	2.62	2.01	[redacted]
Irrigation	2.53	2.46	97
Water supply and sanitation	1.44	1.12	78
Ports	0.88	0.40	[redacted]
Airports	0.31	0.36	116
Storage	0.22	0.09	[redacted]
Oil and gas pipelines	0.17	1.27	747
Total	20.56	20.54	99.9

(Source: Business Standard)

The Planning Commission set a target of 10 percent growth with a ₹41 lac crore (US$1,025 billion) investment in infrastructure during the Twelfth Plan (2012-17), twice that of the Eleventh Plan *(Source: Business Standard).*

India's infrastructure investments

(in US$ billion)

Tenth Plan	Eleventh Plan	Twelfth Plan
217.86	514.04	1,018.74

Road sector

For a country the size of India, an efficient road network is necessary for national integration and socio-economic development. India has the world's second largest road network aggregating over 3.34 million km. Roads carry 65 percent of the freight and 80 percent of the passenger traffic nationwide. The country's highways form 2 percent of the total road network but carry 40 percent of the road traffic *(Source: NHAI).* Moreover, only 12 percent of the highways are four-laned, 50 percent two-laned and 38 percent single-laned. State roads constitute 18 percent of the country's total road network, handling around 40 percent of the total road traffic.

Government policy

All road development projects allowed 100 percent FDI under the automatic route

- Tax exemption (100 percent) for a ten-year period
- Concession period allowed up to 30 years
- NHAI agreed to provide grants/viability gap funding for marginal projects
- IIFCL provides funding up to 20 percent of project cost
- An increase in the overseas borrowing amount of infrastructure sectors to US$500 million from US$100 million

Target for Eleventh Five Year Plan

- Six-laning of 6,500 km of Golden Quadrilateral and select national highways
- Four-laning 6,736 km on North-South and East-West corridors
- Four-laning 20,000 km of national highways

■ Widening 20,000 km of national highways of two lanes

■ Developing 1,000 km of expressways

■ Constructing 8,737 km of roads including 3,846 km of highways in the Northeast

■ Constructing 1,29,707 km of new rural roads and renewing and upgrading existing 1,77,726 km, covering 60,638 rural habitations

Budget, 2010-11

■ A 13.5 percent increase in budget allocation for road projects from ₹175.20 billion in 2009-10 to ₹198.94 billion in 2010-11

■ Incremental disbursement of ₹250 billion over the next three years by IIFCL under its takeout financing scheme

■ A 100 percent exemption from import duty for specified machinery for road construction projects

■ An 18 increase in the MAT rate from 15 percent

■ Excise duty increase for petrol/diesel

Optimism

According to the Planning Commission, the road freight industry will grow at a 9.9 percent compounded annual growth rate (CAGR) from 2007-08 to 2011-12. A 1,231-billion tonne km (BTK) target was put on road freight volumes for 2011-12. Annual growth is projected at 12-15 percent for passenger traffic. NHAI proposes to award around 12,000 km of road building contracts to private sectors in 2010-11 and plans to increase road building outlay by 64.6 percent to ₹47,736 crore by 2010-11. India intends to award 7,000 km of road construction on BOT basis and 5,000 km on EPC basis in 2010-11. Besides, the Indian government launched the ambitious National Highway Development Programme (NHDP), involving a US$54.1-billion investment up to 2012.

Sector	Total investment in the Tenth Plan (actuals)		Sectoral share	Total investment in the Eleventh Plan (planned)		Sectoral share	Change
	(₹ bn)	($ bn)	(%)	(₹ bn)	($ bn)	(%)	(%)
Roads	1,449	34.9	16.6	3,142	[redacted]		116.8

(Source: Planning Commission, Government of India)

Note: Exchange rate for conversion is taken at ₹41.5/$

(Source: NHAI, CRISIL, IBEF, Economic survey, infrastructure.gov.in)

Airports

Overview

India's air services are available across 126 airports comprising 11 international and 89 domestic airports and 26 civil enclaves in defence airfields. The top six airports handle 73 percent of the country's total passenger traffic. While domestic air traffic declined 5 percent in 2008 (412 lac), it rose 7.9 percent in 2009 over the previous year. To meet increasing needs in terms of traffic, air movement and cargo, the government is taking steps to increase private participation in developing domestic airport infrastructure through PPP models. Mumbai and Delhi airports have already been privatised at a cost of US$4 billion. In December 2009, the Mumbai airport posted its highest ever monthly passenger traffic of 2.53 million passengers.

Government policy

■ Permitted 100 percent FDI for existing airports, although the Foreign Investment Promotion Board (FIPB) approval is required for FDI beyond 74 percent

■ Allowed 100 percent FDI for greenfield airports under the automatic route

■ Permitted 49 percent FDI under automatic route for domestic airlines, but not foreign airline companies

- Exempted 100 percent tax for airport projects for a period of ten years

Target for Eleventh Five Year Plan

- Undertake the modernisation and redevelopment of four metro and 35 non-metro airports and city-side development through PPP mode
- Construct three greenfield airports in the Northeast and seven others across the country
- Upgrade CNS/ATM facilities
- Invest US$9.7 billion in airport infrastructure (60 percent from private participation)

Budget, 2010-11

- Application of 10 percent service tax to all air travel and 5 percent excise duty on aviation turbine fuel

Optimism

A ₹290-billion investment towards airport infrastructure was projected between 2009-10 and 2013-14 *(Source: CRISIL).* A large portion of these investments would be directed towards improving the currently infrastructurally overstretched metro airports through private participation. AAI is already developing infrastructure at Chennai, Kolkata and 35 non-metro airports. The city-side development of select non-metro airports will be carried out with private sector association. Moreover, at 45 major airports, additional capacities of about 296.95 lac international and 1,035.74 lac domestic passengers would need to be created by 2011-12, as the total projected international and domestic passengers would be 539.39 lac and 1,489.70 lac.

Sector	Total investment in the Tenth Plan (actuals)		Sectoral share	Total investment in the Eleventh Plan (planned)		Sectoral share	Change
	(₹ bn)	($ bn)	(%)	(₹ bn)	($ bn)	(%)	(%)
Airports	68	[redacted]	[redacted]	[redacted]	7.5 [redacted]	1.5 [redacted]	357.4 [redacted]

(Source: Planning commission, Government of India)

Note: Exchange rate for conversion is taken at ₹41.5/$

(Source: Ministry of Civil aviation, Economic survey, CRISIL, infrastructure.gov.in)

Power

Overview

India is the world's sixth-largest electricity consumer and Asia Pacific's third-largest power generator (after China and Japan). The country was traditionally dependent on thermal power, accounting for 63 percent of its installed capacity. The transmission segment needs concomitant capacity additions in line with the generation capacity additions to enable seamless flow of power. In India, the transmission and distribution (T&D) system is a three-tier structure comprising regional grids, state grids and distribution networks. A reliable T&D system is important for proper and efficient transfer of power from generating stations to load centres. A T&D system comprises transmission lines, substations, switching stations, transformers and distribution lines. The transmission system in India operates at various voltage levels:

Extra high voltage (EHV): 765kV, 400kV and 220 kV

High voltage: 132kV and 66kV

Medium voltage: 33kV, 11kV, 6.6kV and 3.3kV

Low voltage: 1.1kV, 220 volts and below

A total of 771,551.10 GWH power was generated in 2009-10, compared with 7,23,793.32 GWH in 2008-09. India's installed capacity stood at 157,229.48 MW as on February 2010.

Total installed capacity

Sector	MW	%
State sector	78,378.14	52.5
Central sector	50,522.63	34.0
Private sector	28,328.71	13.5
Total	1,57,229.48	[redacted]

Government policy

- Permitted 100 percent FDI in India's power sector (except nuclear)
- Allowed 100 percent FDI in the renewable energy sector
- Exempted income tax for a block of ten years in the first fifteen years of operation and waived capital goods' import duties on mega power projects (above 1,000 MW generation capacity)
- Allowed 100 percent foreign equity participation under the automatic route
- Permitted private sector to establish coal, gas or liquid-based thermal projects of any size
- Introduced Accelerated Power Development and Reforms Programme (APDRP) to bring down AT&C loss levels to 15 percent by 2011-12

Target for Eleventh Five-Year Plan

- Sustain the economy's growth momentum through the revision of the additional power capacity target to 92,700 MW from the earlier estimate of 78,577 MW (as of June 2007)
- Electrify all un-electrified hamlets and provide electricity access to all rural households through Rajeev Gandhi Grameen Vidyutikaran Yojna (RGGVY)
- Strengthen the National Power Grid through the addition of over 60,000 km of transmission network by 2012 which will carry 60 percent of the power generated in the country
- Invest US$17.36 billion and US$12.5 billion in power transmission and power distribution across the plan period

Budget, 2010-11

- Increase in allocation of power sector at ₹5,130 crore (increase by 152 percent)
- Increase in available long-term funding through re-financing from IIFCL
- Increase in allocation to renewable energy sector at ₹1,000 crore (increase by 61 percent)
- Clean energy cess of ₹50/MT on both domestic and imported coal
- Excise duty exemption for material supplied to mega power projects from which power supply was tied up through tariff-based competitive bidding

Optimism

India's power demand is expected to increase 315-335 GW by 2017, if the country continues to grow at an average 8 percent rate. This would require five- to ten-fold rise in power production, entailing investments worth US$600 billion. India launched its ambitious solar energy mission which aims to generate 20,000 MW of solar power by 2022. An additional 60,000 circuit km of transmission network is expected by 2012. Per capita consumption is estimated to reach 2,643 kWh by 2032, accelerating power and distribution infrastructure.

Twelfth Plan: An investment of US$3 billion for the Twelfth Plan (US$1.3 billion for Eleventh Plan) would be required for the renovation and modernisation, as well as lifespan extension of old power plants. There would be a proposed investment of US$235.95 billion to add over 94,431 MW across the Twelfth Plan.

Sector	Total investment in the Tenth Plan (actuals)		Sectoral share	Total investment in the Eleventh Plan (planned)		Sectoral share	Change
	(₹ bn)	($ bn)	(%)	(₹ bn)	($ bn)	(%)	(%)
Power	2,919	70.3	33.5	6,665	160.6	[redacted]	128.4

(Source: Planning Commission, Government of India)

Note: Exchange rate for conversion is taken at ₹41.5/$

(Source: Ministry of Power, IBEF, economic survey, infrastructure.gov.in)

Railways

Overview

The US$18 billion Indian Railways industry has one of the largest developed networks in the world. Indian Railways, the country's premier transport and logistics organisation, is Asia's largest and the world's second largest rail network under a single management. It runs across the country, covering 63,140 km, carrying 20 million passengers daily, on about 18,000 trains. Out of freight and passenger traffic, the freight segment accounts for about 70 percent of the revenue. The Railways also lined up plans for infrastructure upgradation and expansion, for which it decided to adopt the PPP route in the non-core sector for the establishment of logistics parks, warehouses, budget hotels, wagon investment schemes and wagon leasing schemes along with the development of more than 7,000 agricultural outlets nationwide.

