



ANNUAL REPORT
2020 - 21

PNC INFRASTRUCTURE LIMITED



Driving Value Through
Passion
n
Commitment

ACROSS THE PAGES



CORPORATE OVERVIEW

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Toll Plaza at Km 91.250 under 4 laning of Jhansi-Khajuraho section (Pkg-ii)



An electronic version of this report is available online at:

<https://www.pncinfratech.com/financials.html>

Scan this QR code to navigate investor related information

INVESTOR INFORMATION

Market Capitalization as at March 31, 2021	: Over ₹ 6,600 Cr
CIN	: L45201DL1999PLC195937
BSE Code	: 539150
NSE Symbol	: PNCINFRA
AGM Date	: September 29, 2021
AGM Venue	: Registered Office
AGM Mode	: Video Conferencing (VC)/Other Audio-Visual Means (OAVM)

Disclaimer: This document contains statements about expected future events and financials of PNC Infratech Limited which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions and other forward looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

Driving Value Through PASSION n COMMITMENT

Infrastructure is more than just building roads and creating balconies of transit. It is about creating and paving roads that benefits our economy as a whole, shrinking distances and making our tomorrow better. At PNC Infratech Limited (also 'The Company', 'We', 'PNC Infra'), our purpose is aligned with developing noteworthy infrastructure in the country, with timely completion of our projects. What drives us is our passion and commitment towards constructing valuable and high-quality projects and delivering the same on time. Our goal is directly in correspondence to the growth of the overall economy.

At PNC Infra, we have demonstrated our expertise in the execution of landmark projects over the years, that has enabled us to emerge as one of the prime players in the infrastructure industry. Our robust integrated in-house design and engineering expertise has enhanced our position in the industry. We prudently invest in the newer technologies and modern equipment ensuring timely and cost-effective execution, giving us an edge over others. In addition to this, our well-experienced team with decades of proven expertise leads us to growing stronger and thereby enhancing our stakeholder value.

Driving Value Through

Commitment

Dedication

Delivering what we promise to

Determination

We at PNC, are driving value through our passion and commitment is not only our way of working but also our basic character

KPIs of 2020-21

₹ **4,925** Cr
Total Revenue

₹ **559** Cr
Gross Profit

₹ **673** Cr
EBITDA

₹ **362** Cr
Profit After Tax

Driving Value Through OUR CORPORATE ETHOS

We are considered as one of the pioneers in the Indian infrastructural space. Primarily involved in construction, development, and management with tremendous experience and demonstrated expertise in the major infrastructure projects. We have an established track record of successful execution of projects across the country. Our infrastructure projects mainly includes highways, bridges, flyovers, power transmission lines, airport runways, industrial area development and other infrastructure activities. We provide end-to-end infrastructure implementation solutions as well including Engineering, Procurement and Construction (EPC), Design-Build-Finance-Operate-Transfer (DBFOT), Operate-Maintain-Transfer (OMT) and Hybrid Annuity Mode (HAM).



Our Vision is a mirror of our dedication

To become among the top five infrastructure development and construction solution providers in the country.



Our Mission is a reflection of who we are

We at PNC Infratech Limited strive to become a spearheading force in development, construction and management of infrastructure projects by continually achieving excellence in all spheres of activities; maintaining our leadership in timely completion of projects and adopting state-of-the-art & sustainable technologies.



Our Growth Strategy symbolises our passion to grow

We continuously strive to deliver high quality projects in timely manner and constantly thrive towards the advancement of the economy through rapid and better development of infrastructure. Our key growth strategies include:

- Diversifying and expanding into new functional areas, exploring new opportunities
- Focus on EPC contracts as well as further increase our penetration in HAM/BOT and OMT projects.
- Maintain performance and competitiveness of our existing business
- Maintain and further develop strong relationships with our clients and strategic partners
- Strengthen our internal processes and systems for boosting our results

We are primarily engaged in the fastest growing areas of infrastructure projects as mentioned below:



Highways & Bridges (Both DBFOT and EPC)



Airport Pavements



Dedicated Rail Freight Corridors (Track construction)

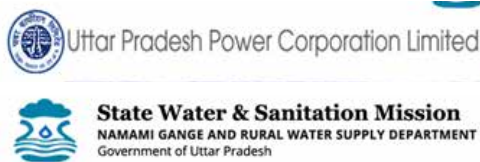


Power Transmission



Industrial Area Development, among others

Our Esteemed Clientele



70

Major Projects
Delivered

16

States Presence
Across India

47

Road EPC Projects

23

Projects Under
Execution

11

Clientele

Over ₹ 11,600 Cr

Order Book as on
March 31, 2021



Pilua Bypass at Km 202+465 under Four Laning of Aligarh – Kanpur section package-II from Bhadwas to Kalyanpur of NH-91 in the State of Uttar Pradesh under Bharatmala pariyojana

Driving Value By GROWING BETTER AND BEYOND OVER THE YEARS!

Incorporated as 'PNC Construction Company Private Limited'	1999
<ul style="list-style-type: none"> Received 'Super Special' class certification from Military Engineer Services. Executed first independent project with the NHAI, being the four-laning of the Agra-Gwalior section of National Highway 3 in Uttar Pradesh. 	2001
Received bonus from the NHAI for ahead of scheduled completion of four-laning of the Agra-Gwalior section on National Highway in Uttar Pradesh, independently.	2003
Received certification of ISO 9001:2000	2004
Executed First International Airport Runway project for the AAI at Kolkata	2005
Crossed ₹ 1,500 million in revenues	2006
Awarded BOT road project by Madhya Pradesh Road Development Corporation Limited.	2007
Commenced construction of Power Transmission Lines comprising the Construction Project of approximately 350 kilometres of 132/220 KV lines on a turn-key basis, for Uttar Pradesh Power Transmission Corporation Limited.	2008
<ul style="list-style-type: none"> Crossed ₹ 5,000 million in revenues. Won contract to improve the Gurgaon-Nuh Rajasthan Border (State Highway 13) by four-laning, widening, strengthening, providing drains, widening bridges and culverts, retaining structures and other miscellaneous work by the Haryana State Roads and Bridges Development Corporation Limited amounting to ₹ 3,380 million. 	2009
<ul style="list-style-type: none"> Received certification of ISO 9001:2008 Awarded first independent BOT Road project to improve the Gwalior-Bhind Madhya Pradesh/Uttar Pradesh Border Road, a two-laning project through two sections on National Highway 92. Awarded two-laning with paved shoulders contract of Kanpur Kabrai section of National Highway 86 in Uttar Pradesh. Awarded project of construction of 132 KV S/C and 220 KV D/C lines in Uttar Pradesh. 	2010
<ul style="list-style-type: none"> Received an investment of ₹ 1,500 million from Nylim Jacob Ballas, who subscribed to 5,686,833 equity shares. Executed four-laning of Jaora-Nayagaon section on State Highway 31 in Madhya Pradesh. 	2011
<ul style="list-style-type: none"> Awarded two-laning project with paved shoulders of Raebareli to Jaunpur section of National Highway 231 in Uttar Pradesh under NHDP IV Constructed Road-over bridge on Ajmer Beawar Road, Old National Highway, including approaches at Railway/ Kilometer 306/8-9 on Ajmer Saradhana Section. Constructed Hamirpur Kalpi Road (State Highway 91) four-lane Rajya Yojna Samanya, Uttar Pradesh. 	2012
<ul style="list-style-type: none"> Awarded Runway Resurfacing project at Air Force Station, Gorakhpur. Awarded and commenced Toll-collection on OMT basis of the Kanpur-Lucknow section of National Highway 25, Lucknow bypass of National Highway 56A and National Highway 56B and Lucknow-Ayodhya section of NH 28 in Uttar Pradesh on OMT basis by the NHAI for nine years from August 2013. 	2013
<ul style="list-style-type: none"> Executed a redevelopment and management project at Narela Industrial ahead of schedule. Awarded EPC contract of Agra-Lucknow Expressway package-1 for ₹ 16,357.5 million. Entered into a collaborative MOU with POSCO engineering and construction India Private Limited. 	2014



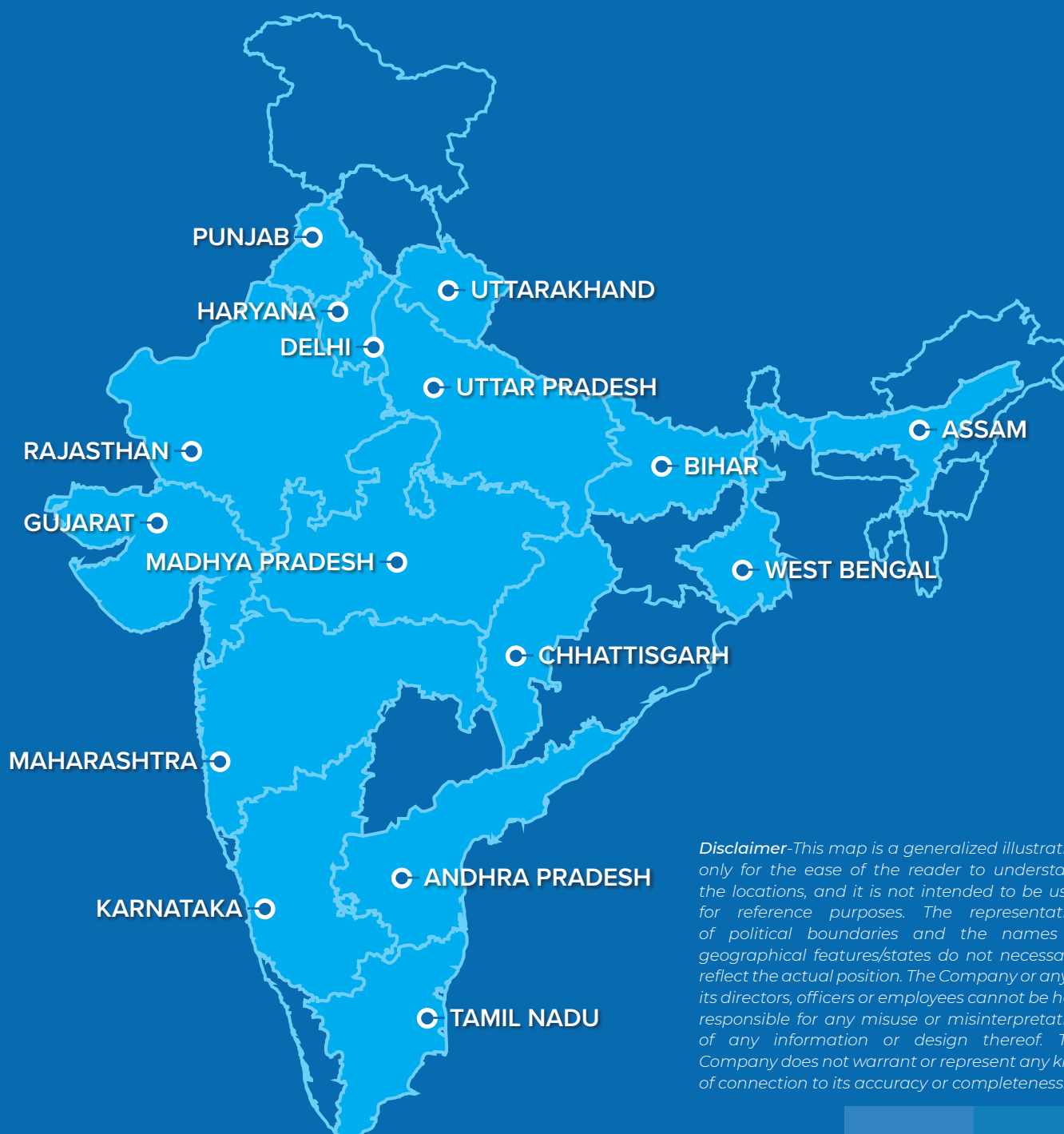
VUP at Km 236+839 under Four Laning of Aligarh – Kanpur section package-II from Bhadwas to Kalyanpur of NH-91 in the State of Uttar Pradesh under Bharatmala Pariyojana

- 2021**
- Secured four-laning of Meerut - Nazibabad section of NH-119 on HAM mode
 - Secured 2 Packages of Delhi-Vadodara Alignment of Eight Lane Access Controlled Greenfield Expressway on EPC mode
 - Commenced Construction of Haraulpur Group of Villages (125 Nos) Water Supply Project comprising surface and ground water supply schemes and allied works including commissioning, operation and maintenance for 10 years in the Hamirpur district of Uttar Pradesh
 - Upgraded Canal System from Pothiredypadu Head Regulator and BCR Complex from foreshore of Srisaillam Reservoir and Improvements to existing SRBC/GNSS Canal up to berm level from Banakacherla Complex to Gorukallu Balancing Reservoir from KM 0.000 to KM 56.775
 - Secured Survey, Design, Preparation of DPR, Construction, Commissioning and O&M for 10 years of Rural Water Supply Project in 979 villages in Devipatan Division of Uttar Pradesh
 - Secured Survey, Design, Preparation of DPR, Construction, Commissioning and O&M for 10 years of Rural Water Supply for a total village of 2475 in six districts of Uttar Pradesh from the State Water Supply & Sanitation Mission, Namami Gange & Rural Water Supply Department
- 2020**
- Achieved provisional completion and commercial operation date (COD) for four laning/two laning with paved shoulders of 83.5 km long Dausa-Lalsot-Kauthun section of NH-11 A (Extension) in the state of Rajasthan under NHDP IV, on Hybrid Annuity Mode.
 - Secured four new highway projects on Hybrid Annuity Mode (HAM), from National Highways Authority of India for aggregate Bid project cost of ₹ 6596.0 Cr.
 - Secured two new highway projects on EPC mode from National Highways Authority of India for aggregate contract value of ₹ 1,547.8 Cr.
- 2019**
- Received final completion certificates for two of its EPC projects awarded by Morth (Barabanki-Jarwal and Sonauli-Gorakhpur)
 - Received 'Provisional Completion Certificate' "Improvement/Augmentation of 146.4 km long Aligarh-Moradabad section of NH-93 to two lanes with paved shoulders project, 73 days ahead of the scheduled completion date and entitled for early completion bonus.
- 2018**
- Awarded three more highway projects on HAM, with an aggregate BID project cost of ₹ 45,130 million till July 2018.
 - Received ₹ 582.3 million early completion bonus for Agra-Lucknow expressway package in February 2018 from Uttar Pradesh Expressways Industrial Development Authority.
 - Awarded two contiguous packages of Purvanchal Expressway Project on EPC mode for a total cost of ₹ 25,200 million.
 - Received ₹ 337.3 million towards the 'Bonus Annuity' PNC Raebareli Highways Private Limited in May 2018 from National Highways Authority of India.
 - Awarded 4th package of Nagpur-Mumbai six lane super communication expressway in the state of Maharashtra, on EPC basis for a contract price of ₹ 1,999.52 Cr by MSRDC.
- 2017**
- Awarded four highway projects on Hybrid Annuity Mode (HAM) with an aggregate bid project cost of ₹ 50,350 million and one of them – Dausa-Lalsot-Kauthun section HAM project achieved financial closure well before time.
 - Traffic opened on Agra-Lucknow Expressway in February 2017, eleven months ahead of schedule and achieved provisional completion in October 2017.
 - PNC Infratech assigned "stable" outlook credit ratings upgraded to stable outlook for projects such as MP Highways Private Limited, and PNC Raebareli Highways Private Limited
- 2016**
- Completed 166 km long Raebareli-Jaunpur Highway Project on BOT-Annuity project more than 3 months ahead of schedule in February 2016.
 - Completed four-laning of Km 51 to 61 including Chambal Bridge on Dholpur-Morena section of NH-3 in the states of Rajasthan and MP in June 2016.
 - Completed four-laning of Agra Bypass project connecting Km 176.800 of NH-2 and Km 13.03 of NH-3 in the state of UP in December 2016.
 - Awarded two major NH projects on EPC Mode (I) four laning of Nagina-Kashipur section of NH 74 (II) four laning of Varanasi-Gorakhpur section of NH-29 (Package II) for an aggregate contract price of ₹ 20,242 million.
- 2015**
- Listed on the NSE and BSE following successful IPO.
 - Achieved COD for three BOT-Toll projects (Ghaziabad Aligarh, Kanpur-Kabrai and Bareilly-Almora) and commenced Toll-operations.
 - Commenced construction of Agra-Lucknow Expressway package.

Driving Value ACROSS THE NATION

Executing expertise!

- Over the years, we have successfully executed **70** major infrastructure projects spread across **15** states, of which **47** are road EPC projects; currently executing **23** projects
- We are further operating **6** BOT & **1** OMT project, comprising both toll & annuity assets
- We have total **11** HAM projects comprising - **7** HAM project under- construction and **4** project received COD / PCOD and are under operation



Disclaimer-This map is a generalized illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company or any of its directors, officers or employees cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind of connection to its accuracy or completeness.



Construction of 6-Laning of Chitradurga – Davanagere including Chitradurga bypass from Km 0+0 to Km 20.7 & Km 208 to Km 260 of NH-44 (Old NH-4) in the state of Karnataka

Driving Value Through OUR COMPETITIVE DRIVERS

We have embarked and made rapid progress on the infrastructure space over the years. Our ideology is maintain and grow our existing spotless track record of executing large construction projects effortlessly and smoothly. Our prime focus is to extend our footprints further and contribute towards the advancement of the development of the infrastructure space. It is further motivated by our consistent performance and strategic growth drivers, which are as follows:

Diversification

We have a diversified business portfolio which caters to the infrastructure needs of different industries across India. With a demonstrated experience of more than three decades, we have delivered various prestige projects on highways, bridges, flyovers, power transmission lines, airport runways, and development of industrial areas amongst others. We further leverage our strong project execution capabilities and track record to diversify into new functional areas of infrastructure development, aligning with our mission for the company. We have always believed in expanding our presence in development of industrial areas and dedicated freight corridor projects resulting in strengthening our portfolio. As a well-established company we have recently diversified into water-related infrastructure projects as well. Overall, all of these helps us to further strengthen our order book and diversify our business offerings.

In-house design and engineering expertise with strong executional capabilities of the management team

We have strong integrated in-house design and engineering expertise with years of experience in the infrastructure space, it aids us in improving our performance. With our large fleet of sophisticated equipment and experienced employee base we have thoroughly enhanced our competitiveness of the existing business. We constantly invest in the robust and new technologies, modern equipment which ensures cost effective execution. Our well-qualified engineering and design team are carefully skilled in different fields such as civil, structural, electrical, mechanical and instrumentation which gives us the control of the entire process of a project. In addition to this, our well-experienced management team with strong technical knowledge helps us guide and are the main pillars for our strong continuous growth and efficient operations management.

Cover LEaf Interchange at Km 13+825 under 6-Laning of Chitradurga – Davanagere including Chitradurga bypass from Km 0+0 to Km 20.7 & Km 208 to Km 260 of NH-44 (Old NH-4) in the state of Karnataka

Building on Strong relationships

At PNC, over the years we have harnessed strong financial performance and credit profile through our hard work and dedication. We have also established and nurtured our long-term relationship with our clientele. Backed by our ability to deliver high quality work and a solid track record, we have maintained strong and established long-term relationship with our esteemed clients. We have maintained strategic alliances with companies whose resources, skills and strategies are helpful for synergies. Over the year, we have further entered into project-specific Joint ventures or sub-contracting relationships boosting our profile and strengthening our core.

Enhanced Execution Capability and focused approach

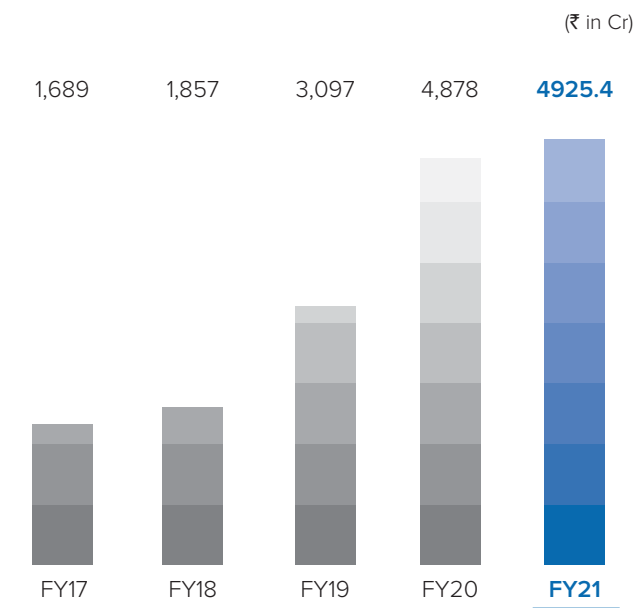
At PNC, we have continued to diversify our business offerings while focusing on strengthening our core EPC strength and regional expertise. We have further increased our presence in BOT, OMT and HAM projects by leveraging our technical and financial credentials developed through our strong focus on core EPC projects. With the help of our in-house execution team with induction of engineers with the strong technical knowledge we continue to enhance our execution capabilities. Furthermore, our investments in machinery have augmented resulting in upgradation of our execution capabilities. We have further enhanced our fund based limits from ₹ 750 Cr to ₹ 1,000 Cr, this will result in smoothly execution of projects without any financial hiccups. We have further enhanced our non-fund based limits from ₹ 3,350 Cr to ₹ 5,000 Cr enabling us to bid for higher number of projects which will also be larger in size.

Our strong executional capabilities have led to enhance our credit ratings for long term bank facilities to CARE AA and short-term bank facilities to CARE A1+ which assures stable outlook and reaffirms with our mission.

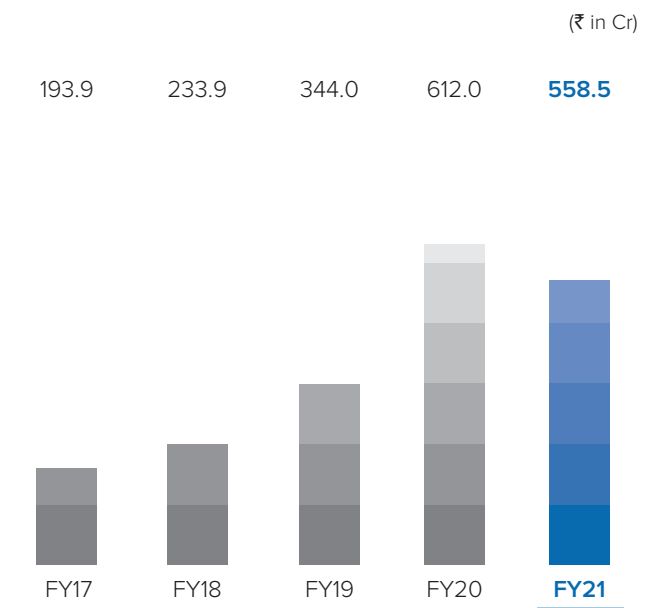
Driving Value

CONSISTENT FINANCIAL PERFORMANCE OVER THE YEARS

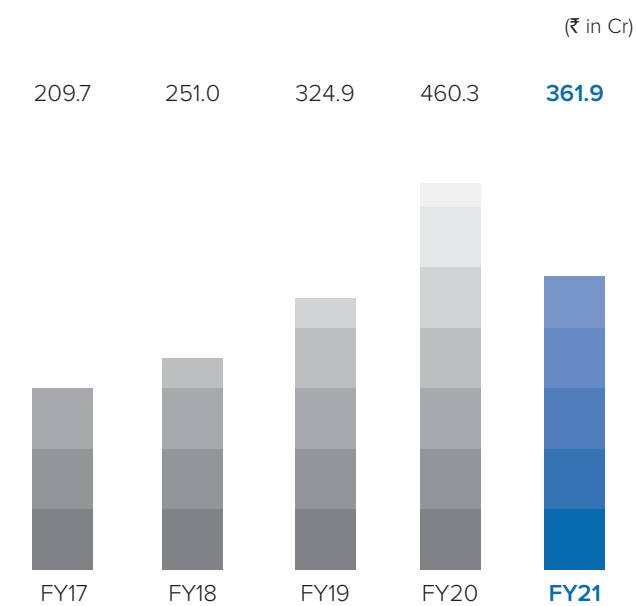
Total Revenue



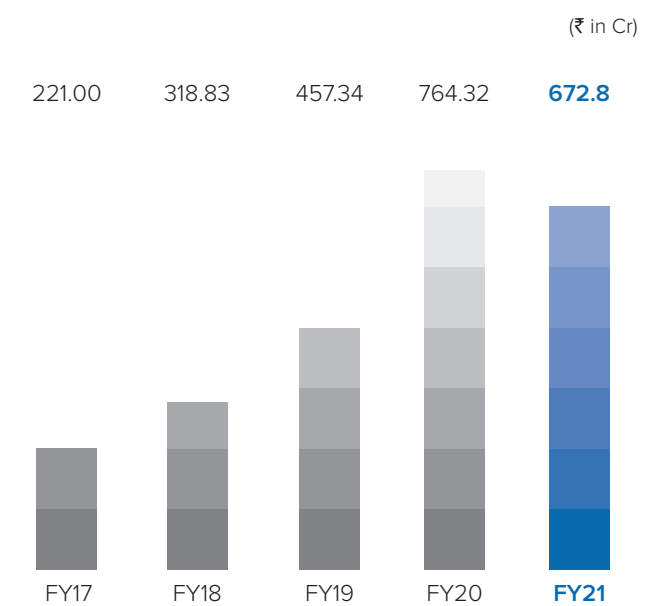
Profit Before Tax



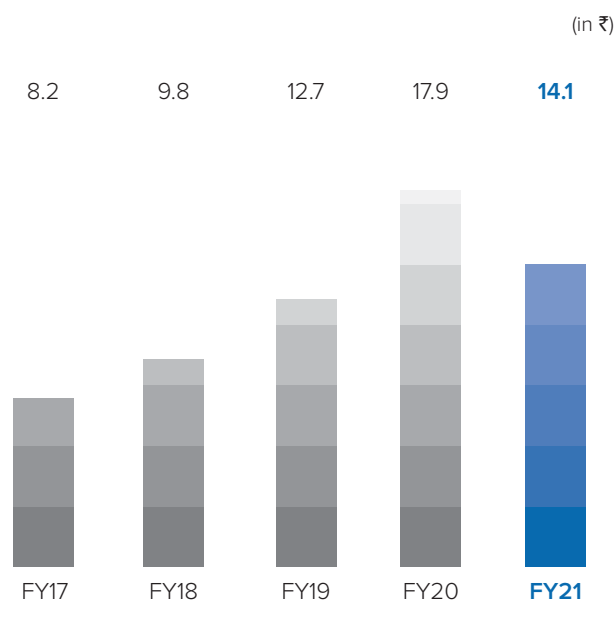
Profit After Tax



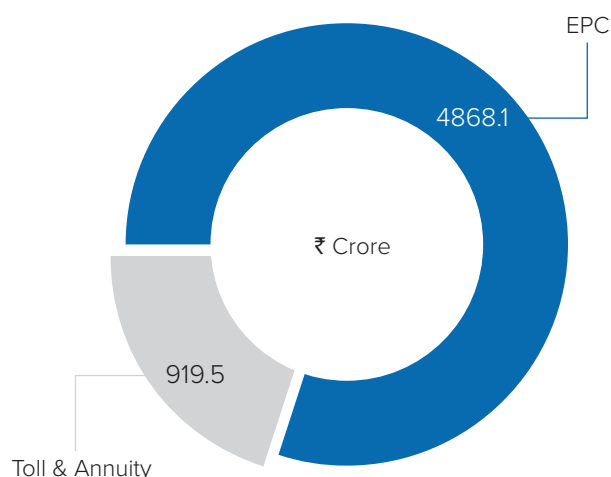
EBITDA



EPS



Segment wise consolidated revenue



Projects awarded in FY 2020-21

During **FY 2020-21**, PNC Infratech secured 1 HAM Project and 8 EPC Projects for an award aggregate value of ₹ **7680.00 Cr.**

HAM Project

53.95 km long Four-laning of Meerut - Nazibabad section of **NH-119 (New NH-34)** in UP on HAM mode for a Bid Project Cost of ₹ **1,412.0 Cr.** Concession Agreement signed on 31.10.2020

EPC Projects

22.5 km long Eight Lane Access Controlled Expressway of Delhi - Vadodara Greenfield Alignment (NH148N) **Package 29** on **EPC mode** in Gujarat, for a contract value of ₹ **758.40 Cr**

19.5 km long Eight Lane Access Controlled Expressway of Delhi - Vadodara Greenfield Alignment (NH148N) **Package 31** on **EPC mode** in Gujarat, for a contract value of ₹ **789.40 Cr**

Haraulipur Group of Villages' Surface & Piped Water Supply Scheme in Hamirpur District- including O&M for 10 Years in UP on **EPC** for a contract value of ₹ **289.83 Cr**

Upgradation of Canal System from Pothireddypadu Head Regulator and BCR Complex and improvements to existing Canals (SRMC and SRBC) in Kurnool district of AP on **EPC** mode for a contract value of ₹ **1,000.72 Cr**

Construction and O&M for 10 years of Rural Water Supply Project in 952 villages in **Devipatan Division** of Uttar Pradesh for an approximate contract value of ₹ **952.0 Cr**

Construction & O&M for 10 years of Rural Water Supply Project in 952 villages in **Bareilly Division** of Uttar Pradesh for an approximate contract value of ₹ **952.0 Cr**

Construction & Commissioning and O&M for 10 years of Rural Water Supply Project in 915 villages in **Moradabad Division** of UP for an approximate contract value of ₹ **915.0 Cr**

Construction & O&M for 10 years of Rural Water Supply Project in 608 villages in **Aligarh Division** of Uttar Pradesh for an approximate contract value of ₹ **608.0 Cr.**

Driving Value Through DIVERSIFIED PROJECTS OF FUND AND NON-FUND BASED MODELS

Since the time of inception, we have achieved our goals, and followed a clear path to achieve our mission. We as a Company, aims to emerge as the most preferred and reliable partner for our clients in the infrastructure space. Our consistent performance and commitment with unmatched dedication has led us to deliver the projects successfully. Below are mentioned our businesses review for the year:

Roads & Highways EPC

We have successfully completed 47 infrastructure road projects on EPC basis.

Roads and Highways BOT / OMT/ HAM

We have 6 BOT & 1 OMT operating projects, comprising of both toll & annuity assets; whereas a total 11 HAM projects comprising of 7 HAM project under-construction and 4 project received COD / PCOD.

Dedicated Freight Corridor / Railways

We were in charge for the designing, procuring and constructing of the track and the track related works on Mughal Sarai - Sonnagar section of Dedicated Eastern Freight Corridor on EPC basis.

Airport Runways

We have successfully executed 20 airport runway projects across India & received 'Super Special' class certification from Military Engineering Services.

Power Transmission

We have successfully set-up the power transmission lines of approximately 350 km of 132/220 kilovolt lines on a turn-key basis.

Industrial Area Development

We have successfully completed first of its kind BOT annuity project - area re-development and management of Industrial Estate of Narela, New Delhi for Delhi State Industrial & Infrastructure Development Corporation (DSIIDC).

Water Supply & Irrigation

We are currently working on EPC projects in Water Supply sector and Irrigation Projects.



VUP at Km 98.5 Nowgaon Bypass under 4 laning of Jhansi-Khajuraho section (Pkg-II) of NH-75 from km.76.3 near village chhatipahari to km. 161.7 near bamitha town in the State of UP & MP



Chitradurga Bypass at Km 4+600 under 6-Laning of Chitradurga – Davanagere including Chitradurga bypass from Km 0+0 to Km 20.7 & Km 208 to Km 260 of NH-44 (Old NH-4) in the state of Karnataka



Toll Plaza under Four Laning of Aligarh – Kanpur section package-II from Bhadwas to Kalyanpur of NH-91 in the State of Uttar Pradesh under NHDP Phase-IV

Driving value Through **OUR RECOGNITION**

Our Awards and Accolades



Mr. Yogesh Kumar Jain, Managing Director, PNC Infratech Limited, receives award on behalf of PNC Infratech Limited, for one of the **'Top Challengers'** in the field infrastructure, from **Construction World** in their 18th Annual Award Ceremony held on October, 2020.



Mr. T R Rao, Whole Time Director, PNC Infratech Limited, receives award on behalf of PNC Infratech Limited, for one of the **Fastest Growing Construction Companies** in the Medium Category, from **Construction World** at their 18th Annual Awards Ceremony held on October, 2020.

Driving Value Through OUR INTEGRATED BUSINESS MODEL

Our robust and integrated business model ensures flexibility and at the same time helps us control the entire process. It further ensures timely and high-quality completion of construction work. We have complete in-house operation and maintenance services; and to further deep dive into our integrated system, read below:

Own Equipment Bank

At PNC, we have a fleet of modern equipment under our ownership which enables us to quickly mobilise and also ensuring continuous availability of critical availability of critical equipment. It further aids in timely execution of project without any unnecessary delays. The continuous availability of the equipment whenever required, ensures complete control of the project. In addition to the timely completion, it also facilitates in reduction of the cost of the project.

Own Quarries/ Raw Material Sourcing

The owning or leasing of the quarries helps in securing of raw material and project completion within scheduled time and budget. In return, it helps us secure the job, and deliver only the high-quality product, ensuring long-term relationships with our clientele.

VUP at Km 98.5 Nowgaon Bypass under 4 laning of Jhansi-Khajuraho section (Pkg-ii) of NH-75 from km.76.3 near village chhatipahari to km. 161.7 near bamitha town in the State of UP & MP



In-house Design and Engineering

Our in-house designing and engineering helps us to control the entire process right from the conceptualizing to commissioning of any given project. It further aids us in providing customised solutions as per clients specific requirements. This also helps us to become the most preferred choice for any infrastructure projects.

In-house construction

Our capability of in-house construction benefits us in more than one way, it ensures timely execution and completion of the projects. The major benefit is it reduces the dependency on other third parties whereas further reducing the costs of the projects.



CHAIRMAN'S MESSAGE



“

PNC will continue to be passionate and committed in delivering timely and quality work on the back of strong project execution skills, proven track record, strong asset base, highly-skilled management team with their core competency in the infrastructure development field and exceptional financial acumen.

”

Dear Shareholders,

FY 21 thrown one of the most challenging situations which never seen by the Company. The Covid-19 pandemic has severely affected the people and communities around the world. Lockdowns and wide-ranging restrictions imposed by the authorities to contain the pandemic caused intense disruptions to the socio-economic activities across the nations.

As a Company, we responded quickly and decisively to overcome the impact of the pandemic by putting in place protocols early in the crisis to protect the health and safety of our employees and site workers. I am proud of their commitment and dedication to ensure business continuity even in these unprecedentedly difficult times.

Performance

It gives me an immense pleasure to mention that despite the market headwinds and unprecedented challenges throw by the pandemic, we achieved satisfactory financial numbers a testimony of our determination and commitment. We reported standalone revenues of ₹ 4,925 Cr in FY 2020-21 as compared to ₹ 4,877 Cr in FY 2019-20, EBIDTA was

recorded at ₹ 673 Cr in FY 2020-21 as compared to ₹ 764 Cr in FY 2019-20. We achieved PAT of ₹ 362 Cr in FY 2020-21 as compared to ₹ 460 Cr in FY 2019-20. We closed the year with a robust order book with EPC projects comprising 62% of the total value of contracts under execution. We successfully diversified into drinking water supply segment by bagging some large rural water supply projects under the Jal Jeevan Mission in UP. As a result, the remaining value of contracts under execution as on March 31, 2021, the orderbook is well over ₹ 11,600 Cr, which is more than three times our FY 2020-21 revenues. This includes 2 EPC Projects of Delhi-Vadodara Section of Eight Lane Access Controlled Greenfield Expressway totalling to ₹ 1,548 Cr, 6 Water Supply Projects of ₹ 2,475 Crs from State Water Sanitization Mission, Namami Gange and Rural Water Supply Department, Govt of Uttar Pradesh. Our prudent financial management has further allowed us to reduce our net working capital days to 51 days as compared to 57 as on March 31, 2020. We continued to maintain a strong credit rating of CARE AA for Long Term Loans CARE A1+ for Short Term Loans and “Stable” outlook, which are one of the best in the industry.



VUP at Km 220+504 under Four Laning of Aligarh-Kanpur section package-II from Bhadwas to Kalyanpur of NH-91 in the State of Uttar Pradesh under Bharatmala Pariyojana

Future Readiness

The infrastructure sector is a key driver of any economy and is the indispensable factor for propelling nation's overall development. The sector also enjoys intense focus from the Government for initiating the project pipelines and policies that would ensure time-bound creation of world class infrastructure in the country and revive the economy from the slowdown. It is further evident from the 35% increase in the budgetary allocation for the infrastructure and construction sector for FY 2021-22. The Government is also promoting the water and urban infrastructure segments that spreads across the Ministry of Jal Shakti, Ministry of Agriculture and Farmers' Welfare, Ministry of Rural Development and Ministry of Housing and Urban Affairs by almost doubling the budget allocation.

Today, PNC is fully prepared to leverage the industry potential across the segments. PNC will continue to be passionate and committed in delivering timely and quality work on the back of strong project execution skills, proven track record, strong asset base, highly-skilled management team with their core competency in the infrastructure development field and exceptional financial acumen.

Strategic Priorities

Our strategic endeavours going ahead will be largely focussed on leveraging our strengths and harnessing our expertise to diversify into new functional areas of infrastructure development without losing focus on roads and highways sector. We shall continue to leverage on our core EPC strengths and regional expertise to enhance our presence in HAM, OMT and select BOT-Toll projects by capitalizing our technical, experiential and financial credentials developed over the years. We will further strengthen our competitiveness of existing business through

investments in technology, state-of-the-art equipment and skilled manpower and maintain strategic alliances to leverage the synergies in the areas of resources and skills. We will also continue to explore project-specific relationships with specialised sub-contracting firms to complement our execution capabilities.

Closing Note

As I look ahead to FY 2021-22, there will be both challenges and opportunities. Our approach will be to focus on the things we can control and remain prudent in procuring new orders, strengthening execution with a strategy to position the company for improved profitability to drive the shareholder value.

I take this opportunity to thank the Board of Directors, the Management Team, Employees and our valued business partners for their unstinted support and tireless spirit in surmounting the odds. I would like to express my gratitude to all our customers for their understanding and mutual cooperation to ensure we emerged relatively unscathed from the crises. Our investors and stakeholders deserve our special thanks for placing their faith in our ability to consistently grow while safeguarding their trust.

Get Vaccinated. Till then Stay Safe.

With Regards,

Pradeep Kumar Jain
Chairman

Driving Value Through Our EXPERIENCED MANAGEMENT TEAM AND BOARD OF DIRECTORS

Experienced Board of Directors



Mr. Pradeep Kumar Jain

Chairman and Managing Director

- Over 43 years of experience in the construction, infrastructure sector and allied areas.
- Responsible for overall administration and supervision of projects and liaison with agencies.



Mr. Chakresh Kumar Jain

Managing Director

- Over 33 years of experience in development of infrastructure sector, such as construction of highways, airports, rail over-bridges among others.
- Responsible for overall finance, project management & administration.



Mr. Yogesh Kumar Jain

Managing Director

- Over 25 years of experience in planning, execution, supervision of work starting from pre-qualification and tendering up to completion and handing over of sites.
- Responsible for technical supervision of projects up to completion stage of such projects.



Mr. Anil Kumar Rao

Whole-time Director

- Over 34 years of experience in Implementation and Operation & Management of infrastructure projects in array of sectors, which include highways, bridges, airport pavements, rail track construction, heavy industrial structures and industrial area development etc across geographies and cultures.
- Responsibilities include overall monitoring, execution and O & M of projects.



Mr. Talluri Raghupati Rao

Whole-time Director

- Mr. T R Rao is having over three decades of professional experience in planning, engineering, development, implementation and management of infrastructure projects across sectors viz. highways, expressways, bridges, airports, ports, industrial area development, urban transport & urban infrastructure. He also had extensively worked on structuring projects on PPP models.
- He looks after business development, monitoring & coordinating of implementation, contract administration, overseeing operational projects on BOT-Toll, Annuity & HAM, arbitration and corporate communications of the Company.



Mr. Ashok Kumar Gupta

Independent Director

- Mr. Ashok Kumar Gupta holds a bachelor's degree in Medicine and a master's degree in Surgery. His professional experience includes serving as professor in S.N. Medical College, Agra along with rich experience in business and management.
- He is serving on the board of Directors since October 25, 2009.



Ms. Deepika Mittal

Independent Director

- Ms. Deepika Mittal holds a bachelor's degree in Commerce and Law. She is also a qualified Chartered Accountant. Her professional experience of 19 years includes financial management and taxation and audit activities. She is also a designated partner at M/s. PMA & Co., Chartered Accountants, Agra.
- She is serving as a Director on company's Board since September 8, 2014.



Mr. Gauri Shankar

Independent Director

- Mr. Gauri Shankar over 42 years' of experience in Banking and Finance and served as Managing Director and Chief Executive officer of Punjab National Bank in 2015. He was also the Executive Director of the same Bank. While in PNB, he was Chairman of PNB's wholly owned subsidiary Punjab National Bank (International) Limited, London and director on other subsidiaries and JVs (for different periods) namely PNB Housing Finance Limited, PNB Gilts Ltd. and Punjab National Bank Kazakhstan.
- He is serving as the Director on Company's Board since May 23, 2018.



Mr. Krishan Kumar Jalan

Independent Director

- Mr. Krishan Kumar Jalan is former Secretary to Government of India and spent over three and half decades in the Indian Administrative Service, Haryana Cadre. Mr. K KJalan has held various posts such as Additional Chief Secretary, Principal Secretary and Director of various departments of Haryana Government. At Government of India, he had worked as Central Provident Fund Commissioner.
- He is serving as the Director on Company's Board since February 13, 2019.



Mr. Subhash Chander Kalia

Independent Director

- He has over 41 years of experience in the banking and finance sector and served incritical positions in various banks such as Vijaya Bank, Bank of Baroda, Union Bank of India as well as Chairman of Regional Rural Bank, Pratapgarh. Presently, Mr. Kalia is also serving as an external member of the Empowered Committee of the Reserve Bank of India on External Commercial Borrowing, as a member of the Governing Council of Bankers, Institute of Rural Development, Lucknow and as a member of Banking and Finance Committee of the Indian Merchant's Chamber, Mumbai.
- He is serving as the Director on Company's Board since March 25, 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

Global Economy Outlook

Amid a raging pandemic across the globe,

The growth trajectory of the both developed and developing economies, however, remains uncertain though with the new mutant variants of the Covid-19 pandemic and rising casualties. The economic recoveries are varying across geographies, industries and companies, reflecting the disruptions caused by the pandemic and the extent of fiscal and monetary support extended by various Governments and their central banks.

As per International Monetary Fund's (IMF) world economic outlook (WEO) April 2021, the global growth is projected at 6% in 2021 before moderating to 4.4% in 2022. These projections are stronger than IMF's October 2020 WEO. The upward projections reflect additional fiscal supports announced by major economies and anticipated vaccine-driven recovery in the second half of 2021.

The growth outlook remains highly uncertain as recovery depends on the Covid-19 trajectory, the effectiveness of policy support, timely availability of vaccines across geographies and the evolution of financial conditions.

Indian Economy Outlook

The pandemic hit the Indian economy at a time when economic growth was on the path to gain momentum. The pandemic disproportionately affected economic activities in the services, hospitality and manufacturing sectors, subdued consumption, and caused largescale unemployment, especially in the informal sector. The pandemic lowered the potential growth by eroding human capital and investment growth.

As per the report of World Bank, growth is expected to recover to 5.4% in 2022, as the rebound from a low base has been offset by muted private investment growth, given the financial sector weaknesses. However, as per IMF's WEO, India's GDP is expected to grow 12.5% in FY 2021-22, the highest among emerging and advanced economies. GDP growth for FY23 is pegged at 6.9%. Credit rating agency ICRA expects the economy to grow 10-10.5% in FY 2021-22, lower than its earlier estimates of 10-11%, on account of newer spate of lockdowns and restrictions imposed in various pockets of the country to arrest the rising Covid-19 cases during its second wave .

Infrastructure Sector Overview

The Indian infrastructure sector consists of many sectors and sub-sectors including roads, railways, ports, power, telecom, irrigation and urban infrastructure. As per CRISIL Research, the total construction spends in the infrastructure segment during FY15-19 is valued at ₹ 17.93 trillion. The roads sector had the largest contribution at ₹ 8.7 trillion with a share of ~48.5%. This was followed by the irrigation sector with a share of 16.1%, which is equivalent to ₹ 2.9 trillion.

The Government's implementation of the National Highways Development Project (NHDP) and later Bharatmala drove the investments in the road sector, along with continued investments and support from various state Governments to improve the state road networks.

As per CRISIL research, private investments in national highways are expected to double to reach ₹ 1.5 trillion over fiscal 2021-25 compared to the previous five years. This growth would be driven by Hybrid Annuity and Toll Operate Transfer Models (HAM& TOT) as build-operate-transfer (BOT -

Pilua Bypass at Km 202+465 under Four Laning of Aligarh – Kanpur section package-II from Bhadwas to Kalyanpur of NH-91 in the State of Uttar Pradesh under Bharatmala Pariyojana



Toll) model has been a limited success. Cautious approach of banks on lending to fund based projects has constrained the total projects awarded in this space.

Various initiatives by the Government such as reduction in bid eligibility criteria across all national highway projects and changes in model concession agreements (MCAs) for HAM and BOT projects has created a conducive environment for private participation. The National Highways Authority of India (NHAI) and the Government of India (GOI) have taken various steps under the Atmanirbhar Bharat (self-reliant India) programme to ease issues faced by developers. Measures such as releasing monthly payments instead of milestone-based payments and extension of timelines for completion of projects have retained private participation in the sector.

Asset monetization, equity infusion key to support private investments in the long run

Rationalisation of balance sheet strength and asset churn are the key drivers of asset sale in the road sector. Many BOT operators have sold their BOT assets to pare the debt and free up the equity capital, which will be infused in new and projects under development. Similarly, HAM project operators are looking to divert their equity in HAM assets to participate in the HAM project pipeline. About ₹1.0trillion has already been invested through these modes. CRISIL's analysis of BOT and HAM projects indicates a potential of ~₹ 2 trillion in terms of enterprise value.

Favourable Government policy to drive growth

As per CRISIL Research estimates, investments in roads is expected to be between 10 to 15% in FY 2021-22 led by lower base in FY 2020-21 and increased execution

of projects, as NHAI shifts its focus to execution and implementation of high-value projects such as expressways.

Road construction spends is estimated to have risen 11% on-year in FY 2019-20 and it is forecasted to increase 1.6 times over FY 2021-25 compared to FY 2016-20, due to the Government's focus on roads, state and national highways driven by public funds. Around 35% of the projects awarded by the NHAI in FY 2018-19 and FY 2019-20 were through HAM. After being introduced in 2016, HAM projects constituted roughly around 20% of the total length awarded by NHAI in FY 2019-20. It is expected to account for 35-45% of total NHAI projects awarded in FY 2020-21. As execution of these projects picks up, private investments are expected to go up.

Road Infrastructure overview

Spanning over 6.4 million km, India has the second largest road network in the world. Road, the most frequently used mode of transportation in India, accounts for about 86% of passenger traffic and close to 67% of freight traffic. Although Indian national highways span nearly 1,36,440 km, it constitutes just 2% of road length accounting for about 40% of total road traffic in FY 2019-20. The secondary system of roads comprises state roads and major district roads, which accounted for the remaining 60% of traffic and 98% of road length.

Road transportation is the most frequently used mode of transportation for freight and passengers in India. In FY 2019-20, roads accounted for 67% of total freight (in terms of billion-tonne-kilometre; BTKM), while railways accounted for 22%. In FY 2009-10, roads accounted for approximately 56% of total freight traffic, which increased to 63% in FY 2014-15.

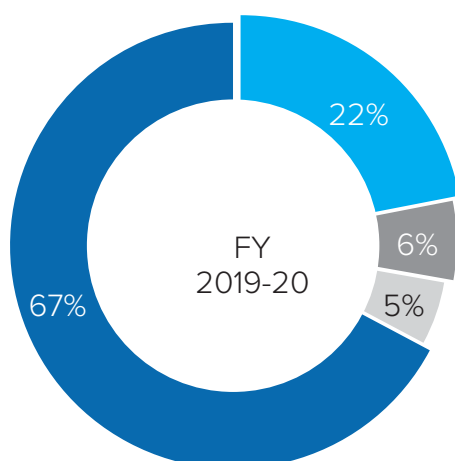
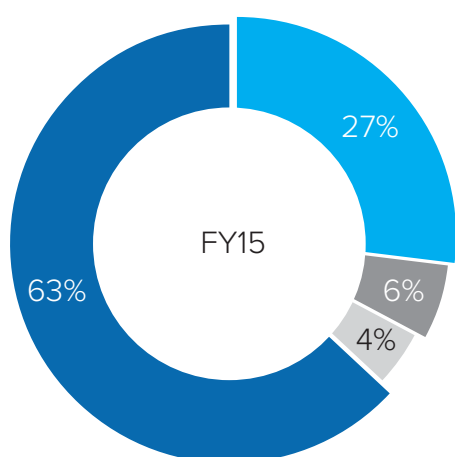
Road network	Length ('000km)	Percentage of total – length	Percentage of total – traffic	Connectivity to
National highways	136.4	~2%	40%	Union capital. State capital, major ports foreign highways
State highways	195	~3%	60%	Major centres within the states, national highways
Others roads	6,165	95%		Major and other district roads, rural roads – production centres, markets, highways, railway stations

Source: MoRTH, CRISIL Research

MANAGEMENT DISCUSSION AND ANALYSIS

Proportion of freight traffic across modes of transport

■ Road ■ Rail ■ Pipeline ■ Coastal



Source: CRISIL Research

Union Budget highlights for infrastructure sector

The National Infrastructure Pipeline (NIP)

NIP is the first-of-its-kind, whole-of-Government exercise ever undertaken by GOI. It was launched in December 2019 with ~6,800 projects, which is now expanded to 7,400+ projects. The NIP is a specific target, which the Government is committed to achieve over the coming years. It will require a major increase in funding both from the Government and the financial sector. In this Budget, it is proposed to take concrete steps to do this in three ways: First, by creating the institutional structures; second, by a big thrust on monetizing assets, and third, by enhancing the share of capital expenditure in central and state budgets.

Infrastructure financing: Development Financial Institution (DFI)

Infrastructure needs long-term debt financing. A professionally managed Development Financial Institution is necessary to act as a provider, enabler and catalyst for infrastructure financing. Accordingly, a Bill to set up a DFI is introduced. A sum of ₹ 20,000 Cr is provided to capitalize this institution. The ambition is to have a lending portfolio of at least ₹ 5 lakh Cr for this DFI in three years.

InVITs and REITs

Debt financing of Infrastructure Investment Trusts (InVITs) and Real Estate Investment Trusts (REITs) by foreign portfolio investors will be enabled by making suitable amendments in the relevant legislations. This will further ease access of finance to InVITs and REITs, thus, augmenting funds for infrastructure and real estate sectors.

Asset monetization

A National Monetisation Pipeline (NMP) of potential brownfield infrastructure assets has already been launched by GOI, as monetising the operating public infrastructure assets is a very important financing option for development of new infrastructure. An asset monetisation dashboard is being created to track the progress and to provide visibility to investors. Some important measures in the direction of monetisation are:

- NHAI and Power Grid Corporation of India Limited (PGCIL) each have sponsored one InvIT that will attract international and domestic institutional investors. Five operational roads with an estimated enterprise value of ₹ 5,000 Cr are being transferred to the NHAI InvIT. Similarly, transmission assets of a value of ₹ 7,000 Cr will be transferred to the PGCIL InvIT
- Railways will monetize dedicated freight corridor assets for operations and maintenance, after commissioning
- The next lot of airports will be monetized for operations and management concession
- Other core infrastructure assets that will be rolled out under the Asset Monetization Programme are: (i) NHAI operational toll roads (ii) Transmission assets of PGCIL (iii) Oil and gas pipelines of GAIL, IOCL and HPCL (iv) AAI airports in Tier II and Tier III cities, (v) Other railway infrastructure assets (vi) Warehousing assets of CPSEs such as Central Warehousing Corporation and NAFED among others and (vii) Sports stadiums

Roads and highways infrastructure

- More than 13,000 km length of roads, at a cost of ₹ 3.3 lakh Cr, have already been awarded under the ₹ 5.35 lakh Cr Bharatmala Pariyojana project of which 3,800 kms have been constructed. By March 2022, the Government would be awarding another 8,500 kms and complete an additional 11,000 kms of national highway corridors
- To further augment road infrastructure, more economic corridors are also being planned. Some are:
 - A total of 3,500 km of national highway works in Tamil Nadu with an investment of ₹ 1.03 lakh Cr. These include Madurai-Kollam corridor, Chittoor-Thatchur corridor. Construction will start next year
 - A total of 1,100 km of national highway works in Kerala with an investment of ₹ 65,000 Cr, including 600 km section of Mumbai-Kanyakumari corridor in Kerala
 - A total of 675 km of highway works in West Bengal at a cost of ₹ 25,000 Cr, including upgradation of existing Kolkata-Siliguri road
 - National highway works of around ₹ 19,000 Cr are currently under progress in Assam. Further works of more than ₹ 34,000 Cr covering more than 1,300 kms of national highways will be undertaken in the state in the coming three years
 - An enhanced outlay of ₹ 1,18,101 lakh Cr for ministry of road transport and highways of which ₹ 1,08,230 Cr are for capital, the highest ever

Attracting foreign investment into infrastructure sector

- To attract foreign investments in the infrastructure sector, the Government, in the last Budget, had granted 100% tax exemption, subject to certain conditions, to foreign Sovereign Wealth Funds and Pension Funds, on their income from investment in Indian infrastructure. It is noticed that a few of such funds are facing difficulties in meeting some of these conditions. To ensure that a large number of funds are invested in India, it is proposed to relax some of these conditions relating to prohibition on private funding, restriction on commercial activities, and direct investment in infrastructure
- To allow infrastructure funding by issuing Zero Coupon Bonds, it is proposed to make notified Infrastructure Debt Funds eligible to raise funds by issuing tax-efficient Zero Coupon Bonds

Airport sector

The civil aviation industry in India has emerged as one of the fastest growing industries in the country during the last three years. India has become the third largest domestic aviation market in the world and as per International Air Transport Association (IATA) forecast it is expected to overtake UK to become the third largest air passenger market by 2024.