Target for Eleventh Five Year Plan

- Construct dedicated freight corridors – Mumbai-Delhi and Ludhiana-Kolkata
- Lay 8,132 km of new railway lines; implement gauge conversion of 7,148 km
- Modernise and redevelop 22 railway stations
- Introduce private entities in container trains for rapid addition of rolling stock and capacity
- Invest ₹2,000 billion to expand pan-India railway connectivity and modernise facilities

Budget, 2010-11

- Launch of 117 new train projects
- Introduction of 28 passenger trains and 52 long distance express trains
- Frequency of 12 trains to be increased
- Women RPF personnel to be stationed for security of women passengers
- Double-decker coaches to be introduced on pilot basis
- Electrification of 1,000 km by 2011
- Upgradation of 94 stations to Adarsh station standards
- Outlay of US$281.3 million to improve passenger amenities
- Special task force to clear investment proposals within 100 days
- Multi-level parking complexes through the PPP route
- Plan for high-speed rail corridor by National High Speed Rail Authority
- Master plan for Northeast region
- Private operators allowed to run special freight trains
- Completion of 25,000 km of rail lines by 2020
- Establishment of dedicated freight and passenger corridors
- Provision of ₹16,752 crore (US$3.79 billion) provided for Indian Railways, about ₹950 crore (US$205.81 million) over the last fiscal

Optimism

Private investment in railways is expected to increase from the current US$217.88 million to US$1.08 billion over the next three years. A target 700 km of railway lines is to be doubled during 2010-11. Indian Railways proposes to import 50 electric and 50 diesel locomotives over the next three years. The Railways is expecting a freight load of 1,100 million tonne and passenger traffic of 8,400 million by 2012. According to the Ministry of Railways, annual freight traffic growth is expected to be around 8-9 percent and passenger growth, around 6 percent across the Eleventh Plan.

The two new rail-routes were sanctioned by the Union Cabinet – the Western Corridor between Dadri in Uttar Pradesh and the Jawaharlal Nehru Port Trust in Navi Mumbai and an Eastern Corridor connecting Dankuni (near Kolkata) to Ludhiana, Punjab – for which the construction will commence in 2010-11 *(Source: IBEF)*. As per Vision 2020 document of the government, the Indian Railways targeted making over 30,000 km of routes into double or multiple lines against the current 18,000 km.

Sector	Total investment in the Tenth Plan (actuals)		Sectoral share	Total investment in the Eleventh Plan (planned)		Sectoral share	Change
	(₹ bn)	($ bn)	(%)	(₹ bn)	($ bn)	(%)	(%)
Railways (including MRTS)	1,197	28.8	13.7	2,618	63.1	12.7	118.8

(Source: Planning commission, Government of India)

Note: Exchange rate for conversion is taken at ₹41.5/$ *(Source: IBEF, CRISIL, infrastructure.gov.in)*

Derisking PNC Infratech

RISK REPRESENTS THE UNCERTAINTIES AND ADVERSITIES RELATED TO ANY BUSINESS THAT COULD MATERIALLY IMPACT A COMPANY'S PERFORMANCE AND PROSPECTS. CONSIDERING THIS FACT, WE AT PNC INFRATECH IDENTIFY, ASSESS AND TAKE PROACTIVE MEASURES TO MINIMISE OR ERADICATE THE POTENTIAL LOSS ARISING FROM EXPOSURE TO THE PARTICULAR RISK.

Industry risk

Risk impact

The Company's profitability and growth could be affected by the downturn in the infrastructure industry.

Mitigating factors

- India is expected to graduate from the world's ninth-largest construction market to the third-largest within ten years *(Source: A Decadal Forecast from Construction Perspectives and Oxford economies)*
- A ₹20,56,150 crore or US$514.04 billion investment in infrastructure was projected for the Eleventh Five Year Plan (2007-12).
- India intends to award 7,000 km of road construction on BOT basis and 5,000 km on EPC basis in 2010-11.

Competition risk

Risk impact

Stiff competition could dent the Company's profitability and result in the loss of one or more significant customers

Mitigating factors

- The Company received 'SS' (Super Special) class status from the Ministry of Defence (among few companies), enabling it to emerge as a preferred infrastructure construction company.
- The Company's ISO 9001:2008 certification reflects superior project delivery.
- The Company executed 35 infrastructure projects in the last five years.
- The Company maintains high levels of customer satisfaction.
- The Company's fleet of modern equipment enables quick mobilisation besides ensuring continuous availability of critical equipment, an edge over competitors.

Vertical risk

Risk impact

Concentration on one infrastructure vertical could impact the Company's growth if challenged by a sectoral downturn

Mitigating factors

- The Company is present across multiple verticals in infrastructural growth segments like highways, bridges, airport runways, flyovers and power transmission, among others.

Employee risk

Risk impact

Human resource is the backbone of every company. Inability to attract, recruit and retain skilled personnel could adversely affect the business and its operations.

Mitigating factors

- The Company recruits through various sources including advertisements in national dailies, websites and campus interviews, among others.
- The Company enhances employee skill and knowledge through proper training at various project sites.
- The Company evaluates employee performance on a yearly basis, based on certain parameters and accordingly gives emoluments.
- The Company possesses a strong employee base comprising skilled engineers and other professionals with rich industry experience.
- The Company's employees are not in any union and none of its labour is engaged on a contract basis.
- The Company develops an employee mindset where they work with the singular objective of completing projects with speed so that clients can launch projects faster, generate quicker revenues and make their businesses stronger.

Project execution risk

Risk impact

Cost and time-inefficient execution could affect the Company's profitability, credibility and sustainability

Mitigating factors

- The Company received a bonus from NHAI for project completion before schedule, evidence of its time management capabilities.
- The Company has a more than 20-member team stringently monitoring project developments.
- The Company built up significant storage facilities for critical materials such as petroleum products, machinery, machinery parts and cement.
- The Company keeps key resources constantly available at project sites, helping in timely project execution.
- The Company is increasing its gross block every year to execute increasingly larger contracts with full efficiency.

Technological obsolescence risk

Risk impact

The Company may incur higher cost if it

does not upgrade to the latest technologies.

Mitigating factors

■ The Company possesses state-of-the-art construction equipment procured from both domestic and international suppliers, reducing dependence on hired or leased equipment.

■ The Company invests in the latest equipment to ensure zero downtime and maintain low costs for operations; it does not purchase nor propose to purchase any second-hand machinery.

■ The Company intends to use approximately ₹450 million in capital equipment during the financial year 2010-11.

Raw material risk

Risk impact

Disruption in the adequate and timely supply of key raw materials could hamper business operations and raise logistic costs.

Mitigating factors

■ The Company has a separate department, responsible for raw material procurement and the logistics to ensure timely availability of raw materials at all project sites.

■ The Company maintained healthy relations with suppliers over the years of its business, becoming a preferred procurement partner.

■ The Company possesses an extensive vendor database for raw materials and services.

■ The Company uses third-party transport providers for the supply of raw materials.

■ The Company set up its own crusher plant at major sites to enable uninterrupted supply of gritt and boulders

Government policy risk

Risk impact

Uncertainties with government policies can significantly affect the business sustainability

Mitigating factors

■ The Union Budget 2010-11, provided ₹1,73,552 crore for infrastructure development, over 46 percent of the total plan allocation *(Source: indiabudget.nic.in).*

■ IIFCL refinanced bank lending to infrastructure projects of ₹3,000 crore during 2009-10 and is expected to more than double that amount in 2010-11 *(Source: indiabudget.nic.in).*

■ A growth rate target of 10 percent was set to be achieved with a ₹41 lac crore (US$1,025 billion) investment in infrastructure during the Twelfth Plan.

■ The government proposed to set up infrastructure fund of US$11 billion to enable the flow of credit to the infrastructure sector *(Source: Planning Commission)*

Working capital risk

Risk impact

The Company's liquidity could be affected owing to poor working capital management.

Mitigating factors

■ The Company has a tie-up with the consortium of banks to provide the required working capital loans.

■ The Company is involved mostly in government projects, securing its cash flow.

■ The Company's exposure in BOT projects ensures long-term annuity income.

■ The Company's average working capital turnover cycle stood at 71 days as on March 31, 2010 against 79 days as on March 31, 2009.

Client concentration risk

Risk impact

Overdependence on a single client can result in revenue loss for the Company in the event of client attrition

Mitigating factors

■ The Company's business is spread across multiple verticals with brand enhancing clients like the National Highways Authority of India, Airports Authority of India, Public Works Department, RITES Ltd and Military Engineer Services, among others.

Funding risk

Risk impact

Indebtedness, financing agreement conditions and restrictions imposed could adversely affect the Company's ability to conduct business.

Mitigating factors

■ The Company caters to government-funded projects with adequate funding links.

■ The Company's free reserve can also be utilised for funding purposes.

■ The Company uses a portion of its cash flow for debt repayment. The Company's debt-equity stood at 0.51 as on March 31, 2010.

Joint-venture risk

Risk impact

Inability to enter into joint ventures could adversely impact the Company's business, results of operations and financial condition.

Mitigating factors

■ The Company successfully formed joint ventures to qualify for the bidding process for large projects.

■ The Company will jointly bid for projects with other companies to build good working relationships with domestic and international companies to leverage their strengths and build competencies.

Directors' Report

Dear Shareholders

Your Directors take pleasure in presenting the 11th Annual Report and Audited Accounts for the financial year, ended March 31, 2010.

FINANCIAL RESULTS

The performance of the Company's financial results for the financial year, ended March 31, 2010, is summarised below:-

(₹ in lacs)

Particulars	Financial Year ended	
	March 31, 2010	March 31, 2009
Total income	75,396.90	50,365.32
Less: Expenditure	65,831.83	44,196.59
Profit before interest, depreciation and tax	9,565.07	6,168.73
Less: Financial charges	1,094.55	973.75
Less: Depreciation	1,594.79	1,528.10
Profit before tax(s)	6,875.73	3,666.88
Less: Provision for tax	2,359.56	1,265.54
Profit after tax	4,516.17	2,401.34
Add: Balance brought forward from the previous year	6,578.41	4,177.07
Amount available for appropriation	11,094.58	6,578.41
Appropriations		
Transferred to general reserve	–	–
Balance carried to balance sheet	11,094.58	6,578.41
Total	**11,094.58**	**6,578.41**

OVERVIEW

The current financial year is yet another year of growth. Your Company recorded a gross turnover and other income of ₹75,396.90 lacs in 2009-10 as against ₹50,365.32 lacs in the previous year, an increase of ₹25,031.56 lacs and showing growth of 50%.

Profit after providing for interest, depreciation and taxation, amounted to ₹4,516.17 lacs which is 5.98% as against ₹2,401.34 lacs in 2008-09 which is 4.77%, thus registering an increase of 1.21%.

DIVIDEND

Due to the need of infusion of fresh working funds, it was thought in the best interest of the Company that the surplus should be redeployed in the business and hence no dividend has been recommended.

FUTURE OUTLOOK

The Planning Commission had set an investment target of $514 billion (about ₹20.56 lac cr.) in 11th plan whereas the overall investment is estimated at $512 billion (about ₹20.54 lac cr.). There is an enormous investment in the infrastructure segments. It is expected that gross capital formation in infrastructure should rise as a share of GDP from 5% in 2006-07 to 9% by the end of this plan period. For the 12th plan, the planning Commission is setting a target of investment of US$1 trillion ($1024.81 billion or about ₹40.55 lacs cr.). Of this, at least 50% is expected to flow from the private sector. It is expected that your Company is going to reap the benefits of this spending in the infra sector by the Central/ State Government/ Private sector.

BOT PROJECTS

Your Board of Directors take pleasure in informing you that your Company is participating in equity to the extent of 35%, in yet another BOT project, awarded by NHAI to the consortium of SREI Infrastructure Finance Ltd., PNC Infratech Ltd. and Galfar Engineering & Contracting S.A.O.G A SPV has been formed in the name of Ghaziabad-Aligarh Expressway Private Limited.

The total cost of the BOT project is ₹2,01,900 lacs which has a grant of ₹31,100 lacs from NHAI. As per Debt-equity norm of 75:25 your Company would be contributing ₹6,790 lacs in the project as equity, being 35% of ₹19,400 lacs. Your Directors also take pleasure in informing you that the consortium/ SPV has awarded the EPC of this contract at ₹1,72,500 lacs to our Company.

INITIAL PUBLIC OFFER (IPO)

During the period under report, your Company filed Draft Red Herring Prospectus followed by Red-Herring Prospectus with the SEBI to offer/ issue equity shares of ₹10 each at a price band (including premium to be decided by Book Running Lead Manager) aggregating to ₹16,000 lacs.

The SEBI cleared the Red-Herring Prospectus. However, considering the present market scenario, your Directors have decided to defer the issue for the time being, till the Capital Market recovers.

MATERIAL CHANGES

Your Directors are pleased to you inform you, that as per the decision of the Hon'ble Company Law Board, the Registered Office of the Company has been shifted from D-51 PNC House, Kamla Nagar Agra to D- 5/7 Vasant Vihar, New Delhi – 110057 with effect from November 01, 2009.The necessary steps have been taken in this direction.

BOARD OF DIRECTORS

Mr. Dharam Veer Gupta, Director of the Company, resigned from Directorship of the Company. The Board places on record their sincere appreciation and gratitude for his guidance and support during the tenure of his Directorship.

During the year Shri Vijay Prakash, Shri Ashok Kumar Gupta and Shri Dharam Veer Sharma were appointed Additional

Director(s). In the extra ordinary general meeting of the Company held on October 5, 2009, shareholders, approved the appointment of Shri Vijay Prakash and Shri Ashok Kumar Gupta as Directors of the Company.

Further Shri Dharam Veer Sharma was appointed as an Additional Director of the Company w.e.f October 20, 2009 and he will hold the office until the conclusion of this Annual General Meeting. The Company has received a notice in writing along with requisite deposit proposing that he being elected as Director, liable to retire by rotation. Your Directors recommend his appointment.

The brief resume of Mr Dharam Veer Sharma, nature of his expertise in specific functional areas and names of Companies in which he holds directorship/ chairmanship of the Board committee as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges, is provided in the Report of Corporate Governance forming part of the Annual Report.

At the ensuing Annual General Meeting, Shri Naveen Kumar Jain, Shri Anil Kumar Rao and Shri Sudhanshu Kumar Awasthi will retire by rotation and being eligible, offers themselves for reappointment in terms of the Company’s provisions of Articles of Association. Your Directors recommend their re-appointment at the ensuing Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

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

i) That in the preparation of the annual accounts for the year ended March 31, 2010; the applicable accounting standards were followed

ii) That appropriate accounting policies were selected and applied consistently and judgments and estimates that were reasonable and prudent were made so as to give a true and fair view of the state of affairs as on March 31, 2010 and of the profit of the Company for the financial year ended March 31, 2010

iii) That proper and sufficient care was taken to maintain adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities

iv) That the annual accounts for the year ended March 31, 2010 were prepared on a going concern basis

AUDIT COMMITTEE

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

FIXED DEPOSITS

During 2009-10, the Company did not accept any public deposits under Section 58A or 58AA of the Companies Act, 1956, read with the Companies (Acceptance of Deposits) Rules 1975.

CORPORATE GOVERNANCE

Being an unlisted Company, Clause 49 of the Listing Agreement with the stock exchanges is not applicable to your Company. The Company still makes an effort to apply the same as its commitment towards shareholders, employees, societies and the country for the purpose of achieving higher level of perfection and satisfaction.

This Report sets out the compliance status of the Company with the requirements for the financial year 2009-10.

MANAGEMENT DISCUSSION AND ANALYSIS

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

AUDITORS

M/s Purushottam Agrawal & Co., Chartered Accountants, statutory auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. The Company received a certificate from the Auditor to the effect that their reappointment, if made, would be in accordance with section 224 (1B) of the Companies Act, 1956.

AUDITORS' REPORT

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

CASH FLOW STATEMENT

The Cash Flow Statement for the financial year 2009-10 is annexed along with the Company's annual accounts.

PARTICULARS OF EMPLOYEES

A statement showing Particulars of Employees as required under section 217 (2) (a) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules 1975 is annexed to this Report.

However, as per the provision of the Section 219 (1) (b) (IV) of the Companies Act, 1956, the Annual Report, excluding the aforesaid information, is sent to all the members of the Company and others entitled thereto. Any shareholder interested in obtaining such particulars may write to the Company Secretary at the Company's registered office.

INDUSTRIAL RELATIONS

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

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

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

ACKNOWLEDGEMENT

The Directors wish to express their appreciation of the support and co-operation of the Central and the State Government(s), Bankers of the Company, The NHAI, Airport Authority of India, Suppliers, Associates, Sub-contractors and Shareholders of the Company and expects the same in future.

The Directors also place on record their appreciation for the committed services of the executives, staff and workers of the Company towards its overall success.

For and on behalf of
the Board of Directors

Pradeep Kumar Jain
(Chairman and Managing Director)

Place: New Delhi
Date: June 2, 2010

Annexures to the Directors' Report

STATEMENT AS REQUIRED UNDER SECTION 217(1) (e) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

Conservation of energy

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

Research and Development (R & D)

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

Technology absorption, adoption and innovation

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

Foreign exchange earnings and outgo

1.	Activities relating to exports, initiative taken to increase exports, development of new export markets or products and export plans	–
2.	Total foreign exchange earned and used	Earned - Nil Used - Nil

For and on behalf of the Board of Directors

Place: New Delhi
Dated: June 02, 2010

Pradeep Kumar Jain
Chairman and Managing Director

Corporate Governance

Your Company is yet to be listed; therefore, Clause 49 of the Listing Agreement with the stock exchanges in India does not apply to your Company. Yet the Company is making all efforts to apply it in its commitment towards shareholders, employees, society and the country, for the purpose of achieving a greater level of perfection and satisfaction.

This report sets out the compliance status of the Company with the requirements for the financial year 2009-10.

I. PHILOSOPH

The following attributes are significant for good Corporate Governance:

- Transparency in policies and actions
- Independence to develop and maintain a healthy work culture
- Accountability for performance
- Responsibility towards the society and for its core values
- Growth for stakeholders

II. BOARD

There are, currently, ten Directors on the Board comprising five Executive Directors, including one Chairman cum Managing Director (CMD), and five Non-Executive Independent Directors. The Independent Directors are from different fields of work such as finance, administrative service, medicine, etc. The CMD has been delegated clearly defined responsibilities. The Company's Board meets at frequent and regular intervals for planning, assessing and evaluating important businesses.

During the financial year ended March 31, 2010, the following were held:

- Eleven Board meetings
- Two Audit Committee meetings
- One Remuneration Committee meeting

The attendance of each Director at the Board meeting and at the last Annual General Meeting; and the number of other directorships and chairmanships/ memberships of committees of each Director, in other companies, are given as under:

Name of the Director	Category	Number of shares held	Number of Board meetings attended	Last AGM attended	Committee Membership	Committee Chairmanship	Directorship
Shri Pradeep Kumar Jain	CMD	1,02,19,800	11	Yes	None	None	Four
Shri Naveen Kumar Jain	WTD	NIL	11	Yes	None	None	Two
Shri Chakresh Kumar Jain	MD	300	11	Yes	None	None	Ten
Shri Yogesh Kumar Jain	MD	60,300	11	Yes	None	None	Eight
Shri Anil Kumar Rao	WTD	300	09	Yes	None	None	None
Shri C.R. Sharma	ID	NIL	04	No	None	None	Four
Shri Sudhanshu Kumar Awasthi	ID	NIL	06	No	None	None	Two
Shri Vijay Prakash	ID	NIL	02	No	None	None	None
Shri. Ashok Kumar Gupta	ID	NIL	03	No	None	None	None
Shri Dharam Veer Sharma	ID	NIL	02	No	None	None	Two

CMD= Chairman and Managing Director, WTD= Whole Time Director, MD =Managing Director, ID= Independent Director

BRIEF RESUMES OF DIRECTORS

PNC Infratech Ltd. is a professionally-managed Company with a dedicated team of engineers and professionals. The management of the Company believes in strong work ethics, transparent business policies and individual responsibility of promoters, leading to an overall positive impact on the organisation.

Presently, our management team comprises a total of 10 Directors including a CMD, two Managing Directors, two Whole time Directors and five Independent Directors.

During the year, three Directors were appointed and one Director resigned:

Serial number	Name	Date of resignation/appointment	Nature	Remark
1.	Shri Vijay Prakash	September 20, 2009	Director	Appointed
2.	Shri A K Gupta	September 20, 2009	Director	Appointed
3.	Shri D V Sharma	October 20, 2009	Director	Appointed
4.	Shri D V Gupta	October 20, 2009	Director	Resigned

The Board places on record its sincere appreciation and gratitude for Shri D V Gupta, for his guidance and support during his tenure of directorship. The Company appointed Shri Vijay Prakash, Shri A K Gupta and Shri D V Sharma as Directors.

Shri N K Jain, Shri A K Rao and Shri S K Awasthi retire by rotation, and being eligible, offer themselves for reappointment at the ensuing Annual General Meeting. Brief resumes of Shri Vijay Prakash, Shri Ashok Kumar Gupta and Shri D V Sharma are as follows:-

Shri Vijay Prakash, an Independent Director, holds a Master's degree in English Literature from Agra University. He has 35 years of experience in administrative services, including over 18 years as an IAS officer looking after several important assignments, which included administrative and developmental work portfolios like Sub-Divisional Magistrate, Additional District Magistrate, Secretary and Vice Chairman of Agra Development Authority, Managing Director of Agra Mandal Vikas Nigam, Secretary and Commissioner (Revenue) to the Uttar Pradesh Government, District Magistrate of Firozabad, Mainpuri and Pratapgarh District, Commissioner of two divisions (Chitrakoot and Kanpur), and Chairman of Kanpur Electric Supply Company.