Currently, India has 464 airports and airstrips, of which 125 airports are owned by Airports Authority of India (AAI). These 125 AAI airports manage close to 78% of domestic passenger traffic and 22% of international passenger traffic. According to the data released by Department for

Four lane Major Bridge on Betwa River under Four laning of Jhansi-Khajuraho section (Pkg –I) from km 0.0 to km 76.3 of NH-75/76 in the state of UP & MP under NHDP Phase-III



MANAGEMENT DISCUSSION AND ANALYSIS

2 Lane Major Bridge above Dhasan River under Four laning of Jhansi-Khajuraho section (Pkg -I) from km 0.00 to km 76.3 of NH-75/76 in the state of UP & MP under NHDP Phase-III



Promotion of Industry and Internal Trade (DPIIT), FDI inflow in India's air transport sector, including air freight, reached USD 2.88 billion between April 2000 and December 2020. The Government has allowed 100% FDI under the automatic route in scheduled air transport service, regional air transport service and domestic scheduled passenger airline. However, FDI over 49% would require Government approval.

India's aviation industry is expected to witness ₹ 35,000 Cr (USD 4.99 billion) investment in the next four years. The Government is planning to invest USD 1.83 billion for development of airport infrastructure, along with aviation navigation services by 2026.

Water Sector

India's water and sanitation sector includes ensuring adequate supply of water and treatment of liquid and solid waste. India, through the launch of Swachh Bharat Mission (SBM), Jal Jeevan Mission (JJM) and National Rural Drinking Water Programme (NRDWP), has made substantial investments and efforts in ensuring safe drinking water and sanitation. According to the Ministry of Commerce and Industry, there are 2,000+ opportunities worth ~ USD 290 billion in this sector.

The Jal Jeevan Mission is envisioned to provide safe and adequate drinking water through individual household tap connections by 2024 to all households in rural India. The programme will also implement source-sustainability

measures as mandatory elements, such as recharge and reuse through grey water management, water conservation, rain water harvesting. The Mission will be based on a community approach to water and will include extensive information, education and communication as key components of the Mission.

The Government has announced the Jal Jeevan Mission (Urban) in the Union Budget 2021-22 on the lines of Jal Jeevan Mission (Rural). According to India's current finance minister Mrs. Nirmala Sitharaman's last budget speech, this scheme will be implemented over the next five years, with an outlay of ₹ 2,87,000 Cr.

The scheme now aims to provide pure drinking water in urban as well as rural areas. The allocation for Jal Jeevan Mission was increased by 450% in the Budget. Implementations under the recently announced Jal Jeevan Mission (Rural) has been going on at a rapid pace with more than 6.5 Cr households across the nation already getting tap connections.

Company overview

Corporatized in 1999, PNC Infratech has been played a crucial role in India's infrastructural growth particularly in highway and airport sectors. The Company provides end-to-end infrastructure implementation solutions that includes EPC services on a fixed-sum turnkey basis as well as on an item-rate basis. The Company also executes and implements projects on a Design-Build-Finance-Operate-Transfer (DBFOT) basis, Operate-Maintain-Transfer (OMT) basis and other public-private partnership formats. It is one of the few infrastructure companies in India that have proven investment, development, construction and management capabilities.

Fully integrated infrastructure player with in-house capacities

Over the past 20 years, PNC Infratech has established itself as an efficient player in sectors such as roads and highways, bridges and airport runways. It has emerged as one of the leading highway development, construction and management companies in the country.

The Company has financial and technical qualifications to bid for a single EPC project up to a ticket size of ₹ 10,000 Cr. It has invested more than ₹ 800 Cr in the last five years, thus owning a fleet of construction equipment and machinery (gross block of more than ₹ 1,250 Cr), which gives it the capability to execute projects worth of up to ₹ 10,000 Cr annually. The Company also owns and leases quarries part

from owning construction equipment, which provides better control on raw material sourcing.

Since FY16, the Company has added more than 6000 direct workforce, taking the total strength over 10,000 employees. In-house design, engineering, development, construction, operation and management, strong technical team coupled with large equipment bank has enabled the Company to undertake timely completion of projects, without compromising on the quality and profitability. Our robust execution track record, timely completion capabilities, long-term relations with stakeholders and wide geographical presence have been the strong pillars of our growth story.

Diversified presence across multiple segments

The Company has a diversified presence across multiple business segments and implementation models under infrastructure sector, thus reducing the concentration risk.

It operates in dedicated freight corridors, roads and highways projects under BOT/HAM and OMT models, water supply and irrigation, industrial area development and airport runways.

Multi-state presence with cluster-based approach

As PNC Infratech has headquarters and corporate presence in North India, majority of its projects are located in the northern part of the country. It has a very strong presence in Delhi and NCR regions, in Uttar Pradesh, Rajasthan, Haryana, Punjab, Madhya Pradesh and Uttarakhand. It has executed 70 major infrastructure projects spread across 15 states, of which 47 are road EPC projects, 23 airport projects,

railway track construction, power transmission and industrial area redevelopment project each. The Company also has a strong portfolio of development projects on PPP mode, which includes 6 BOT projects comprising both toll and annuity assets, one OMT project and 11 HAM projects spread across various states.

The Company follows a cluster-based approach, with more than 66% of its total orderbook consisting of projects from Uttar Pradesh. This has resulted in geographical advantage, optimum utilization of resources, translating into superior operating leverage and profit margins. It also allows the Company to bid at competitive rates and still maintain margin and profitability profile. Given the robust project pipeline in North India, especially in Uttar Pradesh, the geographical advantage is likely to favour the Company.

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

PNC Infratech has worked on several projects with various state and central Governments over the last two decades. It has built strong, long-term relationships with key infrastructural development authorities such as the NHAI, MoRTH, Airports Authority of India, Military Engineering Services, Delhi State Industrial and Infrastructure Development Corporation Limited, Haryana State Roads and Bridges Development Corporation Limited, Madhya Pradesh Road Development Corporation Limited, Uttar Pradesh State Highways Authority, Uttar Pradesh Expressways Industrial Development Authority, state Public Works Departments, Dedicated Freight Corridor Corporation of India Limited and others.

Construction of 6 Lane Canal bridge at Km 205.510 under Four Laning of Aligarh – Kanpur section package-II from Bhadwas – Kalyanpur of NH-91 in the State of Uttar Pradesh



MANAGEMENT DISCUSSION AND ANALYSIS

This year, the Company has been able to successfully execute several projects in number of states, which has helped it build strong cliental relations and also helped it mitigate risks to its business model and efficiently manage the working capital cycle.

With strong execution credentials, the Company has been able to qualify for bidding large projects and can bid for a single project up to a ticket size of ₹ 4,000 Cr individually meeting financial and technical qualifications.

Optimal leverage and asset monetization to pave way for funding future projects

The Company has a standalone net debt to equity ratio of 0.14x as of FY 2020-21 (consolidated net debt/equity at 1.37x). It will be financing equity investment in HAM projects through own cash generation and monetisation of its BOT and HAM projects. The Company is looking forward to enter into a Share Purchase Agreement (SPA), with the preferred investors for sale of 100% aggregate stake held by all the partners/promoters, in Ghaziabad Aligarh Expressway Private Limited, the Concessionaire (SPV) for four-laning of Ghaziabad-Aligarh Section of NH-91 on BOT (toll) model project shortly. The preferred investor has already completed the due diligence. Further, the Company is also looking to monetise its completed and nearing completion HAM projects. While the industry is facing problems of financial closure and fund raising, PNC Infratech's strong balance sheet position, robust credit profile and brand image have helped it stay ahead of the curve and overcome these challenges.

Robust orderbook position to continue to drive future growth

In FY 2020-21, PNC Infratech secured projects worth ₹ 7680.00 Cr, which has resulted in expansion of orderbook and provides strong revenue visibility for the short and medium term. The orderbook stood over ₹ 11,600 Cr as on March 31, 2021, offering 2.35X book to bill ratio. We are not expecting any delays in getting financial closure and appointed dates for the recently won projects, so these awarded are likely to contribute to the revenue starting FY 2021-22.

Supporting Employee Health and Wellbeing

As a company, the priority has always been safety and well-being of the workforce. In-line with company's employee first policy, the vaccination drive was conducted for corporate office employees and across construction sites. The company has borne the expenses for the vaccination drive. Apart from the active vaccination drive, the Company has also taken Covid-19 group medical insurance policy for the employees for well-being.

Financial overview

PNC Infratech is one of the few companies in the road space in India that has had consistent operating cash flow/free cash flow (OCF/FCF) post-interest expense in the roads space. The Company has negligible net interest expense as a percentage of EBITDA, thus having significant distributable cash flow. It has been able to generate or maintain a consistent OCF/FCF pattern, as it has stuck to its core

VUP (Etah Bypass) at Km 208.6 under Four Laning of Aligarh - Kanpur section package-II from Bhadwas to Kalyanpur of NH-91 in the State of Uttar Pradesh under Bharatmala Pariyojana



expertise, chosen to consistently focus on the home markets. It has avoided unrelated diversification as well as aggressive growth campaign.

The financial performance of FY 2020-21 is not objectively comparable to FY 2019-20 due to arbitration claim received for Hapur-Moradabad (NH-24) project during 2nd quarter of FY 2019-20. The Standalone Revenue for FY 2020-21 stood at ₹ 4,925 Cr.

The EBITDA for FY 2020-21 is ₹ 673 Cr and The Profit After Tax for FY 2020-21 is ₹ 362 Cr.

The Company's net worth as on 31st March, 2021, on standalone basis is ₹ 2,908 Cr, whereas the total debt is ₹ 399 Cr. The company has a net cash of ₹ 369 Cr.

The interest coverage ratio for FY 2020-21 is 8.25x, as compared to 6.37x for FY 2019-20.

The current ratio, which indicates the Company's ability to pay short-term obligations, has remained strong at 2.2x for FY 2020-21, as compared to 2.5x for FY 2019-20.

During the year CARE Ratings Limited has upgraded its rating to AA from AA- for the long-term facilities and reaffirmed A1+ for the short term bank facilities of the Company.

The Net Working Capital Days has also been reduced to 51 days as on 31st March, 2021, as compared to 57 days as on 31st March 2020.

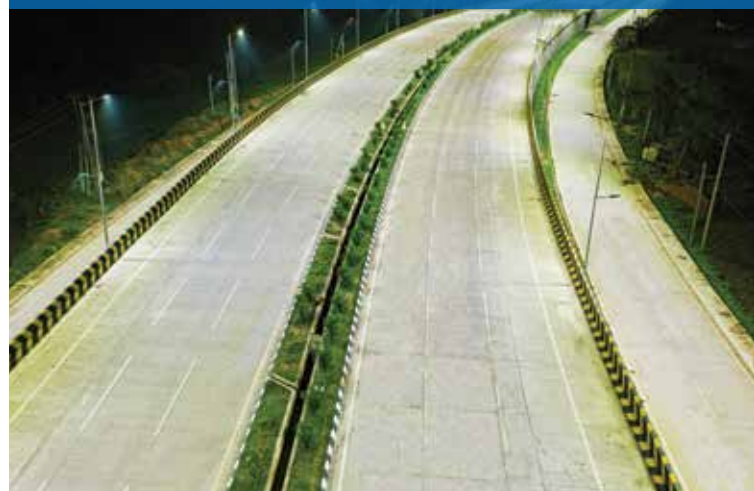
The financial performance of FY 2020-21 is not comparable to FY 2019-20 due to arbitration claim received for Hapur Moradabad (NH-24) project during 2nd quarter of FY 2019-20.

On a Consolidated basis, the revenue for FY 2020-21 stood at ₹ 5,788 Cr. In terms of segment contribution, the EPC segment contributed approximately 84%, whereas the Toll/ Annuity Income contributed 16% for FY 2020-21. The Toll/ Annuity Income for FY 2020-21 grew by 21% to ₹ 919 Cr, as compared to ₹ 757 Cr for FY 2019-20.

The Consolidated EBITDA for FY 2020-21 is ₹ 1,418 Cr and the Consolidated Profit After Tax for FY 2020-21 is ₹ 493 Cr. Whereas the Consolidated Profit After Tax, Minority Interest and Share in Profit/Loss of Associate for FY 2020-21 is ₹ 497 Cr.

The Company's net worth as on 31st March, 2021, on consolidated basis is ₹ 3,053 Cr, whereas the total debt is ₹ 4,188 Cr. The Net Debt to equity on consolidated basis comes at 1.37x.

VUP at Km 112.16 of Chhatarpur bypass of 4 laning of Jhansi-Khajuraho section (Pkg-ii) of NH-75 from km.76.3 near village chhatipahari to km. 161.7 near bamitha town in the state of UP & MP



Outlook

The overall operating environment remains highly uncertain and volatile. When the economy had started to recover from the disruptions caused by the Covid-19 pandemic.

Though lockdowns imposed at local levels during the second wave, the impact of Covid-19 on our business will be contingent on many unpredictable future developments. These include the length of the second wave, actions taken by various Governments and authorities to curb the rising cases and the timely availability of labour, raw materials among many other factors.

In the last couple of years, curbs on mining, demonetisation, slowdown in economy, introduction of GST and increase in axle load limits among other things, had an adverse impact on toll collections. Now with the reduced movement of traffic due to the Covid-19-induced lockdowns, toll collections are expected to remain subdued in the short term. As per rating agency CRISIL, traffic volume is expected to grow ~14%-16% in FY 2021-22 on account of economic recovery post Covid-19 and lower base in FY 2020-21. Though in such an event, force majeure clause is applicable, there is uncertainty over its implementation and outcome.

Credit ratings agency India Ratings and Research has revised its overall infrastructure sector outlook to stable for FY 2021-22 from negative last year. The stable outlook factors in the contracted revenue visibility, long tenor contracts enabling financial flexibility to an extent and improving people traffic and cargo volumes, on the back of a strong economic recovery expectation for FY 2021-22.

MANAGEMENT DISCUSSION AND ANALYSIS

We believe the trajectory of road capex going ahead will depend significantly on asset monetisation. This is because there are limits to the funds that NHAI can generate through: (a) borrowings (in light of its increasing leverage); and (b) budgetary support from cess (in light of increasing crude oil prices). In addition, the fiscal situation of state Governments has deteriorated due to Covid-19, which has further limited their ability to fund additional capex for road construction. As a result, asset monetisation will emerge as the determining factor as far as road investments are concerned.

According to CRISIL, the overall road Capex (central + state + rural) will increase at a 5-10% CAGR over FY 2022-25. In our view, better-than-expected success on the asset monetisation front can provide further upside to these projections.

CRISIL also expects that road tender awarding would rise at a steady pace, underpinned by consistent increase in awarding by NHAI and MoRTH. Road construction, which has been moving up at an impressive pace, is expected to cross the 40km/daymark in FY 2021-22.

With most of the projects awarded by MoRTH being on the EPC basis, CRISIL expects the EPC mode to contribute more than 70% to the overall project award going ahead as well. HAM mode will continue to contribute around a fourth of the overall project award.

Though the infrastructure sector as a whole has faced multiple headwinds over the last few years due to the rising input costs, availability of credit, Covid-19-induced supply chain disruptions and delays in execution, the Company remains bullish on the long-term structural growth story of India. Looking beyond the short-term challenges, we are excited with the opportunities that the future holds. PNC Infratech remains fully geared-up both in terms of the capability and capacity, to capitalise on the enormous potential that the infrastructure sector will offer from here.

Risks & Mitigation

Competition Risk

The Company competes with several regional, national and multinational companies for the various segments in which the company operates. The competitive intensity varies with geography and business segments. With several Government initiatives such as dilution of bidding norms, the competitive intensity has amplified of late. This may put some downward pressure on contract pricing, thus affecting the operating margins.

Mitigation

With strong track record of over two decades in the engineering and construction space, the Company's target is to bid for larger projects up to a ticket size up to ₹ 54,000 Cr individually, since the competition intensity is lesser for such projects. The Company is well capable of staying ahead of the competition by providing the optimal design, value engineering, planning, management and project execution skills required to complete complex projects in a safe, timely and cost-efficient manner. The Company is focussing on completing the awarded projects before the scheduled completion dates and within the budgeted cost which helps to earn bonus wherever applicable.

Capital-Intensive Business Risk

The infrastructure sector as a whole is a capital-intensive business with longer payback period. It requires high capital investments in assets and large portion of these assets are funded through debt financing. Cost and timely availability of funds is very critical, especially for TOT, BOT and HAM projects.

Mitigation

While several other infrastructure companies are facing the difficulty to raise the funding, PNC Infratech continues to enjoy lower rate of interest and better terms on various loans for financing the construction equipment, term debt for projects and working capital facilities underpinned by optimal working capital cycle and timely execution of the projects. The Company owns a large fleet of construction equipment and machinery enabling to pool the equipment for various projects which are in the same geographical vicinity.

It also enjoys a strong balance sheet and credit rating. The Company is also utilizing internal accruals to keep the leverage in check, which has helped the Company maintain robust profitability and return ratios. Proceeds from the recent divestment of stakes and proposed asset monetization plan is expected to augment financial resources for funding present and future projects.

Traffic Growth Risk in BOT Projects

With Covid-19-induced intermittent lockdowns and the resultant imposition of restrictions on traffic movement, toll collections from build-operate-transfer (BOT) highway projects have been impacted. With the second wave of Covid-19, the traffic movement is expected to remain subdued for the near term. In BOT-toll projects, revenue stream has an inherent risk of traffic not growing on the

project roads and toll rates not increasing, as estimated in the projections at the time of bidding.

Mitigation

There will be gradual return to normalcy in traffic after the lockdown ends. Agri produce and e-commerce are expected to support the freight traffic, thereby lowering the rate of de-growth due to Covid-19. Roads would continue to remain the preferred mode of transportation of non-bulk goods, which would support freight traffic over the long term. Electronic Toll Collection (ETC) at more toll plaza lanes shall enable plugging of cash leakages and bolster toll collections.

The Company undertakes detailed and realistic traffic forecasts, prepared with adequate sensitivity testing (risk analysis) and due diligence before bidding for any prospective project. Also, PNC Infratech conducts a stress test, which assesses the projects for various scenarios and helps it put in a fairly accurate bid for a given project. To avoid major maintenance costs and keep the road ride worthy for users, the Company regularly undertakes preventive repairs and maintenance of the roads during its operational phases. Also, as part of its risk mitigation strategy for its development business, the Company continues to diversify its project portfolio by having an optimum mix of BOT-Toll, BOT Annuity, OMT and HAM projects.

Input Cost Risk

Raw material prices, especially steel prices, have witnessed a sharp upward trajectory. Procurement and mobilization input materials are witnessing the disruption due to localized lockdowns and constraints on supply chain.

The principal products the Company uses in its business include structural steel, cement, bitumen, concrete, metal plate, cable and various electrical and mechanical components. The availability and prices of these products may vary significantly in the future due to various factors, including demand, producer capacity, market conditions and specific material shortages. Any unexpected increase in the input cost will have direct impact on margins. Non availability of raw material may delay the project execution time.

Mitigation

Fluctuations in input cost are very critical for any infrastructure project and the Company's strategy is to have full control on various input costs through ownership or through long-term contracts. The Company has its own mines and crushers of stone aggregates to fulfil its requirement, which is one of the major cost contributors. Apart from this, the Company procures other important raw materials such as cement and steel directly from leading manufacturers with whom it has developed strong relationships and long term over a period of time. This ensures best prices, quality and in-time supplies. Still, there are times when the cost of raw materials increases and to mitigate this, the contracts with Government clients have relevant cost-escalation provisions, which help the Company in protecting its margins during the project execution phase.

Labour Risk

Construction business is hugely reliant on timely availability of labour. Judicious project execution depends on the Company's ability to hire, retain, and utilize qualified

Flyover at 0+550 under 6-Laning of Chitradurga – Davanagere including Chitradurga bypass from Km 0+0 to Km 20.7 & Km 208 to Km 260 of NH-44 (Old NH-4) in the state of Karnataka



MANAGEMENT DISCUSSION AND ANALYSIS

personnel, including engineers, designers, corporate management professionals and labourers, who have the required experience and expertise at a reasonable cost. Failure to recruit, qualified technical and management personnel and labourers to execute the projects could limit the Company's ability to successfully complete the existing projects and compete for new ones.

After facing shortage of migrant labourers due to the nationwide lockdown at the onset of the pandemic, the supply of labourers has now reached the pre-Covid-19 levels.

Mitigation

About two-third of the Company's projects are being executed in Uttar Pradesh and these projects largely has labourers from within the state.

The Company focuses on developing excellent leaders and providing an inclusive workplace in which people can flourish and everyone can contribute. To ensure their engagement, the Company has always maintained a cordial, employee-friendly and stress-free environment through various team-building activities.

Adoption of open-door policy by the Company helps it to reduce the hierarchical strain in the organization and foster an entrepreneurial working style. Its remuneration policy is based on a structured process of evaluating and reviewing each employee's performance and potential. It is on a par with the best industry standards. The Company believes in sharing its milestones and achievements with its employees. As a part, it also shares the early completion bonus received for the projects with the project staff concerned.

Human Resource Management

As on 31st March, 2021, the total employee strength of the Company was over 10000 employees. The management constantly focuses on skill development and enhancement of professionals and managers within the Company, as it believes, employees are the building pillars for the future growth of the Company. PNC Infratech's team of home-grown professionals, with specific domain knowledge, has helped the Company stay ahead of the curve. Through moral support and financial rewards, the Company also ensures that its employees remain motivated to carry out their responsibilities with utmost accountability.

Internal Control Systems

The Company has adequate internal control systems that are commensurate with the size and nature of its business which ensures that all the assets are acquired in an economical

manner and are safeguarded, protected against loss from unauthorized use or disposition and all transactions are authorized, recorded and reported correctly. The internal control system is supplemented by well-documented policies, guidelines procedures and reviews carried out by the Company's internal audit department. Audits of various departments are conducted as per the annual audit plan through internal auditors, who submit reports to the management and the Audit Committee of the Board from time to time. The views of the statutory auditors and ISO auditors are also considered to ascertain the adequacy and efficacy of the internal control system and measures. The project sites of the Company are covered through extensive closed-circuit television camera surveillance and SAP ERP system. The management continuously reviews these measures and ensure improvements are made.

Cautionary Statement

In this annual report, we have disclosed forward-looking statements and information to enable investors to know our growth prospects and take informed investment decisions. This report and other statements, written and oral, that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. Forward-looking statements are based on certain assumptions and expectations of future events. The achievement of such results is subject to risks, uncertainties and even less than assumptions. Market data and information gathered from various published and unpublished reports and sources, their accuracy, reliability and completeness cannot be assured. We do not undertake to make any announcement in case any of economic scenarios, industry developments and the forward-looking statements become materially incorrect in future or update any development and forward-looking statements made from time to time by or on behalf of the Company.

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 22nd Annual Report of **PNC Infratech Limited** ("the Company" or "PNCIL") along with the summary of the Audited Standalone and Consolidated Financial Statements for the financial year ended March 31, 2021.

1. RESULTS OF OUR OPERATIONS

The financial performance of the Company for the year ended March 31, 2021, on a Standalone and Consolidated basis, is summarized below:

₹ in lakhs (except EPS)

Particulars	Standalone Results For the year ended as at		Consolidated Results For the year ended as at	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Revenue from Operations	4,92,541.86	4,87,793.05	5,78,756.85	5,60,257.36
Total Expenses	4,44,215.91	4,35,439.14	5,15,901.40	5,06,542.23
Add/(Less): Share in profit/(loss) of Associates	--	--	426.69	648.78
Profit/(Loss) before tax & prior period expenses	55,850.44	61,202.29	74,414.58	71,926.83
Prior period expense (Net)/Exceptional Item	--	--	--	--
Profit/(Loss) Before Tax	55,850.44	61,202.29	74,414.58	71,926.83
Tax Expense (Net)	19,655.82	15,172.13	24,724.33	16,938.35
Profit/(Loss) After Tax	36,194.62	46,030.16	49,690.25	54,988.48
Earnings Per Share (Basic & Diluted)	14.11	17.94	19.37	21.43

2. FINANCIAL PERFORMANCE

On Standalone Basis

On a standalone basis, revenue of the Company for FY 2020-21 is ₹ 4,92,541.86 lakhs as compared to ₹ 4,87,793.05 lakhs in FY 2019-20. The Operating Profit (i.e. Earnings before Interest, Tax, Depreciation and Amortization) for FY 2020-21 is ₹ 67,275.20 lakhs as compared to ₹ 76,431.69 lakhs in FY 2019-20. The Profit before Tax for FY 2020-21 is ₹ 55,850.44 lakhs as compared to ₹ 61,202.29 lakhs in FY 2019-20. The Profit after Tax for FY 2020-21 is ₹ 36,194.62 lakhs as compared to ₹ 46,030.16 lakhs in FY 2019-20.

On Consolidated Basis

The Consolidated Revenue of the Company for FY 2020-21 is ₹ 5,78,756.85 lakhs as compared to ₹ 5,60,257.36 lakhs in FY 2019-20. The Consolidated Operating Profit (i.e. Earnings before Interest, Tax, Depreciation and Amortization) for FY 2020-21 is ₹ 1,41,786.79 lakhs as compared to ₹ 1,32,718.37 lakhs in FY 2019-20. The Consolidated Profit before Tax for FY 2020-21 is ₹ 74,414.58 lakhs as compared to ₹ 71,926.83 lakhs in FY 2019-20. The Consolidated Profit after Tax, Minority Interest and Share in Profit / Loss of Associate for FY 2020-21 is ₹ 49,690.25 lakhs as compared to ₹ 54,988.48 lakhs in FY 2019-20.

3. STATE OF AFFAIRS & FUTURE OUTLOOK

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

"Rehabilitation and Upgradation from 2 lane to 4 lane of NH Stretch under NHDP-IVB (Bharatmala Pariyojana) for Unnao-Lalganj Section of new NH-31 (old NH-232A), on Hybrid Annuity Mode in the State of Uttar Pradesh & Design Chainage Km 0.000 to 70+000" for a Bid Project Cost of ₹ 1,602.00 Cr, on February 27, 2020. The price bids for the Project were opened on February 13, 2020 and PNC's bid was the lowest (L1). Construction of this project is to be completed in 30 months."

"Four laning of Jagdishpur - Faizabad Section from km 47.930 (Design Chainage km 47.800) to km 107.680 (Design Chainage km 108.020) of NH-330A in the State of Uttar Pradesh on Hybrid Annuity Mode under Bharatmala Pariyojana" for a Bid Project Cost of ₹ 1,530.0 Cr, on March 09, 2020. The price bids for the Project were opened on February 10, 2020 and PNC's bid was the lowest (L1). Construction of this project is to be completed in 24 months."

"4 laning of Aligarh- Kanpur Section from Km 356.000 (Design chainage Km. 373.085) to Km.414.000 (Design chainage Km.433.728), Package - V, Mitrasen - Kanpur

DIRECTORS' REPORT (Contd.)

section of NH- 91 in the state of Uttar Pradesh on Hybrid Annuity Mode under Bharatmala Pariyojana" for a Bid Project Cost of ₹ 2,052.00 Cr, on March 09, 2020. The price bids for the Project were opened on February 12, 2020 and PNC's bid was the lowest (L1). Construction of this project is to be completed in 30 months."

"53.95 km long Four-laning of Meerut - Nazibabad section of NH-119 (New NH-34) from design chainage Km 11+500 (Meerut) to 39.250 (Behsuma) and from km 79.500 (Bijnor) to 105.700 (Jalalabad)" in the state of Uttar Pradesh under Bharatmala Pariyojana on Hybrid Annuity Mode (HAM) for ₹ 1,412.0 Cr."

"EPC Projects of Delhi - Vadodara Alignment of Eight Lane Access Controlled Greenfield Expressway for an aggregate contract value of ₹ 1,547.80 Cr, on July 23, 2020 from NHAI, as detailed below:

1. Construction of Eight Lane Access Controlled Expressway starting from Junction with NH-47 near Bhamaiya village and ending at Junction with SH-175 in Baletiya village in Panchmahal District (Ch. 780+920 to 803+420; design Ch. 328+500 to Ch. 351+000) section of Delhi - Vadodara Greenfield Alignment (NH-148N) on EPC mode under Bharatmala Pariyojana in the State of Gujarat, for a contract value of ₹ 758.40 Cr, with a completion time of 24 months.
2. Construction of Eight Lane Access Controlled expressway starting from junction with SH-63 near Pratap Nagar village and ending at junction with NH-1 near Dodka village of Vadodara District (Ch. 824+920 to Ch. 844+382; Design Ch. 372+500 to Ch. 391+962) section of Delhi - Vadodara Greenfield Alignment (NH-148N) on

EPC Mode under Bharatmala Pariyojana in the State of Gujarat, for a contract value of ₹ 789.40 Cr, with a completion time of 24 months."

"Construction of Haraulipur Group of Villages (125 Nos) Water Supply Project comprizing surface and ground water supply schemes and allied works including commissioning; operation and maintenance for 10 years in the Hamirpur district of Uttar Pradesh" for ₹ 289.83 Cr. PNC Infratech Limited share in the JV is 95%. Letter of Award of the project has also been received on 02.10.2020."

"EPC Project "Upgradation of Canal System from Pothireddypadu Head Regulator and BCR Complex from foreshore of Srisailem Reservoir and Improvements to existing SRBC/GNSS Canal up to berm level from Banakacherla Complex to Gorukallu Balancing Reservoir from KM 0.000 to KM 56.775" with The Water Resources Department, Government of Andhra Pradesh at a quoted value of ₹ 1,000.72 Cr."

"Survey, Design, Preparation of DPR, Construction, Commissioning and O&M for 10 years of Rural Water Supply Project in 952 villages in Devipatan Division of Uttar Pradesh" from the State Water Supply & Sanitation Mission, Namami Gange & Rural Water Supply Department on 10 December, 2020 for approximate value of ₹ 952.0 Cr."

"Letter of Award (LOA) for six (6) new EPC Projects "Survey, Design, Preparation of DPR, Construction, Commissioning and O&M for 10 years of Rural Water Supply" for a total village of 2,475 in six districts of Uttar Pradesh from the State Water Supply & Sanitation Mission, Namami Gange & Rural Water Supply Department on January 23, 2021 for an approximate aggregate value of ₹ 2,475.0 Cr in three Divisions of UP."

The Company is presently executing the following major projects:

HIGHWAYS		
Sr.	Category	Name of the Project
1	State Expressway	Construction of Access Controlled Nagpur-Mumbai Super Communication Expressway (Maharashtra Samruddhi Mahamarg) in the State of Maharashtra on EPC Mode for Package 4, From Km.162.667 to Km.217.023 in Section-Village Donad Bk. to Village Janunakh in District Washim.
2	National Highways	Construction of NH-56, 4-lane bypass connecting NH-56 at Km. 17+400 and terminating near Behtha Village Road (bypass Chainage from km. 0.000 to km. 32.000/31.489 average length 31.745 km) in the state of Uttar Pradesh under NHDP Phase-VII on EPC mode (Package-I).
3	National Highways	6-laning of Chakeri to Allahabad Section of NH-2 from km.483.687 to km.628.753 (Design Length-145.066 km) in the State of Uttar Pradesh under NHDP Phase-V on Hybrid Annuity Mode.
4	State Expressway	Development of Purvanchal Expressway Project (Package-V): From Sansarpur (Dist. Sultanpur) to Gobindpur (Dist. Azamgarh) (Km. 164+300 to Km. 218+300) in the State of Uttar Pradesh on EPC Basis.

DIRECTORS' REPORT (Contd.)

HIGHWAYS		
Sr.	Category	Name of the Project
5	State Expressway	Development of Purvanchal Expressway Project (Package-VI): From Gobindpur (Dist. Azamgarh) to Mojrapur (Dist. Azamgarh) (Km. 218+300 to Km. 246+500) in the State of Uttar Pradesh on EPC Basis.
6	National Highways	4-Laning of Nagina-Kashipur section of NH-74 from km.71.614 (existing km.73.000) to km.170.407 (existing km.175.000) in the States of Uttarakhand and Uttar Pradesh under NHDP Phase-IV on EPC Mode.
7	National Highways	Four laning of Aligarh-Kanpur Section from km.186.000 (Design Chainage km.195.733) to km.229.000 (Design Chainage km.240.897) [Package-II from Bhadwas-Kalyanpur] of NH-91 in the State of Uttar Pradesh on Hybrid Annuity mode under Bharatmala Pariyojana.
8	National Highways	Six laning of Chitradurga-Davangere including Chitradurga Bypass (km. 189.00 to km. 260.00) of NH-48 (Old NH-4) in the state of Karnataka on Hybrid Annuity Mode under NHDP Phase-V.
9	National Highways	Four Laning of Jhansi-Khajuraho Section (Package-I) from km.0.00 to km.76.3 of NH-75/76 in the State of Uttar Pradesh & Madhya Pradesh under NHDP Phase-III on Hybrid Annuity Mode.
10	National Highways	Four laning of Bhojpur to Buxar Section, design Chainage from 77.100 to 125.00 (NH-84) in the state of Bihar under NHDP Phase-III on EPC Mode.
11	National Highways	Four Laning of Jhansi-Khajuraho Section (Package-II) of NH-75/76 from Design Chainage Km.76.3 near Village Chhatipahari to Design Chainage Km.161.7 near Bamitha town in the State of Uttar Pradesh & Madhya Pradesh under NHDP Phase-III on Hybrid Annuity Mode.
12	National Highways	Four laning of Koilwar to Bhojpur Section, design Chainage from 33.250 to 77.100 (NH-30 & 84) in the state of Bihar under NHDP Phase-III on EPC Mode.
13	National Highways	4-Laning of Varanasi-Gorakhpur Section of NH-29 from km.12.000 (Design chainage km.12.010) to km.88.000 (Design chainage km.84.160) [Package-II from Sandah to Birnon] in the State of Uttar Pradesh under NHDP Phase-IV on EPC Mode.
14	State Highways	Widening and Strengthening of Lakhimpur to Dudhawa National Part Road (SH) Two Lane (With Paved Shoulder) (Length 63.650 Km.) in the District Lakhimpur-Khere.
15	National Highways	Four laning from Km.358.500 to Km.414.205, Challakere to Hariyur section of NH-150A, on Hybrid Annuity Mode under Bharatmala Pariyojna in the State of Karnataka.
16	National Highways	Four laning of Aligarh-Kanpur section from Km 356.000 (Design chainage 373.085) to Km 414.000 (Design chainage 433.728) (Package-V from Mitrasen-Kanpur) of NH-91 in the State of Uttar Pradesh On Hybrid Annuity mode under Bharatmala Pariyojana.
17	National Highways	Rehabilitation & Upgradation from 2 lane to 4 lane of NH stretch under Bharatmala Pariyojana for Unnao-Lalganj section of new NH-31 (old NH-232A) on Hybrid Annuity Mode in the state of Uttar Pradesh & Design Chainage Km 0.000 to 70.000.
18	National Highways	Four laning of Jagdishpur-Faizabad Section from km 47.930 (Design Chainage km 47.800) to km 107.680 (Design Chainage km 108.020) of NH-330A in the State of Uttar Pradesh On Hybrid Annuity mode under NH(O)
19	National Highways	Four laning of Meerut-Nazibabad section from Km 11.500 to Km 39.240 & from Km 86.590 to Km 112.545 of NH 119 (New NH-34) in the state of Uttar Pradesh under Bharatmala Pariyojana on HAM.
Rural Drinking Water Supply and Irrigation Projects		
20	Drinking Water Supply	Construction of Haraulipur Group of Villages Surface Water Supply and Ground Water Schemes in Hamirpur district including, Commissioning and Operation & Maintenance for 10 Years.
21	Irrigation	Upgradation of Canal System from Pothiredypadu Head Regulator and BCR Complex from foreshore of Srisailam Reservoir and improvements to existing SRBC/GNSS Canal upto berm level from Banakacherla Complex to Gorakallu Balancing Reservoir.

DIRECTORS' REPORT (Contd.)

4. DIVIDEND

Keeping in the view of the Company's performance, the Board of Directors have declared Final Dividend of 25% i.e ₹ 0.50 per equity shares of ₹ 2/- (Two) each on, 25,65,39,165 no of equity shares, amounting of ₹ 1282.70 lakhs during the financial Year 2020-21. Total payout is ₹ 1,546.42 lakhs (inclusive of Corporate Dividend Tax of ₹ 263.72 lakhs.

5. TRANSFER TO RESERVES

The Board of Directors of the Company has not recommended for transfer of any amount to the General Reserve for the Financial Year ended March 31, 2021.

6. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company has two direct subsidiary, eighteenth step-down subsidiaries and one associate Company as on March 31, 2021. There are no joint ventures of the Company. In accordance with Sec 129(3) of the Companies Act, 2013 (Act), a statement containing the salient features of the financial statement of the subsidiaries and associates in prescribed format AOC-1 form the part of consolidated financial statement.

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

1. The Company was declared lowest bidder for Four Laning of Aligarh-Kanpur section from Km 356.000 (Design chainage 373.085) to Km 414.000 (Design chainage 433.728) (Package-V from Mitrasen-Kanpur) of NH-91 in the State of Uttar Pradesh on Hybrid Annuity Mode under Bharatmala Pariyojana for a Bid Project Cost of ₹ 2,052.0 Cr. To implement the said Project, 'PNC Bithur Kanpur Highways Private Limited, a Special Purpose Vehicle was incorporated on June 15, 2020 by the Company. 'PNC Bithur Kanpur Highways Private Limited' is the newly incorporated step – down subsidiary of PNCIL.
2. The Company was declared lowest bidder for Four-Laning of Meerut - Nazibabad section of NH-119 (New NH-34) from design chainage Km 11+500 (Meerut) to 39.250 (Behsuma) and from km 79.500 (Bijnor) to 105.700 (Jalalabad)" in the state of Uttar Pradesh under Bharatmala Pariyojana on Hybrid Annuity Mode (HAM) for ₹ 1,412.0 Cr. To implement the said Project, 'PNC Meerut Haridwar Highways Private Limited, a Special Purpose Vehicle was incorporated on July 12, 2020 by the Company. 'PNC Meerut

Haridwar Highways Private Limited' is the newly incorporated step – down subsidiary of PNCIL.

The Company has a material unlisted Subsidiary as defined under Regulation 16 of the Listing Regulations. Accordingly, the corporate governance requirements as applicable with respect to material unlisted subsidiary has been complied with.

The Company's Audit Committee reviews the Consolidated Financial Statements of the Company as well as the Financial Statements of the Subsidiaries, including the investments made by the Subsidiaries. The Minutes of the Board Meetings, along with a report of the significant transactions and arrangements of the unlisted subsidiaries of the Company, as applicable, are placed before the Board of Directors of the Company.

The Company has formulated a policy for determining Material Subsidiaries and the Policy is disclosed on the Company's website at the web link: <https://www.pncinfratech.com/pdfs/policy-for-determining-material-subsidiaries-pnc-infratech-limited.pdf>.

7. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 (5) of the Companies Act, 2013, Your Directors' confirm that:

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

DIRECTORS' REPORT (Contd.)

8. CORPORATE GOVERNANCE

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

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

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

9. RISK MANAGEMENT

The Company has constituted a Risk Management Committee which has been entrusted with the responsibility to assist the Board in (a) approving the Company's Risk Management Framework and (b) Overseeing all the risks that the organization faces such as strategic, financial, liquidity, security, regulatory, legal, reputational and other risks that have been identified and assessed to ensure that there is a sound Risk Management Policy in place to address such concerns / risks. The Risk Management process covers risk identification, assessment, analysis and mitigation. Incorporating sustainability in the process also helps to align potential exposures with the risk appetite and highlight risks associated with chosen strategies.

The Company has adopted a Risk Management Policy in accordance with the provisions of the Act and Regulation 21 of the Listing Regulations.

10. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

During FY 2020-21, the Company has entered into transactions with related parties as defined under Section 2(76) of the Companies Act, 2013 read with the Companies (Specification of Definitions Details)

Rules, 2014, which were in the ordinary course of business and on arm's length basis and in accordance with the provisions of the Companies Act, 2013, rules issued there under and in compliance of the Related Party Policy of the Company and in accordance with Regulation 23 of the SEBI Listing Regulations. During the financial year 2020-21, the Company did not enter into materially significant transactions with Promoters, Key Managerial Personnel or other related parties. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) (h) of the Companies Act, 2013 in Form AOC 2 is not applicable. The details of the related party transactions as required under IND AS- 24 are set out in Notes to the standalone financial statements forming part of this Annual Report.

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

11. CORPORATE SOCIAL RESPONSIBILITY (CSR)

As part of the Corporate Social Responsibility initiative, the Company has spent an amount of ₹ 810.35 lakhs/- towards the various CSR activities during FY 2020-21. A report on CSR Activities as required under Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014, as amended is enclosed herewith as "Annexure-A".

The Company has adopted Corporate Social Responsibility Policy in line with Schedule-VII of Companies Act 2013 and amendment thereof, containing the activities to be undertaken by the Company as part of its CSR programs. The CSR Policy is disclosed on the website of the Company www.pncinfratech.com.

12. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The details in respect of internal financial control and their adequacy are included in the Management Discussion and Analysis.

13. DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Chakresh Kumar Jain (DIN: 00086768) and Mr. Talluri Raghupati Rao (DIN: 01207205), Directors retire by rotation at the ensuing Annual General Meeting and being eligible offers themselves for re-appointment. The Board

DIRECTORS' REPORT (Contd.)

recommends the reappointment of Mr. Chakresh Kumar Jain and Mr. Talluri Raghupati Rao for the consideration of the members of the Company at the ensuing annual general meeting.

Based on the recommendations of the Nomination and Remuneration committee, on March 25, 2021, the members of the board have appointed Mr. Subhash Chander Kalia as an Additional Director (Non-Executive) director of the Company w.e.f March 25, 2021 who holds his office upto the date of ensuing Annual General Meeting. Subsequently, the board of directors at their meeting held on March 25, 2021 have appointed him as the independent director of the Company in terms of Section 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013, and rules made there under (hereinafter referred to as "the Act") and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") (including any statutory amendment, modification or re-enactment thereof for the time being in force), provisions of other applicable laws, if any.

During the period under review, Mr. Chhotu Ram Sharma, Independent Director of the Company had resigned from the office of director on March 22, 2021 and Mr. Chakresh Kumar Jain, had also resigned from the post of Chief Financial Officer of the Company on February 03, 2021. Mr. Bhupinder Kumar Sawhney, appointed as the Chief Financial Officer of the Company with effect from February 03, 2021.

As on March 31, 2021, Mr. Pradeep Kumar Jain, Mr. Chakresh Kumar Jain and Mr. Yogesh Kumar Jain, Managing Director(s), Mr. Anil Kumar Rao, and Mr. Talluri Raghupati Rao, Whole-Time Director(s) and Mr. Bhupinder Kumar Sawhney, Chief Financial Officer, and Mr. Tapan Jain, Company Secretary are the Key Managerial Personnel of the Company in accordance with the provisions of sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Also, during the year, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses, if any.

14. DECLARATION BY INDEPENDENT DIRECTORS

In accordance with the Section 149(7) of the Act, each Independent Director has given a written declaration to the Company at the time of their appointment and at the first meeting of the Board of Directors in every financial year confirming that he/she meets the criteria of independence as mentioned under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI Listing Regulations and there has been no change in the circumstances which may affect their status as an independent director during the year. The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Companies Act, 2013 along with code of conduct for all members of board in terms of Regulation 17(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

15. BOARD EVALUATION AND REMUNERATION POLICY

Pursuant to the applicable provisions of the Act and the Listing Regulations, the Board has carried out an Annual Evaluation of its own performance, performance of the Directors and the working of its Committees, based on the evaluation criteria defined by Nomination and Remuneration Policy for performance evaluation process of the Board, its Committees and Directors. Nomination and Remuneration Policy of the Company is enclosed herewith as **"Annexure-B"**

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members on the basis of criteria such as the composition of committees, effectiveness of Committee meetings, etc.

The performance assessment of Non-Independent Directors, Board as a whole and the Chairman were evaluated at separate meetings of Independent Directors. The same was also discussed in the meetings of NRC and the Board. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

DIRECTORS' REPORT (Contd.)

16. FAMILIARIZATION PROGRAMME FOR BOARD MEMBERS

A formal familiarization programme was conducted about the amendments in the Companies Act, 2013, Rules prescribed thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable laws of the Company. It is the general practice of the Company to notify the changes in all the applicable laws from time to time in every Board Meeting conducted.

The Company familiarizes its Independent Directors with their roles, rights, responsibilities in the Company, nature of the Industry in which the Company operates, etc., through various programmes. These include orientation programme upon induction of new Director, as well as other initiatives to update the Directors on an ongoing basis.

Further, the Company also makes periodic presentations at the Board and Committee meetings on various aspects of the Company's operations including on Health and Safety, Sustainability, Performance updates of the Company, Industry scenario, Business Strategy, Internal Control and risks involved and Mitigation Plan.

17. HUMAN RESOURCES

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

18. SHARE CAPITAL

During the year under review, the Company has not issued or allotted any equity shares with or without differential voting rights. The Paid – up Equity Share Capital of the Company as at March 31, 2021 stood at ₹ 51,30,78,330/-

19. AUDITORS AND AUDITORS' REPORT

Statutory Auditors

M/s. S.S Kothari Mehta & Co., Chartered Accountants (Firm Reg. no. 000756N), are the Statutory Auditors of the Company. The tenure of the Audit Firm lasts in the forthcoming Annual General Meeting (AGM) hence the Company is looking for new Auditor who can look after the audit functions of the Company.

Accordingly the Board of Directors, on the recommendations of the Audit Committee, recommends the appointment of M/s NSBP & Co. (Firm Registration No. 001075N) Chartered Accountants, as

the Statutory Auditors of the Company, to hold office as such from the conclusion of the 22nd Annual general Meeting until the conclusion of the 27th Annual General Meeting.

Auditor's Report

The Auditors' have issued an unmodified Report for the year ended March 31, 2021 which is self-explanatory hence, do not call for any comments from the Management under Section 134 of the Companies Act, 2013.

Cost Auditors

The Board had appointed M/s. R K G & Associates, Cost Accountants, as Cost Auditors for conducting the audit of cost records of the Company for FY 2020-21 and Form CRA-2 for their appointment was duly filed by the Company with the Ministry of Corporate Affairs. The said Auditors have conducted the audit of Cost Statements and Cost records for the year ended March 31, 2021 and have submitted their report, which is self explanatory and do not call for any further comments.

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

The Board has also appointed M/s. R K G & Associates, Cost Accountants, as Cost Auditors to conduct Cost Audit for FY 2021-22 and their remuneration has also been recommended for the ratification and approval of the Shareholders.

Secretarial Auditors

In terms of Section 204 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. DR Associates, Company Secretaries were appointed as Secretarial Auditors for FY 2020-21. The Secretarial Audit Report for the financial year ended on March 31, 2021 is annexed herewith marked as "Annexure-C" to this Report. There are no qualifications or adverse remark in their Report.

The Board has also appointed M/s. DR Associates, Company Secretaries, as Secretarial Auditors to conduct Secretarial Audit for FY 2021-22.

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

20. MANAGEMENT DISCUSSION AND ANALYSIS

In terms of the provisions of Regulation 34 of SEBI Listing Regulations, the Management Discussion and Analysis forms an integral part of this Report and gives

DIRECTORS' REPORT (Contd.)

details of the overall industry structure, developments, performance and state of affairs of the Company' business.

21. DISCLOSURES

Audit Committee

The Audit Committee of the Board of Directors of the Company is duly constituted in accordance with the provisions of Sections 177 of the Act read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2013 and Regulation 18 of SEBI Listing Regulations 2015. The details pertaining to the composition of the Audit Committee are included in the Corporate Governance Report. All the recommendations made by the Audit Committee were accepted by the Board.

Vigil Mechanism

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

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

Meetings of the Board

Five meetings of the Board were held during the year. For details of meetings of the Board, Please refer to the Corporate Governance Report. The maximum interval between any two meetings did not exceed 120 days.

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

The Company is exempted from the applicability of the provisions of Section 186 of the Companies Act, 2013 (Act) read with Rule 11 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Companies (Meetings of Board and its Powers) Amendment Rules, 2015 as the Company is engaged in the business of providing infrastructural facilities.

Details of the Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013, if any, are given in the notes to the financial statements pertaining to the year under review.

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

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

Extract of Annual Return

As per the requirements of Section 92(3) of the Act and Rules framed thereunder, the extract of the Annual Return for FY 2020-21 is uploaded on the website of the Company www.pncinfotech.com.

Particulars of Employees and Related Disclosures

The information required pursuant to Section 197 (12) read with Rule 5 (1) & (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of employees of the Company is herewith annexed as **"Annexure-G"**.

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

Business Responsibility Report (BRR)

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

Dividend Distribution Policy

SEBI Listing Regulations also mandates for top 500 listed entities based on market capitalization calculated as on March 31 of every financial year to formulate a dividend distribution policy ('the policy'). In Compliance of the same, the policy determining the distribution parameters of dividend to its shareholders

DIRECTORS' REPORT (Contd.)

was adopted by the Board in their meeting held on December 07, 2016. The Policy is enclosed as an "Annexure-I" to the Board's Report and is also available on the Company's website at <https://www.pncinfratech.com/pdfs/dividend-distribution-policy.pdf>

Investor Education and Protection Fund (IEPF)

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

Cost Records

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

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

The Company has framed policy on prevention of sexual harassment of women at workplace in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the financial year ended March 31, 2021, the Company has not received any complaints pertaining to sexual harassment.

22. GENERAL

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

- Details relating to deposits covered under Chapter V of the Act;
- Change in the nature of business;
- Voluntary revision of Financial Statements or Board's Report;

- Material change affecting the financial position of the Company;
- Issue of equity shares with differential rights as to dividend, voting or otherwise;
- Managing Directors and Whole Time Director have received the Commission of the Company within a regulatory limits of the Company Act 2013 and Neither the Managing Director nor the Whole-time Directors of the Company received any remuneration or commission from any of its subsidiaries Companies;
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impacts the going concern status and Company's operations in future;
- There was no instance of reporting of fraud to the Audit Committee and of Directors;
- There was no instance of any Employee Stock Options, Equity Share with differential voting rights as to dividend, voting or otherwise.
- The Company has complied with Secretarial Standards issued by the institute of Company Secretaries of India on meeting of Board of Directors and General Meetings.

23. ACKNOWLEDGEMENT

Your Directors take this opportunity to thank the stakeholders, banks and financial institutions, clients, vendors, Intermediaries associated of the Company.

Your Directors gratefully acknowledge the ongoing co-operation and support from various regulatory bodies, NHAI, MPRDC, UPSHA, HSRDC, MES, DSIIDC, UPEIDA, MORTH, UP PWD, UP SWSM, AP Government Ministry of Corporate Affairs, BSE Limited, National Stock Exchange of India Limited, Securities and Exchange Board of India and other Central and State Government agencies.

For and on behalf of the Board of Directors

Chakresh Kumar Jain
(Managing Director)
DIN:-00086768

Yogesh Kumar Jain
(Managing Director)
DIN:-00086811

Place: Agra
Date: June 25, 2021

ANNEXURE A

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the CSR Policy of the Company are as follows:

- Promoting Healthcare, Eradicating Hunger, Poverty and Malnutrition, and making available safe drinking water.
- Promoting education among children and women.
- Enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- Rural Development and Education.
- Animal Welfare & Agro Forestry.

2. The Composition of the CSR Committee :

S. No.	Name of the Member	Designation /Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Chakresh Kumar Jain	Chairman (Managing Director)	01	01
2	Mr. Anil Kumar Rao	Member (Whole Time Director)	01	01
3	Mr. Ashok Kumar Gupta	Member (Independent Non Executive Director)	01	01

- Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company: <http://www.pncinftratech.com>
- Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): **Not applicable**
- Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

S. No.	Financial Year	Amount available for set-off from preceding financial years (in lakhs)	Amount required to be set-off or the financial year, if any (in lakhs)
1	2017-18	NIL	NIL
2	2018-19	NIL	NIL
3	2019-20	NIL	NIL

- Average net profit of the Company as per section 135(5) of the Act: ₹ 40,433.39 lakhs.
- Two percent of average net profit of the Company as per section 135(5): ₹ 809.00 lakhs.
 - Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
 - Amount required to be set off for the financial year, if any: Nil
 - Total CSR obligation for the financial year (a+b-c): ₹ 809.00 lakhs.
- CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in lakhs)	Amount Unspent (in lakhs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
₹ 810.35 lakhs	NA	NA	NA	NA	NA

ANNEXURE A (Contd.)

- (b) Details of CSR amount spent against ongoing projects for the financial year: **NA**
- (c) Details of CSR amount spent against other than ongoing projects for the financial year: **Refer Annexure A(i)**
- (d) Amount spent in Administrative Overheads: **Nil**
- (e) Amount spent on Impact Assessment, if applicable: **NA**
- (f) Total amount spent for the Financial Year: ₹ 810.35 lakhs
- (g) Excess amount for set off, if any

S. No.	Particular	Amount (in lakhs.)
i	Two percent of average net profit of the Company as per section 135(5)	809.00
ii	Total amount spent for the Financial Year	810.35
iii	Excess amount spent for the financial year [(ii)-(i)]	1.35
iv	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	--
v	Amount available for set off in succeeding financial years [(iii)-(iv)]	--

9. (a) Details of Unspent CSR amount for the preceding three financial years: **Nil**
- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **Nil**
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: **Nil**
11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5): **Nil**

For & on behalf of Corporate Social Responsibility Committee

Chakresh Kumar Jain
Chairman of Committee
(Managing Director)
DIN: 00086768

Ashok Kumar Gupta
Member of Committee
(Independent Director)
DIN: 02808356

Place: Agra
Date: June 25, 2021

ANNEXURE A (Contd.)