Shri Ashok Kumar Gupta, an Independent Director, holds a Bachelor's degree in Medicine and a Master's degree in Surgery from Agra University. He has over six years of experience as a teacher in S N Medical College, Agra, and also has experience in business and management.

Shri Dharam Veer Sharma, an Independent Director, holds a Bachelor's degree in medicine and a Master's degree in Surgery (Orthopedic) from the Agra University. Mr Sharma is currently engaged in running his own hospital at Agra; he has approximately 20 years experience in business and management. Mr Sharma is also the President of the Indian Medical Association, Agra.

III. AUDIT COMMITTEE

The Board of Director of the Company constituted an Audit Committee, comprising three Independent Non-Executive Directors, namely Shri C R Sharma, Shri S K Awasthi and Shri Vijay Prakash. Majority of the Audit Committee members possess financial/accounting expertise.

A. The Audit Committee has the following powers:

1. To investigate any activity within its terms of reference

2. To seek information from any employee

3. To obtain outside legal or other professional advice

4. To secure attendance

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

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible

2. Recommendation to the Board, of the appointment, re-appointment and, if required, the replacement or removal of Statutory Auditors and the fixation of audit fees

3. Approval of payment to Statutory Auditors for any other services rendered by them

4. Reviewing with the management, the annual financial statements before submission to the Board for approval, with particular reference to:

- Matters required to be included in the Directors' responsibility statement, to be included in the Directors' Report, in terms of sub-section (2AA) of Section 217 of the Companies Act, 1956

- Changes, if any, in accounting policies and practices and reason for the same

- Major accounting entries involving estimates based on the exercise of judgement by the management

- Significant adjustments made in the financial statements arising out of audit findings

- Compliance with listing and other legal requirements relating to financial statements

Disclosure of related party transactions

Qualifications in draft audit report

5. Reviewing with the management, the quarterly financial statements before submission to the Board for approval

6. Reviewing with the management, the performance of Statutory and Internal Auditors, adequacy of internal control systems

7. Reviewing the adequacy of the internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit

8. Discussion with Internal Auditors on any significant findings and follow up thereon

9. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud, irregularity or a failure of internal control systems of a material nature; and reporting the matter to the Board

10. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain areas of concern

11. To look into the reason for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors

12. To review the functioning of the whistle blower mechanism.

13. Carrying out such other functions, as may be specifically referred to the Committee, by the Board of Directors and/or other committees of Directors of the Company.

14. To review the following information:

The management's discussion and analysis of financial condition and results of operations

Statement of significant related party transactions (as defined by the Audit Committee), submitted by management

- All material individual transactions with related parties or others, which are not on an arm's length basis, together with the management's justification for the same

Management letters/letters of internal control weaknesses issued by the Statutory Auditors

- Internal audit reports relating to internal control weaknesses

15. The appointment, removal and terms of remuneration of the Internal Auditor shall be subject to review by the Audit Committee

IV. REMUNERATION COMMITTEE

The Board of the Company constituted a Remuneration Committee to recommend/review the remuneration package of the Managing/Whole time Directors, based on performance and other defined criteria. The Remuneration Committee comprises three Non-Executive Directors with a Chairman, being an Independent Director.

During the financial year ended March 31, 2010, one meeting of the Remuneration Committee was held.

The Company's Non-Executive Directors do not draw any remuneration from the Company, except a sitting fee of ₹2,500 for attending each meeting of the Board and ₹1,500 each for attending the meetings of the Audit and Remuneration Committees.

The aggregate value of remuneration paid to the Managing Director/Whole time Directors and sitting fee paid to the Non-Executive Directors, for the year ended March 31, 2010 is as under:

Name	Category	Salary and perquisite (₹)	Sitting fee (₹)
Shri Pradeep Kumar Jain	CMD	42,00,000	–
Shri Naveen Kumar Jain	WTD	31,50,000	–
Shri Chakresh Kumar Jain	MD	31,50,000	–
Shri Yogesh Kumar Jain	MD	31,50,000	–
Shri Anil Kumar Rao	WTD	17,70,000	–
Shri C R Sharma	ID	–	14,500
Shri S K Awasthi	ID	–	19,500
Shri Vijay Prakash	ID	–	6,500
Shri. A K Gupta	ID	–	9,000
Shri D V Sharma	ID	–	5,000

CMD= Chairman and Managing Director, WTD= Whole Time Director, MD = Managing Director, ID = Independent Director.

V. SHAREHOLDERS'/INVESTORS' GRIEVANCE / SHARE TRANSFER AND TRANSMISSION COMMITTEE

During 2009-10, the Company was closely held, and is yet to come out with an Initial Public Offer (IPO). After the public issue the Committee will meet at a regular interval and the Company Secretary would act as Secretary of the Shareholders'/Investors' Grievance Committee. Currently, no sitting fee is paid to the Chairman and members.

Chairman of the Committee: Shri C K Jain

Compliance Officer: Shri K N Mehra

Number of shareholders' complaints received during the year under review: Nil

Number of complaints not resolved to the satisfaction of shareholders: Nil

Number of pending share transfer applications on March 31, 2010: Nil

VI. GENERAL BODY MEETINGS

Location and time of the last three Annual General Meetings:

	Location	Date	Time	Special Resolution
2008-09	D-51 Kamla Nagar, Agra	July 15, 2009	10.00 am	Nil
2007-08	D-51 Kamla Nagar, Agra	July 5, 2008	10.00 am	Nil
2006-07	D-51 Kamla Nagar, Agra	July 15, 2007	04.00 pm	Nil

VII. POSTAL BALLOT

No resolution was passed by way of postal ballot by the Company.

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

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

Other non-mandatory requirements

(1) The Board

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

(2) Remuneration Committee

We have instituted a Remuneration Committee to determine the remuneration package of the Executive Directors, three Non-Executive Directors and the Chairman of the committee, being an Independent Director. Committee members will be present at the meeting; the Chairman will be present at the Annual General Meeting to answer shareholders' queries, if any.

(3) Audit qualification

The Company may move towards a regime of unqualified financial statements.

(4) Training of Board members

The Board members are required to be trained in the Company's business model and in the business risk profile, within the parameters of the Company, indicating their responsibilities and best ways to discharge them.

(5) Whistle–blower policy

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

IX. DISCLOSURES

a) Related-party transaction:

Materially-significant related party transactions with the Promoters, the Directors, the management or their relatives that may have potential conflict with the interest of the Company at large, are disclosed in point no.13 of the Notes to the Accounts in schedule Q.

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

c) Code of conduct- declaration

A declaration from the Company in respect of the financial year ended March 31, 2010 was received by the senior management team of the company and the members of the Board, confirming compliance with the code of conduct pursuant to Clause 49 of the Listing Agreement.

d) Secretarial audit

The Company has taken in-principal approval from NSDL and CDSL, and from BSE and NSE. Subsequent to the IPO, the Company will go for regular compliance with these authorities as per their guidelines. Once listed, the Company will appoint qualified auditors to carry out secretarial audits as per Clause 47 (C) of the Listing Agreement to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital.

X. MEANS OF COMMUNICATION

Pursuant to Clause 51 of the Listing Agreement, all data related to quarterly financial results, shareholding patterns etc. will be made available subsequent to being listed on the website maintained by the SEBI. The Company's quarterly and annual results shall also be published in the newspapers as per guidelines issued by the SEBI.

XI. DEMATERLISATION OF SHARES

The shares held by Promoters and Promoter's groups were dematerialised. Shares held by other constituents (15.69%) are yet to be demateralised. Subsequent to the IPO, all trading in equity shares is permitted only in dematerialised form, as per notification issued by SEBI.

XII CEO CERTIFICATION

Certificate from Mr Pradeep Kumar Jain, CMD and CEO in terms of Clause 49(V) of the Listing Agreement (to be executed) for the year under review, was placed with the Board of Directors of the Company in their meeting held on June 02, 2010. A copy of the certificate is given along with this report.

XIII. GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting	June 30, 2010
Financial calendar	April 1 to March 31
Date of book closure	June 28, 2010 to June 30, 2010
Dividend payment date	N.A.
Listing on stock exchanges and stock code	The Company is yet to make an offer to the public of its equity shares and get listed on BSE/NSE.
ISIN No. for NSDL/CDSL	ISIN-INE195J01011
Share transfer system	The Company has appointed Registrar and Shareholder Transfer Agents as under:
Registrar and Transfer Agents	Link Intime India Private Limited C-13, Pannalal Silk Mils Compound, LBS Road Bhandup (West), Mumbai Branch Off:-A-40, IInd Floor, Phase II, Naraina Industrial Area, New Delhi.

For and on behalf of the Board of Directors

Sd/-

Pradeep Kumar Jain

Chairman and Managing Director

Place: New Delhi

Dated: June 02, 2010

Auditors' Certificate on Corporate Governance

To the members of PNC Infratech Ltd,

We have examined the compliance of conditions of Corporate Governance by PNC Infratech Ltd. for the year ended March 31, 2010, as stipulated in Clause 49 of the Listing Agreement with the stock exchange (To be executed by the Company).

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

In our opinion and to the best of our information and according to explanations given to us, we certify that the Company has complied with, to the extent applicable, the conditions of Corporate Governance as stipulated in Clause 49 of Listing Agreement.

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

For **Purushottam Agrawal & Co.**

Chartered Accountants

Sanjay Agarwal

Partner

(M. No. 72696)

Place: New Delhi

Dated June 2, 2010

Certification by CEO for the financial year 2009-10

The Board of Directors
PNC Infratech Limited
D-5/7, Vasant Vihar
New Delhi - 110057

Re: Certification by CEO for the financial year 2009-10

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

(a) We have reviewed the balance sheet as on March 31, 2010 and profit and loss account, cash flow statement and the Director's Report for the financial year 2009-10 and based upon our knowledge and information confirm that:

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

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

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

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting for the Company and we have:

(I) Evaluated the effectiveness of the internal control systems of the Company

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

(III) Necessary steps were taken / proposed to be taken to rectify these deficiencies'

(d) We have indicated to Auditors and the Audit Committee of the Board that there have been:

(I) No significant changes in internal control over the financial reporting during the year

(II) No significant changes in accounting policies during the year

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

Place: New Delhi
Dated: June 2, 2010

Pradeep Kumar Jain
Chairman and Managing Director

Auditors' Report

To
The Members of
PNC Infratech Limited

1. We have audited the attached Balance Sheet of **PNC INFRATECH LIMITED** (hereinafter referred to as the 'Company'), as at March 31, 2010 and the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto which we have signed and a reference to this report. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) order, 2003 as amended by Companies (Auditor Report) (amended) order 2004 (together the " order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 of India (The Act) and on the basis of such checks of the books and records of the company as we considered appropriate and according to the informations and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.

4. Further, to our comments in the Annexure referred to in paragraph 3 above, we report that:

   a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b) In our opinion, proper books of account as required by law, have been kept by the company, so far as appears from our examination of those books;

   c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

   d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in compliance with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 to the extent applicable;

   e) On the basis of written representations received from the directors as on March 31, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

   f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant accounting policies and notes forming part thereof, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

      i) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;

      ii) In the case of the Profit and Loss account, of the profit for the year ended on that date; and

      iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For **Purushottam Agrawal & Co.**
Chartered Accountants

Sanjay Agarwal
Partner
M.No. 72696
Firm Reg. No. 000731C

Place : New Delhi
Dated : June 02, 2010

Annexure to the Auditors' Report

(Referred to in paragraph 3 of our report of even date on the accounts for the year ended on March 31, 2010 of PNC Infratech Limited)

i) a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.

b) As explained to us, the fixed assets were physically verified by the management in a phased periodical manner, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. According to information and explanation given to us, the discrepancies noticed on physical verification were not material and have been properly dealt with in the books of account.

c) In our opinion the company has not disposed off a substantial part of its fixed assets during the year and the going concerned status of the company is not affected.

ii) a) According to the information and explanations given to us, the Management has physically verified the inventory during the year. In our opinion, having regard to the nature of business and location of stocks, the frequency of verification is reasonable.

b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.

c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.

iii) a) The Company has not granted loans to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of sub-clauses (a), (b), (c) and (d) of clause 4 (iii) are not applicable to the Company.

b) According to information and explanation given to us, the Company had taken inter corporate deposits from two companies covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved was ₹175 lacs and the balance at the year end was ₹Nil.

Based on the information and explanations given to us, we are of the opinion that the rate of interest and other terms and conditions of loan taken from such parties covered in the register maintained under section 301 are not prima facie prejudicial to the interest of the company.

According to the information and explanation given to us, repayment of principle and interest has been regularly made as stipulated.

iv) According to the information and explanations given to us, having regard to explanations, except in case of some of the items, purchased were of special nature and suitable alternative sources did not exist for obtaining comparable quotation, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventories and fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing, major weakness, in such internal controls.

v) a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section; and

b) According to information and explanation given to us, transaction made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

vi) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits form the public during the year. Therefore, the provisions of clause 4 (vi) of the Order are not applicable to the Company.

vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.

viii) In our opinion and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records for any of the products or activity of the company.

ix) According to the information and explanations given to us, the Company has been regular in depositing with appropriate authorities undisputed statutory dues and there are no undisputed amounts of Income Tax, Wealth Tax, Sales Tax, Customs Duty, Excise Duty, Provident Fund etc. outstanding as the last day of financial year concerned for a period of more than six months from the date they became payable.

According to information and explanations given to us, details of disputed Sales Tax, Entry Tax, Service Tax and Income Tax, which have not been deposited as on

31.03.2010, on account of any dispute(s) are given below:

[redacted]r. [redacted]o.	Name of Statute	Nature of dues	Amounts (₹ In lacs)	Period to which the amt. relates	Forum where dispute is pending
1.	Sales Tax Act of Karnataka State	Entry Tax	14.59	2005-06, 2006-07	Joint Commissioner (Appeal)
		Sales Tax	5.56		
2.	Sales Tax Act of M.P. State	Entry Tax	46.80	2006-07, 2007-08	Supreme Court regarding validity of the Act.
3.	Sales Tax Act of U.P. State	Entry Tax	44.56	2005-06 to 2009-10	Allahabad High Court, Uttar Pradesh
4.	The Central Excise and Customs Act	Service Tax	334.98	01.07.2003 to 31.03.2006	Tribunal Commissioner (Appeal), Commissioner, Asst. Commissioner of Central Excise
5.	The Income Tax Act	Income Tax	287.82	2002-03 and 2003-04	Allahabad High Court, Uttar Pradesh
	Total		**734.31**		

x) The Company do not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution or bank.

xii) In our opinion and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii) In our opinion, the Company is not a chit fund/ mutual benefit fund/ society. Therefore, the provisions of clause (xiii) of Paragraph 4 of the order are not applicable to the Company.

xiv) In our opinion and explanations given to us, the Company is not dealing in shares, securities, debentures and other investments. Accordingly, the provision of clause 4 (xiv) of the companies (Auditor's Report)(Amendment) order, 2004 are not applicable to the company.

xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by other(s), from banks/ financial institutions. Accordingly clause 4 (xv) of the order is not applicable.

xvi) To the best of our knowledge and belief and according to information and explanation given to us, in our opinion the term loans availed by the company were prima-facie applied by the company during the year for the purpose for which the loan were obtained.

xvii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been prima-facie used for long-term investment.

xviii) According to the information and explanations given to us, during the period covered by our audit report, the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.

xix) The company has not issued any debenture. Accordingly clause (xix) of the order is not applicable.

xx) During the year covered by our audit report, the Company has not raised any money by way of the public issue.

xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For **Purushottam Agrawal & Co.**
Chartered Accountants

Sanjay Agarwal
Partner
M.No. 72696
Firm Reg. No. 000731C

Place : New Delhi
Dated : June 02, 2010

Balance Sheet as at 31 March, 2010

(₹ in lacs)

[redacted]	Notes	[redacted] As at March 31, 2010	[redacted] As at March 31, 2009
I. SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	A	3412.10	2211.40
Reserves and Surplus	B	15397.55	10182.08
		18809.65	**12393.48**
Loan Funds			
Secured Loans	C	9426.21	10279.99
Unsecured Loans		–	–
		9426.21	10279.99
Deferred Tax Liability		298.73	300.67
Total		**28534.59**	**22974.14**
II. APPLICATION OF FUNDS			
Fixed Assets	D		
Gross Block		14969.17	13916.61
Less : Depreciation		6071.15	4619.45
Net Block		8898.02	9297.16
Investments	E	2290.14	1012.00
Current Assets, Loans and Advances			
Inventories	F	4286.06	2269.25
Sundry Debtors	G	11706.24	10359.66
Cash and Bank Balances	H	3773.74	2488.09
Loans and Advances	I	4542.31	3889.90
		24308.35	**19006.90**
Less : **Current Liabilities and Provisions**			
Current Liabilities	J	6658.42	6444.40
Provisions	K	460.02	0.75
		7118.44	6445.15
Net Current Assets		17189.91	12561.75
Miscellaneous Expenditure	L	156.52	103.23
Miscellaneous Expenditure (To the extent not written off or adjusted)			
Total		**28534.59**	**22974.14**
Significant accounting policies and notes on financial statements	Q		

In terms of our report of even date.

For **PURUSHOTTAM AGRAWAL & CO.**
Chartered Accountants

On behalf of the Board

Sanjay Agarwal
Partner
M.No. 72696

Pradeep Kumar Jain
Chairman & Managing Director

Chakresh Kumar Jain
Managing Director

K N Mehra
Company Secretary

Place : New Delhi
Dated : June 02, 2010

Profit and Loss Account for the year ended 31 March, 2010

(₹ in lacs)

[redacted]	Notes	Year ended March 31, 2010	Year ended March 31, 2009
INCOME			
Income from Operations		75163.38	50153.54
Other Income	M	233.52	211.78
		75396.90	**50365.32**
EXPENDITURE			
Direct Cost	N	62380.31	41813.46
Administrative & Other Expenses	O	3451.52	2383.13
Financial Charges	P	1094.55	973.75
Depreciation		1594.79	1528.10
		68521.17	**46698.44**
PROFIT BEFORE TAX		6875.73	3666.88
Provision for :			
Current Tax		2339.96	1180.19
Tax for earlier Years		21.54	15.81
Deferred Tax		(1.94)	61.79
Fringe Benefit Tax		–	7.75
PROFIT AFTER TAX		4516.17	2401.34
Surplus brought forward from previous year		6578.41	4177.07
SURPLUS AVAILABLE FOR APPROPRIATION		11094.58	6578.41
Transfer to General Reserve		–	–
Balance Carried to Balance Sheet		11094.58	6578.41
EPS - Basic		13.42	7.35
EPS - Diluted		13.42	7.35
Significant accounting policies and notes on financial statements	Q		

In terms of our report of even date.

For **PURUSHOTTAM AGRAWAL & CO.**
Chartered Accountants

On behalf of the Board

Sanjay Agarwal
Partner
M.No. 72696

Pradeep Kumar Jain
Chairman & Managing Director

Chakresh Kumar Jain
Managing Director

K N Mehra
Company Secretary

Place : New Delhi
Dated : June 02, 2010

Cash Flow Statement for the year ended 31 March, 2010

(₹ in lacs)

	Year ended March 31, 2010		Year ended March 31, 2009	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax		6,875.73		3,666.88
Adjustment for				
1. Depreciation	1594.79		1528.10	
2. Misc. Exp. Written off	2.09		0.35	
3. (profit)/ Loss on sale of Fixed Assets	(2.83)		(4.50)	
4. Interest Income	(165.63)		(162.85)	
5. Interest & Finance Charges	1094.55		973.75	
6. Income from dividend	(3.83)		–	
7. Income from Investment	(0.49)		–	
		2518.65		2334.85
Operating Profit before working Capital Charges		9394.38		6001.73
Adjustment for				
Trade & Other Receivable	(1346.58)		(4184.69)	
Inventories	(2016.81)		113.72	
Trade payable	213.28		2496.31	
Loans Advances	(652.41)	(3802.52)	(744.48)	(2319.14)
Cash generated from operations		5591.86		3682.59
1. Direct Taxes paid	(1901.49)	(1901.49)	(1203.00)	(1203.00)
Cash flow before extra Ordinary items		3690.37		2479.59
Extraordinary Items				
Pre-IPO & Misc. Expenses	(55.38)		–	
Net cash flow from operating activities		**3634.99**		**2479.59**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets	(1235.34)		(4406.00)	
Sale of Fixed Assets	42.52		23.97	
Equity Shares of SPV's	(1278.14)		(934.89)	
Interest Income	165.63		162.85	
Income from Dividend	3.83		–	
Income from investment	0.49		–	
Net cash used in investing activities		(2301.01)		(5154.07)
Total		**1333.98**		**(2674.48)**
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of share capital	95.00		50.00	
Proceeds from Security Premium	1805.00		950.00	
Proceeds from long term borrowings	(1110.18)		1542.23	
Proceeds from short term borrowings	256.40		3004.03	
Interest & Financial Charges	(1094.55)		(973.75)	
Net cash used in financing activities		(48.33)		4572.51
Net increase in cash & cash equivalents		**1285.65**		**1898.03**
Opening cash and cash equivalents		**2488.09**		**590.06**
Closing cash & cash equivalents		**3773.74**		**2488.09**

In terms of our report of even date.