ANNEXURE A (I)

Details of CSR Amount Spent

Amount in ₹

Sr. No.	CSR project/activity identified	Item from the list of activities in Schedule VII the Act	Amount Spent for CSR Project/ Activity Identified	Mode of Implementation	Mode of Implementing through implementing Agency	
					Name	CSR Registration
1.	Promoting Healthcare, Poverty and Malnutrition, Eradicating Hunger and making available safe drinking water	Clause I	6,97,41,121.00	Direct	-	-
2.	Promoting Education	Clause II	1,05,96,886.00	Direct	-	-
3.	Facilities for senior citizens like Setting up old age homes, day care centres and such other facilities for senior citizens	Clause III	4,46,000.00	Direct	-	-
4.	Animal Welfare & Agro Forestry	Clause IV	76,000.00	Direct	-	-
5.	Sports and Culture	Clause VII	25,000.00	Direct	-	-
6.	Rural Development Project	Clause X	1,50,000.00	Direct	-	-

For & on behalf of Corporate Social Responsibility Committee

Chakresh Kumar Jain
Chairman of Committee
(Managing Director)
DIN: 00086768

Ashok Kumar Gupta
Member of Committee
(Independent Director)
DIN: 02808356

Place: Agra
Date: June 25, 2021

ANNEXURE B

NOMINATION AND REMUNERATION POLICY

1. Preamble

The Board of Directors (the "Board") of PNC Infratech Limited (the "Company"), has adopted the Nomination and Remuneration policy which formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board, relating to the Nomination and Remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management and other employees of the Company.

2. Purpose

This policy is framed as per requirement of Sub-section (3) of Section 178 of the Companies Act, 2013 ("the Act") and sub-regulation (4) of Regulation 19 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 (hereinafter referred to as "SEBI Listing Regulations") as amended from time to time and intended to have a Board with diverse background and experience in areas that are relevant for the Company, to ensure the proper appointment and fairness in the remuneration process of the Directors, Key Managerial Personnel (KMP) and Senior Management and other employees of the Company and at the same time to attract and retain the best suitable talent on the Board of the Company.

3. Applicability

This policy is applicable to all Directors, Key Managerial Personnel (KMP), and Senior Management team and other employees of the Company.

4. Objectives

This policy is framed with the following objectives:

- I. To ensure that the constitution of the Board should have optimum combination of directors in pursuance of the Companies Act, 2013 and LODR.
- II. To set criteria for determining qualifications, positive attributes and independence of a director, and remuneration of the Executives.
- III. To evaluate the performance of members of the Board and provide necessary report to the Board for further evaluation.
- IV. To attract, retain and motivate the Senior Management including its Key Managerial Personnel, evaluation of their performance and provide necessary report to the Board for further evaluation.
- V. To ensure that the interests of Board members & Executives are aligned with the business strategy and risk tolerance, objectives, values and long-term interests of the Company and will be consistent with the "pay-for-performance" principle.
- VI. To recommend the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- VII. To promote and develop a high performance workforce in line with the Company strategy.
- VIII. To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Director (Executive & Non- Executive/ Independent/Nominee) and persons who may be appointed in Senior Management, Key Managerial Personnel and determine their remuneration.
- IX. To enable the Company to provide a well-balanced and performance-related compensation package, taking into account shareholder interests, industry standards and relevant Indian corporate regulations.

5. Definition

- I. **"Act"** means Companies Act, 2013 and rules framed thereunder as amended from time to time.
- II. **"Board of Directors" or Board**, in relation to the Company, means the collective body of the Directors of the Company.
- III. **"Committee"** means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- IV. **"Company"** means **"PNC Infratech Limited"**.
- V. **"Managerial Personnel"** means Managerial Personnel or Persons, appointed under section 196 and other applicable provisions of the Companies Act, 2013.
- VI. **"Policy" or "This policy"** means Nomination and Remuneration Policy.
- VII. **"Remuneration"** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income Tax Act, 1961.
- VIII. **"Independent Director"** means a Director referred to in Section 149 (6) of the Companies Act, 2013.

ANNEXURE B (Contd.)

- IX. **"Key Managerial Personnel" (KMP)** means
- The Chief Executive Officer or the Managing Director or the Manager and in their absence the Whole Time Director;
 - The Company Secretary; and
 - The Chief Financial Officer
- X. **"Senior Management"** shall mean officers/ personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board and shall specifically include Company secretary and chief financial officer.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and the LODR Regulations as may be amended from time to time shall have the meaning respectively assigned to them therein.

6. POLICY

6.1 Constitution of Nomination and Remuneration Committee:

The Nomination and Remuneration Committee will consist of three or more non executive directors, out of which at least one-half shall be independent director(s), provided that Chairperson of the Company may be appointed as a member of this Committee but shall not chair such Committee.

The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and applicable statutory requirements including the SEBI Listing Regulations.

The Committee shall meet as and when required by the Board or by the Committee itself but it shall meet at least once in a year. Additional meetings may happen as the Committee deems it appropriate.

The Committee members may attend the meeting physically or through Video conference or through permitted audio –visual mode, subject to the provisions of the applicable laws. The Committee shall have the authority to call such employee (s), senior official(s) and / or externals, as it deems fit. The Company Secretary shall act as Secretary to the Committee.

6.2 Appointment of Managerial Personnel, Director, KMP and Senior Management:

- The Committee shall identify and ascertain the integrity, qualification appropriate skills, characteristics and experience of the person for appointment as Managerial Personnel, Director or KMP or Senior Management and recommend to the Board for his /her appointment. The objective is to have a Board with diverse background and experience in business, government, academics, technology and in areas that are relevant for the Company's operations.
- A person should possess the highest personal and professional ethics, integrity and values. They should be able to balance the legitimate interest and concerns of all the Company's stakeholders in arriving at decisions, rather than advancing the interests of a particular constituency.
- Committee shall verify whether the candidate being assessed for holding the position of a Director has been allotted a Director Identification Number (DIN) and whether the candidate has submitted e-form DIR-3-KYC to the Central Government within stipulated timelines.
- Committee shall review whether that the candidate possesses more than one DIN and in such cases, require the candidate to surrender the additional DIN.
- The Committee shall verify the maximum number of directorships, including any alternate directorships held by the candidate as per the provisions of Companies Act, 2013 and continue to verify this even after appointment as a Director. Further, as prescribed by the SEBI Listing Regulations, any person shall not be a director in more than 8 (eight) listed entities with effect from April 01, 2019 and in not more than 7 (seven) listed entities with effect from April 01, 2020. Further a person shall not serve as an independent director in more than 7 (seven) listed entities with effect from April 01, 2019. Further, any person who is serving as a whole time director / managing director in any listed entity shall serve as an independent director in not more than 3 (three) listed entities. For determining the number of listed entities on which a person is a director / independent

ANNEXURE B (Contd.)

- director, the Committee shall consider only those whose equity shares are listed on a stock exchange.
- f) No person shall be appointed or continue as an alternate director for an independent director of a listed entity.
 - g) While filling up the positions for Managing Director, Whole Time Directors or Independent Directors, the specific qualifications as prescribed under Companies Act, 2013 along with SEBI Listing Regulations shall be taken into account.
 - h) The Committee shall not appoint any person or continue the directorship of any person as a non-executive director who has attained the age of 75 (seventy five) years unless a special resolution of Members is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.
 - i) [The Committee shall ensure that the Chairperson of the Board shall-
 - (a) be a non-executive Director;
 - (b) not be related to the Managing Director or the Chief Executive Officer as per the definition of the term "relative" defined under the Companies Act, 2013]*

**This sub clause shall be effective from April 01, 2020*
 - j) Appointment of Independent Directors is also subject to compliance of provisions of section 149 of the Companies Act, 2013, read with Schedule IV and rules thereunder or any other applicable provisions of the Companies Act, 2013 and the LODR Regulations.
 - k) The Committee shall lay down a chart / matrix listing the core skills / expertise/ competencies of Board Members as required in the context of the Company's business(es) and sector(s) for the Board to function effectively and those actually available with the Board and where there are gaps to ensure these are filled in the next round of appointments. Further, the Committee shall identify and maintain the names of Directors who possess the prescribed skills/expertise/ competence w.e.f April 01, 2020.

6.3 Term /Tenure

a. Managerial Personnel:

The Company shall appoint or re-appoint any person as its Managerial Personnel for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b. Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and Disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed Company.

The maximum tenure of Independent Directors shall also be in accordance with the Companies Act, 2013 & LODR Regulations and clarifications/ circulars issued by the Ministry of Corporate Affairs/ SEBI, in this regard, from time to time.

The Committee shall review whether to extend or continue the term of appointment of the Independent Directors (IDs), on the basis of the report of performance evaluation of IDs.

6.4 Retirement

Any Director other than the Independent Director shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion

ANNEXURE B (Contd.)

to retain the Director, KMP, Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company, subject to compliance of the provisions of the Companies Act, 2013 and LODR Regulations.

6.5 Remuneration of Managerial Personnel, KMP and Senior Management:

- a. The level and composition of remuneration to Managerial Personnel, KMP & Senior Management should be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company. The Remuneration / Compensation / Profit linked Incentive etc. to Managerial Personnel, KMP and Senior Management will be determined by the Committee and recommended to the Board for their approval. The Remuneration / Compensation / Profit Linked Incentive etc. to be paid for Managerial Personnel shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- b. The remuneration and commission to be paid to Managerial Personnel shall be as per the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force and as per LODR Regulations.
- c. Managerial Personnel, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.
- d. If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Personnel in accordance with the provisions of Schedule V of the Companies Act, 2013.

- e. If any Managerial Personnel draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company.
- f. Increments if declared to the existing remuneration / compensation structure shall be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managerial Personnel.
- g. Where any insurance is taken by the Company on behalf of its Managerial Personnel, KMP and Senior Management for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.
- h. The fees or compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if-
 - (i) the annual remuneration payable to such executive director exceeds rupees 5 Cr or 2.5% of the net profits of the listed entity, whichever is higher; or
 - (ii) where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity:

Provided that the approval of the shareholders under this provision shall be valid only till the expiry of the term of such director.

6.6 Remuneration to Non-Executive / Independent Directors:

a. Remuneration / Profit Linked Commission:

The remuneration / profit linked commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force and as per LODR regulations.

ANNEXURE B (Contd.)

b. **Sitting Fees:**

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

c. **Limit of Remuneration /Profit Linked Commission:**

Remuneration /profit linked Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 5% of the net profits of the Company in pursuance of Section 197 of the Companies Act, 2013.

However, the approval of shareholders by special resolution shall be obtained every year, in which the annual remuneration payable to a single non-executive director exceeds fifty per cent of the total annual remuneration payable to all non-executive directors, giving details of the remuneration thereof

d. **Stock Options:**

Pursuant to the provisions of the Companies Act 2013, Managerial Personnel, KMP, Senior Management and an employee shall be entitled to any Employee Stock Options (ESOPs) of the Company.

6.7 Familiarization program for Independent Directors:

- a) The Company shall familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programs.
- b) The details of such familiarization programs shall be disclosed on the Company's website and a web link thereto shall also be given in

the Annual Report.

6.8 Monitoring, Evaluation and Removal:

I. **Evaluation:**

The Committee shall carry out evaluation of performance of every Managerial Personnel, Director, KMP or Senior Management. The Committee shall identify evaluation criteria based on knowledge to perform the role, time and level of participation, performance of duties, level of oversight, professional conduct and independence.

Framework for performance evaluation of Independent Directors and the Board is as per Annexure to this Policy.

II. **Removal:**

The Committee may recommend, to the Board with reasons recorded in writing, removal of a Managerial Personnel, Director, KMP or Senior Management subject to the provisions of Companies Act, 2013, and all other applicable Acts, Rules and Regulations, if any.

7. **Amendment to the Policy:**

The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), Clarification, circular(s)etc.

8. **Disclosure:**

The details of this Policy and the evaluation criteria as applicable shall be disclosed in the Annual Report as part of Board's Report therein or alternatively the same may be put up on the Company's website and reference drawn thereto in the Annual Report.

ANNEXURE B (Contd.)

ANNEXURE

Framework for Performance Evaluation of Independent Directors and the Board

As per the provisions of Companies Act, 2013 and LODR, the Nomination and Remuneration Committee (the "Committee") shall lay down the evaluation criteria for performance evaluation of Independent Directors and the Board. Further, the Board is required to monitor and review Board Evaluation Framework. This Framework shall contain the details of Board's self-evaluation framework (including all Committees of the Board and individual directors).

The Board is committed to assess its own performance as a Board in order to identify its strengths and areas in which it may improve its functioning. To that end, the Committee shall establish the following processes for evaluation of performance of Independent Director and the Board:

1. Once a year, the Board will conduct a self-evaluation. It is the responsibility of the Chairman of the Board, supported by the Company Secretary of the Company, to organize the evaluation process and act on its outcome;
2. The Committee shall formulate evaluation criteria for the Board and the Independent Directors which shall be broadly based on:

- 2.1 Knowledge to perform the role;
- 2.2 Time and level of participation;
- 2.3 Performance of duties and level of oversight; and
- 2.4 Professional conduct and independence.
3. The Board / Independent Directors shall be asked to complete the evaluation forms and submit the same to the Chairman.
4. In terms of Section 134 of the Act, the Board's Report should include a statement indicating a manner in which the Board has done formal annual evaluation of its own performance, performance of Committees and individual Directors of the Company.
5. The evaluation of independent directors shall be done by the entire board of directors which shall include -
 - (a) Performance of the directors; and
 - (b) Fulfillment of the independence criteria as specified in LODR regulations and their independence from the management:

Provided that in the above evaluation, the directors who are subject to evaluation shall not participate.

ANNEXURE C

FORM NO. MR-3

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

SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March 2021

The Members,

PNC Infratech Limited

NBCC Plaza, Tower II, 4th Floor, Pushp Vihar,

Sector V, Saket, New Delhi- 110 017

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by PNC Infratech Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, statutory registers, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board Processes and Compliance Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not Applicable to the Company)**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable to the Company)**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable to the Company)**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not Applicable to the Company)**
- (i) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
- (j) Secretarial Standards issued by the Institute of Company Secretaries of India.
- (vi) and other laws as are specifically applicable to the Company.

Our report is to be read along with the noting as mentioned here-in-under:

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records,

ANNEXURE C (Contd.)

we believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of the financial records and books of accounts of the Company.
4. Where ever required, we have obtained the management representation about the Compliances of the laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of the corporate and other applicable laws, rules and regulations, standards is the responsibility of the Management; Our examination was limited to the verification of the procedures on test basis.
6. We have not verified the compliance under various State laws specifically applicable to the Company and relied on the Management Representation Letter.
7. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following matter of emphasis:

1. Legal Proceedings against the Company

There are instances of legal cases filed against the Company under the various laws applicable to the Company. These cases are filed before various courts of the Country under various statutes. However, as explained by the management the legal proceedings against the Company is not of material or significant nature which impacts the going concern status and Company's operations in future;

2. Late Filing of E-forms:

The Company has filed few e-forms with additional fees and has complied with the requirement of the Act.

We report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notices are given to all directors for the Board Meetings and accordingly, agenda and detailed notes on agenda were sent to all directors, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful Participation at the meeting.
3. Majority decisions are carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.
4. There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, Rules, Regulations and Guidelines.

We further report that during the audit period the Company has generally complied with the requirements of various Act, Rules and Regulations, guidelines and standards as are applicable to the Company.

**For DR Associates
Company Secretaries**

**Suchitta Koley
Partner**

CP No.: 714

**Place: New Delhi
Date: June 25, 2021**

UDIN: F001647C000643431

ANNEXURE C (Contd.)

SECRETARIAL AUDIT REPORT

FORM NO. MR-3

(For the Company's Financial Year from April 1, 2020 to March 31, 2021)

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

To,

The Board of Directors**PNC Infra Holdings Limited**

Cabin No. 5, NBCC Plaza, Tower II, 4th Floor,

Pushp Vihar, Sector-V, Saket

New Delhi, Delhi-110017

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to corporate practices by **PNC Infra Holdings Limited ("The Company")** for the audit period covering the financial year ended on March 31, 2021. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

I report that

- a) Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
- b) I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices, I followed to provide a reasonable basis for my opinion.
- c) I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- d) Where ever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
- e) The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
- f) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Based on the verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period ended on Financial year ended **March, 2021**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March, 2021** according to the provisions of:

- i. The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (*Not as there was no reportable event during the audit period under review*)
- v. The following Acts Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (*Not applicable to the Company during the audit period*)
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (*Not applicable to the Company during the audit period*)
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (*Not applicable to the Company during the audit period*)

ANNEXURE C (Contd.)

- e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; *(Not applicable to the Company during the audit period)*
- f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; *(Not applicable to the Company during the audit period)*
- g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; *(Not applicable to the Company during the audit period)*
- h) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; *(Not applicable to the Company during the audit period)*
- i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; *(to the extent applicable as a Material Subsidiary)*
- vi) and other laws as are specifically applicable to company.

As reported to me all required Statutory approvals has been taken care by the management of the company. During the period under the review company has complied with the provisions of Acts, Rules, Regulations, Guidelines, Standards, etc mentioned above.

We have not examined compliance by the company with applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by the statutory auditors and other designated professionals.

During the period under review, I have checked the compliance management system of the Company to obtain reasonable assurance about the adequacy of systems in place to ensure compliance of specifically applicable laws and this verification was done on test basis. I believe that the Audit evidence which I have obtained is sufficient and appropriate to provide a basis for my audit opinion. In my opinion and to the best of the information and according to explanations given to me, we believe that the compliance management system of the Company is adequate to ensure compliance of laws, rules, regulations and guidelines etc specifically applicable to the Company.

I have also examined compliance with the applicable clauses of the following:

Secretarial Standards issued by The Institute of Company Secretaries of India i.e. SS-1 on Board Meeting and SS-2 on General Meeting.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notices along with agenda & detailed notes are given to all directors and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. All the decisions of the Board and Committees thereof were carried through with requisite majority.
4. As per the minutes of the meetings duly recorded and signed by the Chairman.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, the Company had following event which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.:

- a) The Board of Directors vide board meetings dated June 23, 2020; August 26, 2020; October 30, 2020; February 02, 2021 and March 20, 2021 had allotted 23,30,000, 50,000, 16,32,000, 46,24,000 and 60,32,000 equity shares respectively of ₹ 10 each at ₹ 50/- per share (Including Premium of ₹ 40/-per share) as per the provisions of the Companies Act, 2013.

**For Akash Jain,
Company Secretaries,**

**Akash Jain
Proprietor**

Place: Agra

Date: June 22, 2021

FCS: 9617 C.P.: 9432

ICSI UDIN: F009617C000498556

ANNEXURE C (Contd.)

SECRETARIAL AUDIT REPORT

FORM NO. MR-3

(For the Company's Financial Year from April 1, 2020 to March 31, 2021)

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

To,

The Board of Directors

PNC Triveni Sangam Highways Private Limited

CABIN NO. 5, NBCC PLAZA. TOWER II, 4TH FLOOR
SECTOR V, SAKET NEW DELHI New Delhi DL 110017

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to corporate practices by **PNC Triveni Sangam Highways Private Limited** ("The Company") for the audit period covering the financial year ended on March 31, 2021. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

I report that

- a) Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
- b) I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices, I followed to provide a reasonable basis for my opinion.
- c) I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- d) Where ever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
- e) The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
- f) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Based on the verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period ended on Financial year ended **March, 2021**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March, 2021** according to the provisions of:

- i. The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii. Secretarial Standards with regard to Meeting of Directors (SS-1) and General Meeting (SS-2) issued by The Institute of Company Secretaries of India;
- iv. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- v. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (*Not applicable as there was no reportable event during the financial year under review*)
- vi. The following Acts Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (*Not applicable to the Company during the audit period*)
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (*Not applicable to the Company during the audit period*)

ANNEXURE C (Contd.)

- d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; *(Not applicable to the Company during the audit period)*
- e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; *(Not applicable to the Company during the audit period)*
- f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; *(Not applicable to the Company during the audit period)*
- g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; *(Not applicable to the Company during the audit period)*
- h) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; *(Not applicable to the Company during the audit period)*
- i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; *(to extent applicable as a Material Subsidiary).*
- vii) and such other laws as are specifically applicable to Company.

As reported to me all required Statutory approvals has been taken care by the management of the Company. During the period under the review Company has complied with the provisions of Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We have not examined compliance by the Company with applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by the statutory auditors and other designated professionals.

During the period under review, I have checked the compliance management system of the Company to obtain reasonable assurance about the adequacy of systems in place to ensure compliance of specifically applicable laws and this verification was done on test basis. I believe that the Audit evidence which I have obtained is sufficient and appropriate to provide a basis

for my audit opinion. In my opinion and to the best of the information and according to explanations given to me, we believe that the compliance management system of the Company is adequate to ensure compliance of laws, rules, regulations and guidelines etc specifically applicable to the Company.

I further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notices along with agenda & detailed notes are given to all directors and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. All the decisions of the Board and Committees thereof were carried through with requisite majority.
4. As per the minutes of the meetings duly recorded and signed by the Chairman.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, the Company had following event which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.:

- a) The Board of Directors vide board meetings dated October 29, 2020; February 2, 2021 had allotted 81,60,000, 1,12,20,000 equity shares respectively of ₹ 10/- each at ₹ 10/- per share as per the provisions of the Companies Act, 2013.

**For Nitin Agarwal
Company Secretaries,**

**Nitin Agarwal
Proprietor**

Place: Delhi

Date: June 21, 2021

ACS: 25643 C.P.: 13200

ICSI UDIN: A025643C000498841

ANNEXURE D

VIGIL MECHANISM / WHISTLE BLOWER POLICY

PREAMBLE

Section 177 of the Companies Act, 2013 read with Rules 7 of Companies (Meeting of Board and its Powers) 2014 requires that every listed Company and such class or classes of companies, as may be prescribed to establish a vigil mechanism for the Directors and employees to report genuine concerns in such manner as may be prescribed.

The Company has adopted a Code of Conduct for Directors and Senior Management Personnel ("the Code"), which lays down the principles and standards that should govern the actions of the Directors and Senior Management Personnel.

Any actual or potential violation of the Code, howsoever insignificant or perceived as such, is a matter of serious concern for the Company. Such a vigil mechanism shall provide for adequate safeguards against victimization of persons who use such mechanism and also make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time prescribes that all listed companies should have a whistle blower policy to enable employees to report instances of leak of unpublished price sensitive information.

Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, inter alia, provides to formulate a vigil mechanism for directors and employees to report genuine concerns which provide for adequate safeguards against victimization of director(s) or employee(s) or any other person who avail the mechanism and also provide for direct access to the chairperson of the audit committee in appropriate or exceptional cases.

POLICY

In compliance of the above requirements, PNC Infratech Limited, (PNC), has established a Vigil (Whistle Blower) Mechanism and formulated a Policy in order to provide a framework for responsible and secure whistle blowing/vigil mechanism.

POLICY OBJECTIVES

The Vigil (Whistle Blower) Mechanism aims to provide a channel to the Directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or policy.

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards, the Company encourages its employees, who have genuine

concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.

The mechanism provides for adequate safeguards against victimization of Directors and employees to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations about a personal situation.

DEFINITIONS

The definitions of some of the key terms used in this Policy are given below:-

"Audit Committee" means the Audit Committee constituted by the Board of Director of the Company in accordance with the Companies Act, 2013 and read with Clause 49 of the Listing Agreement with the Stock Exchanges.

"Employee" means every present employee of the Company (whether working in India or abroad), including the Directors of the Company.

"Protected Disclosure" means a written communication of a concern made in good faith, which discloses or demonstrates information that may evidence an unethical or improper activity under the title "SCOPE OF THE POLICY" with respect to the Company. It should be factual and not speculative and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.

"Subject" means a person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.

"Vigilance Officer" is a person, nominated/appointed to receive protected disclosures from whistle blowers, maintaining records thereof, placing the same before the Audit Committee for its disposal and informing the Whistle Blower the result thereof.

"Whistle Blower" is a Director or employee who makes a Protected Disclosure under this Policy and also referred in this policy as complainant.

SCOPE OF THE POLICY

The Policy is an extension of the Code of Conduct for Directors & Senior Management Personnel and covers disclosure of any unethical and improper or malpractices and events which have taken place/ suspected to take place involving:

ANNEXURE D (Contd.)

1. Breach of the Company's Code of Conduct
2. Breach of Business Integrity and Ethics
3. Breach of terms and conditions of employment and rules thereof
4. Intentional Financial irregularities, including fraud, or suspected fraud
5. Deliberate violation of laws/regulations
6. Gross or Willful Negligence causing substantial and specific danger to health, safety and environment
7. Manipulation of Company data/records
8. Pilferation of confidential/propriety information
9. Gross Wastage/misappropriation of Company funds/assets
10. Misuse or abuse of Authority
11. And other matter or activity of which the interest of Companies is affected and formally reported by whistle Blower.
12. Leak of unpublished price sensitive information

ELIGIBILITY

All Directors and Employees of the Company are eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company.

PROCEDURE

All Protected Disclosures should be reported in writing by the complainant as soon as possible, not later than 30 days after the Whistle Blower becomes aware of the same and should either be typed or written in a legible handwriting in English.

The Protected Disclosure should be submitted under a covering letter signed by the complainant in a closed and secured envelope and should be super scribed as **"Protected disclosure under the Whistle Blower policy"** or sent through email with the subject **"Protected disclosure under the Whistle Blower policy"**. If the complaint is not super scribed and closed as mentioned above, the protected disclosure will be dealt with as if a normal disclosure.

All Protected Disclosures should be addressed to the Vigilance Officer of the Company or to the Chairman of the Audit Committee in exceptional cases.

The contact details of the Vigilance Officer are as under:-

***Designation: Company Secretary & Compliance Officer**

PNC Infratech Limited

3/22D, Civil Lines, Agra-Delhi Bypass Road,

NH-2, Agra-282002

E-mail: complianceofficer@pncinfratech.com

In order to protect the identity of the complainant, the Vigilance Officer will not issue any acknowledgement to the complainants and they are advised neither to write their name / address on the envelope nor enter into any further correspondence with the Vigilance Officer.

Anonymous / Pseudonymous disclosure shall not be entertained by the Vigilance Officer.

On receipt of the protected disclosure the Vigilance Officer shall detach the covering letter bearing the identity of the Whistle Blower and process only the Protected Disclosure.

INVESTIGATION

All Protected Disclosures under this policy will be recorded and thoroughly investigated. The Vigilance Officer will carry out an investigation either himself/herself or by involving any other Officer of the Company/ Committee constituted for the same /an outside agency before referring the matter to the Audit Committee of the Company.

The Audit Committee, if deems fit, may call for further information or particulars from the complainant and at its discretion, consider involving any other/additional Officer of the Company and/or Committee and/ or an outside agency for the purpose of investigation.

The investigation by itself would not tantamount to an accusation and is to be treated as a neutral fact finding process.

The investigation shall be completed normally within 90 days of the receipt of the protected disclosure and is extendable by such period as the Audit Committee deems fit.

Any member of the Audit Committee or other officer having any conflict of interest with the matter shall disclose his/her concern /interest forthwith and shall not deal with the matter.

DECISION AND REPORTING

If an investigation leads to a conclusion that an improper or unethical act has been committed, the Chairman of the Audit Committee shall recommend to the Board of Directors of the Company to take such disciplinary or corrective action as it may deem fit.

Any disciplinary or corrective action initiated against the Subject as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.

A quarterly report with number of complaints received under the Policy and their outcome shall be placed before the Audit Committee and the Board.

A complainant who makes false allegations of unethical & improper practices or about alleged wrongful conduct of the Subject to the Vigilance Officer or the Audit Committee shall

ANNEXURE D (Contd.)

be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

CONFIDENTIALITY

The complainant, Vigilance Officer, Members of Audit Committee, the Subject and everybody involved in the process shall, maintain confidentiality of all matters under this Policy, discuss only to the extent or with those persons as required under this policy for completing the process of investigations and keep the papers in safe custody.

PROTECTION

No unfair treatment will be meted out to a Whistle Blower by virtue of his/ her having reported a Protected Disclosure under this policy. Adequate safeguards against victimization of complainants shall be provided. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure.

The Whistle Blower may report any violation of the above clause to the Chairman of the Audit Committee, who shall investigate into the same and recommend appropriate disciplinary action against anyone responsible.

The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. Any other employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

DISQUALIFICATIONS

While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.

Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistle Blower knowing it to be false or bogus or with a mala fide intention.

Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be mala fide, frivolous or malicious, shall be liable to be prosecuted.

ACCESS TO CHAIRMAN OF THE AUDIT COMMITTEE

The Whistle Blower shall have right to access Chairman of the Audit Committee directly in exceptional cases and the Chairman of the Audit Committee is authorized to prescribe suitable directions in this regard.

COMMUNICATION

Directors and Employees shall be informed of the Policy by publishing on the notice board and the website of the Company.

RETENTION OF DOCUMENTS

All Protected disclosures in writing or documented along with the results of Investigation relating thereto, shall be retained by the Company for a period of 5 (five) years or such other period as specified by any other law in force, whichever is more.

AMENDMENT

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the Directors and employees unless the same is not communicated in the manner described as above.

***Note:** This policy has been modified pursuant to Board Resolution passed in the Meeting of Board of Directors held on May 24, 2017 and February 13, 2019 respectively.

ANNEXURE-E TO THE DIRECTORS' REPORT:

Information under Section 134(m) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2021

Details of conservation of energy, technology absorption, foreign exchange earnings and outgo

(a) Conservation of energy

(i)	the steps taken or impact on conservation of energy	The Company is taking all necessary measures for conservation of energy and creating awareness amongst the employees on the necessity of conservation of energy is practiced regularly.
(ii)	the steps taken by the company for utilizing alternate sources of energy	NIL
(iii)	the capital investment on energy conservation equipments	The company is involved in construction of highways and airport runways, hence no major impact on the cost of production/construction.

(b) Technology absorption

(i)	the efforts made towards technology absorption	The Company develops in-house technology and is not dependent on any outside technology/source.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	<ul style="list-style-type: none"> • Improvements in quality, • Reduction in cost • Development of Product
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	Not Applicable
	(a) the details of technology imported	
	(b) the year of import;	
	(c) whether the technology been fully absorbed	
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	
(iv)	the expenditure incurred on Research and Development	

(c) Foreign exchange earnings and Outgo

- (i) Foreign Exchange earnings : NIL
- (ii) Foreign Exchange expenditure : NIL

ANNEXURE-G: PARTICULARS OF EMPLOYEE

a) Information as per Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Remuneration paid to Whole-time Directors and Key Managerial Personnel

S. No.	Name of the Employee	Designation/Nature of Duties	Remuneration for FY 2020-21 (Rs. in Lakhs)	% increase in remuneration in FY 2020-21	Ratio of Remuneration of each Director to median remuneration of employees
1	Mr. Pradeep Kumar Jain	Chairman and Managing Director	258.00	0.00	113.16
2	Mr. Chakresh Kumar Jain	Managing Director	234.00	0.00	102.63
3	Mr. Yogesh Kumar Jain	Managing Director	234.00	0.00	102.63
4	Mr. Anil Kumar Rao	Whole Time Director	80.14	2.49	35.15
5	Mr. Talluri Raghupati Rao	Whole Time Director	68.68	7.15	30.12
6	Mr. Bhupinder Kumar Sawhney	Chief Financial Officer	23.53	N.A	10.32
7	Mr. Tapan Jain	Company Secretary	19.99	13.32	8.77

b) Percentage increase in the median remuneration of employees in the Financial Year.

Percentage increase in the median remuneration of employees other than managerial personnel in the financial year is 8.57%

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

The Company has 8,564 permanent employees as on March 31, 2021.

d) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average annual increase in the salaries of employees other than the managerial personnel was (7.07) %. There was no exceptional increase in the managerial remuneration.

Notes –

1. The nature of employment is contractual;
2. None of the employee is a relative of any managing director or whole – time director of the company;
3. None of the employee holds 2% or more of the paid up equity share capital of the Company as per clause (iii) of sub rule (2) of Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
4. No employee of the Company is posted or working in a country outside India;
5. No employee of Company was in receipt of remuneration of 102 lakh rupees or more p.a. or 8.5 lakh p.m. for FY 2020-21.

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

For and on behalf of the Board of Directors

Place: Agra

Date: June 25, 2021

Chakresh Kumar Jain
(Managing Director)
DIN:-00086768

Yogesh Kumar Jain
(Managing Director)
DIN:-00086811

ANNEXURE-H

BUSINESS RESPONSIBILITY REPORT

This section is as per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Section A: General Information about the Company

S. No.	Particulars	Details
1.	Corporate Identity Number (CIN) of the Company	L45201DL1999PLC195937
2.	Name of the Company	PNC Infratech Limited
3.	Registered address	NBCC Plaza, Tower II, 4th Floor, Pushp Vihar, Sector 5, New Delhi - 110017
4.	Website	www.pncinfratech.com
5.	E-mail id	complianceofficer@pncinfratech.com
6.	Financial year reported	April 01, 2020 to March 31, 2021
7.	Sector(s) that the Company is engaged in (industrial activity code-wise):	Construction of Roads & Highways (42101)
8.	List three key products/services that the Company manufactures/provides (as in balance sheet) The three main services of PNC Infratech Limited are: 1) Construction of Roads, Highways Expressways and Bridges. 2) Construction of Airport Runways and allied pavements. 3) Construction of projects in other infra sectors including Power Transmission Lines, Industrial Area Development and Rural Water supply project	
9.	Total number of locations where business activity is undertaken by the Company –	
	(a) Number of International Locations (Provide details of major 5):	NIL
	(b) Number of National Locations:	The Company has its ongoing projects located in following states : (a) Uttar Pradesh (b) Madhya Pradesh (c) Rajasthan (d) Uttarakhand (e) Bihar (f) Delhi (g) Karnataka (h) Maharashtra
10.	Markets served by the Company Local/State/National/International:	National

Section B: Financial Details of the Company

S. No.	Particulars	Details
1.	Paid up Capital (₹ in lakhs)	5,130.78
2.	Total Turnover (₹ in lakhs)	4,92,541.86
3.	Total profit after taxes (₹ in lakhs)	36,194.62
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit After Tax (%)	2.001% (Calculated as % on average net profit of Last three Financial Year)
5.	List of activities in which expenditure has been incurred:	Please Refer Annexure – A(i) to the Board's Report

ANNEXURE-H (Contd.)**Section C: Other Details**

1.	Does the Company have any Subsidiary Company/ Companies?	Yes, the Company has 02 direct subsidiary & 18 step-down subsidiary companies as on March 31, 2021.
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s)	No, the subsidiaries do not participate in related activities of BR.
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No, other vendors/ suppliers/ contractors do not participate in group's BR policy.

Section D: BR Information

1. Details of Director/Directors responsible for BR

a) Details of the Director/Director responsible for implementation of the BR policy/policies:

1.	DIN Number	00086768
2.	Name	Mr. Chakresh Kumar Jain
3.	Designation	Managing Director

b) Details of the BR head:

S. No.	Particulars	Details
1	DIN (if applicable)	00086768
2	Name	Mr. Chakresh Kumar Jain
3	Designation	Managing Director
4	Telephone number	0562-4054400
5	e-mail id	complianceofficer@pncinfratech.com

2. Principle-wise (as per NVGs) BR Policy/policies

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as follows:

(a) Details of compliance (Reply in Y/N)

P1 – Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

P2 – Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3 – Businesses should promote the well-being of all employees.

P4 – Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

P5 – Businesses should respect and promote human rights.

P6 – Businesses should respect, protect, and make efforts to restore the environment.

P7 – Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8 – Businesses should support inclusive growth and equitable development.

P9 – Businesses should engage with and provide value to their customers and consumers in a responsible manner.

ANNEXURE-H (Contd.)

S. No	Questions	Ethics, transparency and accountability	Product safety	Well-being of employees	Stakeholders engagement	Human rights	Environment Policy	Public and regulatory	Inclusive growth	Value to customers and consumers
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national /international standards? If yes, specify?	The policies are based on National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business, National Guidelines on Responsible Business Conduct notified by Ministry of Corporate Affairs, Government of India.								
4	Has the policy been approved by the Board? If yes, has it been signed by MD/owner /CEO/ appropriate Board of Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	www.pncinfratech.com								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/ policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

* wherever the policy is not compliant with Local regulation, they are modified accordingly.

* While the Company does not manufacture any products, the policy addresses the aspects of health, safety and environmental protection in the Company's operations and services.

ANNEXURE-H (Contd.)

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

S. No	Questions	Ethics, transparency and accountability	Product safety	Well-being of employees	Stakeholders engagement	Human rights	Environment Policy	Public and regulatory policy	Inclusive growth	Value to customers and consumers
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles	-	-	-	-	-	-	-	-	-
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3	The Company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6	Any other reason (please specify)	-	-	-	-	-	-	-	-	-

3. Governance related to BR

- a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

The Board will review the BR performance annually.

- b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The BR report will be published annually and uploaded on the Company's website www.pncinfratech.com

Company also has a Whistle Blower Policy which seeks to empower employees and directors to raise any genuine concerns within the group.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

No genuine concerns were received during FY 2020-21.

Principle 2

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

As one of the recognized, PNC Infratech is aware of its responsibility to care for the environment, and to ensure the sustainability of resources. This Environmental Policy is intended to provide a framework to bring together the different accountabilities involved in different areas of environmental responsibility. Protecting the environment is the responsibility of every employee in the organization. PNC Infratech committed to protecting the environment of the Earth and related resource.

Section E: Principle-Wise Performance

Principle 1

1. **Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?**

PNC Infratech has a legacy of fair, transparent, and ethical governance practices and it forms an integral part of our pursuit to excellence, growth, and value creation for various stakeholders.

ANNEXURE-H (Contd.)

The Company is engaged in building of roads, highways, expressways, airport runways, power transmission lines and also in water supply lines. All these activities are the direct outcome of Government's infrastructure and developmental projects which may sometimes pose social or environmental concerns. These concerns are adequately covered/ addressed within the concession/contract agreements entered into by the Company for the respective projects with the Government and the Company takes necessary actions as per guideline issued by the concerned department.

- a. Highways with service roads for local population.
- b. Pedestrian and Vehicle underpasses for the ease of movement of local traffic
- c. Redesign of roads to avoid unnecessary cutting down of trees for road laying activities
- d. Construction of rain water harvesting structures.
- e. Adoption of highway technologies and elements to minimize use of natural resources and recycling of usable materials.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

- a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

The Company follows sustainable sourcing ensuring quality and quantity of raw materials procured from suppliers. The Company has laid down a robust process for vendor evaluation and selection mechanism and prefer local suppliers wherever possible. The Company also emphasis on safe transportation, optimization of logistics and reduction of vehicular air emissions.

- b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Company strives to improve the energy and water footprints by reducing the power and fuel consumption and has been able to reduce related costs. On the environment front, Company has adopted principles of natural resource conservation, reuse, reduce, recycle, and minimization of wastage.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

The Company believes in efficient & sustainable use of materials by eliminating wastage, recycling/reusing the material without compromising the safety and

quality standards as specified under the concession/ contract agreements. The Company endeavours to construct such sustainable projects which are environmental friendly by incorporating various conservation measures, deployment of fuel efficient plants and machineries & use of green technologies. Further, our sourcing strategy is focused on procuring raw material and labour for our construction activity locally minimizing the transportation.

a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

We, constantly, strive to procure the required construction material locally. This reduces transportation and logistics costs. However, if any material is not available locally, we explore and try to identify the nearest source for procurement.

Additionally, the Company endeavors to hire the skilled/ semi-skilled and unskilled labour required for the project from the local area to the extent available.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? Yes

a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company consciously endeavours to sources its procurement of the goods and services from medium and small vendors from the local areas where feasible. It improves operational efficiency and saves on transportation cost and inventory management. Further, the Company fulfills its manpower requirement by employing the people from the nearby location where it has its business operation to the possible extent. The Company provides detailed specifications as well as technical knowhow to improve capacity and capability of local and small vendors.

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so

We always try to reduce waste and make efficient use of raw materials during construction of roads, Highways and Bridge etc. Company is trying to recycled concrete and bitumen aggregates, which is 15-20% of the total projects.

ANNEXURE-H (Contd.)

Principle 3

1. Please indicate the Total number of permanent employees: **8,564 as on March 2021.**
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis: **2,544 as on March 2021.**
3. Please indicate the Number of permanent women employees (in the group): **05 as on March 2021.**
4. Please indicate the Number of permanent employees with disabilities: **No**
5. Do you have an employee association that is recognized by management: **No**
6. **What percentage of your permanent employees is members of this recognized employee association? : No**
7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

During FY 2020-21, the Company has not received any complaints of child labour, forced labour, involuntary labour and sexual harassment.

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

I	Permanent Employees	91%
II	Permanent Women Employees	100%
III	Casual/Temporary/Contractual Employees	92%
IV	Employees with Disabilities	Nil

Principle 4

1. **Has the Company mapped its internal and external stakeholders:** Yes
2. **Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders:** Yes
3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

As part of CSR activities, to encourage education among women the Company provides financial support to girl students of economically weaker section located in Agra and nearby area. Last one year of Company distributed more than 300 such scholarships. The Company as a part of its CSR activities also provides financial support

for medical treatment to the economically weaker section of society, works for Women Empowerment, provides facilities for reducing inequalities faced by socially and economically backward groups.

For details of projects undertaken during the FY 2020-21, please refer the 'Annual Report on CSR Activities' attached to Directors Report.

Principle 5

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

The principles stated in the Company's code and policies which include respect for human rights and dignity of all stakeholders, extend to the group, joint venture or otherwise, suppliers, contractors, its directors and other stake holders.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

No material concern related to violation of fundamental human rights of individuals was received during the financial year.

Principle 6

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.**

The policy is applicable to PNC Group, its subsidiaries, sub-contractors and vendors.

2. **Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

No, the Company has not undertaken any initiatives to address global environmental issues as the activities of the Company presently are limited to India only.

3. **Does the Company identify and assess potential environmental risks? : Yes**

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed? : Not Applicable**

5. **Has the Company undertaken any other initiatives on-clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc. : Not Applicable**

ANNEXURE-H (Contd.)

6. **Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported? : Yes**

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year: Not Applicable**

Principle 7

1. **Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

The Company is the member of the following major trade/chamber/federations :

- I. National Highways Builders Federation
- II. Federation of Indian Chamber of Commerce
- III. Confederation of Indian Industry

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

Yes; we advocate various issues pertaining to road construction industry through the above bodies from time to time. We regularly participate in the activities of these associations.

Principle 8

1. **Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

Yes, the Company has identified specified programmes/ projects in the pursuit of the policy related to Principle 8. For details of projects undertaken during the FY 2020-21, please refer the 'Annual Report on CSR Activities' attached as to Directors Report.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?**

The Company undertakes these initiatives through charitable trusts & societies viz. Shri Digamber Jain Sanrakshani Sabha Trust, Pradnyamati Education & Rural Development Centre, Divine International

Foundation, Swami Vivekanand Health Mission Society, Andhra Polytechnic Old Students Association and Shri Ratanlal Kanwarlal Panti Foundation.

3. **Have you done any impact assessment of your initiative?**

Impact Assessment has not been applicable on the Company.

4. **What is your Company's direct contribution to community development projects- Amount in ₹ and the details of the projects undertaken?**

During the year under review the Company had contributed ₹ 810.35 lakhs to various community development and, health development programmers, promoting education and slum area development projects as part of its CSR initiatives.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

The charitable societies and trusts mentioned under point 2 above regularly monitor the various initiatives taken by them to assess whether they are successfully adopted by the communities and beneficiaries through community interactions and discreet reviews.

Principle 9

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year: Nil**

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)**

The Company does not manufacture any product, hence this is not applicable.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so: Nil**

4. **Did your Company carry out any consumer survey/ consumer satisfaction trends?**

Not applicable since the Company is engaged in execution of projects awarded by various Govt. authorities.

ANNEXURE-I

DIVIDEND DISTRIBUTION POLICY

This Policy will regulate the process of dividend declaration and its pay-out by the Company in accordance with the provisions of the Companies Act, 2013, read with the applicable Rules framed thereunder, as may be in force for the time being ("Companies Act").

Preamble: Dividend is the payment made by a Company to its shareholders, usually in the form of distribution of its profits. The profits earned by the Company can either be retained in business and used for acquisitions, expansion or diversification, or it can be distributed to the shareholders. The Company may choose to retain a part of its profits and distribute the balance among its shareholders as dividend. This Policy aims to reconcile between all these needs.

The dividend pay-out of a Company is driven by several factors. Some Companies pay a lower dividend. The idea is to retain profits and invest it for further expansion and modernization of the business. On the other hand, there are Companies which prefer to pay higher dividend. These Companies may not necessarily be growth oriented companies with greater emphasis on retaining their shareholder base.

The objective of this policy is to ensure a regular dividend income for the shareholders and long term capital appreciation for all stakeholders of the Company. The Company would ensure to strike the right balance between the quantum of dividend paid and amount of profits retained in the business for various purposes. The Board of Directors will refer to the policy while declaring/ recommending dividends on behalf of the Company. Through this policy, the Company would endeavor to maintain a consistent approach to dividend pay-out plans.

The Company believes that it operates in the high potential and fast growing infrastructure segment. This offers huge investment opportunities. Therefore, the retention of surplus funds for future growth will over-ride considerations of returning cash to the shareholders. However, considering the consistent and impressive generation of profits year on year, there is a need to provide greater clarity on the dividend pay-out philosophy of the Company.

Category of Dividends

The Companies Act provides for two forms of Dividend- Final & Interim. The Board of Directors shall have the power to recommend final dividend to the shareholders for their approval in the general meeting of the Company. The Board of Directors shall have the absolute power to declare interim dividend during the financial year, as and when they consider it fit.

Final Dividend

The Final dividend is paid once for the financial year after the annual accounts are prepared. The Board of Directors of the Company has the power to recommend the payment of Final Dividend to the shareholders in a general meeting. The declaration of Final dividend shall be included in the ordinary business items that are required to be transacted at the Annual General Meeting.

Process for approval of Payment of Final Dividend:-

Board to recommend quantum of final dividend payable to shareholders in its meeting in line with this Policy;

- Based on the profits arrived at as per the audited financial statements;
- Shareholders to approve in Annual General Meeting;
- Once in a financial year;

Interim Dividend:

This form of dividend can be declared by the Board of Directors one or more times in a financial year as may be deemed fit by it. The Board of Directors of the Company would declare an interim dividend, as and when considered appropriate, in line with this policy. Normally, the Board could consider declaring an interim dividend after finalization of quarterly (or half yearly) financial accounts. This would be in order to supplement the annual dividend in exceptional circumstances.

Process for approval of Payment of Interim Dividend:-

- Board may declare Interim Dividend at its complete discretion in line with this Policy;
- Based on profits arrived at as per quarterly (or half-yearly) financial statements including exceptional items;
- One or more times in a financial year.

Declaration of Dividend

Subject to the provisions of the Companies Act, Dividend shall be declared or paid only out of

- i) Current financial year's profit:
 - a) after providing for depreciation in accordance with law;
 - b) after transferring to reserves such amount as may be prescribed or as may be otherwise considered appropriate by the Board at its discretion.

ANNEXURE-I (Contd.)

- ii) The profits for any previous financial year(s):
 - a) after providing for depreciation in accordance with law;
 - b) remaining undistributed; or
- iii) out of i) & ii) both.

In computing the above, the Board may at its discretion, subject to provisions of the law, exclude any or all of (i) extraordinary charges (ii) exceptional charges (iii) one off charges on account of change in law or rules or accounting policies or accounting standards (iv) provisions or write offs on account of impairment in investments (long term or short term) (v) non cash charges pertaining to amortization or ESoP or resulting from change in accounting policies or accounting standards.

The Board may, at its discretion, declare a Special Dividend under certain circumstances such as extraordinary profits from sale of investments.

Factors to be considered while declaring Dividend

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained in business. The Board of Directors will endeavor to take a decision with an objective to enhance shareholders wealth. However, the decision regarding pay-out is subject to several factors and hence, any optimal policy in this regard may be far from obvious.

The Dividend pay-out decision of any company depends upon certain external and internal factors.

External Factors:-

State of Economy- in case of uncertain or recessionary economic and business conditions, Board will endeavor to retain larger part of profits to build up reserves to absorb future shocks.

Industry Segment - When the industry conditions are positive, dividend pay-out can be liberal. However, in case of adverse industry scenario, Board may resort to a conservative dividend pay-out in order to conserve cash outflows.

Statutory Restrictions- The Board will keep in mind the restrictions imposed by Companies Act with regard to declaration of dividend.

Internal Factors:-

Apart from the various external factors aforementioned, the Board will take into account various internal factors while declaring Dividend, which inter alia will include

- i) Profits earned during the year;
- ii) Present & future Capital investments & working capital requirements of the business;
- iii) Brand/ Business Acquisitions;
- iv) Expansion/ Modernization of existing business;
- v) Additional investments in subsidiaries/associates of the Company;
- vi) Fresh investments into external business;
- vii) Any other factor as deemed fit by the Board.

Dividend Range

The Company stands committed to deliver sustainable value to all its stakeholders. The Company will strive to distribute an optimal and appropriate level of the profits earned from business operations, to the shareholders, in the form of dividend. As explained in the earlier part of this Policy, determining the dividend pay-out is dependent upon several factors, both internal and external. Taking into consideration the aforementioned factors, the Board will endeavor to maintain a Dividend pay-out not more than 25% of profits after tax (PAT) on standalone financials. As mentioned above, for computing the PAT for purposes of determining the Dividend, the Board may at its discretion, subject to provisions of the law, exclude any or all of (i) extraordinary charges (ii) exceptional charges (iii) one off charges on account of change in law or rules or accounting policies or accounting standards (iv) provisions or write offs on account of impairment in investments (long term or short term) (v) non cash charges pertaining to amortization or ESOPs or resulting from change in accounting policies or accounting standards. Further, the Board may amend the pay-out range, whenever considered appropriate by it, keeping in mind the aforesaid factors having a bearing on the dividend pay-out decision including declaring a Special Dividend under certain circumstances such as extraordinary profits from sale of investments.

Review

This Policy will be reviewed periodically by the Board.

REPORT ON CORPORATE GOVERNANCE

Your Company is committed to attain the highest standard of Corporate Governance. The Company's Corporate Governance structure plays a pivotal role in realizing this long term goal. It provides the fundamental systems, processes and principles that promote objective decision making, performance based management and a corporate culture that is characterized by integrity and fairness in all dealings. This practice is affected by attempts to align the interests of stakeholders of the Company. Your Company considers Corporate Governance is all about maintaining a valuable relationship and trust with all its stakeholders and considers stakeholders as partners in its success and will remain committed to maximizing its stakeholder's value (shareholders, employees, suppliers, consumers or investors).

Company's Philosophy

Your Company's philosophy in relation to Corporate Governance is to ensure transparent disclosures and

reporting that confirms full compliance to the applicable laws, regulations and guidelines, and to promote ethical conduct of the business operation with primary objective of enhancing all stakeholders' value while being a responsible corporate citizen. Your Company is committed to meet the aspirations of all stakeholders. Your Company firmly believes that any meaningful policy on the Corporate Governance must provide empowerment to the executive management of the Company and simultaneously create a mechanism of checks and balances which ensures that the decision making power vested in the executive management are used with care and responsibility to meet shareholders and stakeholders expectations. This is demonstrated in shareholders returns, high credit ratings, recognition from NHA, governance processes and focussed work environment. Your Company not only adheres to the prescribed Corporate Governance practices as per the Listing Regulations but also committed to sound Corporate Governance principles and practices.

Corporate Governance Framework



Foundational Principles

In spirit and letter

Satisfy both the spirit of the law and the letter of the law

Transparency

Ensure transparency and maintain a high level of disclosure

Stakeholder Relationship

Communicate, externally and truthfully, about how the Company is run internally

Corporate Structure

Have a simple and transparent corporate structure driven solely by business needs

Management as a trustee

Management is the trustee of the shareholders' capital and not the owner

"In this age of technological revolution and globalization, one has to think globally and act locally in the best interest of value creation and nation building."

Your Board functions through board of Directors and various committees constituted to oversee specific operational areas with a professional management team below board level. Your Company undertakes to take all necessary steps to comply with code of Corporate Governance on a continuous basis.

Your Directors present the Company's Report on Corporate Governance in compliance with the Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as SEBI Listing Regulations) for FY 2020-21.

1) BOARD OF DIRECTORS

a) Composition of the Board

The Board of Directors of your Company has an ideal combination of Executive and Non-Executive Directors and is in conformity with the provisions of Companies Act, 2013 and Regulation 17 of the SEBI Listing Regulations, which inter alia stipulates that the Board should have an optimum combination of Executive and Non-executive Directors with at least one Woman Director and not less than 50% of the Board should consist of Independent Directors if the chairman of the Company is an executive Director.

REPORT ON CORPORATE GOVERNANCE (Contd.)

As on March 31, 2021, your Company board comprised of ten Directors, consisting of five Executive Directors; five Non-Executive Directors (including one woman Director). The Board periodically evaluates the need for change in its size and composition, if required any pursuant to the Companies Act, 2013 and SEBI Listing Regulations.

Changes in composition during the year:

During the year, Shri C. R. Sharma resigned from the post of Independent Director of the company with effect from close of business hours on March 22, 2021 which was intimated to Stock Exchanges on March 23, 2021.

Shri Subhash Chander Kalia appointed as the additional director (independent) of the company w.e.f. March 25, 2021 subject to approval of Shareholders.

The composition of the Board of Directors and the category of each Director during the captioned period, to which this Report belongs, are as under:

Sl. No.	Name	Designation	Category
1.	Shri Pradeep Kumar Jain	Chairman and Managing Director	Promoter / Executive Director
2.	Shri Chakresh Kumar Jain	Managing Director	Promoter / Executive Director
3.	Shri Yogesh Kumar Jain	Managing Director	Promoter / Executive Director
4.	Shri Anil Kumar Rao	Whole Time Director	Non Promoter / Executive Director
5.	Shri Talluri Raghupati Rao	Whole Time Director	Non Promoter / Executive Director
6.	Shri Ashok Kumar Gupta	Director	Independent / Non- Executive Director
7.	Smt. Deepika Mittal	Director	Independent / Non- Executive Director
8.	Shri Gauri Shankar	Director	Independent / Non- Executive Director
9.	Shri Krishan Kumar Jalan	Director	Independent / Non- Executive Director
10.	Shri Subhash Chander Kalia	Director	Independent / Non- Executive Director

* Shri Subhash Chander Kalia appointed as the additional director (independent) of the Company w.e.f. March 25, 2021.