For **PURUSHOTTAM AGRAWAL & CO.**
Chartered Accountants

On behalf of the Board

Sanjay Agarwal
Partner
M.No. 72696

Pradeep Kumar Jain
Chairman & Managing Director

Chakresh Kumar Jain
Managing Director

K N Mehra
Company Secretary

Place : New Delhi
Dated : June 02, 2010

Schedule forming part of the Balance Sheet

(₹ in lacs)

[redacted]	As at March 31, 2010	As at March 31, 2009
Schedule [redacted] SHARE CAPITAL		
Authorised Capital		
50000000 Equity Shares of ₹10 each	5000.00	3500.00
(Previous year 35000000 Equity Shares of ₹10/- each)		
	5000.00	**3500.00**
Issued Subscribed & Paid Up Capital		
34121000 Equity Shares of ₹10 each fully paid up	3412.10	2211.40
(Previous Year 22114000 Equity Shares of ₹10/- each)		
(Of the above 3867400 Shares allotted, for a consideration other than cash)		
(Of the above 21864000 Shares were allotted, as Bonus Shares)		
	3412.10	**2211.40**

[redacted]	As at March 31, 2010		As at March 31, 2009	
Schedule [redacted] RESERVE & SURPLUS				
Profit and Loss Account		11094.58		6578.41
General Reserve		293.62		293.62
Security Premium				
Opening Balance	3310.05		3310.05	
Less: capitalised by issue of bonus share in the ratio of 1 : 2	1105.70		–	
	2204.35		3310.05	
Add : on Issue of equity shares	1805.00	4009.35	–	3310.05
		15397.55		**10182.08**

[redacted]	As at March 31, 2010	As at March 31, 2009
Schedule [redacted] SECURED LOANS		
Term Loans:		
– From Banks, Financial Institutions & NBFCs	2495.93	3606.11
Working Capital Loans:		
– From Banks	6930.28	6673.88
	9426.21	**10279.99**

Schedule forming part of the Balance Sheet

(₹ in lacs)

Schedule [redacted] **FIXED ASSETS**

[redacted]l. No.	Particular	[redacted]ross Block				[redacted]epreciation				Net Block	
		As at 01.04.09	Additions	Sale/ Adjustment	As at 31.03.2010	Upto 01.04.09	For the Year	Written back during the year	Upto 31.03.2010	as on 31.03.2010	as on 31.03.2009
1.	Land	–	98.14	–	98.14	–		–	–	98.14	–
2.	Building:										
	– Building	39.75	–	–	39.75	2.78	0.65	–	3.43	36.32	36.97
	– Building Haldwani Site	46.14	–	–	46.14	4.90	1.54	–	6.44	39.70	41.24
3.	Plant & Machinery	8,400.19	480.84	13.86	8,867.17	2,276.17	892.66	7.74	3,161.09	5,706.08	6,124.02
4.	Earthmoving Machine(s)	3,351.95	4.90	–	3,356.85	1,377.51	379.60	–	1,757.11	1,599.74	1,974.44
5.	Machinery Equipments & Instruments	592.20	24.94	7.20	609.94	67.77	28.69	1.52	94.94	515.00	524.43
6.	Furniture & Fixtures	78.62	6.36	–	84.98	17.23	5.21	–	22.44	62.54	61.39
7.	Vehicles	372.96	95.99	28.59	440.36	112.28	37.62	11.24	138.66	301.70	260.68
8.	Office Equipments	171.85	227.20	0.66	398.39	76.54	29.10	0.05	105.59	292.80	95.31
9.	Temporary Building Construction	862.95	296.98	132.48	1,027.45	684.26	219.72	122.53	781.45	246.00	178.69
	Grand Total	**13,916.61**	**1,235.35**	**182.79**	**14,969.17**	**4,619.44**	**1,594.79**	**143.08**	**6,071.15**	**8,898.02**	**9,297.17**
	Figures As At 31-03-2009	9,700.23	4,405.99	189.61	13,916.61	3,261.50	1,528.10	170.16	4,619.44	9,297.17	6,438.73

(₹ in lacs)

[redacted]	As at March 31, 2010	As at March 31, 2009
Schedule [redacted] **INVESTMENTS**		
(Unquoted at cost- Long Term)		
22889425 equity shares in Jaora Nayagaon Toll Road Project Pvt. Ltd.	2288.94	1012.00
(Previous Year 10120000 equity shares)		
12008 equity shares in Ghaziabad Aligarh Expressway Pvt. Ltd.	1.20	–
(Previous Year NIL) (Aggregate value of Unquoted Investment ₹2290.14 lacs		
(Previous Year ₹1012.00 lacs)		
	2290.14	**1012.00**
Schedule [redacted] **INVENTORIES**		
(As certified by the Management)		
Raw Material & Stores	4009.80	1799.57
Work in Progress	276.26	469.68
	4286.06	**2269.25**
Schedule [redacted] **SUNDRY DEBTORS**		
(Unsecured considered good)		
Over Six Months Old	823.63	1058.44
Other	10882.61	9301.22
	11706.24	**10359.66**

Schedule forming part of the Balance Sheet

(₹ in lacs)

[redacted]	As at March 31, 2010	As at March 31, 2009
Schedule [redacted] CASH AND BANK BALANCES		
Cash in Hand	205.52	155.73
Bank Balances with Scheduled Banks in :		
Current Accounts	3238.84	400.04
Fixed Deposits	326.43	1925.22
Bank Balances with Non-Scheduled Banks in:		
Current account with Prathma Bank (Maximum balance during the year ₹14.35 lacs)	2.95	7.10
	3773.74	**2488.09**

Schedule [redacted] LOANS & ADVANCES		
(Advances recoverable in cash or kind or for value to be received unsecured considered good)		
Security Deposits/Retention Money	464.72	377.41
Margin Money on Bank Guarantee	1020.20	1283.72
Earnest Money	1027.90	980.42
Interest Accrued but not due on Margin and Earnest Money	58.92	139.52
Advance Tax & TDS (Net off Provisions)	302.89	260.55
Advance to Suppliers	759.23	442.84
Other Advances	423.59	405.44
Share Application Money	484.86	–
	4542.31	**3889.90**

Schedule [redacted] CURRENT LIABILITIES		
Sundry Creditors		
Micro, Small and Medium Enterprises #	–	–
Others	1996.77	2455.17
Other Liabilities	4661.65	3989.23
	6658.42	**6444.40**

The Company has not received information from vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amounts unpaid as at the year and together with interest paid / payable under this act have not been given (Refer note 18 - Notes to the Accounts)

Schedule [redacted] PROVISIONS		
Provision for Income Tax (Net off TDS and Adv. Tax)	460.02	–
Provision for FBT (Net off Adv. Tax)	–	0.75
	460.02	**0.75**

Schedule forming part of the Balance Sheet

(₹ in lacs)

[redacted]	As at March 31, 2010		As at March 31, 2009	
Schedule [redacted] MISCELLANEOUS EXPENDITURE				
Preliminary Expenses				
Opening Balance	0.50		0.85	
Add: Addition during the year	8.70		–	
Less: Amortised during the Year	2.09		0.35	
Closing Balance		7.11		0.50
Pre IPO expenses				
Opening Balance	102.73		102.73	
Add: Addition during the year	46.68		–	
Closing Balance		149.41		102.73
		156.52		**103.23**

Schedule forming part of the Profit and Loss Account

(₹ in lacs)

[redacted]	Year ended March 31, 2010	Year ended March 31, 2009
Schedule [redacted] OTHER INCOME		
Interest from Bank (TDS ₹12.80 lacs P.Y ₹19.46 lacs)	165.63	162.85
Income from Dividend	3.83	–
Profit on Sale of Fixed Assets	2.83	4.50
Income from sale of Investments	0.49	–
Other Income	60.74	44.43
	233.52	**211.78**

Schedule [redacted] DIRECT COST		
Purchases & Contract paid	59654.26	37609.55
(Increase)/ Decrease in Stock of Material & Stores	(2210.23)	216.43
(Increase)/ Decrease in Work in Progress	193.41	(102.71)
Other Direct Exp.	4742.87	4090.19
	62380.31	**41813.46**

Schedule forming part of the Profit and Loss Account

(₹ in lacs)

[redacted]	Year ended March 31, 2010	Year ended March 31, 2009
Schedule [redacted] ADMINISTRATIVE & OTHER EXPENSES		
Power & Fuel	114.81	100.70
Rent, Rates & Taxes	658.90	471.66
Insurance	129.96	135.15
Salary & Bonus	263.36	201.14
Staff Welfare	100.87	75.62
Stationery & Printing	45.68	42.31
Traveling & Conveyance	85.93	82.60
Hire Charges	302.45	133.45
Auditor's Remuneration	5.00	3.10
Legal & Professional Expenses	82.58	74.57
Advertisement Expenses	11.41	10.19
General Expenses	64.57	57.71
Postage & Telephone Expenses	44.51	43.32
Car & Scooter Expenses	24.63	25.38
Charity & Donation	5.00	3.22
Tender Expenses	148.70	121.21
Rebate & Discount	68.19	17.22
Sales Tax / VAT	1138.13	695.53
Director's Remuneration	154.20	88.45
Director's Sitting Fees	0.55	0.25
Miscellaneous Expenditure written off	2.09	0.35
	3451.52	**2383.13**

Schedule [redacted] FINANCIAL CHARGES		
Bank Charges	115.00	150.11
Bank and other Interest	651.78	651.83
Interest on Term Loan	327.77	171.81
	1094.55	**973.75**

Schedule forming part of the Accounts

Schedule ■ SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

A) ACCOUNTING POLICIES

1. Basis of Preparation & Method of Accounting

   The financial statements have been prepared under the historical cost convention, on the accrual basis of accounting and in accordance with generally accepted accounting principles (GAAP) in India, including the mandatory standards on accounting issued by the Institute of Chartered Accountants of India and referred to in Section 211 (3C) of the Companies Act, 1956 and on the accounting principal of going concern.

2. Use of Estimates

   The Preparation of financial statement required the management of the Company to make estimates and assumption that effect the reported balances of assets and liabilities and disclosures relation to contingent liabilities as at the date of financial statements and reported amounts of income & expenses during the year. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future projects.

3. Fixed Assets

   Fixed assets are stated at cost less depreciation and impairment losses, if any. Cost of fixed assets comprises purchase price, duties, levies, financing cost till the machinery is put to use and any directly attributable cost of bringing the assets to its working condition for the intended use.

4. Borrowing Cost

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

5. Depreciation

   Depreciation has been provided as per SLM Method (except for Plant & Machinery which is depreciated as per WDV basis). This is in consistent with the accounting policy followed in respect of depreciation with that followed in previous year.

   Depreciation has been provided in the manner and at the rates specified in Schedule XIV to the Companies Act 1956 and on prorata basis. Fixed assets are stated at cost less depreciation and impairment losses if any.