The Independent Directors belongs to different fields of work such as finance, accounts, civil engineering, banking, risk, medical, strategy and planning, administration etc. The Chairman, Managing Directors and Whole Time Directors have been assigned with clearly defined accountabilities and responsibilities. Your Company's Board meets at frequent and regular intervals for planning, assessing and evaluating important business.

b) Role of Board of Directors

Your Company Board comprises qualified Directors who bring in the required skills, competence and expertise that allow them to make effective contributions to the board and its committees. The primary role of the Board is that of trusteeship to protect and enhance shareholders value through strategic direction to the Company. As trustees, the board has fiduciary responsibility to ensure that the Company has clear goals aligned to shareholders value and its growth. The Board exercise its duty with care, skill and diligence and exercises independent judgement. It sets strategic goals and seeks accountability for their fulfilment. It also directs and exercises appropriate control to ensure that **the Company is managed in a manner that fulfils stakeholders' aspirations and social expectations.**

c) Directors' attendance record and details of Directorships/Committee Positions held and name of the listed entities where the person is a Director and the category of Directorship.

As per Regulation 26(1) of SEBI Listing Regulations, none of the Directors on the Board is a member of more than ten Board-level committees and Chairman of more than five such committees, across all such companies in which he/ she is a Director and per Regulation 17(A) of SEBI Listing Regulations, none of the Directors of the Company serves as a Director and independent Director in more than seven listed companies.

In compliance of the Companies Act, 2013, none of the Directors on the Board hold Directorships in more than ten Public Companies. Necessary disclosures regarding Committee positions in other Public Companies as on March 31, 2021 have been made by the Directors.

Attendance of Directors at the Board Meetings, last Annual General Meeting (AGM) and number of other Directorships and Chairmanship / Membership of each Director in various Companies as on March 31, 2021 is as under:-

REPORT ON CORPORATE GOVERNANCE (Contd.)

Name of Director	Category	No. of shares held	No. of Board meeting attended	Last AGM attended	Directorship held in other Indian Public Limited Companies	Other Committee positions held in Indian Public Limited Companies	
						As Chairman	As Member
Shri Pradeep Kumar Jain	Chairman & Managing Director	1,53,49,500	Five	Yes	One	None	None
Shri Chakresh Kumar Jain	Managing Director	25,14,000	Four	Yes	Two	None	One
Shri Yogesh Kumar Jain	Managing Director	1,67,94,000	Five	Yes	Two	None	One
Shri Anil Kumar Rao	Whole Time Director	80,500	Five	Yes	Six	None	None
Shri Talluri Raghupati Rao	Whole Time Director	7000	Five	Yes	Nine	None	None
Shri Ashok Kumar Gupta	Independent Director	NIL	Five	Yes	None	One	Two
Smt. Deepika Mittal	Independent Director	NIL	Five	Yes	One	One	One
Shri Gauri Shankar	Independent Director	NIL	Five	Yes	One	None	Three
Shri Krishan Kumar Jalan	Independent Director	NIL	Five	Yes	Six	None	Five
Shri Subhash Chander Kalia [#]	Independent Director	NIL	-	NA	One	None	Two

* Shri Subhash Chander Kalia appointed as the additional director (independent) of the Company w.e.f. March 25, 2021.

Notes:

1. Directorships held by Directors as mentioned above, do not include Directorship of private limited companies, foreign companies and Companies u/s 8 of the Companies Act, 2013.
2. In other Committee position, Chairmanship/Membership of Audit Committees and Stakeholders' Relationship Committee of public limited companies has been considered only.
3. There is no inter-se relationship between any Directors except Shri Pradeep Kumar Jain, Chairman & Managing Director, Shri Chakresh Kumar Jain, Managing Director and Shri Yogesh Kumar Jain, Managing Director who are the brothers.

In terms of Schedule V of SEBI Listing Regulations, name of the listed entities where the person is a Director and the category of Directorship are provided in the table below:-

S. No.	Name of the Directors	Name of the Listed Company where the person is Director	Category of Directorship
1	Shri Pradeep Kumar Jain	PNC Infratech Limited	Chairman & Managing Director
2	Shri Chakresh Kumar Jain	PNC Infratech Limited	Managing Director
3	Shri Yogesh Kumar Jain	PNC Infratech Limited	Managing Director
4	Shri Anil Kumar Rao	PNC Infratech Limited	Whole Time Director
5	Shri Talluri Raghupati Rao	PNC Infratech Limited	Whole Time Director
6	Shri Ashok Kumar Gupta	PNC Infratech Limited	Independent Director
7	Smt. Deepika Mittal	PNC Infratech Limited	Independent Director
8	Shri Gauri Shankar	PNC Infratech Limited	Independent Director
		Paisalo Digital Limited	Independent Director

REPORT ON CORPORATE GOVERNANCE (Contd.)

S. No.	Name of the Directors	Name of the Listed Company where the person is Director	Category of Directorship
9	Shri Krishan Kumar Jalan	PNC Infratech Limited	Independent Director
		Minda Industries Limited	Independent Director
		Titagarh Wagons Limited	Independent Director
10	Shri Subhash Chander Kalia#	PNC Infratech Limited	Independent Director

* Shri C. R. Sharma resigned from the post of Independent Director of the Company with effect from close of business hours on March 22, 2021.

Shri Subhash Chander Kalia appointed as the additional director (independent) of the Company w.e.f. March 25, 2021.

Your Company has received declarations from all the above Independent Directors stating that they meet with the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and under Reg 25(8) of the SEBI Listing Regulations.

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

d) Number of Board Meetings Held

The Board meets at least once in a quarter inter alia to review the quarterly financial results and operations of the Company. In addition, the Board also meets as and when necessary to address specific issues relating to the business. During the year, the Board met five times i.e. June 24, 2020, August 27, 2020, November 02, 2020, February 03, 2021 and March 25, 2021. The maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days.

The necessary quorum was present for all the meetings with the presence of majority of Independent Directors as required under Listing Regulations. Due to COVID-19 pandemic prevailing all over the world, all the Board meetings were enabled to be attended through video conferencing to facilitate Directors to participate virtually thereby ensuring their safety.

Details of attendance of the Directors at the Board meetings and the last Annual General Meeting are given as under:

BOARD MEETING VENUE: 3/22-D, Civil Lines, Agra-Delhi Bypass Road, NH-2, Agra.

Meeting Date and Time	BOARD MEETING					AGM
	June 24, 2020	August 27, 2020	November 02, 2020	February 03, 2021	March 25, 2021	September 30, 2020
Shri Pradeep Kumar Jain	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Shri Chakresh Kumar Jain	<input type="checkbox"/>	<input type="checkbox"/>	X	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Shri Yogesh Kumar Jain	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Shri Anil Kumar Rao	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Shri Talluri Raghupati Rao	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Shri C. R. Sharma*	<input type="checkbox"/>	<input type="checkbox"/>	X	<input type="checkbox"/>	NA	<input type="checkbox"/>
Shri Ashok Kumar Gupta	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Smt. Deepika Mittal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Shri Gauri Shankar	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Shri Krishan Kumar Jalan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Shri Subhash Chander Kalia#	NA	NA	NA	NA	NA	NA

* Shri C. R. Sharma resigned from the post of Independent Director of the Company with effect from close of business hours on March 22, 2021.

Shri Subhash Chander Kalia appointed as the additional director (independent) of the Company w.e.f. March 25, 2021.

Note:

☐ - Present, X- Absent, NA-Not Applicable

REPORT ON CORPORATE GOVERNANCE (Contd.)

e) Information to the Board

A detailed agenda is sent to each Director via email, seven days in advance of the Board Meetings. As a policy, all major decisions involving investments and loans, in addition to matters which statutorily require the approval of the Board are put up for consideration of the Board. All the agenda items are backed by necessary supporting information and documents (except for the critical price sensitive information, which is circulated separately or placed at the meeting) to enable the Board to take informed decisions.

The Board periodically reviews compliance status of laws applicable to the Company, prepared by the Management. Further, the Board also reviews the Annual financial statements of the Unlisted Subsidiary Companies. In addition to the above, pursuant to Regulation 24 of the SEBI Listing Regulations, the Minutes of the Board Meetings of the Company's Unlisted Subsidiary Companies and a statement of all significant transactions and arrangements entered into by the Unlisted Subsidiary Companies are placed before the Board.

Recording Minutes of Proceedings at Board and Committee Meetings

The Company Secretary records minutes of proceedings of each Board and Committee meetings. Draft minutes are circulated to Board/ Committee members for their comments within the stipulated time period. The minutes are entered in the Minutes Book within 30 days from the conclusion of the meeting.

Post Meeting Follow-Up Mechanism

The guidelines for Board and Committee meetings facilitate an effective post meeting follow-up, review and reporting process for decisions taken by the Board and Committees thereof.

Important decisions taken at Board/ Committee meetings are communicated promptly to the concerned Departments/divisions. Action-taken

report on decisions/ minutes of the previous meeting(s) is placed at the succeeding meeting of the Board/Committees for the noting.

f) Details of Equity Shares held by the Non-Executive Directors

The details of the Equity Shares held by the Non-Executive Director as on March 31, 2021 is given as follows:

Name of the Director	Number of Equity Shares
Shri Ashok Kumar Gupta	Nil
Smt Deepika Mittal	Nil
Shri Gauri Shankar	Nil
Shri Krishan Kumar Jalan	Nil
Shri Subhash Chander Kalia	Nil

Further, the Company has not issued any convertible instrument.

g) Induction & Familiarization Programs for Independent Directors:

The Familiarization program aims to provide insight to the Independent Directors to understand the business of the Company. Upon induction, the Independent Directors are familiarized with their roles, rights and responsibilities.

On appointment, the concerned Director is issued a letter of appointment setting out in detail, the terms of appointment, functions, duties and responsibilities. Each newly appointed Independent Director is taken through a familiarization programme. The program aims to familiarize the Directors with the Company, their role and responsibilities, business model of the Company etc.

In addition to the above, the familiarization program for Independent Directors forms part of the Board process. At the quarterly Board meetings of the Company held during the financial year 2020-21, the Independent Directors have been updated on the strategy, operations of the Company performance, developments in the Company and the Company's performance.

REPORT ON CORPORATE GOVERNANCE (Contd.)

The details of such familiarization programmes are disclosed on the Company's website at www.pncinftratech.com and can be accessed through web link <https://www.pncinftratech.com/pdfs/familiarization-program-independent-Directors.pdf>.

h) **Chart or a matrix setting out the skills/expertise/competence of the board of Directors**

SEBI (LODR) Regulations, 2015 mandates the listed entities to disclose the required and available expertise of the board on a regular basis so that shareholders could adequately analyze whether a board has a sufficient mix of diverse expertise/skill-sets. A chart or a matrix setting out the skills/expertise/competence of the board of Directors specifying core skills/expertise/competencies identified by the board of Directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the board are given hereunder;

- 1. Industry Knowledge/Experience-** Expertise in civil work, planning, designing, construction, maintenance & overseeing of assigned projects of roads, highways, airports, bridges etc. Liaising with government authorities and adhering to the guidelines created by the government, local bodies for planning, creating and maintaining the infrastructure. Tendering the projects and hire workers/contractor as per the project requirement.
- 2. Machines, Equipment & Technical-** Understanding the project requirements and accordingly finalize the required machines and equipment by keeping in mind the latest technology trends. Discussions with different Equipment Suppliers and to finalize the vendor, dealing with purchase dept., procurement of different types of equipment along with their spare parts, its quality check, and transportation to the respective erection sites. Timely inspection and audit of sites working.
- 3. Accounting and Finance-** Understand financial statements i.e. balance sheet, profit and loss account, and statement

of cash flows, financials ratio, accounts, banking knowledge. Possess the required experience and expertise in finance and accounting being a chief financial officer and chief executive officer of the Company. Management of the finance function of an enterprise, resulting in proficiency in complex financial management, capital allocation and financial reporting processes. Maintaining appropriate relationship with the statutory auditors, secretarial auditors, internal auditor and cost auditor of the Company. Work for maximizing the interest of shareholders/stakeholders of the Company.

4. Board Services and Corporate Governance

– Maintaining the effective board of the Company as per required laws & bylaws with the assigned responsibilities and accountabilities with the timely overview. Formation of committees and assigned them with the role and responsibilities of reviewing the financials of the Company, maintaining a sound internal control system, policy for the Directors and senior executives analyzing the risk for the Company etc. To keep check on the compliance of all the corporate governance practices of the Company.

5. Project Management

– Planning the assigned budget, experience of project's designing, cost and time control, project progressing. Ensure fully utilization of resources with zero wastage policy. Forecast deviation and ensure timely completion of assigned projects.

6. Management Marketing and business Strategy

– Managing all the running sites, toll operation working, toll collection overview, head office management, supervising business operations and marketing.

7. Administration:-

Skills that are required for success in administration working, such as communicating, computing, organizing, planning, scheduling, or staffing at sites and head office of the Company.

REPORT ON CORPORATE GOVERNANCE (Contd.)

Pursuant to Schedule V of SEBI (LODR) Regulations, 2015, the Board has identified the following skill set with reference to its Business and Industry which are available with the Board:

Name of Director	Area of Operation						
	Industry Knowledge/ Experience	Machine Equipment & Technology	Accounting/ Finance	Board Services/ Corporate Governance	Project Management	Management, Marketing and business strategy	Administration
Shri Pradeep Kumar Jain	✓	✓	✓	✓	✓	✓	✓
Shri Chakresh Kumar Jain	✓	✓	✓	✓	✓	✓	✓
Shri Yogesh Kumar Jain	✓	✓	✓	✓	✓	✓	✓
Shri Anil Kumar Rao	✓	✓	✓	✓	✓	✓	
Shri Talluri Raghupati Rao	✓	✓	✓	✓	✓	✓	
Shri C.R. Sharma*	✓	✓	✓	✓		✓	
Shri Ashok Kumar Gupta	✓	✓	✓	✓		✓	
Smt. Deepika Mittal	✓	✓	✓	✓		✓	
Shri Gauri Shankar	✓	✓	✓	✓		✓	
Shri Krishna Kumar Jalan	✓	✓	✓	✓		✓	
Shri Subhash Chander Kalia#	✓	✓	✓	✓		✓	

* Shri C. R. Sharma resigned from the post of Independent Director of the Company with effect from close of business hours on March 22, 2021.

#Shri Subhash Chander Kalia appointed as the independent director of the Company w.e.f. March 25, 2021

Note: Each Director may possess varied combination of skill/expertise with the described set of parameters and it's not necessary that all Director possess all skills/expertise listed therein.

i) Confirmation from Board regarding fulfilment of the independence criteria by IDs

In the opinion of the Board, they hereby confirm that the independent Directors of the Company fulfil the conditions specified in SEBI (LODR) Regulations, 2015 and are independent of the management. The Board is also in opinion that there needs to be continuous assessment of the independence criteria. Regulatory requirements for testing the independence of Directors are currently based on factual information or checklists. However, true independence is a function of behaviour, and an objectiveness being brought to board deliberations and overall decision making. This is already discussed in sub point c of this report.

j) Detailed reasons for the resignation of an Independent Director

SEBI (LODR) (Amendment) Regulations, 2015 requires the detailed reason for the resignation of an independent Director to be intimated to Stock

Exchanges. Before this amendment, Company is required to report detailed reasons for the resignation to only **Registrar of Companies in terms of proviso to sec 168(1) of the Companies Act, 2013**. Your Company started to follow the practice to record the detailed reason of the Director who resigns before the expiry of his tenure along with a confirmation by such Director that there are no other material reasons other than those provided. Hence, during FY 2020-21 under the review Shri C. R. Sharma resigned from the post of Independent Director of the Company with effect from close of business hours on March 22, 2021 due to health issues confirming that there are no other material reasons for his resignation other than mentioned.
































k) Independent Director Databank Registration

Pursuant to a notification dated October 22, 2019 issued by the Ministry of Corporate Affairs, all Directors have completed the registration with the Independent Directors Databank. Requisite disclosures have been received from the Directors in this regard.

REPORT ON CORPORATE GOVERNANCE (Contd.)

II. COMMITTEES OF THE BOARD

The Board of Directors has constituted seven Committees viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee (CSR), Project Management Committee, Banking cum Investment Committee and Risk Management Committee. All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of reference / role of the Committees are taken by the Board of Directors. Details of the role and composition of these Committees, including the number of meetings held during the financial year and attendance at meetings, are provided below.

Name	Board and Committee Composition as on March 31, 2021							
	Board	Audit Committee	Nomination and Remuneration Committee	Stakeholders Relationship Committee	Corporate Social Responsibility (CSR) Committee	Project Management committee	Banking cum Investment Committee	Risk Management Committee
Shri Pradeep Kumar Jain								
Shri Chakresh Kumar Jain								
Shri Yogesh Kumar Jain								
Shri Anil Kumar Rao								
Shri Talluri Raghupati Rao								
Shri C. R. Sharma	NA							
Shri Ashok Kumar Gupta								
Smt. Deepika Mittal								
Shri Gauri Shankar								
Shri Krishan Kumar Jalan								
Shri Subhash Chander Kalia								



Chairperson



Member

A) Audit Committee

In terms of Reg.18 of SEBI Listing Regulations and Section 177 of the Companies Act, 2013, the Board of Directors of your Company has constituted an Audit Committee comprising of Three Non-Executive and Independent Directors. Members of the Audit Committee possess accounting and financial management knowledge. The Company Secretary is the Secretary to the Committee.

The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on September 30, 2020 to answer the members' queries.

REPORT ON CORPORATE GOVERNANCE (Contd.)

The Audit Committee met five times during the financial i.e. June 24, 2020, August 27, 2020, November 02, 2020, February 03, 2021 and March 25, 2021.

The composition of the Audit Committee, no. of meetings and the attendance of its members as on March 31, 2021 are detailed below:

Name of Members	Category	Status	Audit Committee Meeting Number					Held during the Tenure	Attended	% of Attendance
			1	2	3	4	5			
Smt. Deepika Mittal	Non-Executive and Independent Director	Chairman	P	P	P	P	P	5	5	100%
Shri C. R. Sharma	Non-Executive and Independent Director	Member	P	P	A	-	-	3	2	66.67%
Shri Ashok Kumar Gupta	Non-Executive and Independent Director	Member	P	P	P	P	P	5	5	100%
Shri Gauri Shankar [§]	Non-Executive and Independent Director	Member	-	-	-	P	P	2	2	100%

[§] Shri Gauri Shankar has been appointed as member of Audit Committee and Nomination and Remuneration Committee by the Board of Directors on November 02, 2020 in place of Shri C R Sharma.

-P stands for present/attended the meeting.

-A stands for absent for the meeting.

The Audit Committee meetings are attended by Statutory Auditors, Internal Auditors and other officials from the Finance function of the Company. The Minutes of the meeting of the Audit Committee are circulated to all the Members of the Board for noting.

Terms of reference

The primary objective of the audit committee is to monitor and effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with highest levels of transparency, integrity and quality of financial reporting. The committee oversees the work carried out in the financial reporting process by the Management, the internal auditors and the independent auditors. All possible measures are taken by the committee to ensure the objectivity and independence of the independence auditors.

The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 read with Part C of Schedule II to the SEBI (LODR) Regulations, 2015 and its terms of reference include besides other terms as may be referred by the Board of Directors, from time to time. The Audit Committee has also powers inter alia to investigate any activity within its terms of reference and to seek information from any employee of the Company and seek legal and professional advice.

B) Nomination and Remuneration Committee

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

In terms of Reg. 19 read with Part D of Schedule II to the SEBI (LODR) Regulations, 2015 of SEBI Listing Regulations, and Section 178 of the Companies Act, 2013, the Board of Directors of your Company has constituted this Committee comprising Three Non-Executive and Independent Directors. The Company Secretary is the Secretary to the Committee.

The Minutes of the meeting of the Nomination and Remuneration Committee are circulated to all the Member of the Board.

During FY 2020-21, Nomination and Remuneration Committee met three times on December 24, 2020, February 03, 2021 and March 25, 2021.

REPORT ON CORPORATE GOVERNANCE (Contd.)

The composition of the Nomination and Remuneration Committee, no. of meetings and the attendance of its members are detailed below:

Name of Members	Category	Status	NRC Meeting Number			Held during the Tenure	Attended	% of Attendance
			1	2	3			
Shri Ashok Kumar. Gupta	Non-Executive and Independent Director	Chairman	P	P	P	3	3	100%
Smt. Deepika Mittal	Non-Executive and Independent Director	Member	P	P	P	3	3	100%
Shri Gauri Shankar	Non-Executive and Independent Director	Member	P	P	P	3	3	100%

Terms of Reference for the Nomination and Remuneration Committee:

The Remuneration Committee shall be responsible for among other things, as may be required by the stock exchanges from time to time, the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration of the Directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and Directors performance;
- Determining whether to extend or continue the term of appointment of the independent Director, on the basis of the report of performance evaluation of independent Directors;
- Considering and recommending grant of employees stock option, if any, and administration and superintendence of the same;
- Recommend to the board, all remuneration, in whatever form, payable to senior management; and
- Carrying out any other function contained in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as and when amended from time to time.

Performance Evaluation and Independent Directors Meeting

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the annual performance evaluation of the Board of Directors, the Committees of the Board and every Director individually for FY 2020-21 is carried out by the Nomination and Remuneration Committee and Board of Directors. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A consolidated summary of the ratings given by each Director was then prepared. The report of performance evaluation was then discussed and noted by the Board.

The performance evaluation of the Chairman and Managing Director and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

Schedule IV of the Companies Act, 2013 and the Rules made there under mandate that the independent Directors of the Company hold at least one meeting in a year, without the attendance of non-independent Directors and members of the management. At such meeting the independent Directors discuss, among other matters, the performance of the Company and risk faced by it, the flow of information to the Board, competition, strategy, leadership strengths and weaknesses, governance, compliance, Board movements and performance of the executive members of the Board, including the Chairman.

REPORT ON CORPORATE GOVERNANCE (Contd.)

The Board has also framed an Evaluation policy in terms of the requirement of Section 178 of the Companies Act, 2013 and the same is available on your Company's website at link <http://www.pncinfratech.com/pdfs/nomination-and-remuneration-policy-pnc-infratech-limited.pdf>.

C) Stakeholders Relationship Committee

In terms of Reg. 20 of SEBI Listing Regulations, and Section 178 of the Companies Act, 2013, the Board of Directors of your Company has constituted this Committee comprising one Non-

Executive and Independent Director and two Executive Directors. The Company Secretary is the Secretary to the Committee.

The Minutes of the meeting of the Stakeholders Relationship Committee are circulated to all the Member of the Board.

During FY 2020-21, Stakeholders Relationship Committee met once on March 25, 2021.

The composition of the **Stakeholders Relationship Committee**, no. of meetings and the attendance of its members are detailed below:

Name of Members	Category	Status	Held during the Tenure	Attended	% of Attendance
Shri Ashok Kumar Gupta	Non-Executive and Independent Director	Chairman	1	1	100%
Shri Chakresh Kumar Jain	Promoter / Executive Director	Member	1	1	100%
Shri Yogesh Kumar Jain	Promoter / Executive Director	Member	1	1	100%

Terms of Reference for the Stakeholders Relationship Committee:

The Stakeholders Relationship Committee shall be responsible for, among other things, as may be required by the stock exchanges from time to time, the following:

- Allotment of shares, approval of transfer or transmission of equity shares, debentures or any other securities;
- Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;
- Request for demat and remat;
- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;
- Carrying out any other function contained in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as and when amended from time to time.

During FY 2020-21, no queries/complaints were received by the Company from members/investors, which have been redressed / resolved to date, satisfactorily as shown below:

Details of investor queries/complaints/request received and attended during FY 2020-21

Nature of Queries/Complaints	Opening	Received	Resolved	Closing
Transfer/Transmission/Issue of Duplicate Share Certificates	0	0	0	0
Non-receipt of Dividend	0	0	0	0
Dematerialization / Rematerialization of Shares	0	0	0	0
Others	0	0	0	0

Name and designation of Compliance Officer:

Shri Tapan Jain is the Company Secretary and Compliance Officer of the Company.

D) Corporate Social Responsibility Committee:

In accordance with Section 135 of the Companies Act, 2013, the Board of Directors of your Company, has constituted this Committee comprising one Non-Executive and Independent Directors and two Executive Directors. The Company Secretary is the Secretary to the Committee.

REPORT ON CORPORATE GOVERNANCE (Contd.)

The Minutes of the meeting of the Corporate Social Responsibility Committee are circulated to all the Member of the Board.

During FY 2020-21, Corporate Social Responsibility Committee met once on March 25, 2021.

The composition of the **Corporate Social Responsibility Committee**, no. of meetings and the attendance of its members are detailed below:

Name of the Member	Category	Status	No. of meetings held	No. of meetings attended	Attendance
Shri Chakresh Kumar Jain	Promoter/ Executive Director	Chairman	1	1	100%
Shri Anil Kumar Rao	Non Promoter/ Executive Director	Member	1	1	100%
Shri Ashok Kumar Gupta	Non-Executive and Independent Director	Member	1	1	100%

The Scope and Responsibility of the CSR Committee are:

- To formulate the Corporate Social Responsibility Policy and recommend to the Board an annual action plan in pursuance of its CSR policy.
- To recommend the activities to be undertaken, as per Sch. VII of the Companies Act, 2013, as and when amended from time to time.
- To recommend the amount of expenditure.
- To Monitor the Corporate Social Responsibility Policy and the expenditure.
- To take steps for formation of any Trust/Society/Company for charitable purpose and get the same registered for the purpose of complying CSR provisions.
- Any other matter/things as may be considered expedient by the Members of the Committee in furtherance of and to comply with the CSR Policy of the Company.

The CSR Policy of the Company has been uploaded and can be viewed on the Company's website at link <http://www.pncinfratech.com/pdfs/pnc-csr-policy.pdf>.

E) Project Management Committee:

The Project Management Committee comprises of Shri Yogesh Kumar Jain, Managing Director, Shri Anil Kumar Rao and Shri Talluri Raghupati Rao Whole Time Directors of the Company. Shri Yogesh Kumar Jain, Managing Director acts as the Chairman of the Project Management Committee. The Company Secretary is the Secretary to the Committee.

During FY 2020-21, Project Management Committee met 10 times on June 08, 2020, July 14, 2020, July 30, 2020, August 27, 2020, October 07, 2020, November 03, 2020, December 04, 2020, December 28, 2020, January 20, 2021, February 04, 2021, The attendance of each member of the Committee is given below

Name of Members	Category	Status	Project Management Committee Meeting Number											Held during the Tenure	Attended	% of Attendance
			1	2	3	4	5	6	7	8	9	10				
Shri Yogesh Kumar Jain	Promoter / Executive Director	Chairman	P	P	P	P	P	P	P	P	P	P	10	10	100%	
Shri Anil Kumar Rao	Non Promoter / Executive Director	Member	P	P	P	P	P	P	P	P	P	P	10	10	100%	
Shri Talluri Raghupati Rao	Non Promoter / Executive Director	Member	P	P	P	P	P	P	P	P	P	P	10	10	100%	

REPORT ON CORPORATE GOVERNANCE (Contd.)

F) Banking cum Investment Committee:

The Banking cum Investment Committee comprises of Shri Pradeep Kumar Jain, Chairman and Managing Director, Shri Chakresh Kumar Jain, Managing Director and Shri Yogesh Kumar Jain, Managing Director. Shri Pradeep Kumar Jain acts as the Chairman of the Banking cum Investment Committee. The Company Secretary is the Secretary to the Committee.

During FY 2020-21, Banking cum Investment Committee met 9 times on June 16, 2020, June 25, 2020, August 12, 2020, August 27, 2020, October 12, 2020, November 07, 2020, November 30, 2020, February 04, 2021, and February 19, 2021.

The attendance of each member of the Committee is given below:-

Name of Members	Category	Status	Banking Cum Investment Committee Meeting Number										Held during the Tenure	Attended	% of Attendance
			1	2	3	4	5	6	7	8	9				
Shri Pradeep Kumar Jain	Promoter/ Executive Director	Chairman	P	P	P	P	P	P	P	P	P	9	9	100%	
Shri Chakresh Kumar Jain	Promoter/ Executive Director	Member	P	P	P	P	P	P	P	P	P	9	9	100%	
Shri Yogesh Kumar Jain	Promoter/ Executive Director	Member	P	P	P	P	P	P	P	P	P	9	9	100%	

G) Risk Management Committee:-

In terms of Reg. 21 of SEBI Listing Regulations, the Board of Directors of your Company in the board meeting held on February 13, 2019, has constituted Risk Management Committee comprising of Two Non-Executive Independent Directors and One Executive Director.

The Risk Management Committee met once during the financial year i.e. March 25, 2021.

The composition of the Risk Management Committee and the attendance of its members as on March 31, 2021 are detailed below:

Name of the Member	Category	Status	Held during the Tenure	Attended	Attendance
Shri. Chakresh Kumar Jain	Promoter/ Executive Director	Chairman	1	1	100%
Shri Gauri Shankar	Non-Executive and Independent Director	Member	1	1	100%
Smt. Deepika Mittal	Non-Executive and Independent Director	Member	1	1	100%

The Board of Directors has the overall responsibility for risk oversight and risk management within the Company. The Board shall review the performance of the risk management committee annually. As a committee of the Board, the Committee is responsible to the Board for:

- oversight on the establishment and implementation of a risk management framework;
- reviewing the effectiveness of the risk management framework in identifying and managing risks and internal processes which include but not limited to ensuring the adequacy of risk management policy and infrastructure to facilitate the implementation of action plans for risk management;
- making regular reports to the Board, including with respect to risk management and minimization procedures;
- reviewing and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval;
- The committee may form and delegate authority to subcommittees when appropriate.

The objectives of the framework are to ensure the provision of quality product and services and direct the risk culture and processes throughout the Group to take advantage of opportunities while managing and monitoring risks that may adversely affect the Group's achievement of its business objectives.

REPORT ON CORPORATE GOVERNANCE (Contd.)

III. REMUNERATION TO DIRECTORS

i. Pecuniary Relationships of the Non-Executive Directors

There were no pecuniary relations or transactions of Non-Executive Directors vis-a-vis the Company other than the sitting fees and reimbursement of expenses incurred by them for the purpose of attending meetings of the Company.

ii. Criteria/Details of remuneration to Non-executive Directors/Independent Directors

Criteria of making payments to non-executive Directors are provided in Nomination and Remuneration Policy which can be accessed in weblink <https://www.pncinfotech.com/pdfs/nomination-and-remuneration-policy-pnc-infotech-limited.pdf>.

Remuneration to Non-Executive, Independent Directors paid as on March 31, 2021

[In ₹]

Director	All elements of remuneration packages of the Directors			
	Sitting fees (Board)	Sitting fees (Committees)	Other benefits, if any	Total
Shri C. R. Sharma	60,000	30,000	-	90,000
Shri Ashok Kumar Gupta	Waived Off	Waived Off	-	Waived Off
Smt. Deepika Mittal	1,00,000	1,00,000	-	2,00,000
Shri Gauri Shankar	1,00,000	70,000	-	1,70,000
Shri Krishan Kumar Jalan	1,00,000	10,000	-	1,10,000
Total	3,60,000	2,10,000		5,70,000

Details of remuneration to Executive Directors for the Financial Year ended March 31, 2021

[In ₹]

Director	All elements of remuneration packages of the Directors					
	Salary and allowances	Stock Options	Commission	Total	Term of Appointment	Notice Period & Severance Fees#
Shri Pradeep Kumar Jain	2,58,00,000	-	8,53,00,000	11,11,00,000	01.10.2021-30.09.2026	
Shri Chakresh Kumar Jain	2,34,00,000	-	8,53,00,000	10,87,00,000	01.10.2021-30.09.2026	
Shri Yogesh Kumar Jain	2,34,00,000	-	8,53,00,000	10,87,00,000	01.10.2021-30.09.2026	
Shri Anil Kumar Rao	80,13,525	-	91,00,000	1,71,13,525	01.10.2021-30.09.2026	
Shri Talluri Raghupati Rao	68,68,074	-	-	68,68,074	10.08.2019 - 09.08.2024	
Total	8,74,81,599	-	26,50,00,000	35,24,81,599		

Remuneration is within limits specified under section 197 of the Companies Act, 2013 which was approved by Nomination & Remuneration Committee in its meeting held on December 24, 2020.

Service Contracts Notice and Severance Fees as at 31st March 2021, the Board comprised of 10 members including 5 Executive Directors and 5 Non-Executive-Independent Directors. The Executive Directors are the employees of the Company and are subject to service conditions as per the Company's Policy. There is no separate provision for payment of severance fees. However, Independent Directors are subject to a reasonable notice period but are not eligible for severance fees.

The detailed Nomination and Remuneration Policy of your Company has been provided in the Board's Report which forms part of the Annual Report.

REPORT ON CORPORATE GOVERNANCE (Contd.)

IV. SHAREHOLDER INFORMATION

General Body Meetings

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

Year ended	Venue	Date	Time	Special Resolution Passed
2019-20	Meeting held through Video Conferencing ("VC")/ other Audio- Visual Means ("OAVM")	September 30, 2020	12:00 Noon	Special incentive to Mr. Anil Kumar Rao (DIN: 01224525), Whole Time Director
2018-19	Auditorium Iskcon Complex, Hare Krishna Hill, Sant Nagar, Main Road, East of Kailash, New Delhi-110065	September 30, 2019	11:00 A.M.	Revision in the Remuneration of Mr. Pradeep Kumar Jain (DIN:00086653), Chairman and Managing Director of the Company; Revision in the Remuneration of Mr. Chakresh Kumar Jain (DIN:00086768), Managing Director of the Company; Revision in the Remuneration of Mr. Yogesh Kumar Jain (DIN:00086811), Managing Director of the Company; Revision in the Remuneration Of Mr. Anil Kumar Rao (DIN: 01224525), Whole Time Director of the Company, Re-Appointment of Mr. Ashok Kumar Gupta (DIN: 02808356) as an Independent Director for a second term of five consecutive years; Re-Appointment Of Mr. C R Sharma (DIN: 00522678) as an Independent Director for a second term of five consecutive years; Re-Appointment Of Mrs. Deepika Mittal (Din: 06966373) as an independent Director for a second term of five consecutive years;
2017-18	Auditorium Iskcon Complex, Hare Krishna Hill, Sant Nagar, Main Road, East of Kailash, New Delhi-110065	September 29, 2018	11:30 A.M.	Enhance The Borrowing Powers of the Company; Enhance the Power of Board to Mortgage, Hypothecate, Pledge, Creation of Charge; Approve continuation of Mr. C.R. Sharma (Din: 00522678) as a Non- Executive Independent Director of the Company

Resolution passed through Postal ballot

No postal ballot for any special resolution was conducted during FY 2020-21. There is no immediate proposal/requirement for passing any resolution through postal ballot.

Procedure for Postal ballot

Prescribed Procedure for Postal Ballot as per the provision contained in this behalf as per the Companies Act, 2013 read with the rules made thereunder as amended from time to time shall be complied whenever necessary. During the year, no resolutions was passed through Postal Ballot.

Means of Communication

In accordance with Regulation 46 of the SEBI Listing Regulations, the Company has maintained a functional website at www.pncinfratech.com containing information about the Company viz., details of its business, financial information, shareholding pattern, compliance with corporate governance, details of the policies approved by the Company, contact information of the designated official of the Company,

who is responsible for assisting and handling investor grievances etc. The contents of the said website are updated from time to time.

The quarterly and annual results are published in Financial Express (English) and Jansatta (Hindi), which are national and local dailies respectively and also displayed on the Company's website for the benefit of the public at large.

Presentations made to institutional investors or to analysts, are also uploaded on the website of the Company.

Further, your Company disseminates to the Stock Exchanges (i.e. BSE and NSE), wherein its equity shares are listed, all mandatory information and price sensitive/ such other information, which in its opinion, are material and/or have a bearing on its performance/ operations and issues press releases, wherever necessary, for the information of the public at large.

For the benefit of the members, a separate email id has been created for member correspondence viz., complianceofficer@pncinfratech.com

REPORT ON CORPORATE GOVERNANCE (Contd.)

V. GENERAL SHAREHOLDERS INFORMATION

i)	Annual General Meeting:	
a.	Date	29th September, 2021
b.	Time	11:00 A.M.
c.	Venue	NBCC Plaza, Tower II, 4th Floor, Pushp Vihar, Sector 5, New Delhi-110017
ii)	Financial year	1 st April to 31 st March
	During the financial year under review, the Board Meetings for approval of quarterly and annual financial results were held on the following dates:	
	1st Quarter Results	August 27, 2020
	2nd Quarter Results	November 02, 2020
	3rd Quarter Results	February 03, 2021
	4th Quarter & Annual Results	June 25, 2021
	The tentative dates of the Board Meetings for consideration of financial results for the year ending March 31, 2022 are as follows:	
	1st Quarter Results	August 11, 2021
	2nd Quarter Results	November 14, 2021
	3rd Quarter Results	February 14, 2022
	4th Quarter & Annual Results	End of May, 2022
iii)	Dividend payment date: Within 30 days of the AGM to the Shareholders and to the Shareholders/Beneficial owners who hold shares, after giving effect the transfer request, at the close of business hours 22 September, 2021.	
iv)	Book Closure Date	September 23, 2021 to September 29, 2021
v)	Listing on stock exchanges & payment of listing fees	1. National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai-400 051
		2. BSE Limited Floor 25, P.J. Towers, Dalal Street, Mumbai-400 001
		Your Company has paid the annual listing fee for the financial year 2021-22 to both the Exchanges
vi)	Stock Code	BSE 539150
		NSE PNCINFRA
vii)	ISIN No. for NSDL / CDSL	ISIN-INE195J01029 (Old ISIN – INE195J01011) Your Company has paid the annual custodial fee for FY 2021-22 to NSDL and CDSL
viii)	Corporate Identification Number	L45201DL1999PLC195937
ix)	Share Transfer System	Your Company has appointed Registrar and Share Transfer Agents for all activities in relation to electronic share transfer facility.
x)	Registrar and Share Transfer Agents	Link Intime India Private Limited C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083 Branch off: - Noble Heights, 1st Floor, Plot NH2, C-1 Block LSC, Near Savitri Market, Janakpuri, New Delhi- 110058.

REPORT ON CORPORATE GOVERNANCE (Contd.)

xi)	Electronic Clearing Service (ECS)	Link Intime India Private Limited C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083 Branch off: - Noble Heights, 1st Floor, Plot NH2, C-1 Block LSC, Near Savitri Market, Janakpuri, New Delhi- 110058
xii)	Investor Complaints to be addressed to	Registrar and Share Transfer Agents or to the Company at the address mentioned below.

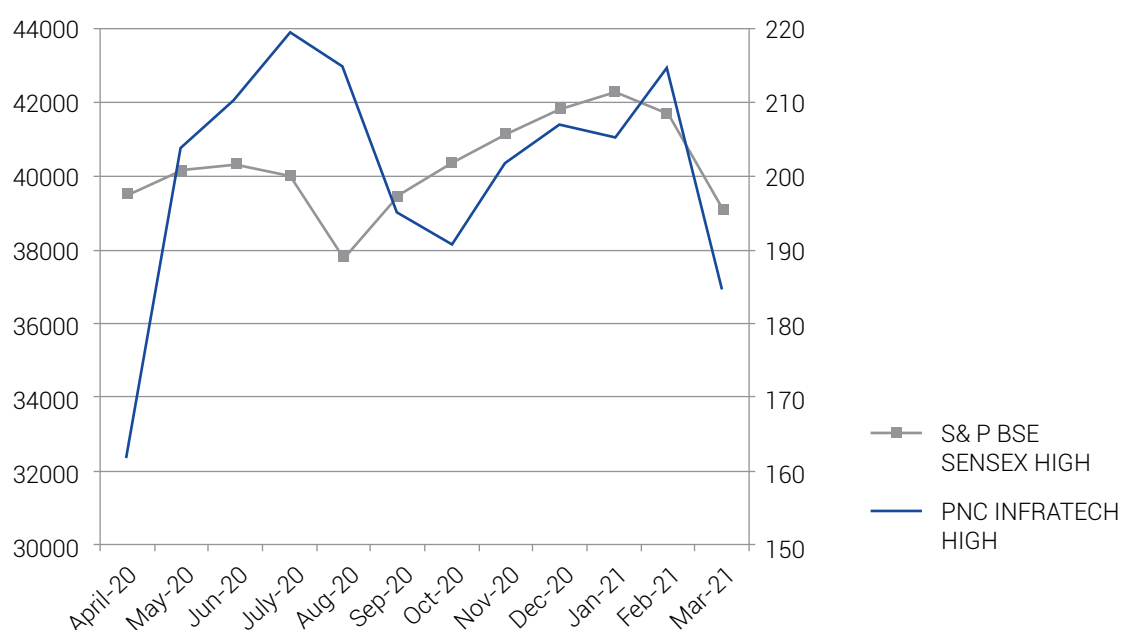
Suspension of Trading

No securities of your Company were suspended from trading on stock exchanges during the year under review.

Stock Market Price Data:

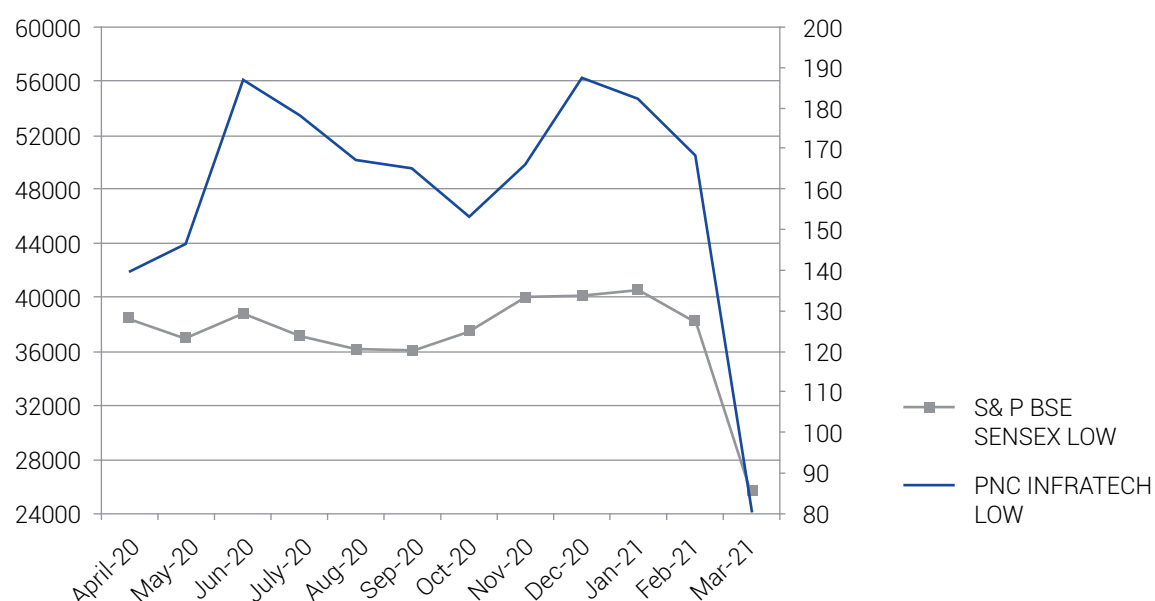
The details of monthly high and low price of the Equity Shares of the Company and its comparison to broad based indices BSE Sensex and NSE Nifty for the fiscal year 2020-21 are as follows:

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume (No.)	High (₹)	Low (₹)	Volume (No.)
Apr-20	138.00	90.05	1,16,724	137.85	90.15	20,37,563
May-20	125.00	100.95	3,76,849	124.85	101	23,86,341
Jun-20	155.00	108.00	3,29,189	152	106.55	56,40,488
Jul-20	158.05	132.20	3,84,842	158.35	132.2	44,74,261
Aug-20	177.75	126.55	7,85,634	178	126.5	88,27,294
Sep-20	177.75	148.05	3,42,199	177	147.95	42,26,477
Oct-20	173.65	147.00	1,77,129	173.95	157.15	48,19,727
Nov-20	180.45	157.00	4,30,723	181.35	159.05	65,18,606
Dec-20	188.85	157.45	5,36,476	189.7	157	92,74,982
Jan-21	195.65	170.70	3,14,61,330	195.7	170.15	3,74,68,224
Feb-21	291.00	186.75	30,53,290	289.55	186.65	3,53,99,349
Mar-21	286.85	226.30	17,71,882	287	226.2	1,43,39,279

Performance of PNC Infratech Share vis-a-vis Index Sensex High

REPORT ON CORPORATE GOVERNANCE (Contd.)

Performance of PNC Infratech Share vis-a-vis Index Sensex Low



Distribution of Shareholding as on March 31, 2021

Sr. No.	Category	No. of Shares	Total Shares (%)	No. of Shareholders	Total Shareholders (%)
1	1 to 500	4400440	1.7153	58054	93.9598
2	501 to 1000	1653288	0.6445	2141	3.4652
3	1001 to 2000	1223719	0.4770	831	1.3450
4	2001 to 3000	554599	0.2162	218	0.3528
5	3001 to 4000	330013	0.1286	92	0.1489
6	4001 to 5000	427816	0.1668	91	0.1473
7	5001 to 10000	942302	0.3673	128	0.2072
8	10001 & above	247006988	96.2843	231	0.3739
	Total	256539165	100	61786	100

Pattern of Shareholding as on March 31, 2021

Category	As on March 31, 2021		As on March 31, 2020	
	No. of Shares	%age	No. of Shares	%age
Promoters	119076000	46.42	119076000	46.42
Corporate Bodies (Promoter Co)	24765000	9.65	24765000	9.65
Clearing Members	1070150	0.42	112299	0.04
Other Bodies Corporate	832945	0.32	28145130	10.97
Financial Institutions	40056	0.02	90065	0.04
Hindu Undivided Family	264746	0.10	258927	0.10
Mutual Funds	64847669	25.28	56213013	21.91

REPORT ON CORPORATE GOVERNANCE (Contd.)

Category	As on March 31, 2021		As on March 31, 2020	
	No. of Shares	%age	No. of Shares	%age
Nationalised Banks	100	0.00	100	0.00
Non Resident Indians	472770	0.18	413914	0.16
Non Resident (Non Repatriable)	141210	0.06	184798	0.07
Public	11083879	4.32	6154976	2.40
Insurance Companies	5786189	2.26	2847841	1.11
Foreign Portfolio Investors (Corporate)	27686589	10.79	16350606	6.37
NBFCs registered with RBI	46352	0.02	-	-
Trust (Employees)	12925	0.01	712	0.00
Alternate Investment Funds - III	412585	0.16	1925784	0.75
Total	256539165	100.00	256539165	100.00

Dematerialization of shares and Liquidity

As on March 31, 2021, 25,65,39,160 equity shares representing approx. 100% of the total equity share capital of your Company, were held in dematerialized form with National Securities Depository Limited and Central Depository Services (India) Limited. The break-up of equity shares held in Physical and Dematerialized form as on March 31, 2021, is given below:

S. No.	Particulars	No. of Share	Percentage (%)
1	Held in dematerialized form with CDSL	3,41,95,339	13.33
2	Held in dematerialized form with NDSL	22,23,43,821	86.67
3	Physical	5	Negligible
	Total	25,65,39,165	100.00

The Promoters, Directors and Key Managerial Personnel(s) hold their entire equity shareholding in the Company in dematerialized form in accordance with provisions of the Depositories Act 1996 and regulations made there under.

Your Company's equity shares are regularly traded on the NSE and BSE.

Address for Members' Correspondence;

Members are requested to correspond with the Registrars and Share Transfer Agents at the below given address on all matters relating to transfer/ dematerialization of shares, payment of dividend and any other query relating to Equity Shares of the Company.

Documents will be accepted at the below address between 10.00 a.m. and 3.30 p.m. (Monday to Friday except bank holidays).

(a) Registered Office:

Name of Co. PNC Infratech Limited

Address: NBCC Plaza, Tower II, 4th Floor, Pushp Vihar, Sector V, Saket,

New Delhi-17

Tel. No. & Fax No. 011-29574800 & 011-29563844

Email:- complianceofficer@pncinfratech.com

Website: www.pncinfratech.com

REPORT ON CORPORATE GOVERNANCE (Contd.)

(b) Corporate Office

Name of Co. PNC Infratech Limited
Address: PNC Tower, 3/22-D, Civil Lines, Bypass Road, NH-2, Agra-282002
Tel. No. & Fax No. 0562-4054400 & 0562-4070011
Email complianceofficer@pncinfratech.com
Website: www.pncinfratech.com

(c) Registrar & Share Transfer Agent

Link Intime India Private Limited
Address: Noble Heights, 1st Floor, Plot NH2, C-1 Block LSC,
Near Savitri Market, Janakpuri, New Delhi- 110058
Tel. No. & Fax No. 011-49411000 & 011-41410591
Email: delhi@linkintime.co.in
Website: www.linkintime.co.in

Credit Rating

During FY 2020-21, List of credit rating obtained by the Company for its equity shares date wise are given below:

S. No.	Date of Report by CARE	Date of rating intimated to Stock Exchange	Facilities	Rating	Rating Action
1	01.04.2020	02.04.2020	For Long Term Bank Facilities for ₹ 1700 crore	CARE AA-; Stable (Double A Minus; Outlook: Stable)	Reaffirmed
			For Short Term Bank Facilities for ₹ 5000 crore	CARE A1+ (A One plus)	Reaffirmed
2	15.09.2020	16.09.2020	-Do-	-Do-	Reaffirmed
3	11.11.2020	12.11.2020	For Long Term Bank Facilities for ₹ 1700 crore	CARE AA; Stable (Double A; Outlook: Stable)	Revised
			For Short Term Bank Facilities for ₹ 5000 crore	CARE A1+ (A One plus)	Reaffirmed

VI. OTHER DISCLOSURES

a) Disclosures regarding the Board of Directors

As per the provisions of the Companies Act, 2013, Shri Chakresh Kumar Jain (DIN: 00086768), Managing Director and Mr. Talluri Raghupati Rao (DIN: 01207205), whole time Director will retire at the ensuing AGM and being eligible, seeks re-appointment. The Board, based on evaluation, has recommended their appointment. Your Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of Independence as prescribed under the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI Listing Regulations. Detailed profile of the Directors who are seeking appointment reappointment at the ensuing Annual General Meeting of the Company is given under the Explanatory Statement to the

Notice which is forming part of the Annual Report of the Company.

b) Related Party Transactions

Details of materially significant related party transactions i.e. transactions of the Company of material in nature with its promoters, the Directors or the management, their subsidiaries or relatives, etc. are presented in the Note No. 43 to the Financial Statements. All details on the financial and commercial transactions, where Directors may have a potential interest, are provided to the Board. The interested Directors neither participate in the discussion, nor vote on such matters. During FY 2020-21, there were no material related party transactions entered by the Company that may have a potential conflict with the interests of the Company.

Your Company has formulated a Policy on Related Party Transactions, which has been uploaded

REPORT ON CORPORATE GOVERNANCE (Contd.)

and can be viewed on the Company's website <https://www.pncinfratech.com/pdfs/policy-on-materiality-and-dealing-with-relatedparty-transactions-pnc-infratech-limited.pdf>

c) **Disclosure of Pending Cases/Instances of Non-Compliance with respect to Capital Markets**

Your Company has complied with all the requirements of regulatory authorities with respect to capital markets. There were no instances of non-compliances by the Company and no penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to the capital market during the last three years.

d) **Vigil Mechanism / Whistle Blower Policy**

Your Company has established a mechanism for Directors and employees to report concerns about unethical behaviour, actual or suspected fraud or, violation of the code. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism, and allows direct access to the chairman of the audit committee in exceptional cases.

This is also affirmed that no personnel have been denied access to the Audit Committee.

The Whistle Blower Policy is also displayed on the website of the Company and can be accessed at <https://www.pncinfratech.com/pdfs/vigil-mechanism-whistle-blower-policy-pnc-infratech-limited.pdf>.

e) **Compliance with mandatory requirements**

Your Company has complied with all the mandatory requirements prescribed under the SEBI Listing Regulations.

Non- mandatory requirements

Your Company has adopted the following non-mandatory requirements on Corporate Governance:-

i. Board

Since your Company did not have a Non-Executive Chairman during FY 2020-21, hence, the requirement of maintaining a Chairman's Office was not applicable to the Company.

ii. Shareholder Rights

The quarterly and half-yearly financial performances are published in the

newspaper and are also displayed on the website of the Company and hence, it is not being sent to the Shareholders. However the Company sends the financial statements along with Boards' Report and Auditor's Report to shareholders every year.

iii. Audit qualifications

There was no audit qualification on your Company's financial statements, during the year under review. The Company continues to adopt best practices to ensure a regime of unqualified financial statements.

iv. Reporting of Internal Auditor

The Internal Auditors of the Company directly reports to the Audit Committee of the Company and makes presentation.

f) Link for policy on determining Material Subsidiaries

Your Company has a Policy for determining material subsidiaries which is disclosed on website and can be accessed at <https://www.pncinfratech.com/pdfs/policy-for-determining-material-subsidiaries-pnc-infratech-limited.pdf>.

g) Disclosure of Commodity price risks or Foreign Exchange Risk and hedging activities.

Your Company is not dealing in commodities and Foreign Exchange and hence disclosure relating to commodity price risks and commodity hedging activities is not required in terms of SEBI Circular No. **SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018.**

h) Your Company has not raised fund through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A). Hence there are no details to disclose.

i) Practicing Company Secretary Certification

A certificate from practicing company secretary confirming that none of the Directors on the Board of the Company were debarred or disqualified from being appointed or re-appointed under retirement by rotation and/or continuing as Directors of the Company by the SEBI, Ministry of Corporate Affairs or any other statutory authorities is attached as **Annexure A.**

The board has accepted all the recommendation of committees of the board which is mandatorily required, during the financial year; there is no such case whether mandatory or recommendatory.

REPORT ON CORPORATE GOVERNANCE (Contd.)

j) Fees paid to Statutory Auditor

Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part, are as follows:

Details relating to fees paid to the statutory auditors are given in Note 36 to the Standalone Financial Statements and note 37 to the Consolidated Financial Statements.

k) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

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

a.	Number of complaints filed during the financial year	Nil
b.	Number of complaints disposed of during the financial year	Nil
c.	Number of complaints pending as on end of the financial year	Nil

l) Accounting treatment in preparation of financial statements

The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013 and in conformity, in all material respects, with the Indian Accounting Standards (Ind AS) and generally accepted accounting principles in India. The estimates/judgments made in preparation of these financial statements are consistent, reasonable and on prudent basis so as to reflect true and fair view of the state of affairs and results/operations of the Company.

m) Risk Management

Your Company has well-defined Risk Management Policy, duly approved by the Board, which are periodically reviewed to ensure that the executive

management controls risk by means of a properly defined framework.

Under this framework, risks are identified across all business processes of the Company on a continuous basis. Once identified, these risks are systematically categorized as strategic risks, business risks or reporting risks. Based on this framework, the Company has set in place various procedures for Risk Management.

n) Code of Conduct

In compliance with the SEBI Listing Regulations and the Companies Act, 2013, the Board of Directors has laid down Code of Conduct, which is intended to provide guidance to the Board of Directors and Senior Management Personnel to manage the affairs of the Company in an ethical manner. The purpose of this code is to recognize and deal with ethical issues and to provide mechanisms to report unethical conduct of Employees, Board of Directors. This Code has been displayed on the **Company's website- <http://www.pncinfotech.com/pdfs/code-of-conduct-pnc-infotech-limited.pdf>**.

All the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct as applicable to them, for the year ended March 31, 2021. A declaration to this effect signed by Managing Director is annexed to this Report as **Annexure B**.

o) Code for Prevention of Insider Trading Practices

As per SEBI (Prohibition of Insider Trading) Regulations, 2015, your Company, inter-alia, adopted a policy or Code of Conduct for Regulating, Monitoring and Reporting trading by an Insider. This policy includes policy and procedures for enquiry in case of leak in Unpublished Price Sensitive Information (UPSI) or suspected leak of UPSI. This code is displayed on the Company's website viz www.pncinfotech.com. The Company has automated the declarations and disclosures to maintain Digital database of Designated Person and their immediate relative and the Board reviews the policy on need basis. The Company Secretary is the compliance Officer for monitoring adherence to the said PIT Regulations.

REPORT ON CORPORATE GOVERNANCE (Contd.)

p) Details of non-compliance, if any

There is no Non-Compliance of any requirement of Corporate Governance Report of sub para (2) to (10) of the Part C of Schedule V of the SEBI Listing Regulations.

q) Certificate on Corporate Governance from Practicing Company Secretary

Your Company has obtained a Certificate from DR Associates, Company Secretaries regarding compliance of the conditions of Corporate governance, as stipulated in Regulation 34(3) and PART E of Schedule V of SEBI Listing Regulations, which together with this Report on Corporate Governance is annexed to this section as **Annexure C** and shall be sent to all the members of the Company and the Stock Exchanges along with the Annual Report of the Company.

r) Compliance with Regulation 39(4) read with Schedule V and VI of SEBI Listing Regulations – Uniform procedure for dealing with unclaimed shares:

As on March 31, 2021, there was no unclaimed share and thereby, the detail pertaining to demat suspense account / unclaimed shares shall not be disclosed.

s) Disclosure under Regulation 30 and 46 of SEBI Listing Regulations regarding certain agreements with the media companies:

Pursuant to the requirement of Regulation 30 of the SEBI Listing Regulations, the Company would like to inform that no agreement(s) have been entered with media companies and/or their associates which has resulted/ will result in any kind of shareholding in the Company and consequently any other related disclosures viz., details of nominee(s) of the media companies on the Board of the Company, any management control or potential conflict of interest arising out of such agreements, etc. are not applicable.

Your Company has not entered into any other back to back treaties/ contracts/agreements/ MoUs or similar instruments with media companies and/ or their associates.

t) CEO/ CFO certification

Certificate from Shri. Chakresh Kumar Jain, Managing Director and Shri Bhupinder Kumar Sawhney Chief Financial Officer of the Company,

in terms of Reg. 17(8) of the SEBI Listing Regulations, for the year under review, was placed before the Board of Directors of the Company in their meeting held on June 25, 2021. The certificate is enclosed with this section as **Annexure D**.

VII. INVESTOR SAFEGUARDS AND OTHER INFORMATION:

• Dematerialization of shares

Members are requested to convert their physical holdings to demat/electronic form through any of the registered Depository Participants (DPs) to avoid the hassles involved in dealing in physical shares such as possibility of loss, mutilation, etc. and also to ensure safe and speedy transaction in respect of the shares held.

• Revalidation of Dividend DD/Warrant

In respect of members who have either not opted for NECS/ECS mandate or do not have such a facility with their bankers and who have not encashed earlier dividends paid by the Company, are requested to write to the Company's Share Transfer Agents for revalidation of expired dividend warrants and failing their encashment for a period of seven years, they stand to lose the right to claim such dividend owing to transfer of unclaimed dividends beyond seven years to Investor Education and Protection Fund.

• Transfer of Unclaimed Dividend to Investor Education and Protection Fund (IEPF)

Section 124 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting Audit, Transfer and Refund) Rules, 2016 mandates that companies transfer dividend that has remained unclaimed for a period of seven years from the unpaid dividend account to the Investor Education and Protection Fund (IEPF). Further, the Rules mandate the transfer of shares with respect to the dividend, which has not been paid or claimed for seven consecutive years or more to IEPF. Accordingly, the dividend for the years mentioned as follows will be transferred to the IEPF on the respective dates if the dividend remains unclaimed for seven years, and the corresponding shares will also be transferred to IEPF if dividend is unclaimed for seven consecutive years.

REPORT ON CORPORATE GOVERNANCE (Contd.)

Year	Type of Dividend	Dividend Per Share (₹)	Date of Declaration	Due Date for Transfer	Amount (₹)
2014-15	Final	1.50	September 28, 2015	October 27, 2022	1,269.00
2015-16	Final	0.50	September 30, 2016	October 27, 2023	5,230.50
2016-17	Final	0.50	September 29, 2017	October 27, 2024	9,349.00
2017-18	Final	0.50	September 29, 2018	October 27, 2025	40,497.50
2018-19	Final	0.50	September 30, 2019	October 27, 2026	14,306.50
2019-20	Interim	0.50	March 09, 2020	April 07, 2027	42,706.50

- Update Address/E-mail Address/Bank details**

To receive all communications/corporate actions promptly, members holding shares in dematerialized form are requested to please update their address/email address/bank details with the respective DPs and in case of physical shares, the updated details have to be intimated to the Registrar & Share Transfer Agents.

- Electronic service of documents to members at the Registered Email Address**

SEBI, through its Circular No. CIR/MRD/DP/10/2013, dated March 21, 2013, has mandated the Companies to use Reserve Bank of India(RBI) approve electronic payment modes, such as ECS[LECS(Local ECS)/RECS (Regional ECS) / NECS (National ECS)], NEFT and other to pay members in cash.

Recognizing the spirit of the circular issued by the SEBI, Members whose shareholding is in the electronic mode are requested to promptly update change in bank details with the Depository through your Depository Participant for receiving dividends through electronic payment modes.

Members who hold shares in physical form are requested to promptly update change in bank details with the Company/Registrar and Transfer Agents, M/s. Link Intime India Private Limited (Unit: PNC Infratech Limited) for receiving dividends through electronic payment modes.

Green Initiative

Your Company is concerned about the environment and utilizes natural resources in a sustainable way. The Ministry of Corporate Affairs (MCA), Government of India, through its Circular Nos.17/2011 and 18/2011, dated April 21, 2011 and April 29, 2011, respectively, has allowed Companies to send official documents to their shareholders electronically as a part of its green initiatives in corporate governance.

Recognizing the spirit of the circular issued by the MCA, we henceforth propose to send documents like the Notice convening the general meeting, Financial Statements, Boards' Report, Auditor's Report and others to the email address provided by you with the relevant depositories.

- Participation and voting at 22nd AGM**

Pursuant to the General Circular numbers 20/2020, 14/2020, 17/2020 issued by the Ministry of Corporate Affairs and Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 (collectively referred to as "Circulars") issued by SEBI, the 22nd AGM of the Company will be held through video-conferencing and the detailed instructions for participation and voting i.e. either by remote e-voting or by e-voting on the date of the AGM of the Company by following the procedure provided in the notice of AGM of the Company.

- Consolidate multiple folios [in respect of physical shareholding]**

Members are requested to consolidate their shareholdings under multiple folios to eliminate the receipt of multiple communications and this would ensure that future correspondence/corporate benefits could then be sent to the consolidated folio.

- Register Nomination(s)**

Members holding shares in physical form, are requested to register the name of their nominee(s), who shall succeed the member as the beneficiary of their shares and in order to avail this nomination facility, they may obtain/submit the prescribed form from the Registrars & Share Transfer Agents. Members holding shares in dematerialized form are requested to register their nominations directly with their respective DPs.

REPORT ON CORPORATE GOVERNANCE (Contd.)

- **Dealing of Securities with SEBI registered intermediaries**

In respect of dealings in securities, members must ensure that they deal only with SEBI registered intermediaries and must obtain a valid contract note/ confirmation memo from the broker/sub-broker within 24 hours of execution of the trade(s) and it should be ensured that the contract note/

confirmation memo contains details about order no., trade no., trade time, quantity, price and brokerage.

For and on behalf of the Board of Directors

Place: Agra
Date: June 25, 2021

Pradeep Kumar Jain
Chairman and Managing Director
DIN: 00086653

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

The Members of
PNC Infratech Limited
NBCC Plaza, Tower II, 4th Floor,
PushpVihar, Sector 5, New Delhi - 110017

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of PNC Infratech Limited having CIN L45201DL1999PLC195937 and having registered office at NBCC Plaza, Tower II, 4th Floor, PushpVihar, Sector 5, New Delhi - 110017 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For DR Associates
Company Secretaries**

Suchitta Koley
Partner
CP No.: 714
FCS: 1647

Place: New Delhi
Date: June 25, 2021

UDIN:F001647C000643497

Annexure B

DECLARATION BY THE MANAGING DIRECTOR REGULATION 34(3) READ WITH PART D OF SCHEDULE V OF THE SEBI LISTING REGULATIONS

To
The Members of
PNC Infratech Limited,
CIN-L45201DL1999PLC195937
NBCC Plaza, Tower-II, 4th Floor,
Pushp Vihar, Sector-V, Saket,
New Delhi – 110017

This is to declare that, in line with the requirement of Regulation 34 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, all the Directors of the Board and Senior Management Personnel have solemnly affirmed that to the best of their knowledge and belief, they have complied with the provisions of the Code of Conduct during the financial year 2020-21.

Place: Agra
Date: June 25, 2021

For PNC Infratech Limited

[Chakresh Kumar Jain]
Managing Director
DIN: 00086768

CERTIFICATE ON CORPORATE GOVERNANCE

The Members of PNC Infratech Limited
New Delhi

We have examined the compliance of conditions of Corporate Governance by PNC Infratech Limited ('the Company'), for the financial year ended March 31, 2021, as stipulated in Part E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

In our opinion and to the best of our information and according to the explanation given to us, We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

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

**For DR Associates
Company Secretaries**

**Suchitta Koley
Partner**

CP No.: 714

UDIN: F001647C000643464

**Place: New Delhi
Date: June 25, 2021**

Annexure D

Date: June 25, 2021

To,

The Board of Directors

PNC Infratech Limited,

NBCC Plaza, Tower-II, 4th Floor, Pushp Vihar,

Sector-V, Saket, New Delhi – 110017

Re: Certification by Managing Director/Chief Financial Officer for FY 2020-21 -under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

- A) We have reviewed the financial statements and the Cash Flow Statement for the year and that to the best our knowledge and belief;
 - (I) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (II) These statements together present a true and fair view of the Company's affairs, and are in compliance with existing accounting standards, applicable laws and regulations.
- B) There are, to the best of 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 have:
 - (I) Evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting
 - (II) Disclosed to the Auditors and the Audit Committee of the Board, deficiencies in the design or operation of internal control, if any of which we are aware and
 - (III) Taken necessary steps/proposed necessary steps to rectify these deficiencies
- D) We have indicated to the Auditors and the Audit Committee of the Board that there have been:
 - (I) No significant changes in internal control over the financial reporting during the year
 - (II) Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements and
 - (III) No instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

(Chakresh Kumar Jain)
Managing Director

(Bhupinder Kumar Sawhney)
Chief Financial Officer

FINANCIAL STATEMENTS: 98 - 225

INDEPENDENT AUDITOR'S REPORT

To the Members of PNC Infratech Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **PNC Infratech Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matter

Key audit matters (KAM) are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue Recognition for Construction contracts The Company generates significant revenue from construction contracts and long-term operating and maintenance agreements. Revenue from these contracts is recognized over the period of time in accordance with the requirements of Ind AS 115, Revenue from Contracts with Customers. For majority of its contracts, the Company recognizes revenue and profit on the stage of completion based on the proportion of contract costs incurred for the work performed to the balance sheet date, relative to the estimated costs on the contract at completion. The recognition of revenue and profit / loss therefore are based on estimates in relation to the estimated total costs of each contract, which involves significant judgments, identification of contractual obligations and the Company's rights to receive payments for performance completed, scope amendments and price escalations resulting in revised contract price. Refer Note 2.10 and Note 30 of the standalone financial statements.	Our revenue testing included both testing of the Company's internal controls as well as substantive audit procedures targeted at selected major long-term projects. Our audit procedures included the following: <ul style="list-style-type: none"> • Obtained an understanding of company's revenue recognition policies and reviewed compliance in terms of provisions of Ind-AS 115. • Performed assessment that the revenue recognition method applied was appropriate based on the terms of the arrangement and contract; • Obtained an understanding of the revenue recognition processes including documentation maintained and tested key internal controls impacting revenue, on sample basis; • Assessed the reliability of management's estimates by comparing the actual outcome of completed projects with previous estimated timelines;

INDEPENDENT AUDITOR'S REPORT (Contd.)

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management Responsibilities and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to

cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the

INDEPENDENT AUDITOR'S REPORT (Contd.)

audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The standalone financial results include the audited financial results of two joint operations, whose financial results reflect total assets ₹ 12,476.86 lakhs as at March 31, 2021, total revenue of ₹ 46,855.30 lakhs and total net profit after tax of ₹ 9.02 lakhs and total comprehensive income of ₹ 9.02 lakhs for the year ended March 31, 2021 respectively, and net cash inflows of ₹ 239.84 lakhs for the year ended March 31, 2021, as considered in the standalone financial results have been audited by their auditors.

The auditor's reports on the financial statements for these two joint operations has been furnished to us by the management and our opinion on the standalone financial results in so far as it relates to the amounts and disclosures included in respect of two joint operations is based solely on the reports of such auditors and the procedure performed by us as stated in paragraph above.

Our opinion on the standalone financial results is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016("the Order"), issued by the Central Government of India in terms of section 143 (11) of the Act, we given in the **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India.
 - e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statement of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**. Our report

INDEPENDENT AUDITOR'S REPORT (Contd.)

expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statement.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the act, read with schedule V of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014,

as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. - Refer Note 39 to the standalone financial statements.
- ii. The Company did not have any material foreseeable losses, on long term contracts including derivative contract required under the applicable law or Indian accounting standards.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For S S Kothari Mehta & Company
Chartered Accountants
Firm's Registration Number:000756N

Harish Gupta
Partner
Membership Number: 098336
UDIN: 21098336AAAACW9700

Place: New Delhi
Date: June 25, 2021

ANNEXURE 'A'

TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of PNC Infratech Limited of even date)

- i. In respect of the Company's fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) As explained to us, the fixed assets are physically verified by the management in a phased manner over a period of three years, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. According to information and explanation given to us, the discrepancies noticed on current phase of physical verification were not material.
 - (c) According to the information and explanations given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. In respect of the Company's Inventory:
 - a) The inventories of the Company have been physically verified by the management during the year and no material discrepancies have been noted. The recording of physical verification needs to be further strengthened considering the expansion and nature of various projects.
 - b) In our opinion and according to the information & explanations given to us the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size and nature of the business of the Company.
- iii. According to the records and information and explanation provided to us, the Company has granted interest free unsecured loans to its twelve subsidiaries & one associate, and interest bearing unsecured loan to its one subsidiary, which are covered in the register maintained under section 189 of the Companies Act, 2013. The balance outstanding as at year end for such loans is ₹ 69,109.19 lakhs (including interest).
 - (a) The terms and conditions of loan granted by the Company, in our opinion, prima facie are not prejudicial to interest of the Company.
 - (b) As per the information and explanations provided to us, these unsecured loans are repayable on demand and there are no principal payments that were due for repayment during the year.
 - (c) In respect of one subsidiary where Company has charged interest, there is an overdue interest of ₹ 1,762.63 lakhs and as per explanations given to us, the company is pursuing for its recovery.
- iv. According to the information, explanations and representations given to us, we are of the opinion that in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of sections 185 and 186 of the Act.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of directives issued by the Reserve Bank of India and provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
- vi. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the rules made by Central Government for the maintenance of the cost records under section 148(1) of the Companies Act, 2013 and rules are made applicable and are of the opinion that prima facie, the prescribed records have been made and maintained. We have however not made a detailed examination of the said records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and on the basis of examination of the records of the Company, the Company has generally been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and service tax, custom duty, cess and any other material statutory dues with the appropriate authorities to the extent applicable and further there were no undisputed statutory dues payable for a period of more than six months from the date they become payable as at March 31, 2021.

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

- (b) According to the records and information and explanations given to us, there are no dues in respect of income tax, sales tax, service tax, goods and service tax, duty of excise, duty of custom, value added tax, cess and entry tax that have not been deposited on account of any dispute except as given below:

Name of the Statute	Nature of dues	Forum where dispute is pending	Period to which the Amount Relates	Amount (₹ in Lakhs)
UP VAT Act, 2007	VAT	Commercial Tax, Agra	2006-07	38.10
		Additional Commissioner, Grade II, Agra	2015-16	552.60
		Additional Commissioner, Grade II, Agra	2016-17	2485.84
UP Entry Tax Act, 2007	UP Entry Tax Act	Additional Commissioner, Grade II, Agra	2016-17	35.75
Uttarakhand VAT Act, 2005	VAT	Joint Commissioner (appeals), Haldwani	2010-12	7.67
		Joint Commissioner (appeals), Haldwani	2013-14	87.74
		Joint Commissioner (appeals), Haldwani	2014-15	76.35
		Joint Commissioner, Haldwani	2015-16	22.88
		Joint Commissioner (appeals), Haldwani	2016-17	0.85
Central Excise & Service Tax Act, 1994	Service Tax	CESTAT Dohara	2003-18	199.86
Income Tax Act'1961	Income Tax	Allahabad High Court	2010-11	645.81
Labour Welfare Act' 1953	Labour Cess	Hon'ble MP High Court	2010	3.94
MPGST Act, 2017	Goods and Service Tax	Assessing Officer, GST	Oct-18	.55
JGST Act, 2017	Goods and Service Tax	Assessing Officer, GST	Feb-20	5.40
JGST Act, 2017	Goods and Service Tax	Assessing Officer, GST	2018-19	7.57
BGST Act, 2017	Goods and Service Tax	Assessing Officer, GST	2019-20	45.30

- viii. In our opinion, on the basis of audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of loan or borrowing to any banks and financial institution. The Company has not taken any loans or borrowings from the government or has not issued any debentures.
- ix. According to the information and explanations given to us and on the basis of our examination of the records, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year. The term loans have been applied for the purposes for which they were raised. (Refer note no. 21 to the standalone financial statements)
- x. Based on the audit procedures performed and on the basis of information and explanations provided by the management, no instance of fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable to the Company.

ANNEXURE 'A'
TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with section 177 and 188 of the Act where applicable, for all transactions with the related parties and the details of related parties transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment of shares or private placement of shares or fully/partly convertible debentures during the year in term of provisions of Section 42 of the Act.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 as the provisions of the section is not applicable to the Company.

For S S Kothari Mehta & Company
Chartered Accountants
Firm's Registration Number:000756N

Harish Gupta
Partner

Membership Number: 098336
UDIN: 21098336AAAACW9700

Place: New Delhi
Date: June 25, 2021

ANNEXURE "B"

TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of PNC Infratech Limited of even date)

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **PNC INFRATECH LIMITED** ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial

controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to financial statements of the Company.

Meaning of Internal Financial Controls with reference to financial statements

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

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

ANNEXURE "B"
TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such

internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For S S Kothari Mehta & Company
Chartered Accountants
Firm's Registration Number:000756N

Harish Gupta
Partner

Membership Number: 098336
UDIN: 21098336AAAACW9700

Place: New Delhi
Date: June 25, 2021

STANDALONE BALANCE SHEET

AS AT MARCH 31, 2021

(₹ In lakhs)

Particulars	Note	As at March 31, 2021	As at March 31, 2020
ASSETS			
(1) Non Current Assets			
(a) Property, Plant and Equipment	4	65,350.71	58,649.61
(b) Capital work - in - Progress	5	341.59	-
(c) Intangible Asset	6	223.83	155.04
(d) Financial assets			
(i) Investments	7	74,649.85	67,315.85
(ii) Loans	8	31,910.00	23,635.00
(iii) Other Financial Assets	9	11,880.65	11,398.01
(e) Deferred Tax Assets(Net)	10	2,252.28	12,146.04
(f) Other Non - Current assets	11	26,965.34	18,504.02
Sub Total (Non Current Assets)		2,13,574.25	1,91,803.57
(2) Current assets			
(a) Inventories	12	35,359.48	26,728.93
(b) Financial assets			
(i) Investments	13	10,048.61	6,233.96
(ii) Trade receivables	14	83,924.66	80,351.90
(iii) Cash and Cash Equivalents	15 (i)	68,771.63	68,223.59
(iv) Bank Balances other than (iii) Above	15 (ii)	8,053.39	5,781.45
(v) Loans	16	36,384.19	36,249.44
(vi) Other Financial Assets	17	9,029.52	9,555.28
(c) Other Current Assets	18	20,541.77	16,097.37
Sub Total (Current Assets)		2,72,113.25	2,49,221.92
Total Assets		4,85,687.50	4,41,025.49
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	19	5,130.78	5,130.78
(b) Other Equity	20	2,85,716.26	2,49,528.84
Sub Total (Equity)		2,90,847.04	2,54,659.62
Liabilities			
(1) Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	25,285.51	22,384.48
(ii) Other financial liabilities	22	25,601.82	20,719.94
(b) Provisions	23	887.66	692.23
(c) Other Non Current liabilities	24	16,655.23	43,675.60
Sub Total (Non Current Liability)		68,430.22	87,472.25
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	25	-	-
(ii) Trade Payables			
(a) Total Outstanding dues of Micro and Small enterprises	26	2,725.33	1,210.50
(b) Total Outstanding dues of Creditor other than Micro and Small Enterprises		69,214.93	45,539.99
(iii) Other Financial Liabilities	27	41,583.55	23,711.53
(b) Other Current Liabilities	28	11,392.11	28,042.53
(c) Provisions	29	1,494.32	389.07
Sub Total (Current Liability)		1,26,410.24	98,893.62
Total Equity & Liabilities		4,85,687.50	4,41,025.49

The accompanying notes form an integral part of the financial statements

As per our report of even date attached.

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

Harish Gupta
Partner
Membership No. - 098336
Place-New Delhi

Place: Agra
Date: June 25, 2021

Tapan Jain
Company Secretary
Membership No. - A22603

On behalf of the Board of Directors

Pradeep Kumar Jain
Chairman and Managing Director
DIN. - 00086653

Chakresh Kumar Jain
Managing Director
DIN. - 00086768

Bhupinder Kumar Sawhney
Chief Financial Officer

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2021

(₹ In lakhs)

Particulars	Note	Year ended March 31, 2021	Year ended March 31, 2020
I Revenue from Operations	30	4,92,541.86	4,87,793.05
II Other Income	31	7,524.49	8,848.38
III Total Income (I+II)		5,00,066.35	4,96,641.43
IV Expenses :			
Cost of Materials Consumed	32	2,24,789.24	2,16,105.37
Employee Benefit Expense	33	27,908.70	26,511.04
Finance Cost	34	7,710.86	11,440.01
Depreciation and Amortization Expenses	35	11,238.39	12,637.77
Other Expenses	36	1,72,568.72	1,68,744.95
Total Expenses (IV)		4,44,215.91	4,35,439.14
V Profit/(Loss) before tax (III-IV)		55,850.44	61,202.29
VI Tax expense :			
Current Tax	37	20,058.39	16,108.79
Taxes for earlier years		(81.40)	7.37
Deferred tax Charge/(Credit)		(321.17)	(944.03)
VII Profit & (Loss) for the period (V-VI)		36,194.62	46,030.16
VIII Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
- Actuarial Gain/ (Loss) on defined benefit plans		(11.07)	311.26
(ii) Income tax relating to items that will not be reclassified to profit or Loss		3.87	(108.77)
IX Total Comprehensive Income for the period (VII + VIII)		36,187.42	46,232.65
Earning per equity share of ₹ 2/- each			
Basic & Diluted	38	14.11	17.94

The accompanying notes form an integral part of the financial statements

As per our report of even date attached.

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

Harish Gupta
Partner
Membership No. - 098336
Place-New Delhi

Place: Agra
Date: June 25, 2021

Tapan Jain
Company Secretary
Membership No. - A22603

On behalf of the Board of Directors

Pradeep Kumar Jain
Chairman and Managing Director
DIN. - 00086653

Chakresh Kumar Jain
Managing Director
DIN. - 00086768

Bhupinder Kumar Sawhney
Chief Financial Officer

STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2021

(₹ In lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
I A. Cash Flow from Operating Activities :		
Net Profit / (Loss) before tax as per Statement of Profit and Loss	55,850.44	61,202.29
Adjustment for:		
Add/(Less):		
Finance Cost	6,187.60	10,388.34
Loss/(Profit) on Sale of Fixed Assets (Net)	4.66	47.56
Loss/ (Gain) on foreign exchange fluctuations (Net)	18.01	168.72
Interest Income	(2,858.55)	(5,947.81)
Loss/ (Profit) on Fair valuation of Units of Mutual Fund (Net)	5.38	-
Loss/(Profit) on Redemption of Units of Mutual Fund (Net)	(1,498.46)	(179.86)
Provision for Gratuity & Leave Liability	412.36	347.54
Impairment Allowance (Allowance for doubtful advances)	-	482.50
Allowance for Expected Credit Loss	546.62	-
Depreciation and amortization expenses	11,238.39	12,637.77
Operating Profit / (Loss) before working capital changes	69,906.45	79,147.05
Adjustment for Changes in Working Capital		
(Increase)/Decrease in Inventories	(8,630.55)	13,626.15
Increase/(Decrease) in Trade Payable	25,189.77	(623.88)
Increase/(Decrease) in Other Current Liabilities	(3,162.27)	4,083.46
Increase/(Decrease) in Non -Current Liabilities	(21,800.41)	28,018.47
Increase/(Decrease) in Provisions	877.24	(123.92)
(Increase)/Decrease in Trade Receivable	(4,119.38)	(18,808.43)
(Increase)/Decrease in Non Current Assets	(7,141.76)	1,760.07
(Increase)/Decrease in Current Assets	(3,824.15)	(9,702.54)
Cash Generated from/(used) from operating activities	47,294.95	97,376.43
Direct Taxes Paid	(19,976.99)	(16,116.16)
Cash Generated from/(used) from operating activities (A)	27,317.96	81,260.27
B. Cash Flow from Investing Activities		
Purchase of Property, Plant & Equipment, CWIP & Intangible Assets	(18,549.96)	(9,262.66)
Sale/ Amortization of Property, Plant & Equipment & Intangible Assets	354.59	174.74
Purchase of Investments	(7,334.00)	(10,013.00)
Purchase of Mutual Fund	(45,000.00)	(24,000.10)
Proceeds from Sale of Mutual Fund	42,678.43	17,946.00
Investment in term deposit & others bank balance	(2,271.94)	(26.07)
Interest Income	2,611.75	2,113.37
Net Cash (used in) / from Investing Activities (B)	(27,511.13)	(23,067.72)
C. Cash Flow from Financing Activities		
Proceeds from Long term Borrowings	15,011.69	6,349.78
Repayment of Long term Borrowings	(7,744.80)	(11,166.35)
Dividend Paid	-	(1,282.70)
Interim Dividend Paid	-	(1,282.70)
Corporate Dividend Tax	-	(527.44)
Interest Income on Arbitration Claim (Refer note no. 31)	-	3,555.26
Lease Payment including interest	(338.08)	(413.23)
Interest Expenses	(6,187.60)	(10,388.34)
Net Cash (used in) / from Financing Activities (C)	741.21	(15,155.72)
Net Cash Increase in cash & Cash equivalents (A+B+C)	548.04	43,036.83
Cash & Cash equivalents in beginning	68,223.59	25,186.76
Cash & Cash equivalents as at the end	68,771.63	68,223.59

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(₹ In lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
II Cash & Cash equivalents included in Cash Flow Statement comprise of following (Refer note no. 15(i))		
Current Account	24,628.36	18,725.63
Fixed Deposits	44,020.19	49,345.00
Cash on hand	123.08	152.96
Total	68,771.63	68,223.59

III Reconciliation of Liabilities arising from Financing Activities

(₹ In lakhs)

Particulars	As at March 31, 2020	Cash Flow	Non Cash Change	As at March 31, 2021
Non Current Borrowing	32,656.84	7,266.89	-	39,923.73
Lease Liability	680.94	(338.08)	25.82	368.68

(₹ In lakhs)

Particulars	As at March 31, 2019	Cash Flow	Non Cash Change	As at March 31, 2020
Non Current Borrowing	37,473.41	(4,816.57)	-	32,656.84
Lease Liability	-	(413.23)	1,094.17	680.94

The accompanying notes form an integral part of the financial statements

As per our report of even date attached.

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

Harish Gupta
Partner
Membership No. - 098336
Place-New Delhi

Place: Agra
Date: June 25, 2021

Tapan Jain
Company Secretary
Membership No. - A22603

On behalf of the Board of Directors

Pradeep Kumar Jain
Chairman and Managing Director
DIN. - 00086653

Chakresh Kumar Jain
Managing Director
DIN. - 00086768

Bhupinder Kumar Sawhney
Chief Financial Officer

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2021

A. EQUITY SHARE CAPITAL

(₹ In lakhs)

As at April 01, 2020	Changes during the year	As at March 31, 2021
5,130.78	-	*5130.78

(₹ In lakhs)

As at April 01, 2019	Changes during the year	As at March 31, 2020
5,130.78	-	*5130.78

B. OTHER EQUITY

(₹ In lakhs)

Particulars	Reserves & Surplus			Total
	Securities Premium	General Reserve	Retained Earnings	
Balance as at April 1, 2020	59,009.66	128.96	1,90,390.22	2,49,528.84
Profit for the year	-	-	36,194.62	36,194.62
Other Comprehensive Income/ (Loss)	-	-	(7.20)	(7.20)
Total comprehensive income for the year	-	-	36,187.42	36,187.42
Transaction with owners in the capacity of owners				
Dividend Paid	-	-	-	-
Interim Dividend Paid	-	-	-	-
Corporate Dividend Tax	-	-	-	-
Balance as at March 31, 2021**	59,009.66	128.96	2,26,577.64	2,85,716.26

(₹ In lakhs)

Particulars	Reserves & Surplus			Total
	Securities Premium	General Reserve	Retained Earnings	
Balance as at April 1, 2019	59,009.66	128.96	1,47,250.41	2,06,389.03
Profit for the year	-	-	46,030.16	46,030.16
Other Comprehensive Income/ (Loss)	-	-	202.49	202.49
Total comprehensive income for the year	-	-	46,232.65	46,232.65
Transaction with owners in the capacity of owners				
Dividend Paid	-	-	1,282.70	1,282.70
Interim Dividend Paid	-	-	1,282.70	1,282.70
Corporate Dividend Tax	-	-	527.44	527.44
Balance as at March 31, 2020**	59,009.66	128.96	1,90,390.22	2,49,528.84

The accompanying notes form an integral part of the financial statements

*For Detail refer Note No. 19

**For Detail refer Note No. 20

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

Nature and purposes of Reserves

Securities Premium

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

General Reserve

This represents appropriation of profit by the Company.

Retained Earnings

This comprise Company's undistributed profit after taxes.

As per our report of even date attached.

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

Harish Gupta
Partner
Membership No. - 098336
Place-New Delhi

Place: Agra
Date: June 25, 2021

Tapan Jain
Company Secretary
Membership No. - A22603

On behalf of the Board of Directors

Pradeep Kumar Jain
Chairman and Managing Director
DIN. - 00086653

Chakresh Kumar Jain
Managing Director
DIN. - 00086768

Bhupinder Kumar Sawhney
Chief Financial Officer

NOTES TO STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

1. COMPANY OVERVIEW:

PNC Infratech Limited was incorporated on August 09, 1999 as PNC Construction Company Private Limited. The Company was converted into a limited Company in 2001 and was renamed PNC Infratech limited in 2007. The Company is listed with National Stock Exchange and Bombay Stock Exchange.

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

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

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

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

The Standalone financial statements were authorized for issue in accordance with the resolution of the directors on June 25, 2021.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of Preparation

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

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company, with effect from April 01, 2016, has adopted Indian Accounting Standards (the 'Ind AS') notified under the Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and amendments thereto.

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

The Standalone financial statements are presented in Indian rupees ('INR') and all values are rounded to

the nearest lakhs and two decimals thereof, except if otherwise stated.

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

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

2.2 Interest in Joint Operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. When a Company undertakes its activities under joint operations, the Company as a joint operator recognizes in relation to its interest in a joint operation:

1. its assets, including its share of any assets held jointly,
2. its liabilities, including its share of any liabilities incurred jointly,
3. its revenue from the sale of its share arising from the joint operation,
4. its share of the revenue from the joint operations, and
5. its expenses, including its share of any expenses incurred jointly.

The Company accounts for the assets, liabilities, revenues, and expenses relating to its interest in a joint operation in accordance with the Ind AS applicable to the particular assets, liabilities, revenues, and expenses.

2.3 Current versus non-current classification

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

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

The operating cycle for the business activities of the Company covers the duration of the project/ contract/ service including the defect liability period, wherever applicable and extends up to the realization of receivables (including retention monies) within the credit period normally applicable to the respective project.

2.4. Property Plant & Equipment

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

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

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

2.5. Intangible Asset

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

In accordance with Ind AS 38, Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Other intangible assets are amortized on straight line basis over the period in which it is expected to be available for use by the Company.

2.6. Intangible Asset under development

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

2.7. Depreciation and Amortization

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

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

2.8. Cash & Cash Equivalent

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

2.9. Revenue recognition

The Company recognized revenue when the Company satisfies a performance obligation by transferring a promised good or service (i.e., assets) to a customer at an amount that reflects the consideration entitled in exchange for those goods or services. Revenue is

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognized when it becomes unconditional.

Construction Contract: Performance obligation under the construction contracts satisfied over a period of time, since the Company creates an asset that the customer controls as the asset is created and the Company has an enforceable right to payment for performance completed to date if it meets the agreed specifications. With respect to the method for recognizing revenue over time (i.e. the method for measuring progress towards complete satisfaction of a performance obligation), the Company has established certain criteria that are applied consistently for similar performance obligations. In this regard, the method chosen by the Company to measure the value of goods or services for which control is transferred to the customer over time is the output method based on surveys of performance completed to date as acknowledged by the client according to which revenue is recognized corresponding to the work performed and on the basis of the price allocated thereto. In cases where the work performed till the reporting date has not reached the milestone specified in the contract, the Company recognizes revenue only to the extent that it is highly probable that the customer will acknowledge the same. This method is applied as the progress of the work performed can be measured during its performance on the basis of the contract. Under this method, on a regular basis, the work completed under each contract is measured and the corresponding output is recognized as revenue.

Contract modifications are accounted for when additions, deletions or changes are approved either to the scope or price or both. Goods/services added that are not distinct are accounted for on a cumulative catch up basis. Goods / services those that are distinct are accounted for prospectively as a separate contract, if the additional goods/services are priced at the standalone selling price else as a termination of the existing contract and creation of a new contract. In cases where the additional work has been approved but the corresponding change in price has not been determined, the recognition of revenue is made for an amount with respect to which it is highly probable that a significant reversal will not occur.

If the consideration promised in a contract includes a variable amount, this amount is recognized only to the extent that it is highly probable that a significant reversal in the amount recognized will not occur.

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

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

Provision for future losses

Provision for future losses are recognized as soon as it becomes evident that the total costs expected to be incurred in a contract exceed the total expected revenue from that contract.

Contract balances

(i) Contract assets

A contract asset is recognized for amount of work done but pending billing/acknowledgement by customer or amounts billed but payment is due on completion of future performance obligation, since it is conditionally receivable. The provision for Expected Credit Loss on contract assets is made on the same basis as financial assets.

ii) Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section Financial instruments.

iii) Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received advance payments from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the consideration received.

Interest Income

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

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

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

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

Dividend

Dividends are recognized in profit or loss only when:

- (i) the Company's right to receive payment of the dividend is established;
- (ii) It is probable that the economic benefits associated with the dividend will flow to the entity; and
- (iii) The amount of dividend can be measured reliably.

2.10. Inventories

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

2.11. Leases

Where the Company is the lessee

The Company's lease asset classes primarily consist of leases buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

Effective from April 01, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 01, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

2.12. Employee benefits

Short Term:

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

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

Long Term:

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

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

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

Other long term employee benefits:

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

2.13. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.14. Segment reporting

The Company's operations predominantly consist of infrastructure development and construction/project activities in India, which in the context of Ind AS 108 "Operating Segments" is considered as the only identifiable segment. All the activities of the Company revolve around this main business.

2.15. Earnings per share:

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

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

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

2.16. Taxation

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income. Current income tax is charged at the end of reporting period to profit & loss.

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

Deferred Tax

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

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

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

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

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

2.17. Impairment of Financial Assets

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

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

2.18. Impairment of Non-Financial Assets

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

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

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

2.19. Claims & Counter Claims:

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

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

2.20. Provisions, Contingent liabilities and Contingent assets

Provisions

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

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

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

Contingent liabilities and assets

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

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

2.21. Financial instruments

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

Initial recognition

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

Subsequent measurement

A. Financial Assets

For the purpose of subsequent measurement,

financial assets are classified in three broad categories:

(i) Financial Assets carried at amortized cost

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

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

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

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

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

(iv) Investment in Subsidiaries, Associates and Joint ventures

On initial recognition, these investments are recognized at fair value plus any directly attributable transaction cost. Subsequently, they are measured at cost in accordance with Ind AS 27 - 'Separate Financial Statements'.

(v) Equity investments (other than investments in subsidiaries, associates and joint venture)

All equity investments falling within the scope of Ind-AS 109 are mandatorily measured at Fair Value through Profit and Loss (FVTPL) with all fair value changes recognized in the Statement of Profit and Loss. The Company has an irrevocable option of designating certain equity instruments as FVOCI. Option of designating instruments as FVOCI is done on an instrument-by-instrument basis. The classification made on initial recognition is irrevocable. If the Company decides to

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

classify an equity instrument as FVOCI, then all fair value changes on the instrument are recognized in Other Comprehensive Income (SOI). Amounts from SOI are not subsequently transferred to profit and loss, even on sale of investment.

B. Financial liabilities

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

Derecognition:-

A. Financial Assets

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

- (i) The contractual right to receive cash flows from the assets have expired, or
- (ii) The Company has transferred its right to receive cash flow from the financial assets and substantially all the risks and rewards of ownership of the asset to another party.

B. Financial Liability

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

Reclassification of financial assets and financial liabilities

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

2.22. Foreign currencies

i. Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the

reporting currency and the foreign currency at the date of the transaction

ii. Conversion

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

iii. Exchange differences:

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

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

2.23. Fair Value Measurement

The Company measures certain financial instruments at fair value at each reporting date.

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

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

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

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

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

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

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

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

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

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

2.24. Cash Flow Statement

Cash flow are reported using indirect method whereby a profit before tax is adjusted for the effect for the effects of transaction of non-cash nature. The cash flow from operating, investing and financing activities of the Company are segregated.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

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

ii. Income taxes:

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

iii. Defined benefit plans and Other Long Term Benefits:

The cost of the defined benefit plan and other long term benefit and their present value are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ

from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The most sensitive is discount rate. Future salary increases and gratuity increases are based on expected future inflation rates.

iv. Contingent liabilities:

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

v. Revenue Recognition:

The Company uses the stage of completion method using survey method and /or on completion of physical proportion of the contract work to measure progress towards completion in respect of construction contracts. This method is followed when reasonably dependable estimates of costs applicable to various elements of the contract can be made. Key factors that are reviewed in estimating the future costs to complete include estimates of future labour costs and productivity efficiencies. Because the financial reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, recognized revenue and profit are subject to revisions as the contract progresses to completion. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable.

vi. Provision for doubtful receivables and contract assets:

In assessing the recoverability of the trade receivables and contracts assets, management's judgement involves consideration of aging status, evaluation of litigations and the likelihood of collection based on the terms of the contract.

vii. Estimation of net realizable value of inventories:

Inventories are stated at the lower of cost and Fair value. In estimating the net realizable value / Fair value of Inventories the Company makes an estimate of future selling prices and costs necessary to make the sale.

**NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)**

4. PROPERTY, PLANT AND EQUIPMENT

Year ended March 31, 2021

Particulars	Freehold Land	Buildings	Right of Use	Plant & Equipment	Office Equipment	Furniture & Fixtures	Vehicles	Computers	Temporary Constructions	Total
Gross carrying value										
At April 01, 2020	504.93	615.79	995.46	85,612.91	1,002.00	393.16	3,574.80	605.16	1,537.24	94,841.45
Addition during the year	-	-	192.56	16,946.18	92.53	67.87	635.35	134.12	0.21	18,068.82
Disposal / Adjustments	-	-	267.93	413.78	2.22	0.03	119.61	0.72	-	804.28
At March 31, 2021	504.93	615.79	920.09	1,02,145.31	1,092.31	461.00	4,090.54	738.56	1,537.45	1,12,105.99
Accumulated Depreciation										
At April 01, 2020	-	102.49	266.89	32,046.12	504.47	141.63	1,053.00	548.29	1,528.93	36,191.84
Addition during the year	-	19.59	148.14	10,098.29	140.89	43.79	449.08	101.22	7.55	11,008.54
Disposal / Adjustments	-	-	-	374.04	1.73	0.01	68.65	0.68	-	445.11
At March 31, 2021	-	122.08	415.03	41,770.37	643.63	185.41	1,433.43	648.83	1,536.48	46,755.28
Net carrying value as at March 31, 2021	504.93	493.71	505.06	60,374.94	448.68	275.59	2,657.11	89.73	0.97	65,350.71

Year ended March 31, 2020

Particulars	Freehold Land	Buildings	Right of Use	Plant & equipment	Office equipment	Furniture & fixtures	Vehicles	Computers	Temporary Constructions	Total
Gross carrying value										
At April 01, 2019	257.39	615.79	-	78,735.21	848.09	372.07	3,116.72	540.41	1,535.43	86,021.11
Addition during the year	247.54	-	995.46	7,863.66	158.95	21.57	509.79	65.44	1.81	9,864.22
Disposal / Adjustments	-	-	-	985.96	5.04	0.48	51.71	0.69	-	1,043.88
At March 31, 2020	504.93	615.79	995.46	85,612.91	1,002.00	393.16	3,574.80	605.16	1,537.24	94,841.45
Accumulated Depreciation										
At April 01, 2019	-	82.91	-	21,564.20	367.81	99.21	696.68	441.58	1,417.78	24,670.18
Addition during the year	-	19.58	266.89	11,254.57	137.16	42.51	404.05	107.32	111.15	12,343.24
Disposal / Adjustments	-	-	-	772.65	0.50	0.09	47.73	0.61	-	821.58
At March 31, 2020	-	102.49	266.89	32,046.12	504.47	141.63	1,053.00	548.29	1,528.93	36,191.84
Net carrying value as at March 31, 2020	504.93	513.30	728.57	53,566.78	497.52	251.52	2,521.80	56.87	8.30	58,649.61

Notes :

- Property, Plant and Equipment hypothecated/ pledged as security except project assets. (Refer Note No.21)
- Refer Note No.41 for disclosure of Contractual Commitment for the acquisition of Property, Plant & Equipment.
- Right of use assets includes Land and Building under operative lease in pursuance of Ind AS 116.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

5. CAPITAL WORK IN PROGRESS

(₹ In lakhs)

Particulars	Amount
Gross Carrying Value	
Opening Balance as at April 01, 2020	-
Addition during the year	5,912.38
Capitalized/Adjustments during the year	5,570.79
As at March 31, 2021	341.59
Gross Carrying Value	
Opening Balance as at April 01, 2019	620.51
Addition during the year	843.18
Capitalized/Adjustments during the year	1,463.69
As at March 31, 2020	-

6. INTANGIBLE ASSET

Year ended March 31, 2021

(₹ In lakhs)

Particulars	Computer software	Mining Lease	Total
Gross carrying value*			
Opening Balance as at April 01, 2020	368.82	33.53	402.35
Addition during the year	139.55	-	139.55
Disposals/Adjustments	0.37	-	0.37
As at March 31, 2021	508.00	33.53	541.53
Accumulated Amortization			
Opening Balance as at April 01, 2020	241.77	5.54	247.31
For the year	67.33	3.35	70.68
Disposals/Adjustments	0.29	-	0.29
As at March 31, 2021	308.81	8.89	317.70
Net carrying value as at March 31, 2021	199.19	24.64	223.83

Year ended March 31, 2020

(₹ In lakhs)

Particulars	Computer software	Mining Lease	Total
Gross carrying value*			
Opening Balance as at April 01, 2019	349.89	33.53	383.42
Addition during the year	18.95	-	18.95
Disposals/Adjustments	0.02	-	0.02
As at March 31, 2020	368.82	33.53	402.35
Accumulated Amortization			
Opening Balance as at April 01, 2019	183.32	2.19	185.51
For the year	58.45	3.35	61.80
Disposals/Adjustments	-	-	-
As at March 31, 2020	241.77	5.54	247.31
Net carrying value as at March 31, 2020	127.05	27.99	155.04

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

7. INVESTMENTS

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Investments in equity instruments		
A. Subsidiaries		
10 Equity shares (Previous Year 10) of PNC Raebareli Highways Private Limited of ₹ 10/- each (Face value ₹ 10/- each)*	0.00	0.00
10 Equity shares (Previous Year 10) of PNC Bundelkhand Highways Private Limited of ₹ 10/- each (Face value ₹ 10/- each)*	0.00	0.00
10 Equity shares (Previous Year Nil) of PNC Haridwar Meerut Highways Private Limited of ₹ 10/- each (Face value ₹ 10/- each)*	0.00	-
10 Equity shares (Previous Year 10) of PNC Chitrdurga Highways Private Limited of ₹ 10/- each (Face value ₹ 10/- each)*	0.00	0.00
10 Equity shares (Previous Year 10) of PNC Khujrao Highways Private Limited of ₹ 10/- each (Face value ₹ 10/- each)*	0.00	0.00
50,00,000 Equity shares (Previous Year 50,00,000) of PNC Bareilly Nainital Highways Private Limited of ₹ 10/- each (Face value ₹ 10/- each)	500.00	500.00
10 Equity shares (Previous Year Nil) of PNC Bithur Kanpur Highways Private Limited of ₹ 10/- each (Face value ₹ 10/- each)*	0.00	-
10 Equity shares (Previous Year Nil) of PNC Unnao Highways Private Limited of ₹ 10/- each (Face value ₹ 10/- each)*	0.00	-
10 Equity shares (Previous Year Nil) of PNC Gomti Highways Private Limited of ₹ 10/- each (Face value ₹ 10/- each)*	0.00	-
50,000 Equity shares (Previous Year 50,000) of PNC Infra Holdings Limited of ₹ 10/- each (Face value ₹ 10/- each)	5.00	5.00
14,23,12,788 Equity shares (Previous Year 12,76,44,788) of PNC Infra Holdings Limited acquired of ₹ 50/- each (Face value ₹ 10/- each)	71,156.40	63,822.40
10 Equity shares (Previous Year 10) of PNC Triveni Sangam Highways Private Limited of ₹ 10/- each (Face value ₹ 10/- each)*	0.00	0.00
10 Equity shares (Previous Year 10) of PNC Rajasthan Highways Private Limited of ₹ 10/- each (Face value ₹ 10/- each)*	0.00	0.00
10 Equity shares (Previous Year Nil) of PNC Challakere Karnataka Highways Private Limited of ₹ 10/- each (Face value ₹ 10/- each)*	0.00	0.00
10 Equity shares (Previous Year Nil) of PNC Aligarh Highways Private Limited of ₹ 10/- each (Face value ₹ 10/- each)*	0.00	0.00
5,100 Equity shares (Previous Year 5,100) of Ferrovia Transrail Solutions Private Limited of ₹ 10/- each (Face value ₹ 10/- each)	0.51	0.51
10 Equity shares (Previous Year 10) of PNC Kanpur Ayodhya Tollways Private Limited of ₹ 10/- each (Face value ₹ 10/- each)*	0.00	0.00
Investment in Subsidiaries (A)	71,661.91	64,327.91
B. Associates		
2,93,24,000 Equity shares (Previous Year 2,93,24,000) of Ghaziabad Aligarh Expressway Private Limited of ₹ 10/- each (Face value ₹ 10/- each)**	2,932.40	2,932.40
Investment in Associates (B)	2,932.40	2,932.40
C. Others		
5,55,370 Equity shares (Previous Year 5,55,370) of Indian Highways Management Company limited of ₹ 10/- each (Face value ₹ 10/- each)	55.54	55.54
Investment in Others (C)	55.54	55.54
Total(A+B+C)	74,649.85	67,315.85

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

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate book value of unquoted investments	74,649.85	67,315.85
Aggregate amount of impairment in value of investment	-	-
	74,649.85	67,315.85

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

(No. of Equity Shares of ₹ 10 each)

Name of the Company	Relationship	As at March 31, 2021	As at March 31, 2020
PNC Bareilly Nainital Highways Private Limited	Subsidiaries	25,50,000	25,50,000
Ghaziabad Aligarh Expressway Private Limited**	Associates	1,49,55,240	1,49,55,240

**The Company, along with its wholly owned subsidiary, PNC Infra Holding Limited and other partner/ promoters, on 1st April, 2021 has entered into a 'Share Purchase Agreement' and other related transaction documents inter alia for sale its entire stake of 35% (which includes 19.88% stake held by PNC Infra Holdings Limited, a Wholly Owned Subsidiary of Company) in Ghaziabad Aligarh Expressway Private Limited, an "Associate" of the Company to Cube Highways and Infrastructure Pte Limited ("Cube Highways"). The consummation of proposed transaction is subject to receipt of applicable regulatory and other approvals and complying with the conditions precedent, more specifically laid down in the Share Purchase Agreement.

8. LOANS

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured and considered good- unless otherwise stated		
Loans		
- Related Party*	31,910.00	23,635.00
	31,910.00	23,635.00

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Loan Receivable considered good-secured	-	-
Loan Receivable considered good-un secured	31,910.00	23,635.00
Loan Receivable which have increase in credit risk	-	-
Credit Impaired	-	-

*The Company has given unsecured loan to its subsidiaries in lieu of equity of ₹ 31,910.00 lakhs (P.Y. ₹ 23,635.00 lakhs) which is non interest bearing.

* For details refer Note 43

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

9. OTHER FINANCIAL ASSETS

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Terms Deposits (having maturity of more than 12 months)*		
- Term deposits as margin money for bank guarantees	65.06	106.30
- Earnest money deposits (in the form of term deposits, NSC etc)	302.13	305.05
Advances other than capital advances		
- Security deposits and Retention Money		
a. Held with departments	7,987.48	8,944.62
b. Held with related party***	3,440.77	1,974.91
c. Others	85.21	67.13
	11,880.65	11,398.01

* For details refer Note 15

*** For details refer Note 43

10. DEFERRED TAX ASSETS/(LIABILITIES)

10.1 The balance comprises temporary differences attributable to:

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred Tax Assets/(Liabilities)		
Fixed Assets	432.55	97.53
Retention Assets	428.15	(80.76)
Retention Liabilities	(607.41)	(403.33)
Deferred Retention Liabilities	590.46	712.54
Deferred Retention Assets	(428.15)	(55.63)
Gratuity & Leave Liability	484.24	377.85
Lease Liability	128.83	237.95
Mutual Fund	(8.49)	-
Trade Receivables	191.01	-
Mat Credit Entitlement	1,041.09	11,259.89
Net Deferred tax Assets/(Liabilities)	2,252.28	12,146.04

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

10.2 MOVEMENT IN DEFERRED TAX ASSETS/(LIABILITIES)

Particulars	Property, plant & equipment	Retention Assets	Retention Liabilities	MAT Credit Entitlement	Lease Liability	Deferred Retention Liabilities	Deferred Retention Assets	Trade Receivables	Mutual Fund	Gratuity & Leave Liability	Total
At April 01, 2020	97.53	(80.76)	(403.33)	11,259.89	237.95	712.54	(55.63)	-	-	377.85	12,146.04
(Charged)/credited:-											
- to profit & loss	335.02	508.91	(204.08)	-	(109.12)	(122.08)	(372.52)	191.01	(8.49)	102.52	321.17
- to Other Comprehensive Income	-	-	-	-	-	-	-	-	-	3.87	3.87
- to Mat Credit Availability/ (Utilization)	-	-	-	(10,218.80)	-	-	-	-	-	-	(10,218.80)
At March 31, 2021	432.55	428.15	(607.41)	1,041.09	128.83	590.46	(428.15)	191.01	(8.49)	484.24	2,252.28
At April 01, 2019	(362.09)	139.58	326.04	16,682.79	-	(324.15)	(136.96)	-	-	408.47	16,733.68
(Charged)/credited:-											
- to profit & loss	459.62	(220.34)	(729.37)	-	237.95	1,036.69	81.33	-	-	78.15	944.03
- to Other Comprehensive Income	-	-	-	-	-	-	-	-	-	(108.77)	(108.77)
- to Mat Credit Availability/ (Utilization)	-	-	-	(5,422.90)	-	-	-	-	-	-	(5,422.90)
At March 31, 2020	97.53	(80.76)	(403.33)	11,259.89	237.95	712.54	(55.63)	-	-	377.85	12,146.04

(₹ In lakhs)

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

11. OTHER NON - CURRENT ASSETS

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
- Advances other than Capital Advances		
Balance with Statutory Authorities	3,946.06	3,946.06
- Deferred Retention Money	1,225.24	159.17
- Others		
- Advance tax and tax deducted at source*	4,849.35	7,430.05
- Tax and duty deposited under demand	707.81	697.85
- GST Input, GST TDS & GST on Advance	15,387.33	5,174.03
- Mobilization advance to sub-contractors	849.55	1,096.86
	26,965.34	18,504.02

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

12. INVENTORIES

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Raw Materials (Construction Material)	29,987.12	21,540.75
Raw Materials in transit	-	118.66
Stores and Spares	5,372.36	5,069.52
	35,359.48	26,728.93

12.1 Bifurcation of Raw Material under broad heads:

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Raw material		
Bitumen	1,032.96	383.91
Cement	1,402.50	1,455.95
Steel	8,678.55	7,690.16
Stone, Grit and Sand	12,071.09	8,389.27
High speed diesel and Fuel oil	1,391.95	468.66
Others	5,410.07	3,152.80
	29,987.12	21,540.75

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

13. INVESTMENTS

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Investments in Mutual Funds		
Kotak Money Market Fund (No. of Unit Nil (Previous Year No. of Unit 91,728.55))	-	3,039.04
Kotak Low Duration Fund (No. of Unit Nil (Previous Year No. of Unit 1,23,774.327))	-	3,194.92
Kotak Equity Arbitrage Fund (No. of Unit 3,31,84,438.458 (Previous Year No. of Unit Nil))	10,048.61	-
	10,048.61	6,233.96

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Aggregate book value of quoted investments	10,048.61	6,233.96
Aggregate market value of quoted investments	10,048.61	6,233.96
Aggregate book value of unquoted investments	-	-
Aggregate amount of impairment in value of investment	-	-

14. TRADE RECEIVABLES

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Receivable considered good-unsecured		
Related Parties*	57,355.97	62,194.11
Other	26,386.48	18,157.79
Trade Receivable-Credit Impaired	182.21	-
	83,924.66	80,351.90

(₹ In lakhs)

Break up of Trade receivables	As at March 31, 2021	As at March 31, 2020
Trade Receivable considered good-secured	-	-
Trade Receivable considered good-un secured	83,742.45	80,351.90
Trade Receivable which have increase in credit risk	-	-
Trade Receivable-Credit Impaired	728.83	-
Less : Allowance for Expected Credit Loss	(546.62)	-
	83,924.66	80,351.90

* For details refer Note 43

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

15.