6. Impairment of Assets

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

7. Investments

   Investments are classified as long-term and current investments. Long-term investments are shown at cost or written down value (in case of other than temporary diminution) and current investments are shown at cost or fair value whichever is lower.

8. Inventories

   Inventories are valued at lower of cost or net realizable value. Raw material cost is determined on first in first out basis. Cost in case of work in progress is determined on the basis of cost includes cost of material, labour, direct expenses etc.

9. Revenue Recognition

   Construction Contracts

   Revenue from fixed price construction contracts is recognized by reference to the percentage of completion of the contracts activity. The stage of completion is determined by survey of work performed and or on completion of a physical proportion of the contract work, as the case may be. Claims are accounted as income in the year of arbitration award or accepted by the client or evidence of acceptance received.

Joint Venture Projects

Assets, liabilities and expenditure arising out of contracts executed wholly by the company pursuant to a Joint Venture contract are recognized under respective heads in the financial statements. Revenue from the contracts is accounted for net of joint venture's share, under turnover, in these financial statement.

Sale of Crushed Aggregate

Sales exclude applicable sales tax/VAT and net of discount.

10. Leases

The Company's leasing arrangements are mainly in respect of operating leases for premises. The leasing arrangements are usually cancelable /renewable by mutual consent on agreed terms. The aggregate lease rents payable are charged as rent in the Profit and Loss Account.

11. Taxation

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

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

The deferred tax for timing difference between the book and tax profits for the year is accounted using the tax rates and laws that have been enacted or substantively enacted as on the Balance Sheet date in accordance with Accounting Standard-22 Accounting for Taxes on Income, issued by the Institute of Chartered Accountants of India. Accordingly deferred tax liability as appropriate has been created.

12. Foreign Exchange Fluctuations

Current assets/liabilities relating to foreign exchange transactions remaining unsettled at the end of the year are translated at contracted rates when covered by foreign exchange forward contracts, and at year end rates in other cases, and the resultant effect is given to respective revenue heads of account.

13. Employee's Benefit

Provident Fund is a defined contribution plan for which contribution accruing during the year as per the scheme is expensed.

Liability on account of gratuity, leave encashment(s) of the employee(s) is being provided as per accounting standard -15 issued by The Institute of Chartered Accountants of India on the basis of actuary valuation.

14. Income from Investments/ Deposits

Income from investments/deposits is credited to revenue in the year in which it accrues. Income is stated in full with the tax thereon being accounted for under Tax deducted at source.

15. Earning Per Share

The Company reports basic and diluted earnings per share in accordance with Accounting Standard (AS) 20. Basic earning per share is computed by dividing the net profit for the year attributable to the Equity Shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit for the year, adjusted for the effects of dilutive potential equity shares, attributable to the Equity Shareholders by the weighted average number of the equity shares and dilutive potential equity shares outstanding during the year except where the results are anti dilutive.

16. Events Occurring After Balance Sheet Date

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

17. Contingencies

Loss, contingencies arising from claims, litigations, assessments, fines, penalties etc are provided for when it is probable that a liability may be incurred and the amount can be reasonable estimated. Contingent assets are neither recognized nor disclosed.

B) NOTES ON ACCOUNTS:

Notes to these Financial Statements are intended to serve as a means of informative disclosure and a guide to better understanding. Recognizing this purpose, the Company has disclosed only such Notes from the financial statements, which fairly present the needed disclosures.

1. **Contingent Liabilities**

(₹ in lacs)

Sl. [redacted]	Particulars [redacted]	Current Year	[redacted] Previous Year
a)	Estimated amount of contracts remaining to be executed on capital account net of advances	–	62.86
b)	Letter of Credit outstanding	169.68	–
c)	Bank Guarantees Executed in favour of NHAI & others	25,274.54	21608.92
d)	Disputed demand of Income Tax for which company preferred appeal	443.50	10.90
e)	Disputed demand of Sales Tax for which company preferred appeal	8.06	5.56
f)	Disputed demand of Service Tax for which company preferred appeal	344.98	362.80
g)	Disputed demand of Entry Tax for which company preferred appeal	194.15	27.53
i)	Claims against the Company not acknowledged as debts	216.20	178.20

2. The Company had initiated arbitral proceedings against the NHAI, by an original claim dated March 2, 2007, claiming compensation of ₹1004.40 lacs for loss incurred due to the delay in commencement of work, failure to handover possession of site in terms of an agreement with NHAI, removal of hindrances/ obstructions at the site etc. in relation to the contract for four laning of Agra- Dholpur Section of N.H. – 3 in the state of Uttar Pradesh/ Rajasthan. The matter is still sub- judice in arbitration.

3. Presently no options are available on unissued share capital.

4. The company's accounts for the year ended March 31, 2010 have been prepared on the basis of a "going concern".

5. **Share Capital:**

During the year, the Company has allotted Bonus shares in the ratio of 1:2 on September 10, 2009. Further, The Company has also issued 950000 fresh equity shares @ 200/- per share on September 30, 2009 on Preferential Basis under the Guidelines of Allotment of Preferential Shares by Unlisted Companies.

6. **Secured Loans**

a) Term Loan(s)

Term Loan(s) availed from Banks, Financial Institutions and NBFC's are secured by hypothecation of specific assets, comprising plant & machineries, construction equipments & vehicles acquired out of the said loans and personal guarantee of certain directors.

b) Working Capital Facilities

Cash credit facilities and working capital demand loans from consortium of Banks are secured by:

i) Hypothecation against first charge on stocks, book debts and other current assets of the company both present & future ranking parri passu with consortium banks.

ii) Hypothecation of first charge on all unencumbered fixed assets of the company both present & future ranking parri passu with consortium banks.

iii) Equitable mortgage of 8 properties (Land & Building) belonging to directors & their family members.

iv) Second charge of plant & machinery of PNC cold Storage P. Ltd.

v) Personal guarantee of certain directors and their relatives.

Schedule forming part of the Accounts

Schedule [redacted] SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS *(Contd.)*

7. **Deferred Tax**

The net deferred tax liability of ₹298.73 lacs as at March 31, 2010 (Previous year ₹300.67 Lacs) has been recognized as recommended under Accounting standard AS-22 on "Deferred Taxation" issued by The Institute of Chartered Accountants of India. The deferred tax liability comprised of the following:

(₹ in lacs)

Particulars [redacted]	F.Y. 2009-10	F.Y. 2008-09
Deferred Tax Assets/ Liability comprises of the following:		
A) Deferred Tax Assets:		
Gratuity and Leave encashment	12.39	Nil
Total	**12.39**	**Nil**
B) Deferred Tax Liabilities on timing difference due to:		
Depreciation	311.12	300.67
Total	**311.12**	**300.67**
Net Deferred Tax Liability (A-B)	298.73	300.67

8. **The company has made following investments as under:**

(₹ in lacs)

Particulars [redacted]	F.Y. 2009-10	F.Y. 2008-09
Jaora Nayagoan Toll Road Company Private Limited	2288.94	1012.00
Ghaziabad Aligarh Expressway Private Limited	1.20	Nil

The above investment has been made pursuant to shareholder's agreement executed/to be executed in the captioned special purpose vehicles (SPVs) under consortium of Build, Operate and Transfer (BOT) and DBFOT projects. Investments made in case of Jaora Nayagaon Toll Road Company Private Limited have been pledged to IDBI Bank Limited as security for the loan taken by SPV.

9. Advances include amount due from officers of the company of ₹ NIL (Previous year ₹0.83 lacs. Maximum amount due from officers during the year ₹0.83 lacs (Previous year ₹0.85 lacs)

10. **Employee Benefits**

    i) 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.

    ii) Liability for retiring gratuity as on March 31, 2010 is ₹81.55 lacs (Previous year ₹59.05 lacs). The Liability for Gratuity actuarially determined and provided for in the books.

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

Schedule [redacted] SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS *(Contd.)*

(₹ in lacs)

[redacted]. Net Assets/(Liability) recognised in the balance Sheet [redacted]	F.Y. 2009-10	F.Y. 2008-09
Present value of Obligation	81.55	59.05
Fair value of Plan Assets	0.00	0.00
Liability / (Assets)	81.55	59.05
Un-recognised Past Service Cost	0.00	0.00
Liability / (Assets) recognized in the Balance Sheet	81.55	59.05
Component of Employer's Expense		
Current Service Cost	24.51	21.39
Interest Cost	4.72	3.24
Expected Return on Plan Assets	0.00	0.00
Net Actuarial Gain / (Loss) recognized in the year	(6.74)	(6.04)
Expenses recognised in the Profit And Loss Account	22.49	18.59
Movement in the Net Liability recognized in the Balance sheet		
Opening Net Liability	59.05	40.46
Expenses recognised in the Profit and Loss Account	22.49	18.59
Payment made to employee on Retirement	0.00	0.00
Closing Net Liability	81.55	59.05

(₹ in lacs)

[redacted]I. Change in Defined Benefit Obligatio[redacted]	F.Y. 2009-10	F.Y. 2008-09
Opening Defined Benefit Obligation	59.05	40.46
Current Service Cost	24.51	21.39
Interest Cost	4.72	3.24
Actuarial Losses / (Gain)	6.74	6.04
Benefits Paid	0.00	0.00
Closing Defined Benefit Obligation	0.00	0.00

(₹ in lacs)

III. Financial Assumptions at the valuation date: [redacted]	F.Y. 2009-10	F.Y. 2008-09
Discount Rate (p.a)	8.00%	8.00%
Expected Rate of Return on assets (p.a)	NA	NA
Salary Escalation Rate (p.a)	10.00%	12.00%
Attrition Rate	5.00%	10.00%

a) Discount Rate:

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

b) Expected Rate of Return on Plan Assets:

This is based on our expectation of the average long term rate of return expected on investments of the Fund during the estimated term of the obligations.

c) Salary Escalation Rate:

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

Schedule forming part of the Accounts

Schedule [redacted] SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS *(Contd.)*

11. **Remuneration to Auditors for:**

(₹ in lacs)

Particulars [redacted]	F.Y. 2009-10	F.Y. 2008-09
Statutory Audit Fees	1.80	1.20
Tax Audit Fees	0.40	0.30
Certification Fees	1.20	1.00
Other Services	1.60	0.60
Total	**5.00**	**3.10**

12. **Earning Per Share (EPS)**

Basis/Diluted Earning Per Share

(₹ in lacs)

Particulars [redacted]		F.Y. 2009-10	F.Y. 2008-09
Net Profit after tax available for Equity shareholders	(A)	4516.17	2401.34
No. of equity shares (In Lacs)		341.21	221.14
Weighted average number of equity shares for Basic & Diluted EPS	(B)	336.47	326.72
Face Value of Share		10	10
Earning per Share Basic and Diluted (₹)	(A/B)	13.42	7.35

Note:

i.) On 10th September 2009 the Company has allotted Bonus share in ratio of 1:2 The calculation of basic/diluted earning per share has been adjusted for all the periods due to bonus share issued, in accordance with the requirements of AS-20 "Earning Per Share" issued by the ICAI.

ii.) On 30th September 2009 the Company has made preferential allotment of 950000 shares.