15(i) Cash & Cash Equivalents

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with Banks		
In Current Account	24,628.36	18,725.63
Fixed deposits with maturity less than 3 months	44,020.19	49,345.00
Cash on hand	123.08	152.96
	68,771.63	68,223.59

15(ii) Other Bank Balances

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Fixed Deposit		
(with maturity less than 3 months maturity)		
Fixed deposits as Margin money on bank guarantee	1,349.32	1,221.40
Earnest money deposits (in the form of term deposits, NSC etc)	171.99	276.05
(with maturity more than 3 months but up to 12 months)		
Fixed deposits as Margin money on bank guarantee	6,486.39	3,935.50
Earnest Money Deposit	44.56	347.72
	8,052.26	5,780.67
Current Account		
Earmarked balances-unclaimed dividend	1.13	0.78
	8,053.39	5,781.45

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

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Fixed deposits as Margin money on bank guarantee		
Under lien in favour of Banks as margin deposits for letter of credit and Bank Guarantees	7,900.77	5,263.20
Earnest money (in form of term deposits) deposits in favour of customers.	518.68	928.82
Add: Interest accrued but not due on margin money & Earnest money deposit	229.24	251.53
Less: Interest accrued but not due on margin money & Earnest money deposit	(229.24)	(251.53)
Total Deposits	8,419.45	6,192.02
Deposit having more than 12 months maturity from reporting date		
Fixed Deposits	65.06	106.30
Earnest Money Deposits	302.13	305.05
Total Non-Current Deposits	367.19	411.35
Total Current Deposits	8,052.26	5,780.67

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

16. LOANS

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured and considered good- unless otherwise stated		
Loans		
- Related Party*	36,384.19	36,249.44
	36,384.19	36,249.44

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Loan Receivable considered good-secured	-	-
Loan Receivable considered good-un secured	25,786.56	25,651.81
Loan Receivable which have increase in credit risk	11,412.63	11,412.63
Credit Impaired	(815.00)	(815.00)
	36,384.19	36,249.44

*The Company has given unsecured loan to its subsidiaries and associates for financial assistance, out of which ₹ 37,199.19 lakhs (P.Y. ₹ 25,651.81 lakhs) is non interest bearing.

*The Interest rate in case of Interest bearing loan ₹ Nil (P.Y. ₹ 11,412.63 lakhs is 12%).

*The amount is net off of impairment of ₹ 815.00 lakhs (P.Y. ₹ 815.00)

* For details refer Note 43

17. OTHER FINANCIAL ASSETS

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposits and Retention Money		
- With Department	4,592.63	5,830.31
- With related parties*	4,207.65	3,473.44
Others		
- Interest accrued but not due on margin money & Earnest money deposit	229.24	251.53
	9,029.52	9,555.28

* For details refer Note 43

18. OTHER CURRENT ASSETS

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured and considered good- unless otherwise stated		
Balances with Statutory authority	5,295.67	5,658.10
Advances to supplier/Contractor		
Considered good - secure	-	-
Considered good - un secure	12,339.93	7,507.72
Mobilization advance to sub contractor	849.55	1,096.86
Other Advances	2,056.62	1,834.69
	20,541.77	16,097.37

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

19. SHARE CAPITAL

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Authorized		
Equity Shares of ₹ 2/- each		
27,50,00,000 (Previous Year 27,50,00,000)	5,500.00	5,500.00
	5,500.00	5,500.00
Issued ,Subscribed & Fully Paid up*		
Equity Shares of ₹ 2/- each		
25,65,39,165 (Previous Year 25,65,39,165)	5,130.78	5,130.78
	5,130.78	5,130.78

*Refer Statement of Changes In Equity

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

Particulars	Nos.	Nos.
Opening	25,65,39,165	25,65,39,165
Add: Issued during the year	-	-
Less: Deductions during year	-	-
Closing	25,65,39,165	25,65,39,165

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	No of Shares	% Holdings	No of Shares	% Holdings
CN Infrabuild Private Limited	-	-	2,55,34,008	9.95
NCJ Infrastructural Private Limited	2,47,65,000	9.65	2,47,65,000	9.65
HDFC Mutual Fund	2,26,24,395	8.82	1,98,37,806	7.73
Naveen Kumar Jain	1,80,96,000	7.05	1,80,96,000	7.05
Madhavi Jain	1,79,98,500	7.02	1,79,98,500	7.02
Yogesh Kumar Jain	1,67,94,000	6.55	1,67,94,000	6.55
Pradeep Kumar Jain	1,53,49,500	5.98	1,53,49,500	5.98

C Rights and restrictions attached to equity shares

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

D There are no Bonus Shares/ Shares issued for consideration other than cash and Shares brought back during the period of five years.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

20. OTHER EQUITY

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Securities Premium*	59,009.66	59,009.66
General Reserve*	128.96	128.96
Retained Earnings*	2,26,577.64	1,90,390.22
	2,85,716.26	2,49,528.84

*Refer Statement of Changes In Equity

(i) Securities Premium

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	59,009.66	59,009.66
Addition(Issue Of Shares)	-	-
Utilization of the reserve	-	-
Closing Balance	59,009.66	59,009.66

(ii) General Reserve

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	128.96	128.96
Addition during the year	-	-
Utilization during the year	-	-
Closing Balance	128.96	128.96

(iii) Retained Earnings

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	1,90,390.22	1,47,250.41
Profit for the Period	36,194.62	46,030.16
Remeasurement of Defined Benefit Obligation	(7.20)	202.49
(This is the item of comprehensive income directly booked in retained earnings)		
Dividend	-	(1,282.70)
Interim Dividend	-	(1,282.70)
Corporate Dividend Tax	-	(527.44)
Closing Balance	2,26,577.64	1,90,390.22

Nature and purposes of Reserves

Securities Premium

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

General Reserve

This represents appropriation of profit by the Company.

Retained Earnings

This comprise Company's undistributed profit after taxes.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

21. BORROWINGS

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Secured		
Term loans -from Banks (For Maturity pattern refer detail below)	24,349.00	20,017.52
Term loans -from NBFCs (For Maturity pattern refer detail below)	936.51	2,366.96
	25,285.51	22,384.48

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

(₹ In lakhs)

Particulars		Total Outstanding	Non - Current Maturity	Current Maturity*
Term Loan From Banks				
Axis Bank	At March 31, 2021	6,205.63	3,470.20	2,735.43
	At March 31, 2020	(5,351.69)	(3,279.74)	(2,071.95)
HDFC Bank	At March 31, 2021	15,648.14	10,406.72	5,241.42
	At March 31, 2020	(11,812.74)	(8,340.44)	(3,472.30)
Bank of Baroda	At March 31, 2021	16.87	12.36	4.51
	At March 31, 2020	-	-	-
Yes Bank	At March 31, 2021	1,792.63	1,043.17	749.46
	At March 31, 2020	(2,121.25)	(1,437.68)	(683.57)
IDFC First Bank Limited	At March 31, 2021	473.42	215.51	257.91
	At March 31, 2020	(707.82)	(473.42)	(234.40)
Indusind Bank Limited	At March 31, 2021	2,675.19	1,632.51	1,042.68
	At March 31, 2020	(3,219.38)	(2,270.79)	(948.59)
ICICI Bank	At March 31, 2021	6,198.22	4,705.70	1,492.52
	At March 31, 2020	-	-	-
Kotak Mahindra Bank Limited	At March 31, 2021	4,547.87	2,862.83	1,685.04
	At March 31, 2020	(5,758.81)	(4,215.45)	(1,543.36)
Term Loan From NBFCs				
Kotak Prime Limited	At March 31, 2021	-	-	-
	At March 31, 2020	(6.57)	-	(6.57)
Hinduja Leyland Finance Limited	At March 31, 2021	506.91	170.78	336.13
	At March 31, 2020	(814.62)	(508.11)	(306.51)
Tata Capital Financial Services Limited	At March 31, 2021	1,047.14	323.89	723.25
	At March 31, 2020	(1,712.94)	(1,047.14)	(665.80)
Tata Motor Finance Limited	At March 31, 2021	811.71	441.84	369.87
	At March 31, 2020	(1,151.02)	(811.71)	(339.31)
		39,923.73	25,285.51	14,638.22
		(32,656.84)	(22,384.48)	(10,272.36)

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

Loans are repayable as under :

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Paid with in One Year	14,638.22	10,272.36
Paid after One Year to Three Year	21,305.28	19,173.44
Paid after Three Year	3,980.23	3,211.04
	39,923.73	32,656.84

- (i) The above loans are secured by way of hypothecation of asset financed out of said loans.
- (ii) The above loans are repayable in equitable monthly installment over the period of loan.
- (iii) Above Loans carrying Interest rate ranging 7.35% to 9.50%
- (iv) Figures in brackets represents previous year figures.

22. OTHER FINANCIAL LIABILITIES

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Retentions & Security Deposit	25,366.30	20,228.83
Security received from contractor/suppliers	47.06	47.06
Lease Liability*	188.46	444.05
	25,601.82	20,719.94

*For Detail refer Note No. 49

23. PROVISIONS

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Employee Benefits*		
Provision for Gratuity (Funded)	602.79	497.51
Provision for Leave Encashment (Unfunded)	284.87	194.72
	887.66	692.23

*For details refer Note No.44

24. OTHER NON CURRENT LIABILITIES

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred Retentions & Security deposit	1,689.72	2,039.07
Advances from customers		
Related Parties*	14,965.51	20,279.11
Others	-	21,357.42
	16,655.23	43,675.60

*For details refer Note No.43

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

25. BORROWINGS

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Secured		
Working Capital Loans		
From banks	-	-
	-	-

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

Particulars	Particulars of security/guarantee
Loan repayable on demand from banks-	
Working Capital Loans	Cash credit facilities and working capital demand loans from consortium of banks are secured by: <ul style="list-style-type: none"> (i) Hypothecation against first charge of Stocks viz raw material, stocks in process, finished goods, stores and spares and book debts of the Company. (ii) Further secured by hypothecation of plant & machinery (excepting to hypothecated to Banks and NBFCs) (iii) Equitable mortgage of 6 properties (Land & Building) as per joint deed of Hypothecation belonging to the Directors, group Company and relatives of directors. (iv) Corporate Guarantee of Taj Infrabuilders Private Limited. (v) Personal guarantee of promoters and relatives of directors.

26. TRADE PAYABLES

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Micro & Small Enterprises (Refer note 26.1)	2,725.33	1,210.50
Other than Micro & Small Enterprises	69,214.93	45,539.99
	71,940.26	46,750.49

Note 26.1 Based on available information, the outstanding is to the extent of information received by Company under the Micro, Small & Medium Enterprises Development Act 2006, is as below

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

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
- Principal amount due to suppliers	2,725.33	1,210.50
- Interest accrued due to suppliers on the above amount and unpaid.	-	-
- The amount of interest paid by the Company in terms of Section 16 of the MSMED Act 2006, along with the amount of the payment made to the supplier beyond the appointed date during each accounting year.	-	-
- The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
- Interest accrued and remaining unpaid at the end of the each accounting year.	-	-
- Amount of further interest remaining due and payable in succeeding years, until such date when the interest dues above are actually paid to small enterprise, for the purpose of disallowance of a deductible expenditure u/s 23 of MSMED Act, 2006	-	-

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

27. OTHER FINANCIAL LIABILITIES

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
A. Current Maturities of long term debt		
- Term Loan From Banks**	13,208.97	8,954.17
- Term Loan From NBFC'S**	1,429.25	1,318.19
Sub Total (A)	14,638.22	10,272.36
B. Others		
Capital creditors	3,110.83	1,587.04
Due to Employees	3,320.42	1,085.55
Retention Money	14,275.94	6,046.70
Unpaid Dividend	1.13	0.71
Lease Liability*	180.22	236.89
Expenses payable	6,056.79	4,482.28
Sub Total (B)	26,945.33	13,439.17
Total (A+B)	41,583.55	23,711.53

*For Detail refer Note No. 49

**For Detail refer Note No. 21

28. OTHER CURRENT LIABILITIES

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
- Other Advances		
Advances from Customers		
Related Parties*	10,211.81	13,519.40
Others	346.92	14,238.28
Dividend Payable	-	0.07
- Payable to Government Authority		
a. ESI / PF Payable	89.03	40.60
b. TDS & TCS Payable	741.23	240.96
c. Others	3.12	3.22
	11,392.11	28,042.53

*For Detail refer Note No. 43

29. PROVISIONS

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Employee Benefits*		
Provision for Gratuity (Funded)	387.46	313.09
Provision for Leave Encashment (Unfunded)	110.63	75.98
Others		
Provision for Income Tax	996.23	-
	1,494.32	389.07

*For details refer Note No. 44

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

30. REVENUE FROM OPERATIONS

(₹ In lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Sale of Product		
Contract Revenue*	4,92,429.92	4,87,619.56
Other Operating Revenues		
(a) Sale of material	75.92	138.47
(b) Sale of scrap material	36.02	35.02
	4,92,541.86	4,87,793.05

*During the FY 2020-21 Arbitration Award of ₹ Nil. (Previous year Arbitration Award of ₹ 10,948.40 lakhs received from NH-24 Moradabad)

Bifurcation of Contract Revenue are as under:

(₹ In lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Contract Revenue		
Road	4,91,820.80	4,85,599.25
Airport Runways	609.12	1,941.39
Power Projects	-	78.92
	4,92,429.92	4,87,619.56

31. OTHER INCOME

(₹ In lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Interest Income:		
From Bank	1,472.15	1,216.91
From Others*	1,386.40	4,730.90
Profit/ (Loss) on Redemption of Units of Mutual Fund (Net)	1,498.46	179.86
Profit/ (Loss) on Fair valuation of Units of Mutual Fund (Net)	(5.38)	54.00
Other non-operating income (Net of expenses)	3,172.86	2,666.71
(including income arising on account of fair valuation of Retention money)		
	7,524.49	8,848.38

*During the FY 2020-21 Interest Income on Arbitration Award of ₹ Nil. (Previous year Interest Income on Arbitration Award of ₹ 3,555.26 lakhs from NH-24 Moradabad)

*During the FY 2020-21 Interest Income on Income tax refund of ₹ 1,306.27 lakhs. (Previous year Nil)

32. COST OF MATERIAL CONSUMED

(₹ In lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Raw Material	2,24,789.24	2,16,105.37

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

33. EMPLOYEE BENEFIT EXPENSES

(₹ In lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Salaries, Wages and Bonus	27,289.71	25,878.03
Contributions to Provident fund & other funds	519.87	518.76
Workmen and Staff welfare expenses	99.12	114.25
	27,908.70	26,511.04

34. FINANCE COST

(₹ In lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Interest expense on:		
Loan	4,715.99	8,729.11
Retention	1,422.07	952.96
Lease Liability	101.19	98.71
Other Borrowing Cost		
Loan Processing Charges	115.57	82.07
Guarantee Charges	1,356.04	1,577.16
	7,710.86	11,440.01

35. DEPRECIATION AND AMORTIZATION EXPENSES

(₹ In lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Depreciation on Property, Plant & Equipment	11,008.54	12,343.23
Amortization on Intangible Assets	70.68	61.80
Amortization of Deferred Retention Assets	159.17	232.74
	11,238.39	12,637.77

36. OTHER EXPENSES

(₹ In lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Consumption of Stores and Spare parts*	7,549.96	7,075.10
Power & Fuel	948.98	785.00
Contract Paid	1,24,863.69	1,20,990.69
Hire Charges of Machineries	3,149.29	1,963.80
Other Construction expenses	6,439.57	5,547.72
Rent	694.76	476.35
Insurance	1,370.65	984.17
Repairs to Buildings	43.74	35.78
Travelling and Conveyance	236.74	415.31

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(₹ In lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Legal & Professional Expenses	1,290.61	947.93
Rates and Taxes**	23,405.16	27,174.86
Auditor's Remuneration***	30.63	29.00
Tender & Survey Expenses	236.95	60.62
Director's Sitting fees	5.60	7.70
Corporate Social Responsibility#	810.35	515.27
Allowance for Expected Credit Loss	546.62	-
Impairment Allowance for advances	-	482.50
Loss on Disposal of Fixed assets (Net)	4.66	47.56
Miscellaneous and General Expenses****	940.76	1,205.59
	1,72,568.72	1,68,744.95

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

** Includes GST Expenses of ₹ 19,524.99 lakhs (Previous year ₹ 22,238.36 lakhs)

(₹ In lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
*** Auditor Remuneration includes		
Audit Fees	29.00	29.00
For Reimbursement of Expenses	1.63	-

****Includes Foreign Exchange Loss of ₹ 18.01 lakhs (Previous year Foreign Exchange Loss ₹ 168.72 lakhs).

Corporate Social Responsibility

The Company planned towards CSR activities at least two per cent of the average net profits of the Company made during the three immediately preceding financial years. Accordingly Company was required to spend ₹ 809.00 lakhs (PY ₹ 514.60 lakhs) for FY 2019-20 and Company has spent ₹ 810.35 (PY ₹ 515.27) lakhs.

37. TAX EXPENSE

A. Income Tax Expenses

(₹ In lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
(a) Current tax		
Current tax on profit for the period	20,058.39	16,108.79
Adjustments for current tax of prior periods	(81.40)	7.37
Total Current tax expense	19,976.99	16,116.16
(b) Deferred tax		
Decrease (increase) in deferred tax assets	(825.50)	(1,893.74)
(Decrease) increase in deferred tax Liabilities	504.33	949.71
Total Deferred Tax Expenses	(321.17)	(944.03)
Total Income tax Expense	19,655.82	15,172.13

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

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

(₹ In lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Net Profit before taxes	55,850.44	61,202.29
Tax using the Company's domestic tax rate of 34.944% (F.Y. 2019-20-34.944%)	19,516.38	21,386.53
Tax Adjustments for earlier years		
Current Tax	(81.40)	7.37
Others:		
Income Tax Exempt under Tax holiday	-	(6,568.85)
Tax of income that is taxable at special rates	261.81	-
Effect of expenses that are non-deductible for tax purposes	280.20	1,291.11
Decrease (Increase) in deferred tax assets/Liabilities		
Retention & Deferred Retention Assets	(136.38)	139.01
Retention & Deferred Retention Liabilities	326.15	(307.32)
Lease Liability	109.12	(237.95)
Gratuity & Leave encashment	(102.52)	(78.15)
Property, plant & equipment	(335.02)	(459.62)
Trade Receivables	(191.01)	-
Mutual Fund	8.49	-
Income Tax expenses Charged to P/L	19,655.82	15,172.13

38. EARNING PER SHARE

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

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
(a) Profit/(Loss) available to Equity Shareholders (₹ In lakhs)	36,194.62	46,030.16
(b) Weighted Average Number of Equity Shares	25,65,39,165	25,65,39,165
(c) Nominal value of Equity Shares (in ₹)	2.00	2.00
(d) Basic and Diluted Earnings Per Share [(a)/(b)]	14.11	17.94

39. CONTINGENT LIABILITIES & ASSETS

(₹ In lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Claims against the Company not acknowledged as debts		
Disputed demand of Income Tax for AY 2010-11. (During the Previous Year Disputed demand of Income Tax (includes, net of advance tax & TDS under verification, adjusted from demand of ₹ 33.51 Cr arised in assessment of search proceedings up to AY 2012-13) for which Company has won the appeal, but Department has filed appeal with Hon. High Court)	645.81	645.81
Disputed demand of Sales Tax/VAT/GST for which Company preferred appeal	3,330.85	9,835.99
Disputed demand of Service Tax for which Company preferred appeal	199.86	192.76

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(₹ In lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Disputed demand of Entry Tax for which Company preferred appeal	35.75	592.79
Others (including motor accident, labour & civil matters)	60.08	396.04
(Interest and penalties if any, on above cases will be decided at the time of settlement)		
Court Case by NHAI against claim award of NH-24 Project	14,527.00	-
Other		
- Letter of Credit outstanding	2,011.26	-

Note 39.1 The status of various project claims in arbitrations is as under :

- (a) The Company had initiated arbitral proceedings against the Uttar Pradesh Public Works Department (UP PWD) for compensation for ₹ 851.31 lakhs (including interest) towards extra cost incurred on procurement of different material, distant source in relation to the project "rehabilitation Road (Gomat) under Uttar Pradesh State Road Project. The arbitral Tribunal has pronounced its unanimous award dt. March 07, 2014 for ₹ 702.31 lakhs (including interest) in favors of the Company. The respondent UP PWD has preferred objection against the aforesaid award before the Distt. Judge Mathura and the case was transferred to The Ld. Judge Commercial Court Agra and the Ld. Judge Commercial Court Agra had rejected the petition of UP PWD on January 30, 2020 and the petition has been filed by UP PWD in Hon'ble Allahabad High Court against Commercial Court order. Hearing in Allahabad High Court are yet to start. Treatment of the same will be done on final settlement.
- (b) The Company had initiated arbitral proceedings against the HSRDC for compensation for ₹ 3,091.00 lakhs (including interest). The arbitral Tribunal has pronounced its unanimous award dt. February 03, 2019 for ₹ 3091.00 lakhs in favors of the Company. The respondent HSRDC has challenged this award with Distt. Judge, Chandigarh and the case is still pending with Distt. Judge Chandigarh. Treatment of the same will be done on final settlement.
- (c) Further, the Company has filed Four arbitration claims including claims for delay damages and interest which are pending at arbitration stage. The same will be accounted for on final settlement.

40. GUARANTEES

(₹ In lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
(i) Bank Guarantees - Executed in favour of National Highways Authority of India and others	2,14,866.04	2,54,239.85
(ii) Corporate guarantee - - The outstanding liability at reporting date against the corporate guarantee of ₹ 20,500.00 lakhs issued in favour of bank, jointly & severally along-with of promoter of the associates and further indemnified by another promoter to the extent of its shareholding for credit facilities extended to an associate (the entire share capital of which is held by Company and the said two promoter)*	5,849.24	6,928.25

* For details refer Note 43

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

41. COMMITMENTS

(₹ In lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for.	183.54	216.79
(b) Capital Commitment for Equity and others (Net of Investment)*		
PNC Chitradurga Highways Private Limited	2,901.00	4,501.00
PNC Bundelkhand Highways Private Limited	1,363.00	3,000.00
PNC Khajuraho Highways Private Limited	1,910.00	3,910.00
PNC Triveni Sangam Highways Private Limited	8,025.00	11,555.00
PNC Aligarh Highways Private Limited	2,591.00	6,275.00
PNC Challakere (Karnataka) Highways Private Limited	10,200.00	10,200.00
PNC Bithur Kanpur Highways Private Limited	18,390.00	-
PNC Gomti Highways Private Limited	12,982.00	-
PNC Meerut Haridwar Highways Private Limited	12,300.00	-
PNC Unnao Highways Private Limited	14,781.00	-

* For details refer Note 43

42. DISCLOSURE PURSUANT TO INDIAN ACCOUNTING STANDARD-115 "REVENUE FROM CONTRACTS"

(a) (a) Type of Goods or Service	Construction Services
(b) (b) Geographical Region	India
(c) Market or Type of Customer	Government and Non-Government
(d) Type of Contract	Fixed-price Construction Contracts
(e) Contract Duration	Long-term Contracts
(f) Timing of transfer of goods or service	Transferred over time
(g) Sales Channels	Directly to consumers
(h) Opening Trade receivables	₹ 80,351.90 (In lakhs)
(i) Closing Trade receivables	₹ 83,924.66 (In lakhs)
(j) Contract Assets	Nil
(k) Contract Liabilities	Nil

43. RELATED PARTY DISCLOSURES

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

A. List of Related Parties and Relationships

Subsidiaries (The Ownership Directly or Indirectly through subsidiaries)

- 1 MP Highways Private Limited
- 2 PNC Kanpur Highways Limited
- 3 PNC Delhi Industrialinfra Private Limited.
- 4 Hospet Bellary Highways Private Limited.
- 5 PNC Infra Holdings Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

- 6 Ferrovial Transrail Solutions Private Limited
- 7 PNC Kanpur Ayodhya Tollways Private Limited
- 8 PNC Raebareli Highways Private Limited
- 9 PNC Bareilly Nainital Highways Private Limited.
- 10 PNC Rajasthan Highways Private Limited
- 11 PNC Bundelkhand Highways Private Limited
- 12 PNC Khajuraho Highways Private Limited
- 13 PNC Chitradurga Highways Private Limited
- 14 PNC Triveni Sangam Highways Private Limited
- 15 PNC Aligarh Highways Private Limited
- 16 PNC Challakere (Karnataka) Highways Private Limited
- 17 PNC Gomti Highways Private Limited (w.e.f. March 20, 2020)
- 18 PNC Unnao Highways Private Limited (w.e.f. March 20, 2020)
- 19 PNC Bithur Kanpur Highways Private Limited (w.e.f. June 15, 2020)
- 20 PNC Meerut Haridwar Highways Private Limited (w.e.f. July 12, 2020)

Associates

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

Key Managerial Personal (KMP)

- | | |
|---------------------------|----------------------------------|
| 1 Pradeep Kumar Jain | (Chairman and Managing Director) |
| 2 Chakresh Kumar Jain | (Managing Director) |
| 3 Yogesh Kumar Jain | (Managing Director) |
| 4 Anil Kumar Rao | (Whole Time Director) |
| 5 Talluri Raghupati Rao | (Whole Time Director) |
| 6 Bhupinder Kumar Sawhney | (Chief Financial Officer) |
| 7 Tapan Jain | (Company Secretary) |

Relatives of Key Managerial Personal

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

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

Other related parties whom Transactions have taken place during the period

- 1 MA Buildtech Private Limited
- 2 Taj Infrabuilders Private Limited
- 3 Subhash International Private Limited
- 4 Exotica Buildtech Private Limited
- 5 Shri Mahaveer Infrastructure Private Limited
- 6 Gional Infratech LLP
- 7 Royal Megatech Private Limited (w.e.f. September 01, 2020)

B. Transactions with Related Parties

(₹ In lakhs)			
S. No.	Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
	Transactions during the Year		
1	Receipt on account of EPC and Other Contract		
	Subsidiaries Companies		
	PNC Kanpur Highways Limited	2,698.86	1,464.34
	PNC Kanpur Ayodhya Tollways Private Limited	5,487.07	6,298.09
	PNC Rajasthan Highways Private Limited	930.45	17,557.16
	PNC Khajuraho Highways Private Limited	30,639.78	31,075.65
	PNC Chitradurga Highways Private Limited	39,378.44	34,344.89
	PNC Bundelkhand Highways Private Limited	29,287.42	38,923.41
	PNC Aligarh Highways Private Limited	38,815.70	48,808.08
	PNC Challakere (Karnataka) Highways Private Limited	8,234.61	342.10
	PNC Triveni Sangam Highways Private Limited	36,458.65	64,821.09
	MP Highways Private Limited	116.31	-
	Associates Company		
	Ghaziabad Aligarh Expressway Private Limited	-	2,044.36
	Total	1,92,047.29	2,45,679.16
2	Payment of Rent/Services		
	Associates		
	Pradeep Kumar Jain HUF	18.00	18.00
	Naveen Kumar Jain HUF	15.00	15.00
	Yogesh Kumar Jain HUF	12.00	12.00
	Key Managerial Personal (KMP)		
	Pradeep Kumar Jain	13.50	13.50
	Naveen Kumar Jain	13.50	13.50
	Chakresh Kumar Jain	15.00	15.00
	Yogesh Kumar Jain	15.00	15.00
	Relatives of KMP		
	Meena Jain	32.75	32.75
	Madhvi Jain	17.75	17.75
	Renu Jain	17.75	17.75
	Ashita Jain	17.75	17.75

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(₹ In lakhs)

S. No.	Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
	Other related parties		
	Subhash International Private Limited	60.64	96.61
	Exotica Buildtech Private Limited	14.40	15.75
	Shri Mahaveer Infrastructures Private Limited	4.80	4.80
	MA Buildtech Private Limited	3.75	3.44
	Taj Infra Builders Private Limited	9.00	9.00
	Gional Infratech LLP	40.00	10.00
	Royal Megatech Private Limited	17.50	-
	Total	338.08	327.59
3	Mobilization Advance Received/Security Deposits		
	Subsidiaries Companies		
	PNC Aligarh Highways Private Limited	-	11,970.00
	PNC Triveni Sangam Highways Private Limited	-	21,590.00
	PNC Bithur Kanpur Highways Private Limited	9,160.71	-
	PNC Challakere (Karnataka) Highways Private Limited	5,785.00	-
	Other related parties		
	Gional Infratech LLP	600.00	-
	Total	15,545.71	33,560.00
4	Sale/ Purchase of Investment/ Loan and Shares Application Money in Equity Share Capital		
	Subsidiaries Companies		
	PNC Infraholdings Limited	7,334.00	10,013.00
	PNC Bareilly Nainital Private Limited	-	3,000.00
	PNC Bundelkhand Highways Private Limited	490.00	1,666.00
	PNC Khajuraho Highways Private Limited	1,346.00	1,900.00
	PNC Chitradurga Highways Private Limited	1,300.00	700.00
	PNC Triveni Sangam Highways Private Limited	1,862.00	3,725.00
	PNC Aligarh Highways Private Limited	1,783.00	3,212.00
	PNC Challakere (Karnataka) Highways Private Limited	-	92.00
	PNC Gomti Highways Private Limited	490.00	-
	PNC Unnao Highways Private Limited	490.00	-
	PNC Bithur Kanpur Highways Private Limited	490.00	-
	PNC Meerut Haridwar Highways Private Limited	24.00	-
	Associates Company		
	Ghaziabad Aligarh Expressway Private Limited	114.75	5,249.25
	Total	15,723.75	29,557.25
5	Interest Income		
	Subsidiaries Companies		
	PNC Bareilly Nainital Highways Private Limited	-	962.71
	PNC Delhi Industrial Infra Private Limited	-	114.94
	Total	-	1,077.65

**NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)**

(₹ In lakhs)

S. No.	Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
6	Interest Expenses		
	Subsidiaries Companies		
	PNC Rajasthan Highways Private Limited	-	12.94
	PNC Chitradurga Highways Private Limited	64.31	378.20
	PNC Bundelkhand Highways Private Limited	80.56	421.00
	PNC Khajuraho Highways Private Limited	43.13	350.88
	PNC Triveni Sangam Highways Private Limited	595.84	738.90
	PNC Aligarh Highways Private Limited	132.16	294.98
	PNC Challakere (Karnataka) Highways Private Limited	20.21	-
	PNC Bithur Kanpur Highways Private Limited	1.19	-
	Total	937.40	2,196.90
7	Compensation to Key Managerial Personal*		
	Key Managerial Personal (KMP)		
	Pradeep Kumar Jain	1,111.00	809.26
	Chakresh Kumar Jain	1,087.00	785.26
	Yogesh Kumar Jain	1,087.00	785.26
	Anil Kumar Rao	171.14	78.19
	Talluri Raghupati Rao	68.68	43.05
	Bhupinder Kumar Sawhney	23.53	-
	Tapan Jain	19.99	17.64
	Total	3,568.34	2,518.66
8	Other related parties		
	Bijali Rao	14.58	16.20
	Harshvardhan Jain	28.50	30.00
	Ashish Jain	40.52	39.80
	Total	83.60	86.00

*Actuarial valuation for the gratuity has been done on Company as a whole, so segregation for the same has not done.

C Balances Outstanding at Reporting Date

(₹ In lakhs)

S. No.	Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
1	Amount Recoverable		
	Subsidiaries Companies		
	PNC Rajasthan Highways Private Limited	4,039.00	8,769.92
	PNC Delhi Industrialinfra Private Limited	-	5.01
	PNC Bareilly Nainital Highways Private Limited	11,413.50	11,413.42
	PNC Raebareli Highways Private Limited	32.99	84.87
	PNC Kanpur Ayodhya Tollways Private Limited	1,207.95	642.51
	MP Highways Private Limited	47.62	159.28
	PNC Kanpur Highways Limited	219.64	220.33
	PNC Bundelkhand Highways Private Limited	11,088.49	-

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(₹ In lakhs)

S. No.	Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
	PNC Khajuraho Highways Private Limited	19,532.42	16,617.17
	PNC Aligarh Highways Private Limited	9,695.60	15,926.78
	PNC Challakere (Karnataka) Highways Private Limited	2,717.04	620.98
	PNC Chitradurga Highways Private Limited	18,548.65	8,768.94
	PNC Gomti Highways Private Limited	490.00	-
	PNC Unnao Highways Private Limited	490.00	-
	PNC Meerut Haridwar Highways Private Limited	24.00	-
	Associates Company		
	Ghaziabad Aligarh Expressway Private Limited	34,659.50	36,689.06
	Relatives of KMP		
	Meena Jain	25.00	25.00
	Madhvi Jain	25.00	25.00
	Renu Jain	25.00	25.00
	Ashita Jain	25.00	25.00
	Other related parties		
	Subhash International Private Limited	729.72	724.23
	Gional Infratech LLP	600.00	-
	Total	1,15,636.11	1,00,742.50
2	Amount Payable		
	Subsidiaries Companies		
	PNC Bundelkhand Highways Private Limited	-	1,686.47
	PNC Triveni Sangam Private Limited	2,750.06	6,439.77
	PNC Bithur Kanpur Highways Private Limited	8,180.81	-
	Associates		
	Pradeep Kumar Jain HUF	-	1.35
	Naveen Kumar Jain HUF	-	1.13
	Yogesh Kumar Jain HUF	-	0.90
	Key Managerial Personal (KMP)		
	Pradeep Kumar Jain	-	1.01
	Naveen Kumar Jain	-	1.01
	Chakresh Kumar Jain	-	1.13
	Yogesh Kumar Jain	-	1.13
	Relatives of KMP		
	Meena Jain	-	2.46
	Madhvi Jain	-	1.33
	Renu Jain	-	1.33
	Ashita Jain	-	1.33
	Other related parties		
	Shri Mahaveer Infrastructures Private Limited	-	0.36
	MA Buildtech Private Limited	-	0.28
	Exotica Buildtech Private Limited	-	1.01

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(₹ In lakhs)

S. No.	Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
	Gional Infratech LLP	-	9.00
	Taj Infra Builders Private Limited	-	0.68
	Total	10,930.87	8,151.67
3	Corporate Guarantee Given on behalf of**		
	Associates Company		
	Ghaziabad Aligarh Expressway Private Limited	5,849.24	6,928.25
	Total	5,849.24	6,928.25
4	Capital Commitment for Equity Given on behalf of***		
	Subsidiaries Companies		
	PNC Chitradurga Highways Private Limited	2,901.00	4,501.00
	PNC Bundelkhand Highways Private Limited	1,363.00	3,000.00
	PNC Khajuraho Highways Private Limited	1,910.00	3,910.00
	PNC Triveni Sangam Highways Private Limited	8,025.00	11,555.00
	PNC Aligarh Highways Private Limited	2,591.00	6,275.00
	PNC Challakere (Karnataka) Highways Private Limited	10,200.00	10,200.00
	PNC Bithur Kanpur Highways Private Limited	18,390.00	-
	PNC Gomti Highways Private Limited	12,982.00	-
	PNC Unnao Highways Private Limited	14,781.00	-
	PNC Meerut Haridwar Highways Private Limited	12,300.00	-
	Total	85,443.00	39,441.00

** For details refer Note 40

*** For details refer Note 41

D Terms and Conditions

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

44. DETAIL OF EMPLOYEE BENEFIT EXPENSES

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

(a) Defined Contribution Plan

- The contribution to provident fund is charged to accounts on accrual basis. The contribution made by the Company during the year is ₹ 118.98 lakhs (previous year ₹ 120.03 lakhs)
- In respect of short term employee benefits, the Company has at present only the scheme of cumulative benefit of leave encashment payable at the time of retirement/ cessation and the same have been provided for on accrual basis as per actuarial valuation.

(b) Defined Benefit Plan

- Liability for retiring gratuity as on March 31, 2021 is ₹ 990.25 lakhs (Previous year ₹ 810.61 lakhs). The liability for Gratuity is actuarially determined and provided for in the books.
- Details of the Company's post-retirement gratuity plans and leave encashment for its employees including whole-time directors are given below, which is certified by the actuary and relied upon by the auditors

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(₹ In lakhs)

Particulars	Gratuity	
	FY 2020-21	FY 2019-20
1. Change in Present Value of Obligation		
Present value of obligation at the beginning of the period	1,291.72	1,185.00
Acquisition cost		
Interest cost	83.96	82.95
Current service cost	250.89	193.96
Past service cost	-	-
Benefits paid	-	-
Actuarial gain/(loss) on obligation		
a) Effect of changes in demographic assumptions	-	(9.81)
b) Effect of changes in financial assumptions	-	(121.58)
c) Effect of experience adjustments	(4.95)	(38.80)
Present value of obligation at end of period	1,621.62	1,291.72
Current Obligation	387.47	313.09
Non Current Obligation	1,234.16	978.63
2. Change in Fair Value of Plan Assets		
Fair value of plan assets at the beginning of the period	481.12	361.08
Acquisition adjustment		
Interest Income	36.16	29.48
Contributions	118.98	120.03
Benefits paid	-	-
Actuarial gain/(loss) on plan assets	(4.88)	(29.48)
Fair value of plan assets at the end of the period	631.38	481.12
3. Amount to be recognized in Balance Sheet		
Present value of obligation as at end of the period	1,621.62	1,291.72
Fair value of plan assets as at the end of the period	(631.38)	(481.12)
Funded Status	-	-
Net Asset/(liability) recognized in Balance Sheet	990.25	810.60
4. Expenses recognized in the statement of profit & loss.		
Current service cost	250.89	193.96
Past service cost	-	-
Net Interest cost		
Interest Expense on DBO	83.96	82.95
Interest income on plan assets	36.16	29.48
Total Net Interest Cost	47.81	53.47
Net actuarial (gain)/loss recognized in profit/loss		
Expenses recognized in the statement of Profit & Loss	298.70	247.43
5. Recognized in other comprehensive income for the year		
a) Effect of changes in demographic assumptions	-	(9.81)
b) Effect of changes in financial assumptions	-	(121.58)
c) Effect of experience adjustments	(4.95)	(38.80)
d) (Return) on plan assets (excluding interest income)	(4.88)	(29.48)

**NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)**

(₹ In lakhs)

Particulars	Gratuity	
	FY 2020-21	FY 2019-20
e) Changes in asset ceiling (excluding interest income)	-	-
f) Total remeasurements included in OCI	(0.07)	(140.71)
Actuarial gain / (loss) for the year on DBO	(4.95)	(170.19)
Returns above interest cost	(4.88)	(29.48)
Actuarial gain / (loss) for the year on Asset	-	-
Unrecognized actuarial gain/(loss) at the end of the year	-	-
6. Maturity Profile of Defined Benefit Obligation		
1. Within the next 12 months (next annual reporting period)	597.32	475.89
2. Between 1 and 5 years	1,090.66	858.92
3. Between 6 and 10 years	327.51	267.40
7. Quantitative sensitivity analysis for significant assumptions is as below		
Impact of the change in discount rate		
Present Value of Obligation at the end of the period		
a. Impact due to increase of 100 Basis Points	1,570.48	1,250.92
b. Impact due to decrease of 100 Basis Points	1,676.39	1,335.43
Impact of the change in salary increase		
Present Value of Obligation at the end of the period		
a. Impact due to increase of 1 %	1,668.60	1,329.29
b. Impact due to decrease of 1 %	1,576.85	1,255.98
Attrition Rate		
Present Value of Obligation at the end of the period		
a. Impact due to increase of 1 %	1,615.27	1,286.37
b. Impact due to decrease of 1 %	1,627.93	1,297.06

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

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

(iii) Sensitivity Analysis Method

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

Sensitivity analysis - DBO end of Period	31.03.2021	31.03.2020
1. Discount rate +100 basis points	1,570.48	1,250.92
2. Discount rate -100 basis points	1,676.39	1,335.43
3. Salary Increase Rate +1%	1,668.60	1,329.29
4. Salary Increase Rate -1%	1,576.85	1,255.98
5. Attrition Rate +1%	1,615.27	1,286.37
6. Attrition Rate -1%	1,627.93	1,297.06

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

Significant Actuarial assumptions	31.03.2021	31.03.2020
a) Economic Assumptions		
i. Discounting Rate - current year	6.5%	6.5%
Discounting Rate - Previous Year	6.5%	7%
ii. Salary escalation	5%	5%
iii. Attrition rate	25%	25%
b) Demographic Assumption		
i) Retirement Age (Years)	60	60
ii) Mortality rates inclusive of provision for disability	IALM (2012 - 14) Ultimate	IALM (2012 - 14) Ultimate
Disability	Nil	Nil

Mortality Rates for specimen ages

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

(C) Defined Term Employee Benefits Leave Obligation

(₹ In lakhs)

Particulars	Leave Enchancement	
	FY 2020-21	FY 2019-20
Present Value of unfunded obligation	395.51	270.71
Expenses recognized in Statement of Profit and Loss	113.67	96.24
Discount rate (p.a)	6.5%	6.5%
Salary escalation rate (p.a)	5%	5%

45. FAIR VALUE MEASUREMENT

Financial instruments by category

(₹ In lakhs)

Particulars	As at March 31, 2021			As at March 31, 2020		
	Amortized Cost	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI
Financial Asset						
Investments						
- Investments in equity instruments (Refer Note 7C)	-	55.54	-	-	55.54	-
- Investments in Mutual Fund (Refer Note 13)	-	10,048.61	-	-	6,233.96	-
Trade receivables (Refer Note 14)	83,924.66	-	-	80,351.90	-	-
Cash and cash equivalents (Refer Note 15(i))	68,771.63	-	-	68,223.59	-	-
Bank Balances (Refer Note 15(ii))	8,053.39	-	-	5,781.45	-	-
Loans (Refer Note 8 & 16)	-	68,294.19	-	-	59,884.44	-

**NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)**

(₹ In lakhs)

Particulars	As at March 31, 2021			As at March 31, 2020		
	Amortized Cost	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI
Other Financial Assets (Refer Note 9 & 17)	20,910.17		-	20,953.29	-	-
Total Financial Assets	1,81,659.85	78,398.34	-	1,75,310.23	66,173.94	-
Financial Liabilities						
Borrowings (Refer Note 21 & 27)	39,923.73			32,656.84		
Trade payables (Refer Note 26)	71,940.26			46,750.49		
Other Financial Liabilities (Refer Note 22 & 27)	52,547.15			34,159.11		
Total Financial Liabilities	1,64,411.14	-	-	1,13,566.44	-	-

(i) Fair Value Hierarchy

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

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

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

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

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

(₹ In lakhs)

Particulars	Fair Value Measurement using		
	Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
(A) Financial Asset and Liabilities measured at fair value through profit and loss or other comprehensive income at March 31, 2021			
- Investment in Equity (Refer Note 7)			55.54
- Investment in Mutual Fund (Refer Note 13)	10,048.61	-	-
Total	10,048.61	-	55.54
(B) Financial Assets and Liabilities measured at amortized cost for which fair values are disclosed at March 31, 2021			
(i) Financial Assets			
- Security Deposit (Refer Note 9)			11,513.46
Total	-	-	11,513.46
(ii) Financial Liabilities			
- Borrowing (Refer Note 21 & 27)		39,923.73	
- Retention (Refer Note 22)			25,413.36
Total	-	39,923.73	25,413.36

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(₹ In lakhs)

Particulars	Fair Value Measurement using		
	Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
(A) Financial Asset and Liabilities measured at fair value through profit and loss or other comprehensive income at March 31, 2020			
- Investment in Equity (Refer Note 7)			55.54
- Investment in Mutual Fund (Refer Note 13)	6,233.96	-	-
Total	6,233.96	-	55.54
(B) Financial Assets and Liabilities measured at amortized cost for which fair values are disclosed at March 31, 2020			
(i) Financial Assets			
- Security Deposit (Refer Note 9)	-	-	10,986.66
Total	-	-	10,986.66
(ii) Financial Liabilities			
- Borrowing (Refer Note 21 & 27)	-	32,656.84	-
- Retention (Refer Note 22)	-	-	20,275.89
Total	-	32,656.84	20,275.89

(ii) Valuation techniques used to determine Fair value

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

Specific valuation technique used to value financial instrument includes:

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

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

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

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

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

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

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

46. FINANCIAL RISK MANAGEMENT

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

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

I. Market risk

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

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

(a) Interest rate risk

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

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

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Variable rate borrowings		
Fixed rate borrowings*	39,923.73	32,656.84
Total borrowings	39,923.73	32,656.84

*For Detail refer Note 21 & 27

(ii) As at the end of reporting period, the Company had the following variable rate borrowings.

(₹ In lakhs)

Particulars	As at March 31, 2021			As at March 31, 2020		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Cash Credit Limit	8.33%	-	0.00%	9.07%	-	0.00%
Net exposure to cash flow interest rate risk		-			-	

(iii) Sensitivity

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

(₹ In lakhs)

Particulars	Increase/ Decrease in Basis Points		Impact on Profit before Tax	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
INR	+50	+50	-	-
	- 50	- 50	-	-

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(b) Foreign currency risk

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

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

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

(₹ In lakhs)

Foreign currency exposure as at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Trade Payable		
- Exposure in Euros (In ₹)	1,921.73	1,466.66

Foreign currency sensitivity

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

(₹ In lakhs)

Particulars	FY 2020-21		FY 2019-20	
	5% increase	5% decrease	5% increase	5% decrease
Euros (In ₹)	(96.09)	96.09	(73.33)	73.33

(c) Price Risk

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

II. Credit risk

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

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

- (i) Actual or expected significant adverse changes in business.
- (ii) Actual or expected significant changes in the operating results of the counterparty.
- (iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligation.
- (iv) Significant increase in credit risk an other financial instruments of the same counterparty.
- (v) significant changes in the value of collateral supporting the obligation or in the quality of third party guarantees or credit enhancements.

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

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

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

Expected credit loss for trade receivable on simplified approach :

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

(₹ In lakhs)

Ageing	0-180 Days	181-365 Days	More than 365 days	Total
As at March 31, 2021				
Gross Carrying Amount (Refer Note 14)	69,984.90	-	14,486.38	84,471.28
Expected Credit Loss (in ₹)	-	-	546.62	546.62
Carrying Amount (net of impairment)	69,984.90	-	13,939.76	83,924.66
As at March 31, 2020				
Gross Carrying Amount (Refer Note 14)	73,206.19	-	7,145.71	80,351.90
Expected Credit Loss (in ₹)	-	-	-	-
Carrying Amount (net of impairment)	73,206.19	-	7,145.71	80,351.90

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

III. Liquidity Risk

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

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

(₹ In lakhs)

As at March 31, 2021	Carrying Amount	On Demand	Less than One Year	More than one year and less than three year	More than 3 Years	Total
Borrowings (Refer Note 21 & 27)	39,923.73	-	14,638.22	21,305.28	3,980.23	39,923.73
Trade payables (Refer Note 26)	71,940.26	-	71,940.26	-	-	71,940.26
Other Liabilities (Refer Note 22 & 27)	52,177.34	-	26,763.98	25,413.36	-	52,177.34
Total	1,64,041.33	-	1,13,342.46	46,718.64	3,980.23	1,64,041.33

(₹ In lakhs)

As at March 31, 2020	Carrying Amount	On Demand	Less than One Year	More than one year and less than three year	More than 3 Years	Total
Borrowings (Refer Note 21 & 27)	32,656.84	-	10,272.36	19,173.44	3,211.04	32,656.84
Trade payables (Refer Note 26)	46,750.49	-	46,750.49	-	-	46,750.49
Other Liabilities (Refer Note 22 & 27)	33,477.46	-	13,201.57	20,275.89	-	33,477.46
Total	1,12,884.79	-	70,224.42	39,449.33	3,211.04	1,12,884.79

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

Financing arrangements

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

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Cash Credit	1,00,000.00	1,00,000.00
Bank Guarantee	2,83,122.71	2,45,760.15
	3,83,122.71	3,45,760.15

47. CAPITAL MANAGEMENT

(a) Risk Management

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

The Company regularly considers other financing opportunities to diversify its debt profile, reduce Interest cost.

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

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Debt (Refer Note 21)	39,923.73	32,656.84
Cash & Bank balances (Refer Note 15 (i))	68,771.63	74,005.04
Net Debt	(28,847.90)	(41,348.20)
Total Equity (Refer Note 19 & 20)	2,90,847.04	2,54,659.62
Gearing Ratio	(0.10)	(0.16)

Notes-

- Debt is defined as long-term and short-term borrowings including current maturities (excluding derivatives) as described in notes.
- Total equity (as shown in balance sheet) includes issued capital and all other equity reserves.

(b) Loan Covenants

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

(c) Dividends

(₹ In lakhs)

Particulars	Recognized in the year ending	
	As at March 31, 2021	As at March 31, 2020
(i) Dividends Recognized		
Final dividend for the year ended March 31, 2021 of ₹ 0.5/- per equity share of ₹ 2/-		
(March 31, 2020 ₹ 0.5/- per Equity Share of ₹ 2/-)	-	1,546.42

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(₹ In lakhs)

Particulars	Recognized in the year ending	
	As at March 31, 2021	As at March 31, 2020
(ii) Dividend proposed and recognized in the books of accounts		
March 31, 2021 - Nil	-	1,546.42
(Interim dividend for the year ended March 31, 2020 of ₹ 0.5/- per equity share of ₹ 2/-)		
(iii) Dividend proposed but not recognized in the books of accounts*		
In addition to the above dividends, the directors have recommended the payment of a final dividend of ₹ 0.50/-equity share of ₹ 2/-.	1,282.70	-

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

48. OPERATING SEGMENT INFORMATION

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

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

49. MATURITY ANALYSIS OF LEASE LIABILITY HAS BEEN DISCLOSED AS FOLLOWS

Particulars	Amount
0 - 1 Year	180.22
1 - 5 Year	132.33
More than 5 Year	56.12

The Company has recognized Interest expenses of ₹ 101.19 lakhs on Lease Liability during the year

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

51. COVID 19 IMPACT

The outbreak of pandemic COVID 19 and wide-ranging restrictions imposed by the government authorities to contain it, impacted the Company's operational performance in FY 21 to certain extent. Nonetheless, realisation of payments from project proponents/authorities has been normal during the year including lockdown period, enabled the Company to meet its liabilities, including employee payables in timely manner and there has been no significant impact on business development activities of the Company in FY 21. The situation started becoming normal towards the second half and revival gained momentum in the Q4 of FY 21. The Company through the lockdown period and even subsequently has been able to maintain adequate control on its assets due to its robust control mechanism developed over the years.

Going forward, given the reality of uncertainty, the Company will continue to monitor any material development that may unfold and could affect the socio-economic landscape in general and infrastructure sector in particular, to protect its' interest.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

The Company currently has a robust order book of over ₹ 160 Billion including for which Appointed Dates are awaited as on April 01, 2021, expounding to a clear visibility of revenues over the next 2-3 years. The strong liquidity position as on 'March 31, 2021 and practically non-utilization of sanctioned fund based credit facilities will act as buffer liquidity to meet the exigencies, if any. The Company also have adequate non-fund based sanctioned limits to cater for and pursue worthy project opportunities, unrestrictedly.

- 52.** The Company and SP Singla Construction Private Limited has formed a Joint Venture (JV) namely "PNC-SPSCPL JV" (Jointly controlled operation) specifying their ratios. Two projects were awarded to JV by National Highway Authority of India (NHAI). The JV has further awarded the contract to Joint Venturers in their respective ratio as specified in the contract with NHAI. The billing to NHAI is being done by JV after consolidating of bills submitted by the Joint Venturers. None of the Joint Venturers has employed any capital to this JV.

53. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE :

There are no event occurring after the Balance Sheet date for the financial year 2020-21 except Final Dividend proposed by the Company as per Note No - 47.

54. PREVIOUS YEAR FIGURES HAVE BEEN RECLASSIFIED / REGROUPED, WHEREVER NECESSARY.

As per our report of even date attached.

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

Harish Gupta
Partner
Membership No. - 098336
Place-New Delhi

Place: Agra
Date: June 25, 2021

Tapan Jain
Company Secretary
Membership No. - A22603

On behalf of the Board of Directors

Pradeep Kumar Jain
Chairman and Managing Director
DIN. - 00086653

Chakresh Kumar Jain
Managing Director
DIN. - 00086768

Bhupinder Kumar Sawhney
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

To the Members of PNC Infratech Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated financial statements of **PNC Infratech Limited** (herein referred to as "the Holding Company") and its subsidiaries (the Holding company and its subsidiaries together referred to as "the Group") and its associates, which comprise the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income) the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, the consolidated profit, consolidated total comprehensive

income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Revenue Recognition and accounting of Construction contract</p> <p>The Holding company generates significant revenue from construction contracts and long-term operating and maintenance agreements. Revenue from these contracts is recognized over the period of time in accordance with the requirements of Ind AS 115, Revenue from Contracts with Customers. For majority of its contracts, the Holding Company recognizes revenue and profit on the stage of completion based on the proportion of contract costs incurred for the work performed to the balance sheet date, relative to the estimated costs on the contract at completion. The recognition of revenue and profit / loss therefore are based on estimates in relation to the estimated total costs of each contract, which involves significant judgments, identification of contractual obligations and the Holding Company's rights to receive payments for performance completed, scope amendments and price escalations resulting in revised contract price.</p> <p>Refer Note 2.10 and Note 31 of the consolidated financial statements.</p>	<p>Our revenue testing included both testing of the Holding Company's internal controls as well as substantive audit procedures targeted at selected major long-term projects.</p> <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of Holding Company's revenue recognition policies and reviewed compliance in terms of provisions of Ind-AS 115; • Performed assessment that the revenue recognition method applied was appropriate based on the terms of the arrangement and contract; • Obtained an understanding of the revenue recognition processes including documentation maintained and tested key internal controls impacting revenue, on sample basis; • Assessed the reliability of management's estimates by comparing the actual outcome of completed projects with previous estimated timelines;

INDEPENDENT AUDITOR'S REPORT (Contd.)

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management Responsibilities and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act, with respect to preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associates in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are responsible for overseeing the financial reporting process of the Group and of its associates.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group and its associates has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based

INDEPENDENT AUDITOR'S REPORT (Contd.)

on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditor. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the directions, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the Holding Company, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of

most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- (a) We did not audit the financial statements of nineteen subsidiaries whose financial statements reflect total assets of Rs. 757,436.76 lakhs, total revenue of Rs. 278,262.27 lakhs, total net profit after tax of Rs. 13,068.95 lakhs, total comprehensive income of Rs. 13,053.10 lakhs and net cash outflow of Rs. 490.29 lakhs for the year ended on March 31, 2021, as considered in the Consolidated financial statements. These financial statements have been audited by other auditors, whose reports have been furnished to us by the Board of Directors and our opinion on the Consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the report of the other auditors.
- (b) We did not audit the financial results of one associate whose financial results reflect total assets of Rs. 176,925.88 lakhs, total revenue of Rs. 20,177.34 lakhs, total net profit after tax of Rs. 1,219.11 lakhs, total comprehensive income Rs. 1260.13 lakhs and net cash inflow of Rs. 109.89 lakhs for the year ended on March 31, 2021. These financial statements have been audited by other auditors, whose reports have been furnished to us by the Board of Directors and our opinion on the Consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of sub-sections (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the report of the other auditors.
- (c) We did not audit the financial results of two joint operations (these included in the standalone financial statements of the Holding Company) whose financial results reflect total assets of Rs. 12,476.86 lakhs, total revenue of Rs. 46,855.30 lakhs, total net loss after tax of Rs. 9.02 lakhs, total comprehensive income of Rs. 9.02 lakhs and net cash inflow of Rs. 239.84 lakhs for the year ended on March 31, 2021.

Our opinion on the Consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the

INDEPENDENT AUDITOR'S REPORT (Contd.)

above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, associates and joint operations, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act read with Companies (Indian Accounting Standard) Rules, 2015, as amended and other accounting principles generally accepted in India.
- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary Companies, its associates and joint operations incorporated in India, none of the directors of the Group companies its associates companies and joint operations incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statement and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"** which is based on the auditor's reports of the Company, its subsidiary companies and its associates incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control with reference to financial statement of those companies, for reasons stated therein.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 read with Schedule V to the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose impact of pending litigations as at March 31, 2021 on its financial position in its consolidated financial statements. Refer note no. 40 to the consolidated financial statements.
 - ii. The Group and its associates did not have any long-term contracts, including derivative contracts, for which there are any material foreseeable lossess as required under the applicable law or accounting standards.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund ('IEPF') by the Holding Company. Further, there were no amount which were required to be transferred to the IEPF by the subsidiaries joint operations and its associates incorporated in India.

For S S Kothari Mehta & Company
Chartered Accountants
Firm's Registration Number: 000756N

Harish Gupta
Partner

Membership Number: 098336
UDIN: 21098336AAAACX4266

Place: New Delhi
Date: June 25, 2021

"ANNEXURE A"

TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF PNC INFRA TECH LIMITED.

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of PNC Infratech Limited of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated financial statements of the company as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to financial statements of **PNC Infratech Limited** ('the Holding Company') and its subsidiary companies and its associates' company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary Companies and its associates which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate

internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

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

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

"ANNEXURE A"**TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF PNC INFRATECH LIMITED. (Contd.)****Inherent Limitations of Internal Financial Controls with reference to financial statements**

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

Opinion

In our opinion, the Holding Company, its subsidiary Companies and its associates Company, which are incorporated in India, have maintained, in all material respects, an adequate internal financial controls system

with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to financial statements criteria established by the company considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of holding company, insofar as it relates to nineteen subsidiaries and one associate Companies, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of the above matters with respect to our reliance on the work done by and the reports of such other auditors.

For S S Kothari Mehta & Company
Chartered Accountants
Firm's Registration Number: 000756N

Harish Gupta
Partner

Membership Number: 098336
UDIN: 21098336AAAACX4266

Place: New Delhi
Date: June 25, 2021

CIN:-L45201DL1999PLC195937

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2021

(₹ In lakhs)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
(1) Non Current Assets			
(a) Property, plant and equipments	4	65,745.28	59,108.48
(b) Capital work-in-progress	5	341.59	-
(c) Intangible Assets	6	1,13,949.71	1,38,701.18
(d) Financial assets			
(i) Investments	7	4,064.75	3,638.05
(ii) Trade receivables	8	4,04,307.34	3,32,462.23
(iii) Other Financial Assets	9	12,398.00	11,915.37
(e) Deferred Tax Asset	10	4,151.04	15,836.37
(f) Other Non - current assets	11	71,564.32	48,974.30
Sub Total (Non Current assets)		6,76,522.03	6,10,635.98
(2) Current assets			
(a) Inventories	12	35,359.49	26,728.93
(b) Financial assets			
(i) Investments	13	53,795.05	40,801.10
(ii) Trade receivables	14	39,278.59	28,405.79
(iii) Cash and cash equivalents	15(i)	84,688.67	84,630.93
(iv) Bank balances other than above	15(ii)	9,763.39	7,481.45
(v) Loans	16	27,971.56	25,651.81
(vi) Other Financial Assets	17	5,624.09	7,862.17
(c) Other current assets	18	24,521.95	16,831.81
Sub Total (Current assets)		2,81,002.79	2,38,393.99
Total Assets		9,57,524.82	8,49,029.97
EQUITY AND LIABILITIES			
(3) EQUITY			
(a) Equity share capital	19	5,130.78	5,130.78
(b) Other equity	20	3,00,185.23	2,50,295.20
Equity Attributable to Owners		3,05,316.01	2,55,425.98
Non Controlling Interest		(47.50)	-
Sub Total (Equity)		3,05,268.51	2,55,425.98
(4) LIABILITIES			
Non - current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	3,73,489.11	3,24,601.82
(ii) Trade Payables	22	41,585.75	63,428.35
(iii) Other financial liabilities	23	25,612.69	20,718.29
(b) Provisions	24	28,021.67	24,579.33
(c) Other non - current liabilities	25	19,992.92	38,641.45
Sub Total (Non Current Liability)		4,88,702.14	4,71,969.24
(5) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	26	2,018.29	1,629.41
(ii) Trade payables			
(a) Outstanding dues to Micro and small enterprises	27	2,725.33	1,210.50
(b) Outstanding dues to other than Micro and small enterprises		69,884.19	46,365.54
(iii) Other financial liabilities	28	72,073.17	40,908.92
(b) Other current liabilities	29	12,279.57	29,781.87
(c) Provisions	30	4,573.62	1,738.51
Sub Total (Current Liability)		1,63,554.17	1,21,634.75
Total Equity & Liabilities		9,57,524.82	8,49,029.97

The accompanying notes form an integral part of the financial statements

As per our report of even date attached.

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

Harish Gupta
Partner
Membership No. - 098336
Place-New Delhi

Place: Agra
Date: June 25, 2021

Tapan Jain
Company Secretary
Membership No. - A22603

On behalf of the Board of Directors

Pradeep Kumar Jain
Chairman and Managing Director
DIN. - 00086653

Chakresh Kumar Jain
Managing Director
DIN. - 00086768

Bhupinder Kumar Sawhney
Chief Financial Officer

CIN:-L45201DL1999PLC195937

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2021

(₹ In lakhs)

Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
I Revenue from operations	31	5,78,756.85	5,60,257.36
II Other income	32	11,132.44	17,562.92
Total Income (I)		5,89,889.29	5,77,820.28
III Expenses:			
Cost of materials consumed	33	2,24,789.24	2,16,105.38
Employee benefits expense	34	30,728.24	29,323.55
Finance costs	35	42,606.71	43,929.82
Depreciation and amortization expense	36	36,324.63	35,073.42
Other expenses	37	1,81,452.58	1,82,110.06
Total Expenses (II)		5,15,901.40	5,06,542.23
IV Profit /(loss) before share of an associate tax III (I-II)		73,987.89	71,278.05
V Add/(Less): Share in profit/(loss) of Associates (IV)		426.69	648.78
VI Profit /(loss) before tax V (III+IV)		74,414.58	71,926.83
VII Tax expense:			
Current Tax	38	23,321.74	18,451.10
Mat Credit Entitlement		-	(16.24)
Tax of earlier years		(76.70)	(374.55)
Deferred Tax Charge/(Credit)	10	1,479.29	(1,121.96)
Total Tax (VI)		24,724.33	16,938.35
VIII Profit & (Loss) for the period VII (V-VI)		49,690.25	54,988.48
IX Other Comprehensive Income (VIII)			
(i) Items that will not be reclassified to profit or loss			
- Actuarial Gain and losses on defined benefit plans		(33.21)	387.07
(ii) Income tax relating to above items		10.16	(129.32)
X Total Comprehensive Income for the period IX (VII+VIII)		49,667.20	55,246.23
Profit for the year attributable to:			
- Owners of the parent		49,737.75	54,988.48
- Non- Controlling Interest		(47.50)	-
Other comprehensive income for the year attributable to:			
- Owners of the parent		(23.18)	257.75
- Non- Controlling Interest		0.13	-
Total comprehensive income for the year attributable to:			
- Owners of the parent		49,714.57	55,246.23
- Non- Controlling Interest		(47.37)	-
Earnings per equity share of ₹ 2/- each			
Basic (in ₹)	39	19.37	21.43
Diluted (in ₹)		19.37	21.43

The accompanying notes form an integral part of the financial statements

As per our report of even date attached.

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

Harish Gupta
Partner
Membership No. - 098336
Place-New Delhi

Place: Agra
Date: June 25, 2021

Tapan Jain
Company Secretary
Membership No. - A22603

On behalf of the Board of Directors

Pradeep Kumar Jain
Chairman and Managing Director
DIN. - 00086653

Chakresh Kumar Jain
Managing Director
DIN. - 00086768

Bhupinder Kumar Sawhney
Chief Financial Officer

CIN:-L45201DL1999PLC195937

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2021

(₹ In lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
I A. Cash Flow from Operating Activities		
Net Profit before tax and exceptional items	73,987.89	71,926.83
Adjustments for:		
Depreciation and amortization expenses	36,324.63	35,073.42
Finance cost	42,606.71	43,929.82
Interest Income	(3,307.74)	(6,120.34)
Loss/(Profit) on Sale of Investments(Net)	(4,210.76)	(2,224.37)
Loss/(Profit) on Sale of Property, plant and equipments(Net)	4.66	47.56
Gain on fair valuation of Investments	(32.64)	(86.34)
Impairment Allowance (Allowance for doubtful advances)	-	482.50
Allowance for Expected Credit Loss	546.62	-
Non-cash items	5.62	-
Other non-operating income	(3,581.30)	(9,131.87)
Operating Profit Before Working Capital Changes	1,42,343.69	1,33,897.20
Adjustments for changes in Working Capital :		
(Increase)/Decrease in Inventories	(8,630.55)	13,626.16
(Increase)/Decrease in Trade Receivables	(83,264.52)	(89,329.89)
(Increase)/Decrease in Other Assets	(18,594.84)	2,863.40
(Increase)/Decrease in Other Financial Assets	1,755.45	9,876.58
Increase/(Decrease) in Trade Payables	3,190.88	(20,603.37)
Increase/(Decrease) in Other Liabilities and Provisions	(31,037.64)	16,045.78
Increase/(Decrease) in Other Financial Liabilities	36,058.65	4,181.67
Cash Generated From Operating activities	41,821.14	70,557.53
Direct Taxes Paid	(23,245.04)	(18,060.31)
Cash Generated from operating activities before extraordinary Items	18,576.10	52,497.23
Net Cash Generated from Operating activities	18,576.10	52,497.23
B. Cash Flow from Investing Activities		
Purchase of Property, plant & equipments (Refer to Note 4, 5 & 6) (including Capital work in progress)	(18,812.10)	(9,101.08)
Sale of Property, plant & equipments (Refer to Note 4, 32 & 37)	425.59	174.77
Sale of Investments	1,54,314.52	1,17,657.86
Purchase of Investments	(1,63,065.09)	(1,32,725.40)
Bank balances not considered as Cash & cash equivalents	(2,281.94)	3,619.08
Other non-operating income	3,581.30	9,131.87
Loans (given)/realised	(2,319.77)	(17,849.22)
Interest Income (Includes Interest on Arbitration award) (Refer Note 32)	3,307.74	6,120.34
Net Cash Used in Investing Activities	(24,849.74)	(22,971.79)
C. Cash Flows from Financing Activities		
Proceeds from Long Term Borrowings	74,549.21	96,837.17
Repayment of Long Term Borrowings	(25,273.03)	(24,062.88)
Finance cost paid	(42,606.71)	(43,929.82)
Lease payment including interest	(338.08)	(413.23)
Dividend Paid	-	(2,538.93)
Dividend Distribution Tax paid	-	(527.44)
Net Cash Used in Financing Activities	6,331.39	25,364.87
Net Increase/(Decrease) in Cash & Cash Equivalents	57.75	54,890.31
Opening Cash & Cash Equivalents {Refer Note 15(i)}	84,630.93	29,740.62
Closing Cash and cash equivalents {Refer Note 15(i)}	84,688.68	84,630.93

CIN:-L45201DL1999PLC195937
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(₹ In lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
II Cash & Cash equivalents included in Cash Flow Statement comprise of following (Refer note no. 15(i))		
Current Account	30,698.48	29,503.34
Fixed Deposits	53,778.19	54,900.00
Cash on hand	212.00	227.59
Total	84,688.67	84,630.93

III Reconciliation of Liabilities arising from Financing Activities

(₹ In lakhs)

Particulars	As at March 31, 2020	Cash Flow	Non Cash Changes	As at March 31, 2021
Non Current Borrowing	3,49,874.85	49,276.18	17,679.07	4,16,830.10
Lease Liability	680.94	(338.08)	25.82	368.68

(₹ In lakhs)

Particulars	As at March 31, 2019	Cash Flow	Non Cash Changes	As at March 31, 2020
Non Current Borrowing	2,75,570.15	74,304.70	-	3,49,874.85
Lease Liability	-	(413.23)	1,094.17	680.94

The accompanying notes form an integral part of the financial statements

As per our report of even date attached.

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

Harish Gupta
Partner
Membership No. - 098336
Place-New Delhi

Place: Agra
Date: June 25, 2021

Tapan Jain
Company Secretary
Membership No. - A22603

On behalf of the Board of Directors

Pradeep Kumar Jain
Chairman and Managing Director
DIN. - 00086653

Chakresh Kumar Jain
Managing Director
DIN. - 00086768

Bhupinder Kumar Sawhney
Chief Financial Officer

CIN:-L45201DL1999PLC195937

STATEMENT OF CONSOLIDATED CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2021

A. EQUITY SHARE CAPITAL

(₹ In lakhs)

Particulars	No. of Shares	Amount
Balance as at April 01, 2019	25,65,39,165	5,130.78
Add: Issue of Share Capital	-	-
Balance as at March 31, 2020*	25,65,39,165	5,130.78
Add: Issue of Share Capital	-	-
Balance as at March 31, 2021*	25,65,39,165	5,130.78

B. OTHER EQUITY

(₹ In lakhs)

Particulars	Reserves & Surplus			Non-Controlling Interest	Total
	Securities premium account	General Reserve	Retained earnings		
Restated Balance as at April 01, 2019	59,012.74	128.96	1,38,165.80	0.23	1,97,307.73
Profit for the year	-	-	54,988.48	-	54,988.48
Addition during the year	3.30	-	-	-	3.30
Other Comprehensive Income	-	-	257.75	-	257.75
Total comprehensive income for the year	3.30	-	55,246.23	-	55,249.53
Transaction with Owners in the Capacity of Owners					
Dividend paid	-	-	(2,565.39)	-	(2,565.39)
Dividend Distribution tax	-	-	(527.44)	-	(527.44)
Adjustment during the year	-	-	0.89	(0.23)	0.66
Arising on account of consolidation	-	-	830.12	-	830.12
Balance as at March 31, 2020**	59,016.04	128.96	1,91,150.20	-	2,50,295.20
Profit for the year	-	-	49,737.75	-	49,737.75
Addition during the year	2.14	-	-	(47.50)	(45.36)
Other Comprehensive Income	-	-	(23.05)	-	(23.05)
Total comprehensive income for the year	2.14	-	49,714.71	(47.50)	49,669.35
Transaction with Owners in the Capacity of Owners					
Dividend paid (Including Interim dividend)	-	-	-	-	-
Dividend Distribution tax	-	-	-	-	-
Adjustment during the year	-	-	3.48	-	3.48
Arising on account of consolidation	-	-	169.71	-	169.71
Balance as at March 31, 2021**	59,018.18	128.96	2,41,038.10	(47.50)	3,00,137.74

The accompanying notes form an integral part of the financial statements

*For details refer Note 19

**For details refer Note 20

CIN:-L45201DL1999PLC195937

**STATEMENT OF CONSOLIDATED CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)****Nature and purposes of Reserves****Securities Premium**

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

General Reserve

This represents appropriation of profit by the Company.

Retained Earnings

This comprises Company's undistributed profit after taxes.

As per our report of even date attached.

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

Harish Gupta
Partner
Membership No. - 098336
Place-New Delhi

Place: Agra
Date: June 25, 2021

Tapan Jain
Company Secretary
Membership No. - A22603

On behalf of the Board of Directors

Pradeep Kumar Jain
Chairman and Managing Director
DIN. - 00086653

Chakresh Kumar Jain
Managing Director
DIN. - 00086768

Bhupinder Kumar Sawhney
Chief Financial Officer

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

1. GROUP OVERVIEW:

PNC Infratech Limited (The Group) was incorporated on August 09, 1999 as PNC Construction Group Private Limited. The Group was converted into a limited Group in 2001 and was renamed PNC Infratech Limited in 2007. The Group is listed with National Stock Exchange and Bombay Stock Exchange.

The Group and its subsidiaries (hereinafter refer to as Group) is engaged in India's infrastructure development through the construction of highways including BOT (built, operate and transfer projects), airport runways, bridges, flyovers and power transmission projects among others.

In case of BOT & HAM (Hybrid Annuity Model), the Group bids as a sponsor either alone or in joint venture with other venture(s) and once the project is awarded then it is executed by incorporating a Group (Special Purpose Vehicle).

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

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

The Consolidated financial statements were authorized for issue in accordance with the resolution of the directors on June 25, 2021.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of Preparation

In accordance with the notification issued by the Ministry of Corporate Affairs, the Group, with effect from April 01, 2016, adopted Indian Accounting Standards (the 'Ind AS') notified under the Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) (Amended) Rules, 2016 as amended thereto.

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

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

These Consolidated financial statements have been prepared under the historical cost convention on the

accrual basis, except for certain financial instruments & Provisions which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

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

2.2. Principles of Consolidation and Equity Accounting

The consolidated financial statements comprise the financial statements of the Group, its Subsidiaries and associates as at 31 March, 2021.

In case of subsidiaries, control is achieved when the group is exposed, or has right, to variable return from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Associates are all entities over which the group has significant influence but not control or joint control. Investment in associate is accounted for using the equity method of accounting (see note (d) of consolidation procedures mentioned below).

The group re-assesses whether or not it controls as an investee if facts and circumstances indicates that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group possesses control over the subsidiary and ceases when the Group loses control over the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statement in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Group, i.e. financial year ended on March 31, 2021.

Profit or loss, each component of other comprehensive income (OCI) is attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if the results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the group are eliminated in full on consolidation.

Consolidation Procedure:

- (a) The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.
- (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combination policy explains how to account for any related goodwill.
- (c) Eliminate in full intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full).
- (d) The build, operate and transfer (BOT) contracts are governed by concession agreement with government authorities (grantor). Under these agreements, the operator does not own the road, but gets "Toll collection rights" against the construction services rendered. Since the construction revenue earned by the operator is considered as exchange with the grantor against the toll collection rights, profit from such contracts is considered as realized.
- (e) Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the group's share of post-acquisition profit or losses of the investee in profit or loss and the group's share of the other comprehensive income of the investee in other comprehensive income
- (f) Figures pertaining to the subsidiaries, associates and joint ventures have been reclassified wherever necessary to bring them in line with the parent's Group financial statements.

Accordingly, BOT contracts awarded to group companies (operator), where work is subcontracted to fellow group companies or "the Group", the intra group transactions on BOT contracts under Intangible Assets Method and the profits arising thereon are taken as realized and hence not eliminated.

2.3 Current versus non-current classification

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

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

All other assets are classified as non-current. A liability is current when:

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

The group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle for the business activities of the Group covers the duration of the project/ contract/ service including the defect liability period, wherever applicable and extends up to the realization of receivables (including retention monies) within the credit period normally applicable to the respective project.

2.4 Property, Plant & Equipments

The group has elected to continue with the carrying value of all its property, plant and equipment as recognized in the financial statement at the date of transition i.e. at April 01, 2015, measured as per the

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

previous GAAP and used that as its deemed cost as at the transition date.

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

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

2.5. Intangible Assets

The group recognizes the intangible assets according to Ind AS-38 which is stated at cost of acquisition net of accumulated amortization and impairment losses, if any.

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

2.6. Intangible Assets under development

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

2.7. Depreciation and Amortization

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

Particulars	Useful life (Yrs)
Buildings	30
Plant & Machinery	
- Earth Moving Equipment	15
- Piling Equipment	15
- Others	15
Office Equipment	05
Furniture & Fixtures	10

Particulars	Useful life (Yrs)
Vehicles	
- Two Wheelers	10
- Four Wheelers	08
Computers	03
Temporary Construction	03
Computer Software	06

2.8. Cash & Cash Equivalents

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

2.9. Service Concession Arrangements:

The group constructs or upgrades infrastructure (construction or up-gradation services) used to provide a public service and operates and also maintains that infrastructure (operation services) for the specified period of time.

Under Appendix C to Ind AS-115 – Service Concession Arrangements, these arrangements are accounted for based on the nature of the consideration.

The intangible asset model is used to the extent that the group receives a right (i.e. a franchisee) to charge users of the public service. The financial asset model is used when the group has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction service. When the unconditional right to receive cash covers only part of the service, the two models are combined to account separately for each component.

The group manages concession arrangements which include constructing road, redevelopment and maintenance of industrial estate etc. for public use. These concession arrangements set out rights and obligations related to the infrastructure and the services to be provided.

The right consideration gives rise to an intangible asset and financial receivable and accordingly, both the intangible assets and financial receivable models are applied. Income from the concession arrangements earned under the intangible asset model consists of the (i) fair value of contract revenue, which is deemed to be fair value of consideration transferred to acquire the asset; and (ii) payments actually received from the users. The intangible assets is amortized over its expected useful life in a way that reflects the pattern in which the asset's economic benefits are consumed

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

by the Group, starting from the date when the right to operate starts to be used. Based on these principles, the intangible asset is amortized in line with the actual usage of the specific public facility, with a maximum of the duration of the concession.

Financial receivable is recorded at a fair value of guaranteed residual value to be received at the end of the concession period. This receivable is subsequently measured at amortized cost.

Any assets carried under concession arrangements are derecognized on disposal or when no future economic benefits are expected from its future use or disposal or when the contractual rights to the financial assets expire.

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

2.10. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow and the revenue can be reliably measured, irrespective of the fact whether payment is received or not. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

Construction Contracts:

Performance obligation under the construction contracts satisfied over a period of time, since the Group creates an asset that the customer controls as the asset is created and the group has an enforceable right to payment for performance completed to date if it meets the agreed specifications. With respect to the method for recognising revenue over time (i.e. the method for measuring progress towards complete satisfaction of a performance obligation), the Group has established certain criteria that are applied consistently for similar performance obligations. In this regard, the method chosen by the Group to measure the value of goods or services for which control is transferred to the customer over time is the output method based on surveys of performance completed to date as acknowledged by the client according to which revenue is recognized corresponding to the work performed and on the basis of the price allocated thereto. In cases where the work performed till the reporting date has not reached the milestone specified in the contract, the Group recognizes revenue only to the extent that it is highly probable that the customer will acknowledge the same. This method is applied as

the progress of the work performed can be measured during its performance on the basis of the contract. Under this method, on a regular basis, the work completed under each contract is measured and the corresponding output is recognized as revenue.

Contract modifications are accounted for when additions, deletions or changes are approved either to the scope or price or both. Goods/services added that are not distinct are accounted for on a cumulative catch up basis. Goods / services those that are distinct are accounted for prospectively as a separate contract, if the additional goods/services are priced at the standalone selling price else as a termination of the existing contract and creation of a new contract. In cases where the additional work has been approved but the corresponding change in price has not been determined, the recognition of revenue is made for an amount with respect to which it is highly probable that a significant reversal will not occur.

If the consideration promised in a contract includes a variable amount, this amount is recognized only to the extent that it is highly probable that a significant reversal in the amount recognized will not occur.

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

Other sales are accounted for on dispatch of material and excludes applicable taxes or duty and are net of discount.

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

The income from Toll contracts on BOT/OMT basis (under Financial Receivable Model) are recognized on actual collection of toll revenue.

Provision for future losses

Provision for future losses are recognized as soon as it becomes evident that the total costs expected to be incurred in a contract exceed the total expected revenue from that contract.

Contract balances

(i) Contract assets

A contract asset is recognized for amount of work done but pending billing/acknowledgement by customer or amounts billed but payment is due on completion of future performance obligation,

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

since it is conditionally receivable. The provision for Expected Credit Loss on contract assets is made on the same basis as financial assets.

ii) Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section Financial instruments.

iii) Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received advance payments from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the consideration received.

Interest Income

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

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

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

Dividend

Dividends are recognized in profit or loss only when:

- (i) the Group's right to receive payment of the dividend is established;
- (ii) It is probable that the economic benefits associated with the dividend will flow to the entity; and
- (iii) The amount of dividend can be measured reliably.

2.11. Inventories

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

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

2.12. Leases

Where the Group is the lessee

The Group's lease asset classes primarily consist of leases buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset. At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Group as a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

2.13. Employee benefits

Short Term:

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

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

Long Term:

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

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

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

Other long term employee benefits:

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

2.14. Borrowing Costs

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

2.15. Segment reporting

The Chief Operational Decision maker monitors the operating results of its business segments separately for the purpose of decision-making about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

The operating segments have been identified on the basis of the nature of products / services.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

1. Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter-segment revenue.
2. Expenses which are directly identifiable with / allocable to segment are considered for determining the segment result. Expenses which relate to the Group as a whole and not allocable to any segment are included under unallocable expenditure.
3. Income which relates to the group as a whole and not allocable to segments is included in unallocable income.
4. Segment results include margins on inter-segment and sales which are reduced in arriving at the profit before tax of the Group.
5. Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Group as a whole and not allocable to any segment.

2.16. Earnings per share:

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

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

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

2.17. Taxation

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

end of reporting period to profit & loss.

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

Deferred Tax

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

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

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

Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

2.18. Impairment of Financial Assets

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

2.19. Impairment of Non-Financial Assets

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

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

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

2.20. Claims & Counter Claims

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

2.21. Provisions, Contingent Liabilities and Assets

Provisions

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

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

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

Contingent liabilities and assets

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

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

2.22. Financial instruments

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

Initial recognition

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

Subsequent measurement

A. Financial Assets

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

(i) Financial Assets carried at amortized cost

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

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

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

financial assets and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

(iv) Investment in Subsidiaries, Associates and Joint ventures

On initial recognition, these investments are recognized at fair value plus any directly attributable transaction cost. Subsequently, they are measured at cost in accordance with Ind AS 27 - 'Separate Financial Statements'.

(v) Equity investments

All equity investments falling within the scope of Ind-AS 109 are mandatorily measured at Fair Value through Profit and Loss (FVTPL) with all fair value changes recognized in the Statement of Profit and Loss. The Group has an irrevocable option of designating certain equity instruments as FVOCI. Option of designating instruments as FVOCI is done on an instrument-by-instrument basis. The classification made on initial recognition is irrevocable. If the Group decides to classify an equity instrument as FVOCI, then all fair value changes on the instrument are recognized in Statement of Other Comprehensive Income (SOI). Amounts from SOI are not subsequently transferred to profit and loss, even on sale of investment.

B. Financial liabilities

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

Derecognition:-

A. Financial Assets

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

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

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

B. Financial Liability

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

Reclassification of financial assets and financial liabilities

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

2.23. Foreign currencies

i. Initial recognition

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

ii. Conversion

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

iii. Exchange differences:

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

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

2.24. Fair Value Measurement

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

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

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

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

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

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

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

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

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

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

2.25. Cash Flow Statement

Cash flow are reported using indirect method whereby a profit before tax is adjusted for the effect for the effects of transaction of non-cash nature. The cash flow from operating, investing and financing activities of the Company are segregated.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with Indian Accounting Standards (Ind AS) requires management to make estimates and assumptions that affect the

reported balances of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and results of operations during the reporting period. The Management believes that the estimates used

in preparation of financial statements are prudent and reasonable. Differences between actual results and estimates are recognized in the year in which the results are shown /materialized.

i. Estimated useful life of intangible assets and property, plant and equipments

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

ii. Income taxes:

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

iii. Defined benefit plans and other long term benefits :

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

iv. Contingent liabilities:

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

v. Revenue Recognition:

The Group uses the stage of completion method using survey method and /or on completion of physical proportion of the contract work to measure progress towards completion in respect of construction contracts. This method is followed when reasonably

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

dependable estimates of costs applicable to various elements of the contract can be made. Key factors that are reviewed in estimating the future costs to complete include estimates of future labour costs and productivity efficiencies. Because the financial reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, recognized revenue and profit are subject to revisions as the contract progresses to completion. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable.

vi. Provision for doubtful receivables and contract assets:

In assessing the recoverability of the trade receivables and contracts assets, management's judgement involves consideration of aging status, evaluation of litigations and the likelihood of collection based on the terms of the contract.

vii. Estimation of net realizable value of inventories:

Inventories are stated at the lower of cost and Fair value. In estimating the net realizable value / Fair value of Inventories the Group makes an estimate of future selling prices and costs necessary to make the sale.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)**

4. PROPERTY, PLANT AND EQUIPMENT

Particulars	Freehold Land	Buildings	Right-of-use Assets	Property, plant & equipments	Furniture & fixtures	Vehicles	Office equipment	Computers	Temporary Constructions	Total
(₹ In lakhs)										
Gross carrying value										
At April 01, 2020	504.93	611.15	995.46	86,031.79	440.81	3,758.89	1,141.52	648.03	1,689.99	95,822.57
Addition during the year	-	-	192.56	16,949.99	69.44	643.04	103.15	139.10	0.21	18,097.49
Disposal / Adjustments	-	-	267.93	413.78	0.03	119.61	2.22	0.72	-	804.29
As at March 31, 2021	504.93	611.15	920.09	1,02,568.00	510.22	4,282.31	1,242.45	786.41	1,690.20	1,13,115.77
Accumulated Depreciation										
At April 01, 2020	-	97.83	266.89	32,218.60	157.21	1,154.93	553.42	583.56	1,681.66	36,714.10
For the year	-	19.59	148.14	10,142.49	48.75	469.28	159.80	105.90	7.55	11,101.50
Disposal / Adjustments	-	-	-	374.04	0.01	68.65	1.73	0.68	-	445.11
As at March 31, 2021	-	117.41	415.03	41,987.06	205.96	1,555.56	711.49	688.78	1,689.20	47,370.49
Net carrying value as at March 31, 2021	504.93	493.74	505.06	60,580.94	304.27	2,726.76	530.96	97.63	0.99	65,745.28

Particulars	Freehold Land	Buildings	Right-of-use Assets	Plant & equipment	Furniture & fixtures	Vehicles	Office equipment	Computers	Temporary Constructions	Total
(₹ In lakhs)										
Gross carrying value										
At April 01, 2019	257.39	653.46	-	78,972.87	418.34	3,292.35	977.14	580.80	1,690.40	86,842.75
Addition during the year	247.54	-	995.46	8,044.88	22.95	518.31	169.42	67.92	1.81	10,068.29
Disposal / Adjustments	-	42.31	-	985.96	0.48	51.77	5.04	0.69	2.22	1,088.47
As at March 31, 2020	504.93	611.15	995.46	86,031.79	440.81	3,758.89	1,141.52	648.03	1,689.99	95,822.57
Accumulated Depreciation										
At April 01, 2019	-	83.66	-	21,694.22	111.03	775.84	425.18	476.55	1,606.57	25,173.04
Addition during the year	-	19.59	266.89	11,266.57	47.36	426.81	156.69	112.14	110.95	12,407.00
Disposal / Adjustments	-	5.42	-	742.19	1.18	47.73	28.45	5.13	35.86	865.95
As at March 31, 2020	-	97.83	266.89	32,218.60	157.21	1,154.93	553.42	583.56	1,681.66	36,714.09
Net carrying value as at March 31, 2020	504.93	513.32	728.57	53,813.19	283.60	2,603.96	588.10	64.47	8.33	59,108.48

Notes :

- Property, plant and equipments hypothecated/ pledged as security except project assets. (Refer Note 21)
- Refer Note 42 for disclosure of Contractual Commitment for the acquisition of Property, Plant & Equipments.
- Right of use assets includes Land and Building under operative lease in pursuance of Ind AS 116.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

5. CAPITAL WORK IN PROGRESS

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Capital Work in Progress		
Opening Cost	-	620.50
Addition during the year	341.59	843.18
Capitalized/Adjustments during the year	-	(1,463.68)
Total	341.59	-

6. INTANGIBLE ASSETS

(₹ In lakhs)

Particulars	Computer software	Mining Lease	Concession Rights	Goodwill on Consolidation	Total
Gross carrying value*					
At April 01, 2020	371.46	33.53	2,37,748.88	906.88	2,39,060.75
Addition during the year	140.71	-	-	171.85	312.56
Disposals/Adjustments	0.37	-	-	-	0.37
As at March 31, 2021	511.80	33.53	2,37,748.88	1,078.72	2,39,372.94
Amortization					
At April 01, 2020	244.24	5.54	1,00,109.79	-	1,00,359.57
For the year	67.52	3.35	24,993.08	-	25,063.95
Disposals/Adjustments	0.29	-	-	-	0.29
As at March 31, 2021	261.25	6.38	1,23,421.36	-	1,25,423.23
Net carrying value as at March 31, 2021	250.55	27.15	1,14,327.52	1,078.72	1,13,949.71

(₹ In lakhs)

Particulars	Computer software	Mining Lease	Concession Rights	Goodwill on Consolidation	Total
Gross carrying value*					
At April 01, 2019	352.55	33.53	2,39,180.46	73.46	2,39,640.00
Addition during the year	18.93	-	-	833.42	852.35
Disposals/Adjustments	0.02	-	1,431.58	-	1,431.60
As at March 31, 2020	371.46	33.53	2,37,748.88	906.88	2,39,060.75
Amortization					
At April 01, 2019	185.79	2.19	77,737.90	-	77,925.88
For the year	58.45	3.35	22,371.89	-	22,433.69
Disposals/Adjustments	-	-	-	-	-
As at March 31, 2020	244.24	5.54	1,00,109.79	-	1,00,359.57
Net carrying value as at March 31, 2020	127.22	27.99	1,37,639.09	906.88	1,38,701.18

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

7. NON-CURRENT INVESTMENTS

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Equity Shares fully paid-up:		
(i) Investment in Associates*		
6,79,00,000 equity shares (Previous Year 6,79,00,000) of Ghaziabad Aligarh Expressway Private Limited of ₹ 10/- each (Face value ₹ 10/- each)		
Opening Carrying value	3,582.52	2,933.73
Add/(Less)- Profit/Loss of Associate	426.69	648.78
Closing Carrying value	4,009.21	3,582.51
(ii) Investment in Others		
555,370 equity shares (Previous Year 555,370) of Indian Highways Management Company limited of ₹ 10/- each (Face value ₹ 10/- each)	55.54	55.54
Total	4,064.75	3,638.05

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate book value of unquoted investments	4,064.75	3,638.05
Provision for diminution in value of investmentS	-	-
Total	4,064.75	3,638.05

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

(₹ In lakhs)

Name of the Company	No. of Equity Shares of ₹ 10/- each	
	As at March 31, 2021	As at March 31, 2020
Ghaziabad Aligarh Expressway Private Limited*	1,49,55,240	1,49,55,240

**The Company, along with its wholly owned subsidiary, PNC Infraholdings Limited and other partner/ promoters, on April 01, 2021 has entered into a 'Share Purchase Agreement' and other related transaction documents inter alia for sale its entire stake of 35% (which includes 19.88% stake held by PNC Infra Holdings Limited, a Wholly Owned Subsidiary of Company) in Ghaziabad Aligarh Expressway Private Limited, an "Associate" of the Company to Cube Highways and Infrastructure Pte Limited ("Cube Highways"). The consummation of proposed transaction is subject to receipt of applicable regulatory and other approvals and complying with the conditions precedent, more specifically laid down in the Share Purchase Agreement.

8. NON CURRENT TRADE RECEIVABLES

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Receivables considered good-unsecured	4,04,307.34	3,32,462.23
Total	4,04,307.34	3,32,462.23
Trade Receivables considered good-secured	-	-
Trade Receivables considered good-unsecured	4,04,307.34	3,32,462.23
Trade Receivables which have increase in credit risk	-	-
Credit Impaired	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

9. OTHER NON-CURRENT FINANCIAL ASSETS

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Other Bank balances (having maturity of more than 12 months)*		
- Term deposits as margin money for bank guarantees	65.06	106.30
- Earnest money deposits (in the form of term deposits, NSC etc)	302.13	305.05
(Unsecured, Considered good unless otherwise stated)		
Retentions & Security Deposits		
With government departments & other clients	8,504.83	9,461.98
with related parties**	3,440.77	1,974.91
with others	85.21	67.13
Total	12,398.00	11,915.37

* For details refer Note 15(ii)

** For details refer Note 44

10. DEFERRED TAX

10.1 The balance comprises temporary differences attributable to:

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred Tax Assets/(Liabilities)		
Property, Plant & Equipments	6,225.99	3,770.86
Retention Assets	428.15	(80.76)
Retention Liabilities	(607.41)	(401.69)
Deferred Retention Liabilities	590.46	710.75
Deferred Retention Assets	(428.15)	(55.63)
Gratuity & Leave encashment	515.00	395.61
Trade receivables	(23,390.99)	(24,921.76)
Borrowings	(23.40)	(26.76)
Investments	(64.18)	(325.22)
Preliminary & Pre-operative expenses	0.47	4.38
Major Maintenance	7,025.52	6,192.33
Trade payables	12,109.77	18,470.33
Lease Liability	128.83	237.95
Mutual Funds	(8.49)	-
Mat Credit Entitlement	1,649.46	11,865.99
Net deferred tax Assets/(Liabilities)	4,151.04	15,836.37

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)**

10.2 MOVEMENT IN DEFERRED TAX (LIABILITIES)/ASSETS

Particulars	Trade Payables	Property, plant & Equipments	Retention Assets	Deferred Retention Liabilities	Gratuity & Leave encashment	Preliminary & Pre-operative Expenses	Major Maintenance	Retention Liabilities	Investments	Deferred Retention Assets	MAT Credit Entitlement	Lease Liability	Trade Receivables	Borrowings	Mutual Funds	Total
At April 01, 2019	26,123.38	2,498.11	139.58	(330.79)	439.80	9.96	5,468.11	333.32	(104.31)	(136.96)	17,267.31	-	(31,425.03)	(37.44)	-	20,245.03
(Charged)/credited:-																
- to profit & loss	(7,653.05)	1,272.75	(220.34)	1,041.54	85.12	(5.58)	724.22	(735.01)	(220.91)	81.33	(16.24)	237.95	6,503.27	10.68	-	1,105.74
- to Other Comprehensive Income	-	-	-	-	(129.32)	-	-	-	-	-	(5,385.08)	-	-	-	-	(5,514.40)
At March 31, 2020	18,470.33	3,770.86	(80.76)	710.75	395.61	4.38	6,192.33	(401.69)	(325.22)	(55.63)	11,865.99	237.95	(24,921.76)	(26.76)	-	15,836.37
(Charged)/credited:-																
- to profit & loss	(6,360.56)	2,455.13	508.91	(120.29)	109.24	(3.91)	833.19	(205.72)	261.04	(372.52)	(0.33)	(109.12)	1,530.77	3.36	(8.49)	(1,479.29)
- to Other Comprehensive Income	-	-	-	-	10.16	-	-	-	-	-	-	-	-	-	-	10.16
- to Mat Credit Availability/Utilization											(10,216.20)					(10,216.20)
At March 31, 2021	12,109.77	6,225.99	428.15	590.46	515.00	0.47	7,025.52	(607.41)	(64.18)	(428.15)	1,649.46	128.83	(23,390.99)	(23.40)	(8.49)	4,151.04

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

11. OTHER NON CURRENT ASSETS

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance tax & tax deducted at source (Net)*	9,765.55	11,709.38
Tax & Duty deposited under protest	712.21	702.25
Advances Other than Capital Advance		
Balance with Government authorities	59,017.98	35,420.00
Mobilization advance to sub-contractors	869.45	1,116.76
Deferred Retention		
a. Held with departments	1,199.13	25.91
Total	71,564.32	48,974.30

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

12. INVENTORIES

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Raw Materials (construction material)	29,987.13	21,540.75
Raw Material in transit	-	118.66
Stores and spares	5,372.36	5,069.52
Total	35,359.49	26,728.93

Note 12.1: Bifurcation of Raw Material under broad heads:

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Raw material		
Bitumen	1,032.96	383.91
Cement	1,402.50	1,455.95
Steel	8,678.55	7,690.16
Stone, Grit and Sand	12,071.09	8,389.27
High speed diesel and Fuel oil	1,391.95	468.66
Others	5,410.08	3,152.80
Total	29,987.13	21,540.75

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

13. CURRENT INVESTMENTS

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Investments In Mutual Funds		
Axis Mutual Fund- 99,77,038.123 Units (PY Nil)	2,534.36	-
Kotak Money Market Fund- Nil (PY 4,11,517.89 Units)	-	13,633.92
Kotak low duration Fund- 10,24,358.755 Units (4,57,967.719 Units)	28,411.91	11,320.72
Baroda Large & Mid cap Fund- 1,99,980.001 Units (PY Nil)	20.00	-
HDFC Floating rate Debt Fund- 46,94,754.079 Units (PY 2,85,53,544.208 Units)	1,797.66	10,133.40
Axis Ultra short term Mutual Fund- 2,92,38,780.832 Units (PY 5,03,70,476.372 Units)	3,497.88	5,713.06
HDFC Short term Debt Fund- 3,00,02,260.114 Units (PY Nil)	7,484.63	-
Kotak Equity Arbitrage Fund- 3,31,84,438.458 Units (PY Nil)	10,048.61	-
Total	53,795.05	40,801.10

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Aggregate book value of quoted investments	53,795.05	40,801.10
Aggregate market value of quoted investments	53,795.05	40,801.10
Aggregate book value of unquoted investments	-	-
Provision for diminution in value of investments	-	-
	53,795.05	40,801.10

14. TRADE RECEIVABLES

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Receivables considered good-unsecured		
Related Parties*	10,642.83	10,758.00
Others	28,453.55	17,647.79
Trade Receivables-Credit Impaired	182.21	-
Total	39,278.59	28,405.79
Trade Receivables considered good-secured	-	-
Trade Receivables considered good-unsecured	39,096.38	28,405.79
Credit Impaired	728.83	-
Less : Allowance for Expected Credit Loss	(546.62)	-
Total	39,278.59	28,405.79

* For details refer Note 44

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

15.

15(i) Cash & Cash Equivalents

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Cash & Cash Equivalents		
Cash on hand	212.00	227.59
Bank Balances with Scheduled Bank:		
In Current Account	30,698.48	29,503.34
Fixed Deposits (Less than 3 months)	53,778.19	54,900.00
Total	84,688.67	84,630.93

15(ii) Other Bank Balances

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(with maturity less than 3 months maturity)		
Earmarked Term deposits as Margin money for bank guarantee	1,349.32	1,221.40
Earnest money deposits (in the form of term deposits, NSC etc)	171.99	276.05
(with maturity more than 3 months but upto 12 months)		
Earmarked Term deposits as Margin money on bank guarantee	6,486.39	3,935.50
Earnest money deposits (in the form of term deposits, NSC etc)	44.56	347.72
Fixed Deposits	1,710.00	1,700.00
	9,762.26	7,480.67
Current Account		
Earmarked balances-unclaimed dividend	1.13	0.78
Total	9,763.39	7,481.45

Details of FDR kept as security

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Fixed deposits as Margin money on bank guarantee		
Under lien in favour of Banks as margin deposits for letter of credit and Bank Guarantees	7,900.77	5,263.20
Earnest money (in form of term deposits) deposits in favour of customer	518.68	928.82
Fixed Deposits (With maturity less than 3 months)	1,710.00	1,700.00
Add: Interest accrued but not due on margin money & Earnest money deposit	229.24	251.53
Less: Interest accrued but not due on margin money & Earnest money deposit	(229.24)	(251.53)
Total Deposits	10,129.45	7,892.02
Deposits having more than 12 months maturity from reporting date		
Fixed Deposits	65.06	106.30
Earnest Money Deposits	302.13	305.05
Total Non-Current Deposits	367.19	411.35
Total Current Deposits	9,762.26	7,480.67

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

16. LOANS

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good unless otherwise stated		
Loans and advances to related parties*	27,971.56	25,651.81
Total	27,971.56	25,651.81
Loans and advances considered good-secured	-	-
Loans and advances considered good-unsecured	27,971.56	25,651.81

* The Company has given non-interest bearing unsecured loan to its associate for financial assistance.

* For details Refer Note 44

17. OTHER CURRENT FINANCIAL ASSETS

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Retentions & Security Deposits		
with government and other clients	5,242.26	7,119.80
Balance with Government Authorities		
Others	0.05	31.89
Interest accrued but not due on Margin money, earnest money deposits & FDR	381.78	710.48
Total	5,624.09	7,862.17

18. OTHER CURRENT ASSETS

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Retentions & Security Deposits-unsecured, considered good unless otherwise stated		
with government and other clients	222.54	122.99
Balance with Government Authorities	7,324.73	5,819.71
Mobilization advance to sub-contractors	849.56	1,096.86
Advances to suppliers/Contractors		
Considered good - secured	-	-
Considered good - unsecured	12,432.70	7,576.18
Other advances	3,414.84	2,216.07
Preliminary expenses	277.58	-
Total	24,521.95	16,831.81

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

19. SHARE CAPITAL

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised		
Equity Shares of ₹ 2/- each		
27,50,00,000 (Previous Year 27,50,00,000)	5,500.00	5,500.00
	5,500.00	5,500.00
Issued, Subscribed & Fully Paid up*		
Equity Shares of ₹ 2/- each		
25,65,39,165 (Previous Year 25,65,39,165)	5,130.78	5,130.78
	5,130.78	5,130.78

* Refer Statement of changes in Equity

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

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
	Nos.	Nos.
Opening	25,65,39,165	25,65,39,165
Add: Issued during the year	-	-
Less: Deductions during year	-	-
Closing	25,65,39,165	25,65,39,165

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	No of Shares	% Holdings	No of Shares	% Holdings
CN Infrabuild Private Limited	-	-	2,55,34,008	9.95
NCJ Infrastructural Private Limited	2,47,65,000	9.65	2,47,65,000	9.65
HDFC Mutual Fund	2,26,24,395	8.82	1,98,37,806	7.73
Naveen Kumar Jain	1,80,96,000	7.05	1,80,96,000	7.05
Madhavi Jain	1,79,98,500	7.02	1,79,98,500	7.02
Yogesh Kumar Jain	1,67,94,000	6.55	1,67,94,000	6.55
Pradeep Kumar Jain	1,53,49,500	5.98	1,53,49,500	5.98

C Rights and restrictions attached to equity shares

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

20. OTHER EQUITY

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Securities premium*		
Opening Balance	59,016.04	59,012.74
(+) Addition During the year	2.14	3.30
Closing Balance	59,018.18	59,016.04
General Reserve*		
Opening Balance	128.96	128.96
(+) Current period Transfer from Statement of Profit & Loss	-	-
(-) Adjustment during the year	-	-
Closing Balance	128.96	128.96
Surplus in Statement of Profit and Loss*		
Balance as at the beginning of the year	1,91,150.20	1,38,165.80
(+) Net Profit for the year	49,737.75	54,988.48
- Remeasurement of Defined Benefit Obligation	(23.05)	257.75
Amount available for appropriation	2,40,864.90	1,93,412.03
(-) Final Dividend paid on Equity Shares	-	(1,282.70)
(-) Interim Dividend paid on Equity Shares	-	(1,282.70)
(-) Dividend Distribution tax	-	(527.44)
(+) Adjustment during the year	3.48	0.89
(+) Arising on account of consolidation	169.71	830.12
Closing Balance	2,41,038.09	1,91,150.20
Total	3,00,185.23	2,50,295.20

* Refer Statement of changes in Equity

Remeasurement of Defined Benefit Obligation

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

Nature and purposes of Reserves

Securities Premium

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

General Reserve

It represents appropriation of profit by the Company.

Retained Earnings

It comprises Company's undistributed profit after taxes.

21. LONG TERM BORROWINGS

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Secured		
Term loans -from banks (For Maturity Pattern refer details below)	3,72,552.60	3,22,234.87
Term loans -from NBFCs (For Maturity Pattern refer details below)	936.51	2,366.95
Total	3,73,489.11	3,24,601.82

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

Specific Conditions:

Subsidiary Name	Other Conditions	Repayment Schedule
MP Highways (P) Limited	Pledge of equity shares held by the sponsor aggregating to 51%.	Borrowings are repayable in 115 unequal monthly installments which commenced from september 2013.
PNC Bareilly Nainital Highways (P) Limited	Pledge of equity shares held by the sponsor aggregating to 51%.	Borrowings are repayable in 149 unequal monthly installments which commenced from March, 2016.
PNC Raebareli Highways (P) Limited	Pledge of equity shares of the borrower shall be reduced from 51% to 26% subject to compliance of all the provisions of financing documents.	The loan is repayable in 25 unequal half yearly installments commencing from July 2017. The loan is repayable in 25 structured bollooning half yearly installments starting from July 2018
PNC Rajasthan Highways (P) Limited	Pledge of shares held by the promoter and or any other person aggregating to 51%.	The loan is repayable in 24 unequal half yearly installments commencing after 6 months from date of Scheduled completion date .
PNC Kanpur Highways Limited	Pledge of equity shares held by the sponsor aggregating to 51%	The loan is repayable in 102 unequal monthly installments commencing from January 2016.
PNC Delhi Industrialinfra (P) Limited	Pledge of equity shares held by the sponsor aggregating to 51%	The loan is repayable in 121 unequal monthly instalments commencing from December 2013.
PNC Chitradurga Highways (P) Limited	Pledge of equity shares held by the sponsor aggregating to 51%	The loan is repayable in 24 unequal half yearly installments commencing after 6 months from date of Scheduled completion date .
PNC Bundelkhand Highways (P) Limited	Pledge of equity shares held by the sponsor aggregating to 51%	The loan is repayable in 26 unequal half yearly installments commencing after 7 months from date of Scheduled completion date .
PNC Khajuraho Highways (P) Limited	Pledge of equity shares held by the sponsor aggregating to 30%	The loan is repayable in 24 unequal half yearly installments commencing after 6 months from date of Scheduled completion date .
PNC Aligarh Highways (P) Limited	Pledge of equity shares held by the sponsor aggregating to 40.75%	The loan is repayable in 27 unequal half yearly installments commencing after 7 months from date of Scheduled completion date .
PNC Triveni Sangam Highways (P) Limited	Pledge of equity shares held by the sponsor aggregating to 51%	The loan is repayable in 25 unequal half yearly installments commencing after 6 months from date of Scheduled completion date .
PNC Gomti Highways (P) Limited	Pledge of equity shares held by the sponsor aggregating to 1.47%	The loan is repayable in 26 unequal half yearly installments commencing from August, 2023.
PNC Meerut Haridwar Highways (P) Limited	Pledge of equity shares held by the sponsor aggregating to 1.47%	The loan is repayable in 27 unequal half yearly installments commencing after 7 months from Scheduled completion date.
PNC Bithur Kanpur Highways (P) Limited	Pledge of equity shares held by the sponsor aggregating to 1.47%	The loan is repayable in 27 unequal half yearly installments commencing after 7 months from Scheduled completion date .
PNC Unnao Highways (P) Limited	Pledge of equity shares held by the sponsor aggregating to 1.47%	The loan is repayable in 25 unequal half yearly installments commencing after 6 months from Scheduled completion date .