13. **Related Party Disclosures**

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

A. **Entities controlled/influenced by Related Parties:**

1. NCJ Infrastructure Private Limited
2. PNC Mining Private Limited
3. PNC Project Private Limited
4. Shri Mahaveer Infrastructure Private Limited
5. Ideal Buildtech Private Limited
6. KMJ Infrastructure Private Limited
7. PNC Cold Storage Private Limited
8. PNC Infrastructure Private Limited
9. PNC Airport Private Limited
10. PNC Constructions Private Limited
11. PNC Power Private Limited
12. M A Buildtech Private Limited
13. M A Infra Projects Private Limited
14. Taj Infrabuilders Private Limited
15. Shri Parasnath Infrastructures Private Limited

B. Directors

1. Pradeep Kumar Jain
2. Naveen Kumar Jain
3. Chakresh Kumar Jain
4. Yogesh Kumar Jain
5. Anil Kumar Rao

C. Relative of Directors

1. Meena Jain
2. Madhvi Jain
3. Ashita Jain
4. Renu Jain

D. Associates

1. Pradeep Kumar Jain HUF
3. Chakresh Kumar Jain HUF

E. Key managerial Person

1. Ishu Jain
2. Ashish Jain

Related Party Transaction during the year:

(₹ in lacs)

Sl. No.	Particulars	KMP & Relatives	Enterprise over which significant influences exercised by KMP/ Directors	Total
Transactions during the year				
1.	Receipts on account of Services	–	3655.97	3655.97
2.	Payment of Rent/Services	49.70	4.20	53.90
3.	Interest on Loan taken	–	15.87	15.87
4.	Salary	162.60	–	162.60
Amount O/s at Balance Sheet Date				
1.	Amount			
	Payable/recoverable	–	–	–

Note:

1) Related party relationship is as identified by the company on the basis of information available with them and accepted by us as correct.

2) No amount has been written off or written back during the year in respect of debt due from or to related parties.

3) Company has entered into transactions with certain parties as listed above during the year under consideration. Full disclosures have been made and the Board considers such transactions to be in normal course of business at rates agreed between the parties.

14. **Segment Reporting**

The Company's operations predominantly consist of Infrastructure development and construction / project activities. Hence there are no reportable segments under Accounting Standard – 17 issued by The Institute of Chartered Accountants of India during the year under report.

Schedule forming part of the Accounts

Schedule SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS *(Contd.)*

15. **Managerial Remuneration**

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

(₹ in lacs)

Particulars	F.Y. 2009-10	F.Y. 2008-09
Salary	154.20	88.45

Note: The above figure does not include Provision towards Gratuity Fund as separate figure are not available.

a) Computation of net profit accordance with section 349 of the Companies Act, 1956 has not been enumerated, as no commission is payable and remuneration has been paid as per provisions of schedule XIII of the Companies Act, 1956.

b) The company holds an insurance policy amounting to ₹453 lacs on the life of its Keyman, Chairman & Managing Director & Managing Director(s).

16. **Disclosure pursuant to Accounting Standard – 7 "Construction Contracts"**

(₹ in lacs)

Sl. No.	Particulars	F.Y. 2009-10	F.Y. 2008-09
1).	Amount of contract revenue recognized as revenue in the period	72783.12	48318.65
2)	Aggregate amount of costs incurred (up to the reporting date)	66121.68	45173.04
3)	Recognized profits (up to the reporting date)	6661.44	3145.61
4)	Amount of advances received	2117.08	2551.08
5)	Amount of retention	330.04	302.63

17. **Additional information** (pursuant to the provisions of part II & Part IV of schedule VI to the Companies Act, 1956)

A. **Capacities & Production**

Products	Licensed Capacity/ Registered Capacity		Installed Capacity		Production	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year

The company is into Road/Highways/Airport runways construction and power transmission business hence, not applicable

B. **Revenue from Construction and related activities**

(₹ in lacs)

Revenues	F.Y. 2009-10	F.Y. 2008-09
– Road	62891.31	38210.29
– Airport Runways	6673.23	10091.92
– Power Projects	1020.29	16.44
– Waste Management	2198.29	–
– Others	2380.26	1834.89
Total	**75163.38**	**50153.54**

Schedule forming part of the Accounts

Schedule [redacted] SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS *(Contd.)*

C. Quantitative details of Major Stock(s) & Consumption:

(₹ in lacs)

Particulars		Op. Stock		Receipts		Consumption		Closing Stock	
[redacted]		Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
Bitumen	(MT)	305	84.93	26304	9357.61	26413	9373.56	196	68.98
		(175)	(48.74)	(12932)	(4114.71)	(12802)	(4078.52)	(305)	(84.93)
Cement	(Bags)	64198	135.28	1229118	2603.45	1244804	2634.49	48512	104.24
		(62367)	(145.39)	(1020478)	(2106.81)	(1018647)	(2116.92)	(64198)	(135.28)
Sand	(MT)	22781	62.46	39567	100.78	37757	99.79	24591	63.45
		(26931)	(109.35)	(34210)	(85.86)	(38360)	(132.75)	(22781)	(62.46)
Grit	(MT)	210937	580.97	713323	2548.86	551634	1806.30	372626	1323.53
		(373876)	(689.58)	(1529371)	(5053.35)	(1692310)	(5161.96)	(210937)	(580.97)
Boulder	(MT)	88977	117.19	2342163	3011.86	1946133	2496.82	485007	632.23
		(391851)	(443.68)	(1033656)	(1182.00)	(1336530)	(1508.49)	(88977)	(117.19)

Figures in brackets are indicated for previous year

D. Consumption of Imported & Indigenous Raw Material, Stores & Spares*:

(₹ in lacs)

Particulars [redacted]	F.Y. 2009-10		F.Y. 2008-09	
[redacted]				(%)
Raw Material		(%)		(%)
Imported	–	–	–	–
Indigenous	27919.56	100	20153.45	100
	27919.56	100	20153.45	100

*The consumption of stores and spares is insignificant, hence has been clubbed with "Repairs to Machineries" & other relevant account heads.

E. Value of imports on CIF basis:

(₹ in lacs)

Particulars [redacted]	F.Y. 2009-10	F.Y. 2008-09
Raw material	–	–
Stores & spares	–	–
Plant & Machinery	Nil	999.72

F. **Expenditure in Foreign Currency:** Nil (Previous Year Nil)

G. **Earning in Foreign Currency:** Nil (Previous Year Nil)

Schedule forming part of the Accounts

Schedule ■ SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS *(Contd.)*

18. The Company sought information from its vendor(s) confirmation to their status under The Micro, Small and Medium Enterprise Development Act' 2006. In the absence of non-receipt of information from them disclosure relating to amounts unpaid as at the year end together with interest paid/payable under the Act have not been given.
19. In the opinion of the management, the current assets, loans and advances are expected to realize at least the amount at which they are stated, if realized in the ordinary course of business and provision for all known liabilities have been adequately made in the accounts.
20. Pre IPO Expenses has not amortised during the year as the same is proposed to be recouped out of the share issue proceeds.
21. Previous year's figures have been regrouped/ rearranged wherever considered necessary.
22. Figures have been expressed in Lacs of rupees.

In terms of our report of even date.

For **PURUSHOTTAM AGRAWAL & CO.**
Chartered Accountants

On behalf of the Board

Sanjay Agarwal
Partner
M.No. 72696

Pradeep Kumar Jain
Chairman & Managing Director

Chakresh Kumar Jain
Managing Director

K N Mehra
Company Secretary

Place : New Delhi
Dated : June 02, 2010

Balance Sheet Abstract and Company's General Business Profile as at March 31, 2010

I. Registration Details

Registration No.	CIN: U45201DL1999PLC195937	State Code 55	
Balance Sheet Date	31.03.2010		

II. Capital raised during the year *(Amount in ₹ Thousands)*

Public Issue	–	Right Issue	–
Bonus Issue	110570.00	Private Placement	9500.00

III. Position of Mobilization and Deployment of Funds *(Amount in ₹ Thousands)*

Total Liabilities	2853458.34	Total Assets	2853458.34
Source of Funds			
Paid-up capital	341210.00	Reserve & Surplus	1539754.81
Secured Loans	942620.53	Unsecured Loans	NIL
Deferred Tax Liabilities			
Application of Funds			
Net Fixed Assets	889802.52	Investments	229014.33
Net Current Assets	1718989.29	Misc. Expenditure	15652.20
Accumulated Losses	NIL		

IV. Performance of Company *(Amount in ₹ Thousands)*

Turnover	7539690.30	Total Expenditure	6852116.88
Profit Before Tax	687573.42	Profit After Tax	451616.90
Earning per share :			
Basic & Diluted (in ₹)	13.42	Dividend rate %	NIL

V. Generic Names of Three principal Products/ Services of Company (as per monetary terms)

Infrastructure Development & Contract Business.

In terms of our report of even date.

For **PURUSHOTTAM AGRAWAL & CO.**
Chartered Accountants

On behalf of the Board

Sanjay Agarwal
Partner
M.No. 72696

Pradeep Kumar Jain
Chairman & Managing Director

Chakresh Kumar Jain
Managing Director

K N Mehra
Company Secretary

Place : New Delhi
Dated : June 02, 2010

Corporate information

Board of Directors

Chairman and Managing Director

Pradeep Kumar Jain

Managing Director(s)

Chakresh Kumar Jain

Yogesh Kumar Jain

Whole Time Director(s)

Naveen Kumar Jain

Anil Kumar Rao

Independent Director(s)

C R Sharma

Sudhanshu Kumar Awasthi

Ashok Kumar Gupta

Vijay Prakash

Dharam Veer Sharma

Company Secretary

K N Mehra

Bankers

Bank of Baroda

Punjab National Bank

ICICI Bank

Canara Bank

The Royal Bank of Scotland

Auditors

M/s. Purushottam Agrawal & Co.

Chartered Accountants

Block-54, Sanjay Place

Agra-282002 (UP), India

Registered office

PNC House, D-5/7, Vasant Vihar,

New Delhi-110057, India

Website: www.pncinfratech.com

Corporate/Head Office

PNC House,

D-51, Kamla Nagar,

Agra-282005 (U.P.), India

"Ideas are the engines of progress. They improve people's lives by creating better ways to do things. They build and grow successful organizations and keep them healthy and prosperous”

— Alan Robinson and Dean Schroeder, in 'Ideas Are Free'

Signing of the Concession Agreement between National Highways Authority of India and Ghaziabad Aligarh Expressway Private Limited – exchange of agreement between Mr. Brijeshwar Singh, IAS, Chairman NHAI, and Mr. Yogesh Kumar Jain, MD of PNC Infratech Limited

An ISO 9001:2008 certified company

PNC Infratech Limited

www.pncinfratech.com