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

Loans are repayable as under:

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Payable within one year	43,341.00	25,273.03
Payable between one to three years	70,217.71	65,816.10
Payable after three years	3,03,271.39	2,58,785.72
Total	4,16,830.10	3,49,874.85

Common Conditions:-

- The above loans are secured by way of hypothecation of asset financed out of said loans.
- The above loans are repayable in monthly installment over the period of loan.
- Figures in brackets represent previous year figures.
- A first mortgage and charge on all the borrowers immovable properties both present and future save and except the project assets.
- A first charge by way of hypothecation of the borrower movable, including current and non current assets save and except the project assets.
- A first charge on borrowers receivables save and except the project assets.
- A first charge over all the bank accounts of the borrower, the escrow account, sub accounts, major maintenance account debt service reserve account.
- A first charge on all the intangible assets excluding the project assets
- A first charge by way of assignment or otherwise creation of security interest in all the rights, title, interests, benefits, claims and demands.
- The above Loans carry Interest rates ranging from 7.25% to 9.90%.

22. TRADE PAYABLES

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Micro & Small enterprises* (Refer Note 22.1)	-	-
Other than Micro & Small enterprises	41,585.75	63,428.35
Total	41,585.75	63,428.35

Note 22.1 Based on available information, the outstanding is to the extent of information received by Company under the Micro, Small & Medium Enterprises Development Act 2006 as below:

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
- Principal amount due to suppliers	-	-
- Interest accrued due to suppliers on the above amount and unpaid.	-	-
- The amount of interest paid by the Company in terms of Section 16 of the MSMED Act 2006, along with the amount of the payment made to the supplier beyond the appointed date during each accounting year.	-	-
- The amount of interest due and payable for the period of delay in making payment(which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
- Interest accrued and remaining unpaid at the end of the each accounting year.	-	-
- Amount of further interest remaining due and payable in succeeding years,until such date when the interest dues above are actually paid to small enterprise, for the purpose of disallowance of a deductible expenditure u/s 23 of MSMED Act, 2006	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

23. OTHER NON CURRENT FINANCIAL LIABILITIES

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Retention from contractors/suppliers	25,377.17	20,227.18
Security received from contractor/suppliers	47.06	47.06
Lease Liability*	188.46	444.05
Total	25,612.69	20,718.29

*For Details refer Note 51.

24. LONG TERM PROVISIONS

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits*		
Gratuity (Funded)	662.31	533.34
Gratuity (Unfunded)	16.04	12.69
Leave Encashment (Unfunded)	322.08	216.63
Other Provisions		
Major Maintenance**	27,021.24	23,816.67
Total	28,021.67	24,579.33

*For details refer Note 46.

**The Company has a constructive obligation to maintain and manage the revenue generating infrastructure due to which it is probable that economic resources will be required to settle the obligation. The management estimated the carrying amount of provisions of major maintenance that are subject to change to actual maintenance to be held in prospective years.

Note 24.1: Movement of provision for Major Maintenance

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Carrying amount at the beginning of the year	23,816.67	17,510.08
Additional provision made during the year	3,204.57	6,306.59
Amount used during the year	-	-
Amount reversed during the year	-	-
Carrying amount at the end of the year	27,021.24	23,816.67

25. OTHER NON CURRENT LIABILITIES

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance from customers	18,303.20	36,602.37
Deferred Retentions	1,689.72	2,039.08
Total	19,992.92	38,641.45

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

26. SHORT TERM BORROWINGS

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured		
Loan repayable on demand from Related party	2,018.29	1,629.41
Total	2,018.29	1,629.41

27. TRADE PAYABLES

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Micro & Small enterprises	2,725.33	1,210.50
(Refer Note 27.1)		
Other than Micro & Small enterprises	69,884.19	46,365.54
Total	72,609.52	47,576.04

Note 27.1 Based on available information, the outstanding is to the extent of information received by Company under the Micro, Small & Medium Enterprises Development Act 2006 as below:

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
- Principal amount due to suppliers	2,725.33	1,210.50
- Interest accrued due to suppliers on the above amount and unpaid.	-	-
- The amount of interest paid by the Company in terms of Section 16 of the MSMED Act 2006, along with the amount of the payment made to the supplier beyond the appointed date during each accounting year.	-	-
- The amount of interest due and payable for the period of delay in making payment(which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
- Interest accrued and remaining unpaid at the end of the each accounting year.	-	-
- Amount of further interest remaining due and payable in succeeding years,until such date when the interest dues above are actually paid to small enterprise, for the purpose of disallowance of a deductible expenditure u/s 23 of MSMED Act, 2006	-	-

28. OTHER FINANCIAL CURRENT LIABILITIES

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Current maturities of long-term debt		
From Banks	41,911.76	23,954.85
From NBFCs	1,429.24	1,318.18
Total Current maturity of long term debt*	43,341.00	25,273.03
Others		
Due to employees	3,632.03	1,374.18
Creditors - Capital Goods	3,110.84	1,587.04

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Retention money payable	15,101.02	6,119.08
Unpaid Dividend	1.13	0.71
Lease Liability**	180.22	236.89
Expenses payable	6,706.93	6,317.99
Total Others	28,732.17	15,635.89
Total	72,073.17	40,908.92

* For details refer Note 21

**For details refer Note 51

Note 28.1 There are no dues payable to parties to the extent of information received by Company under the Micro, small & medium Enterprises Development Act, 2006.

29. OTHER CURRENT LIABILITIES

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance received from contract customers & others	9,204.71	28,444.48
Statutory dues	3,074.86	1,337.32
Dividend payable	-	0.07
Total	12,279.57	29,781.87

30. SHORT TERM PROVISIONS

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Income Tax	4,016.19	1,312.63
Provision for employee benefits*		
Gratuity (Funded)	429.72	341.65
Gratuity (Unfunded)	4.33	2.32
Leave Encashment (unfunded)	123.38	81.91
Total	4,573.62	1,738.51

* For details refer Note 46

31. REVENUE FROM OPERATIONS

(₹ In lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Contract Revenue*	4,86,695.79	4,84,389.13
Toll collection	61,319.31	54,688.26
Other operating revenues		
Sale of material and others	75.92	138.47
Sale of scrap material	36.17	35.09
Interest on annuity receivable	30,629.66	21,006.41
Total	5,78,756.85	5,60,257.36

* During the FY 2020-21 Arbitration Award of Nil received from NH-24 Moradabad (PY ₹ 10,948.40 lakhs).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

Bifurcation of Contract Revenue is as under:

(₹ In lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Contract		
Road	4,86,086.67	4,82,368.83
Airport Runways	609.12	1,941.38
Power Projects	-	78.92
Total	4,86,695.79	4,84,389.13

32. OTHER INCOME

(₹ In lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Interest Income:		
From Bank	1,801.19	2,047.14
From Others*	1,506.55	4,073.20
Gain on fair valuation of Investments	32.64	86.34
Profit on sale of Mutual funds	4,210.76	2,224.37
Other non-operating income (net of expenses)	3,581.30	9,131.87
(includes income arising on account of fair valuation of Retention money)		
Total	11,132.44	17,562.92

*During the FY 2020-21 Interest Income on Arbitration Award of Nil. (Previous year Interest Income on Arbitration Award of ₹ 3555.26 lakhs from NH-24 Moradabad)

33. COST OF MATERIAL CONSUMED

(₹ In lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Raw Material	2,24,789.24	2,16,105.38
Total	2,24,789.24	2,16,105.38

34. EMPLOYEE BENEFIT EXPENSE

(₹ In lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Salaries and Wages	29,969.84	28,548.89
Contributions to - Provident fund & other funds	624.34	622.01
Staff welfare expenses	134.06	152.65
Total	30,728.24	29,323.55

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

35. FINANCE COST

(₹ In lakhs)		
Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Interest expense on:		
Loan	39,379.49	40,881.02
Retention money	1,460.56	1,024.40
Lease liability	101.19	98.71
Other borrowing costs		
Loan processing charges	115.57	82.07
Guarantee charges	1,356.04	1,577.16
Other	193.86	266.46
Total	42,606.71	43,929.82

36. DEPRECIATION AND AMORTIZATION EXPENSES

(₹ In lakhs)		
Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Depreciation on Property, Plant and Equipments	11,101.53	12,407.00
Amortization on Intangible Assets	25,063.93	22,433.69
Amortization of Deferred Retention Assets	159.17	232.73
Total	36,324.63	35,073.42

37. OTHER EXPENSES

(₹ In lakhs)		
Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Consumption of Stores & Spares*	7,580.52	7,135.72
Power & Fuel	1,608.65	1,326.66
Contract Paid incl. construction cost	1,26,125.03	1,22,768.22
Hire charges of Machineries	3,149.29	1,963.80
Other Construction expenses	6,469.79	5,553.74
Rent	779.10	499.65
Insurance	1,460.94	1,022.67
Repairs to Buildings	136.90	108.13
Travelling and Conveyance	242.97	424.20
Postage & Telephone	22.78	17.66
Legal & Professional Expenses	1,761.65	1,586.31
Rates and Taxes**	24,433.05	29,372.04
Printing & Stationery	7.79	11.56
Auditor's Remuneration		
Audit Fees	35.16	35.66
For Reimbursement of Expenses	1.63	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(₹ In lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Advertisement Expenses	6.08	1.13
Tender & Survey Expenses	236.95	60.62
Hire charges of Vehicles	127.96	92.36
Director's sitting fees	5.60	7.70
Allowance for Expected Credit Loss	546.62	-
Impairment Allowance for advances	-	482.50
Loss on disposal of Fixed assets (Net)	4.66	47.56
Corporate Social Responsibility***	947.85	536.67
Miscellaneous and General Expenses****	2,557.04	2,748.27
Investments written off	-	0.65
Major Maintenance Cost	3,204.57	6,306.58
Total	1,81,452.58	1,82,110.06

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

** Includes GST Expenses of ₹ 20,656.73 lakhs (Previous year ₹ 23,022.42 lakhs)

*** CORPORATE SOCIAL RESPONSIBILITY

The Holding Company planned towards CSR activities at least two percent of the average net profits of the Holding Company made during the three immediately preceding financial years. Accordingly, Holding Company was required to spend ₹ 809.00 lakhs (PY ₹ 514.60 lakhs) for FY 2020-21 and the Company spent ₹ 810.35 lakhs (PY ₹ 515.27 lakhs).

PNC Raebareli Highways Private Limited spent ₹ 9.00 lakhs (PY ₹ 10.70 lakhs) towards CSR activities.

PNC Delhi Industrialinfra Private Limited spent ₹ 44.00 lakhs (PY ₹ 10.70 lakhs) towards CSR activities.

PNC Kanpur Highways Private Limited spent ₹ 9.50 lakhs (PY Nil) towards CSR activities.

PNC Kanpur Ayodhya Tollways Private Limited spent ₹ 75.00 lakhs (PY Nil) towards CSR activities.

****Includes Foreign Exchange Loss of ₹ 18.01 lakhs (PY Gain of ₹ 168.72 lakhs).

38. TAX EXPENSE

A. Income Tax Expense

(₹ In lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
(a) Current tax		
Current tax on profit for the period	23,321.74	18,451.10
Adjustments for current tax of prior periods	(76.70)	(374.55)
Total Current tax expense	23,245.04	18,076.55
(b) Deferred tax		
Decrease/(Increase) in deferred tax assets	3,196.65	172.72
(Decrease)/Increase in deferred tax Liabilities	(1,717.36)	(1,310.92)
Total Deffered Tax Expenses	1,479.29	(1,138.20)
Total Income tax Expense	24,724.33	16,938.35

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

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

(₹ In lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Profit before tax	73,987.89	71,278.05
Tax at Indian tax rate of 34.944% (FY 2018-19-34.944%)	25,854.33	24,907.40
Tax Adjustments for earlier years		
Tax of earlier years	(76.70)	(374.55)
Others:		
Income Tax Exempt under Tax Holiday	(2,888.54)	(8,709.68)
Expenses not allowed for tax puposes	280.20	1,291.11
Income Tax on Profit on Sale of Mutual Fund	61.23	-
Tax Effect due to Carried forward of Losses & Preliminary Expenses	14.52	-
Minimum Alternative tax paid	-	1,023.88
Deferred tax	1,479.29	(1,199.82)
Income Tax expense Charged to P/L	24,724.33	16,938.35

39. EARNING PER EQUITY SHARES

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

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Weighted Average number of Equity Shares outstanding	2,565.39	2,565.39
Profit after tax as per Profit & Loss A/c	49,690.25	54,988.48
Nominal value per share (In ₹)	2.00	2.00
Basic & Diluted Earning per share	19.37	21.43

40. CONTINGENT LIABILITIES & ASSETS

40.1 Contingent Liabilities

(₹ In lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Claims against the Holding Company not acknowledged as debts		
Disputed demand of Income Tax A.Y. 2010-11 {During the previous year disputed demand of Income tax (includes, net of advance tax & TDS under verification, adjusted from demand of ₹ 33.51 Cr arose in assessment of search proceedings up to AY 2012-13) for which Company has won the appeal, but department has filed the appeal with Hon. High court}.	645.81	645.81
Disputed demand of Sales Tax/VAT/GST for which Company preferred appeal	3,330.85	9,835.99

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(₹ In lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Disputed demand of Service Tax for which Company preferred appeal	199.86	192.76
Disputed demand of Entry Tax for which Company preferred appeal	35.75	592.79
Others (including motor accident, labour & civil matters)	60.08	396.04
(Interest and penalties, if any, in above cases will be decided at the time of settlement)		
Court Case by NHAI against claim award of NH-24 Project	14,527.00	-
Others		
- Letter of Credit outstanding	2,011.26	-

40.2 Contingent Assets

The status of various project claims in arbitration is as under:

- The Holding Company had initiated arbitral proceedings against the Uttar Pradesh Public Works Department (UP PWD) for compensation of ₹ 851.31 lakhs (including interest) towards extra cost incurred on procurement of different material, distant source in relation to the project "rehabilitation Road (Gomat) under Uttar Pradesh State Road Project. The arbitral Tribunal has pronounced its unanimous award dt. March 07, 2014 for ₹ 702.31 lakhs (including interest) in favour of the Company. The respondent UP PWD has preferred objection against the aforesaid award before the Distt. Judge Mathura and the case was transferred to The Ld. Judge Commercial Court Agra and the Ld. Judge Commercial Court Agra had rejected the petition of UP PWD on January 30, 2020 and the petition has been filed by UP PWD in Hon'ble Allahabad High Court against Commercial Court order. Hearing in Allahabad High Court is yet to start. Treatment of the same will be done on final settlement.
- The Holding Company had initiated arbitral proceedings against the HSRDC for compensation of ₹ 3091.00 lakhs (including interest). The arbitral Tribunal has pronounced its unanimous award dt. February 03, 2019 for ₹ 3091.00 lakhs in favour of the Company. The respondent HSRDC has challenged this award with Distt. Judge, Chandigarh and the case is still pending with Distt. Judge, Chandigarh. Treatment of the same will be done on final settlement.
- Further, the Holding Company has filed four arbitration claims including claims for delay damages and interest which are pending at arbitration stage. The same will be accounted for on final settlement.
- PNC Kanpur Highways Limited has a pending arbitration case against National Highways Authority of India (NHAI) arising out of the Concession agreement executed on March 11, 2011 for development of "Two laning with paved shoulders of Kanpur to Kabrai section of NH-86 from Km. 7.430 to Km. 130.100 in the state of Uttar Pradesh on design, build, finance, operate, transfer (DBFOT) on toll basis". The Company has raised claims for total amount of ₹ 61,876.10 lakhs including interest in the said arbitration against NHAI. The arbitration proceedings are underway.
- PNC Raebareli Highways Private Limited has a pending arbitration case against National Highways Authority of India (NHAI) arising out of the Concession agreement executed on November 09, 2012 for development of "Two laning with paved shoulders of Raebareli to Jaunpur section of NH-231 from Km. 0.000 to Km. 166.400 in the state of Uttar Pradesh under NHDP Phase-IV A on design, build, finance, operate, transfer (DBFOT) on Annuity basis". The Company has raised EPC claims for total amount of ₹ 38,925.93 lakhs including interest in the said arbitration against NHAI. The arbitration proceedings are underway.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

41. GUARANTEES

(₹ In lakhs)		
Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
(i) Bank Guarantees - Executed in favour of National Highways Authority of India and others	2,14,866.04	2,54,239.85
(ii) Corporate guarantee - - The outstanding liability at reporting date against the corporate guarantee of ₹ 20,500.00 lakhs issued in favour of bank, jointly & severally along with promoter of the associate and further indemnified by another promoter to the extent of its shareholding for credit facilities extended to an associate (the entire share capital of which is held by Company and the said two promoters)*	5,849.24	6,928.25

* Refer Note 44

42. COMMITMENTS

(₹ In lakhs)		
Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	183.54	216.79
(b) Capital Commitment for Equity and others (Net of Investment)		
PNC Chitradurga Highways Private Limited	2,901.00	4,501.00
PNC Bundelkhand Highways Private Limited	1,363.00	3,000.00
PNC Khajurao Highways Private Limited	1,910.00	3,910.00
PNC Triveni Sangam Highways Private Limited	8,025.00	11,555.00
PNC Aligarh Highways Private Limited	2,591.00	6,275.00
PNC Challakere Highways Private Limited	10,200.00	10,200.00
PNC Bithur Kanpur Highways Private Limited	18,390.00	-
PNC Gomti Highways Private Limited	12,982.00	-
PNC Meerut Haridwar Highways Private Limited	12,300.00	-
PNC Unnao Highways Private Limited	14,781.00	-

43. DISCLOSURE PURSUANT TO INDIAN ACCOUNTING STANDARD-115 "REVENUE FROM CONTRACTS"

(a) Type of Goods or Services	Construction and Toll collection
(b) Geographical Region	India
(c) Market or Type of Customer	Government and Non-Government
(d) Type of Contracts	Fixed-price Construction Contracts
(e) Contract Duration	Long-term Contracts
(f) Timing of transfer of Goods or Services	Transferred over a period of time
(g) Sales Channels	Directly to customer
(h) Opening Trade receivables	₹ 3,60,868.03 (In lakhs)
(i) Closing Trade receivables	₹ 4,43,585.92 (In lakhs)
(j) Contract Assets	Nil
(k) Contract Liabilities	Nil

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

44. RELATED PARTY DISCLOSURES

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

A. List of Related Parties and Relationships

Associates

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

Key Managerial Personnel (KMP)

- | | |
|---------------------------|----------------------------------|
| 1 Pradeep Kumar Jain | (Chairman and Managing Director) |
| 2 Chakresh Kumar Jain | (Managing Director) |
| 3 Yogesh Kumar Jain | (Managing Director) |
| 4 Anil Kumar Rao | (Whole Time Director) |
| 5 Talluri Raghupati Rao | (Whole Time Director) |
| 6 Bhupinder Kumar Sawhney | (Chief Financial Officer) |
| 7 Tapan Jain | (Company Secretary) |

Relatives of KMP

- | | |
|----------------------|--|
| 1 Meena Jain | (W/o Pradeep Kumar Jain) |
| 2 Renu Jain | (W/o Brother of Directors) |
| 3 Madhvi Jain | (W/o Chakresh Kumar Jain) |
| 4 Ashita Jain | (W/o Yogesh Kumar Jain) |
| 5 Ashish Jain | (Brother in Law of promotor directors) |
| 6 Bijali Rao | (W/o Anil Rao) |
| 7 Harshvardhan Jain | (S/o Chakresh Kumar Jain) |
| 8 Sakshi Jain | (D/o Yogesh Kumar Jain) |
| 9 Anuj Jain | (S/o Chakresh Kumar Jain) |
| 10 Vaibhav Jain | (S/o Naveen Kumar Jain) |
| 11 Naveen Kumar Jain | (Brother of Chairman and Managing Directors) |

Other Related parties with whom Transactions have taken place during the year

- 1 MA Buildtech Private Limited
- 2 Taj Infra Builders Private Limited
- 3 Subhash International Private Limited
- 4 Exotica Buildtech Private Limited
- 5 Shri Mahaveer Infrastructure Private Limited
- 6 Gional Infratech LLP
- 7 Royal Megatech Private Limited (w.e.f. September 1, 2020)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

B. Transactions with Related Parties

(₹ In lakhs)

S. No.	Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
	Transactions during the Year		
1	Receipt on account of EPC and Other Contract		
	Associate Company		
	Ghaziabad Aligarh Expressway Private Limited	-	2,044.36
	Total	-	2,044.36
2	Payment of Rent/Services		
	Associates		
	Pradeep Kumar Jain HUF	18.00	18.00
	Naveen Kumar Jain HUF	15.00	15.00
	Yogesh Kumar Jain HUF	12.00	12.00
	Key Managerial Personnel (KMP)		
	Pradeep Kumar Jain	13.50	13.50
	Naveen Kumar Jain	13.50	13.50
	Chakresh Kumar Jain	15.00	15.00
	Yogesh Kumar Jain	15.00	15.00
	Relatives of Key managerial personnel (KMP)		
	Meena Jain	32.75	32.75
	Madhvi Jain	17.75	17.75
	Renu Jain	17.75	17.75
	Ashita Jain	17.75	17.75
	Other Related parties		
	Subhash International Private Limited	60.64	96.61
	Exotica Buildtech Private Limited	14.40	15.75
	Shri Mahaveer Infrastructure Private Limited	4.80	4.80
	MA Buildtech Private Limited	3.75	3.44
	Taj Infra Builders Private Limited	9.00	9.00
	Gional Infratech LLP	40.00	10.00
	Royal Megatech Private Limited	17.50	-
	Total	338.08	327.60
3	Mobilization Advance Received/Security Deposits		
	Joint Venture		
	Gional Infratech LLP	600.00	-
	Total	600.00	-
4	Sale/ Purchase of Investments/ Loan and Shares Application Money in Equity Share Capital		
	Associate Company		
	Ghaziabad Aligarh Expressway Private Limited	114.75	5,249.25
	Total	114.75	5,249.25

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(₹ In lakhs)

S. No.	Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
5	Compensation to Key Managerial Personnel*		
(i)	Key managerial personnel (KMP)		
	Pradeep Kumar Jain	1,111.00	809.26
	Chakresh Kumar Jain	1,087.00	785.26
	Yogesh Kumar Jain	1,087.00	785.26
	Anil Kumar Rao	171.14	78.19
	Talluri Raghupati Rao	68.68	43.05
	Bhupinder Kumar Sawhney	23.53	-
	Tapan Jain	19.99	17.64
	Total	3,568.34	2,518.66
(ii)	Relatives of Key managerial personnel (KMP)		
	Bijali Rao	14.58	16.20
	Harshvardhan Jain	28.50	30.00
	Sakshi Jain	22.80	16.00
	Anuj Jain	28.50	-
	Vaibhav Jain	28.50	22.50
	Ashish Jain	40.52	39.80
	Total	163.40	124.50

*Actuarial valuation for the gratuity has been done for Company as a whole, so segregation for the same has not been done.

C Balances Outstanding at Reporting Date

(₹ In lakhs)

S. No.	Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
1	Amount Recoverable		
	Associate Company		
	Ghaziabad Aligarh Expressway Private Limited	34,659.50	36,689.06
	Relatives of Key managerial personnel (KMP)		
	Meena Jain	25.00	25.00
	Madhvi Jain	25.00	25.00
	Renu Jain	25.00	25.00
	Ashita Jain	25.00	25.00
	Other Related parties		
	Subhash International Private Limited	729.72	724.23
	Gional Infratech LLP	600.00	-
	Total	36,089.21	37,513.29
2	Amount Payable		
	Associates		
	Pradeep Kumar Jain HUF	-	1.35
	Naveen Kumar Jain HUF	-	1.13
	Yogesh Kumar Jain HUF	-	0.90

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(₹ In lakhs)

S. No.	Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
	Key managerial personnel (KMP)		
	Pradeep Kumar Jain	-	1.01
	Naveen Kumar Jain	-	1.01
	Chakresh Kumar Jain	-	1.13
	Yogesh Kumar Jain	-	1.13
	Relatives of Key managerial personnel (KMP)		
	Meena Jain	-	2.46
	Madhvi Jain	-	1.33
	Renu Jain	-	1.33
	Ashita Jain	-	1.33
	Other Related parties		
	Shri Mahaveer Infrastructure Private Limited	-	0.36
	MA Buildtech Private Limited	-	0.28
	Exotica Buildtech Private Limited	-	1.01
	Gional Infratech LLP	-	9.00
	Taj Infra Builders Private Limited	-	0.68
	Total	-	25.44
3	Corporate Guarantee Given on behalf of**		
	Associate Company		
	Ghaziabad Aligarh Expressway Private Limited	5,849.24	6,928.25
	Total	5,849.24	6,928.25

** Refer Note 41

D Terms and Conditions

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

45. INTEREST IN OTHER ENTITIES

(A) Subsidiaries

The group's subsidiaries at March 31, 2021 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business/ country of incorporation	Ownership interest held by the group		Ownership interest held by non-controlling interests		Principal activities
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	
		%	%	%	%	
Ferrovia Transrail Solutions Private Limited	India	51	51	49	49	Infrastructure development
PNC Raebareli Highways Private Limited	India	100	100	-	-	Annuity Project

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

Name of entity	Place of business/ country of incorporation	Ownership interest held by the group		Ownership interest held by non-controlling interests		Principal activities
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	
		%	%	%	%	
PNC Bareilly Nainital Highways Private Limited	India	100	100	-	-	BOT Project
PNC Infra Holdings Limited	India	100	100	-	-	Infrastructure development
PNC Kanpur Ayodhya Tollways Private Limited	India	100	100	-	-	OMT Project
PNC Kanpur Highways Limited	India	100	100	-	-	BOT Project
M. P. Highways Private Limited	India	100	100	-	-	BOT Project
PNC Delhi Industrialinfra Private Limited	India	100	100	-	-	Redevelopment & maintenance Project
PNC Rajasthan Highways Private Limited	India	100	100	-	-	HAM Project
PNC Chitradurga Highways Private Limited	India	100	100	-	-	HAM Project
PNC Bundelkhand Highways Private Limited	India	100	100	-	-	HAM Project
PNC Khajurao Highways Private Limited	India	100	100	-	-	HAM Project
PNC Triveni Sangam Highways Private Limited	India	100	100	-	-	HAM Project
PNC Aligarh Highways Private Limited	India	100	100	-	-	HAM Project
PNC Challakere Highways Private Limited	India	100	100	-	-	HAM Project
PNC Bithur Kanpur Highways Private Limited (w.e.f. June 15, 2020)	India	100	N.A.	-	-	HAM Project
PNC Gomti Highways Private Limited (w.e.f. March 20, 2020)	India	100	100	-	-	HAM Project
PNC Meerut Haridwar Highways Private Limited (w.e.f. July 12, 2020)	India	100	N.A.	-	-	HAM Project
PNC Unnao Highways Private Limited (w.e.f. March 20, 2020)	India	100	100	-	-	HAM Project

(B) Non-controlling interests (NCI)

Set out below is financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-Company eliminations.

(₹ In lakhs)

Summarised balance sheet	Ferrovia Transrail Solutions Private Limited	
	March 31, 2021	March 31, 2020
Current assets	1,761.03	1,763.48
Current liabilities	(2,023.17)	(1,949.28)
Net Current assets	(262.14)	(185.80)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(₹ In lakhs)

Summarised balance sheet	Ferrovia Transrail Solutions Private Limited	
	March 31, 2021	March 31, 2020
Non-current assets	67.34	88.76
Non-current liabilities	(1.96)	(1.99)
Net Non-current assets	65.38	86.77
Net assets	(196.76)	(99.03)

(₹ In lakhs)

Summarised statement of profit and loss	Ferrovia Transrail Solutions Private Limited	
	March 31, 2021	March 31, 2020
Revenue	-	1,551.80
Profit for the year	(96.94)	(0.65)
Other comprehensive income	0.26	-
Total comprehensive income	(96.68)	(0.65)
Profit allocated to NCI	(47.37)	(0.32)
Dividends paid to NCI	-	-

(₹ In lakhs)

Summarised cash flows	Ferrovia Transrail Solutions Private Limited	
	March 31, 2021	March 31, 2020
Cash flows from operating activities	(387.91)	(141.15)
Cash flows from investing activities	-	0.24
Cash flows from financing activities	387.12	137.62
Net increase/(decrease) in cash and cash equivalents	(0.79)	(3.29)

C Interest in Associates

Set out below are associates of the group as at March 31, 2021 which, are considered material to the group. The entity listed below have share capital of equity shares, which are held directly by the group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of entity	Place of business/ country of incorporation	Ownership interest held by the group		Principal activities
		March 31, 2021	March 31, 2020	
		%	%	
Ghaziabad Aligarh Expressway Private Limited	India	35	35	Infrastructure development

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(₹ In lakhs)

Summarised balance sheet	Ghaziabad Aligarh Expressway Private Limited	
	March 31, 2021	March 31, 2020
Current assets	1,275.77	1,541.76
Current liabilities	(87,096.04)	(1,13,612.37)
Net Current assets	(85,820.27)	(1,12,070.61)
Non-current assets	1,75,650.12	1,79,919.40
Non-current liabilities	(79,019.80)	(58,298.87)
Net Non-current assets	96,630.32	1,21,620.53
Net assets	10,810.05	9,549.92

(₹ In lakhs)

Summarised statement of profit and loss	Ghaziabad Aligarh Expressway Private Limited	
	March 31, 2021	March 31, 2020
Revenue	20,177.34	28,376.54
Profit for the year	1,219.11	1,853.66
Other comprehensive income	41.02	(3.21)
Total comprehensive income	1,260.13	1,850.45

46. DETAIL OF EMPLOYEE BENEFIT EXPENSES

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

(a) Defined Contribution Plan

- The contribution to provident fund is charged to accounts on accrual basis. The contribution made by the Group during the year is ₹ 624.34 lakhs (previous year ₹ 622.01 lakhs)
- In respect of short term employee benefits, the Group has at present only the scheme of cumulative benefit of leave encashment payable at the time of retirement/ cessation and the same have been provided for on accrual basis as per actuarial valuation.

(b) Defined Benefit Plan

- Liability for retiring gratuity as on March 31, 2021 is ₹ 1,112.11 lakhs (Previous year ₹ 883.03 lakhs). The Liability for Gratuity is actuarially determined and provided for in the books.
- Details of the Group's post-retirement gratuity plans and leave encashment for its employees including whole-time directors are given below, which is certified by the actuary and relied upon by the auditors

(₹ in lakhs)

Particulars	Gratuity			
	FY 2020-21		FY 2019-20	
	Funded	Unfunded	Funded	Unfunded
1. Change in Present Value of Obligation				
Present value of obligation at the beginning of the period	1,441.92	15.01	1,329.76	13.97
Acquisition cost				
Interest cost	93.00	0.98	93.08	0.98
Current service cost	277.64	7.67	225.90	7.97
Benefits paid	-	-	11.11	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(₹ in lakhs)

Particulars	Gratuity			
	FY 2020-21		FY 2019-20	
	Funded	Unfunded	Funded	Unfunded
Actuarial gain/(loss) on obligation	-	-	-	-
a) Effect of changes in demographic assumptions	-	-	(12.55)	(0.36)
b) Effect of changes in financial assumptions	-	-	(136.27)	(1.20)
c) Effect of experience adjustments	15.82	(3.29)	(69.11)	(6.35)
Present value of obligation at end of period	1,828.38	20.37	1,441.92	15.01
Current Obligation	387.47	4.33	342.31	2.32
Non Current Obligation	1,440.92	16.04	1,076.69	12.69
2. Change in Fair Value of Plan Assets				
Fair value of plan assets at the beginning of the period	562.79	-	425.40	-
Actual return on plan assets			-	
Interest Income	42.23	-	34.49	-
Contributions	138.88	-	137.48	-
Benefits paid	-	-	-	-
Actuarial gain/(loss) on plan assets	(7.27)	-	(34.58)	-
Fair value of plan assets at the end of the period	736.63	-	562.79	-
3. Amount to be recognised in Balance Sheet				
Present value of obligation as at end of the period	1,828.38	20.37	1,430.81	15.01
Fair value of plan assets as at the end of the period	(736.64)	-	(562.79)	-
Funded Status	101.49	20.37	57.40	15.01
Net Asset/(liability) recognised in Balance Sheet	(1,091.74)	(20.37)	(868.02)	(15.01)
4. Expenses recognised in the statement of profit & loss.				
Current service cost	288.75	7.67	225.90	7.97
Net Interest cost	-	-	-	-
Interest Expense on DBO	93.00	0.98	93.08	0.98
Interest (income) on plan assets	42.23	-	34.58	-
Total Net Interest Cost	50.77	0.98	58.50	0.98
Net actuarial (gain)/loss recognised in profit/loss	-	-	-	-
Expenses recognised in the statement of Profit & Loss	339.52	8.65	284.39	8.95

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(₹ in lakhs)

Particulars	Gratuity			
	FY 2020-21		FY 2019-20	
	Funded	Unfunded	Funded	Unfunded
5. Recognised in other comprehensive income for the year				
a) Effect of changes in demographic assumptions	-	-	(12.55)	(0.36)
b) Effect of changes in financial assumptions	-	-	(136.27)	(1.20)
c) Effect of experience adjustments	15.82	(3.29)	(69.11)	(6.35)
d) (Return) on plan assets (excluding interest income)	(7.27)	-	(34.58)	-
e) Changes in asset ceiling (excluding interest income)	-	-	-	-
f) Total remeasurements included in OCI	23.09	(3.29)	(183.35)	(7.91)
6. Maturity Profile of Defined Benefit Obligation				
1. Within the next 12 months (next annual reporting period)	597.32	10.95	559.61	10.95
2. Between 2 and 5 years	1,090.66	8.50	928.63	8.50
3. Between 6 and 10 years	327.51	3.41	298.02	3.41
7. Quantitative sensitivity analysis for significant assumptions is as below				
Impact of the change in discount rate				
Present Value of Obligation at the end of the period				
a. Impact due to increase of 100 Basis Points	1,770.77	19.70	1,385.55	14.49
b. Impact due to decrease of 100 Basis Points	1,890.08	21.08	1,479.29	15.57
Impact of the change in salary increase				
Present Value of Obligation at the end of the period				
a. Impact due to increase of 1 %	1,881.31	20.99	1,472.50	15.50
b. Impact due to decrease of 1 %	1,777.94	19.78	1,391.15	14.55
Attrition Rate				
Present Value of Obligation at the end of the period				
a. Impact due to increase of 1 %	1,821.63	20.29	1,424.95	14.92
b. Impact due to decrease of 1 %	1,835.07	20.45	1,436.64	15.10

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(iii) Sensitivity Analysis Method

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

Significant Actuarial assumptions	31.03.2021	31.03.2020
a) Economic Assumptions		
i. Discounting Rate -current year	6.50%	6.50%
Discounting Rate - Previous Year	6.50%	7%
ii. Salary escalation	5%	5%
iii. Attrition rate	25%	25%
b) Demographic Assumption		
i) Retirement Age (Years)	60	60
ii) Mortality rates inclusive of provision for disability	IALM (2012 - 14) Ultimate	IALM (2012 - 14) Ultimate
Disability	Nil	Nil

Mortality Rates for specimen ages

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

(c) Defined Term Employee Benefits Leave Obligation

Particulars	Leave Encashment	
	FY 2020-21	FY 2019-20
Present Value of unfunded obligation	445.46	298.54
Expenses recognised in Statement of Profit and Loss	129.80	79.39
Discount rate (p.a)	6.50%	6.50%
Salary escalation rate (p.a)	5%	5%

47. OPERATING SEGMENT INFORMATION

- The Chairman and Managing directors of the Holding Company have been identified as The Chief Operating Decision Maker (CODM). The Chief operating decision maker identifies two Segment as reportable segment i.e. EPC Contract & BOT (Toll and Annuity)
- The Group has disclosed business segment as the Primary segment. Segment have been identified taking into account the nature of work/ services, risk & return and organization structure.
- The Group operations predominately related to EPC contract, Toll collection/ Annuity.
- The Group mainly operates within India, so there is no requirement of disclosing the secondary segment i.e. geographical segment.
- The expenses and Income which are not directly allocated between the segment are shown as unallocated expenses or Income.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

f) Details of business segment information is given below:

(₹ In lakhs)

Particulars	Year Ended	
	March 31, 2021	March 31, 2020
Segment Revenue		
Contract	4,86,807.88	4,84,562.69
Toll Annuity	91,948.97	75,694.67
Total	5,78,756.85	5,60,257.36
Less: Inter-segment revenue	-	-
Net revenue from operations	5,78,756.85	5,60,257.36
Segment Results		
Contract	50,202.30	58,993.78
Toll Annuity	55,259.85	38,651.17
Total	1,05,462.15	97,644.95
Less: Other unallocable expenditure	42,606.70	43,929.82
Add: Unallocable other income	11,132.44	17,562.92
Profit before tax and non-controlling interests	73,987.89	71,278.05
Segment Assets		
Contract	3,08,097.08	2,61,425.54
Toll and Annuity	6,49,427.74	5,87,604.43
Unallocated	-	-
	9,57,524.82	8,49,029.97
Segment Liabilities		
Contract	1,71,655.46	1,50,770.90
Toll and Annuity	4,80,600.84	4,42,833.09
Unallocated	-	-
	6,52,256.30	5,93,603.99

Notes on segment information :-

Business segments

Based on the "management approach" as defined in Ind AS-108 - Operating Segments, the Management evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along with these business segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments.

48. FAIR VALUE MEASUREMENT

Financial instruments by category

(₹ In lakhs)

Particulars	As at March 31, 2021			As at March 31, 2020		
	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI
Financial Assets						
Investments in Equity instruments {Refer Note 7 (ii)}	-	55.54	-	-	55.54	-
Investments in Mutual Funds (Refer Note 13)	-	53,795.05	-	-	40,801.10	-
Trade receivables (Refer Note 8 & 14)	39,278.59	4,04,307.34	-	28,405.79	3,32,462.23	-
Cash and Bank Balances (Refer Note 15)	94,452.06	-	-	92,112.38	-	-
Loans (Refer Note 16)	27,971.56	-	-	-	25,651.81	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(₹ In lakhs)

Particulars	As at March 31, 2021			As at March 31, 2020		
	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI
Others (Refer Note 9 & 17)	18,022.09	-	-	19,777.54	-	-
Total Financial Assets	1,79,724.30	4,58,157.93	-	1,40,295.71	3,98,970.68	-
Financial Liabilities						
Borrowings (Refer Note 21 & 26)	2,018.29	4,16,830.11	-	34,286.25	3,17,218.01	-
Trade payables (Refer Note 22 & 27)	72,609.52	41,585.75	-	47,576.04	63,428.35	-
Other Financial Liabilities (Refer Note 23 & 28)	28,967.69	25,377.17	-	36,354.18	-	-
Total Financial Liabilities	1,03,595.50	4,83,793.03	-	1,18,216.47	3,80,646.36	-

(i) Fair Value Hierarchy

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

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

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

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

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

(₹ In lakhs)

Particulars	As at March 31, 2021			As at March 31, 2020		
	Fair Value Measurement using			Fair Value Measurement using		
	Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
(A) Financial Assets and Liabilities measured at fair value through profit and loss or other comprehensive income						
- Investments in Equity instruments (Refer Note 7)	-	-	55.54	-	-	55.54
- Investments in Mutual Funds (Refer Note 13)	53,795.05	-	-	40,801.10	-	-
Total	53,795.05	-	55.54	40,801.10	-	55.54
Financial Assets and Liabilities measured at amortised cost for which fair values are disclosed						
(i) Financial Assets						
- Security Deposits (Refer Note 9)	-	-	12,030.81	-	-	11,504.02
Total	-	-	12,030.81	-	-	11,504.02

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(₹ In lakhs)

Particulars	As at March 31, 2021			As at March 31, 2020		
	Fair Value Measurement using			Fair Value Measurement using		
	Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
(ii) Financial Liabilities						
- Borrowings (Refer Note 21 & 26)	-	4,18,848.40	-	-	3,51,504.26	-
- Retentions (Refer Note 23)	-	-	25,377.17	-	-	20,227.18
- Others (Refer Note 23)	-	47.06	-	-	47.06	-
Total	-	4,18,895.46	25,377.17	-	3,51,551.32	20,227.18

(ii) Valuation techniques used to determine Fair value

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

Specific valuation technique used to value financial instrument includes:

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

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

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

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

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

49. FINANCIAL RISK MANAGEMENT

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

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

I. Market risk

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

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

(a) Interest rate risk

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

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

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Variable rate borrowings	3,76,906.38	3,17,218.04
Fixed rate borrowings	41,942.02	34,286.22
Total borrowings*	4,18,848.40	3,51,504.26

* Refer Note 21 & 26

- (ii) As at the end of reporting period, the Group had the following variable rate borrowings..

(₹ In lakhs)

Particulars	As at March 31, 2021			As at March 31, 2020		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Term Loan	8.35%	3,76,906.38	89.99%	9.37%	3,17,218.04	90.25%
Net exposure to cash flow interest rate risk		3,76,906.38			3,17,218.04	

- (iii) Sensitivity

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

(₹ In lakhs)

Particulars	Increase/ Decrease in Basis Points		Impact on Profit before Tax	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
INR	+50	+50	(1,884.53)	(1,586.09)
INR	- 50	- 50	1,884.53	1,586.09

(b) Foreign currency risk

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

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

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

(₹ In lakhs)

Foreign currency exposure as at March 31, 2019	As at March 31, 2021	As at March 31, 2020
Trade payables		
- Exposure in Euros (In ₹)	1,921.73	1,466.66

Foreign currency sensitivity

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

(₹ In lakhs)

Particulars	FY 2020-21		FY 2019-20	
	5% increase	5% decrease	5% increase	5% decrease
Euros (In ₹)	(96.09)	96.09	(73.33)	73.33

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(c) Price Risk

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

II. Credit risk

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

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

- (i) Actual or expected significant adverse changes in business.
- (ii) Actual or expected significant changes in the operating results of the counterparty.
- (iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligation
- (iv) Significant increase in credit risk on other financial instruments of the same counterparty
- (v) significant changes in the value of collateral supporting the obligation or in the quality of third party guarantees or credit enhancements

The Group major exposure is from trade receivables, which are unsecured and derived from external customer Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units, quoted securities and certificates of deposit which are funds deposited at a bank for a specified time period.

Expected credit loss for trade receivable on simplified approach :

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

(₹ In lakhs)

Ageing	Carrying Value	0-180 days	More than 181 days and Less than 365 days	More than 365 days	Total
As at March 31, 2021					
Gross Carrying Amount (Refer Note 8 & 14)	4,44,132.55	31,245.21	8,580.00	4,04,307.34	4,44,132.55
Expected Credit Loss (in ₹)	(546.62)	(546.62)	-	-	(546.62)
Carrying Amount (net of impairment)	4,43,585.93	30,698.59	8,580.00	4,04,307.34	4,43,585.93
As at March 31, 2020					
Gross Carrying Amount (Refer Note 8 & 14)	3,60,868.03	28,405.79	7,071.00	3,25,391.23	3,60,868.03
Expected Credit Loss (in ₹)	-	-	-	-	-
Carrying Amount (net of impairment)	3,60,868.03	28,405.79	7,071.00	3,25,391.23	3,60,868.03

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

III. Liquidity Risk

Liquidity risk is defined as the risk that Group will not be able to settle or meet its obligation on time or at a reasonable price. The Group's objective is to at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group's management is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risk are overseen by senior management. Management monitors the Group's net liquidity position through rolling, forecast on the basis of expected cash flows.

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

(₹ In lakhs)

As at March 31, 2021	Carrying Amount	On Demand	Less than One Year	More than one year and less than three year	More than 3 Years	Total
Borrowings (Refer Note 21 & 26)	4,18,848.40	2,018.29	43,341.00	70,217.72	3,03,271.39	4,18,848.40
Trade payables (Refer Note 22 & 27)	1,14,195.27	-	72,609.51	41,585.75	-	1,14,195.27
Other Liabilities (Refer Note 23 & 28)	54,344.86	-	28,732.17	25,612.69	-	54,344.86
Total	5,87,388.53	2,018.29	1,44,682.68	1,37,416.16	3,03,271.39	5,87,388.53

(₹ In lakhs)

As at March 31, 2020	Carrying Amount	On Demand	Less than One Year	More than one year and less than three year	More than 3 Years	Total
Borrowings (Refer Note 21 & 26)	3,51,504.26	1,629.41	25,273.03	55,741.12	2,68,860.71	3,51,504.26
Trade payables (Refer Note 22 & 27)	1,11,004.39	-	47,576.04	63,428.35	-	1,11,004.39
Other Liabilities (Refer Note 23 & 28)	36,354.18	-	15,399.00	20,955.18	-	36,354.18
Total	4,98,862.83	1,629.41	88,248.07	140,124.65	2,68,860.71	4,98,862.83

Financing arrangements

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

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Cash Credit	1,00,000.00	1,00,000.00
Bank Guarantee	2,83,122.71	2,45,760.15
Total	3,83,122.71	3,45,760.15

50. CAPITAL MANAGEMENT

(a) Risk Management

The primary objective of the Group's Capital Management is to maximize the shareholder value and also maintain an optimal capital structure to reduce cost of capital. The principle source of funding of the group has been and is expected to continue to be, cash generated from its operation supplemented by funding from bank borrowing and the capital market.

The group is not subject to any externally imposed capital requirements.

The group regularly considers other financing opportunities to diversify its debt profile, reduce interest cost.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Debt (Refer Note 21 & 26)	4,18,848.40	3,51,504.26
Cash & bank balances (Refer Note 15(i) & 15(ii))	94,452.06	92,112.38
Net Debt	3,24,396.33	2,59,391.87
Total Equity (Refer Note 19 & 20)	3,05,316.01	2,55,425.98
Net debt to equity ratio (Gearing Ratio)	1.06	1.02

Notes-

- (i) Debt is defined as long-term and short-term borrowings including current maturities (excluding derivatives) as described in notes.
- (ii) Total equity (as shown in balance sheet) includes issued capital and all other equity reserves.

(b) Loan Covenants

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

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

(c) Dividends

(₹ In lakhs)

Particulars	Recognized in the year ending	
	March 31, 2021	March 31, 2020
(i) Dividends Recognized		
Final dividend for the year ended March 31 2021 - Nil		
(March 31 2020, ₹ 0.5 per Equity Share of ₹ 2/-)	-	1,546.42
(ii) Dividend proposed and recognised in the books of accounts		
Dividend for the year ended March 31, 2021		
(Interim dividend for the year ended March 31, 2020 of ₹ 0.5 per equity share of ₹ 2/-)	-	1,546.42
(iii) Dividend proposed but not recognised in the books of accounts*		
In addition to the above dividends, the directors have recommended the payment of a final dividend of ₹ 0.50 equity share of ₹ 2/-.	1,282.70	-

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

51. MATURITY ANALYSIS OF LEASE LIABILITY HAS BEEN DISCLOSED AS FOLLOWS

(₹ In lakhs)

Period	Amount
0 - 1 Year	180.22
1 - 5 Years	132.34
More than 5 Years	56.12

The Company has recognised Interest expenses of ₹ 101.19 lakhs on Lease Liability during the year.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

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

53. COVID-19 IMPACT

The outbreak of pandemic COVID 19 and wide-ranging restrictions imposed by the government authorities to contain it, impacted the Company's operational performance in FY 2020-21 to certain extent. Nonetheless, realization of payments from project proponents/authorities has been normal during the year including lockdown period, enabled the Company to meet its liabilities, including employee payables in timely manner and there has been no significant impact on business development activities of the Company in FY 2020-21. The situation started becoming normal towards the second half and revival gained momentum in the Q4 of FY 2020-21. The Company through the lockdown period and even subsequently has been able to maintain adequate control on its assets due to its robust control mechanism developed over the years. Going forward, given the reality of uncertainty, the Company will continue to monitor any material development that may unfold and could affect the socio-economic landscape in general and infrastructure sector in particular, to protect its interest.

The Company currently has a robust order book of over ₹ 160 Billion including for which Appointed Dates are awaited as on April 01, 2021, expounding to a clear visibility of revenues over the next 2-3 years. The strong liquidity position as on March 31, 2021 and practically non-utilization of sanctioned fund based credit facilities will act as buffer liquidity to meet the exigencies, if any. The Company also have adequate non-fund based sanctioned limits to cater for and pursue worthy project opportunities, unrestrictedly.

54. PNC Infratech Limited and S P Singla Constructions Private Limited has formed a Joint Venture (JV) namely "PNC-SPSCPL JV" (Jointly controlled operation) specifying their ratios. Two projects were awarded to JV by National Highways Authority of India (NHAI).

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

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

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

55. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE :

There are no event occurring after the Balance Sheet date for FY 2020-21 except Final Dividend proposed by the Company as per Note 50.

56. Figures pertaining to Subsidiary Companies have been reclassified wherever necessary to bring them in line with the Parent Company's Financial Statements.

57. PREVIOUS YEAR FIGURES HAVE BEEN RECLASSIFIED / REGROUPED, WHEREVER NECESSARY.

As per our report of even date attached.

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

Harish Gupta
Partner
Membership No. - 098336
Place-New Delhi

Place: Agra
Date: June 25, 2021

Tapan Jain
Company Secretary
Membership No. - A22603

On behalf of the Board of Directors

Pradeep Kumar Jain
Chairman and Managing Director
DIN. - 00086653

Chakresh Kumar Jain
Managing Director
DIN. - 00086768

Bhupinder Kumar Sawhney
Chief Financial Officer

FORM AOC-1

Statement containing salient features of the financial statement of Subsidiaries/associate companies/joint ventures
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

PART "A" : SUBSIDIARIES

Names of Companies	MP Highways Private Limited	PNC Infra Holdings Limited	PNC Kanpur Highways Limited	PNC Delhi Industrial Private Limited	PNC Bareilly Nainital Highways Private Ltd	PNC Raebareilly Private Limited	PNC Kanpur Ayodhya Tollways Private Ltd	PNC Ferrovia Transrail Solutions Private Ltd	PNC Rajasthan Highways Private Limited	PNC Chitrakoot Highways Private Limited	PNC Bundelkhand Highways Private Limited	PNC Khajuraho Highways Private Ltd	PNC Triveni Sangam Highways Private Limited	PNC Aligarh Highways Private Limited	PNC Chhakar (Kamataka) Highways Private Limited	PNC Udaipur Highways Private Limited	PNC Gomti Highways Private Limited	PNC Bithur Kanpur Highways Private Limited	PNC Meetur Haridwar Highways Private Limited
S. No.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
Reporting Year	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21
Date since when subsidiary was acquired	08.12.2010	12.01.2011	10.01.2011	07.07.2011	07.07.2011	28.08.2012	19.02.2013	31.07.2012	22.08.2016	20.04.2017	21.04.2017	20.04.2017	27.12.2017	12.04.2018	06.07.2018	20.03.2020	20.03.2020	15.06.2020	12.07.2020
Reporting Currency	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR
Exchange Rate on last day of Reporting year (In ₹)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Share Capital	7830.00	14236.28	6750.00	3500.00	7460.00	13960.00	500	1.00	2643.00	3100.00	5508.00	3154.00	5868.00	5355.00	408.00	510.00	510.00	510.00	510.00
Reserves & Surplus	-2985.20	56715.03	4228.58	9669.04	-10990.86	11530.3	5838.05	-197.75	556.89	847.55	-1135.35	710.82	-1176.37	-685.05	122.5	0.00	0.00	0.00	0.00
Total Assets	20801.74	70953.40	30079.03	19963.62	55909.44	93098.11	51797.13	1828.37	46103.44	70113.64	68312.89	74565.44	68106.36	54608.66	15076.24	1004.96	1200.92	12988.37	537.93
Total Liabilities	15956.94	2.09	19100.45	6794.58	59440.30	67607.81	45954.08	2025.13	42903.55	66166.09	63940.24	70700.62	63414.73	49938.71	14545.74	494.96	690.92	12478.37	27.93
Investments	2534.36	70938.60	7484.63	4153.41	1844.35	8616.01	4637.24	0.00	2209.65	798.91	2745.11	1123.84	6846.17	752.78	0.00	0.00	0.00	0.00	0.00
Turnover	5291.71	0.00	9198.03	2785.63	4612.60	9024.17	43461.78	0.00	3802.47	43990.05	32353.34	35388.96	38982.89	40953.7	8416.81	0.00	0.00	0.00	0.00
Profit/(Loss) before Tax	775.98	-17.19	-182.53	737.87	-991.11	3476.86	12772.46	97.25	-126.39	1359.37	-589.93	1608.95	-544.26	-253.16	207.81	0.00	0.00	0.00	0.00
Provision for Taxation	914.50	3.92	-299.69	259.11	44.19	843.81	2996.22	-0.31	-241.95	237.51	0.00	281.12	0.00	0.00	30.09	0.00	0.00	0.00	0.00
Profit/(Loss) after Tax	-138.52	-21.11	117.16	478.75	-1035.3	2633.05	9776.24	96.94	115.56	1121.86	-589.93	1327.83	-544.26	-253.16	177.72	0.00	0.00	0.00	0.00
Proposed Dividend	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
% of Shareholding (Effective*)	100%	100%	100%	100%	100%	100%	100%	51%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

1. Name of subsidiaries which are sold/ceased during the year- Hospet Bellary Highways Private Limited has been ceased to become a subsidiary of PNC Infra Holdings Limited w.e.f January 12, 2021.

2. Name of subsidiaries which are yet to commence operations - NIL

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

For and on behalf of the Board of Directors

Pradeep Kumar Jain
Chairman & Managing Director
DIN. - 000866553

Bhupinder Kumar Sawhney
Chief Financial Officer

Tapan Jain
Company Secretary
M.No: A22603

Chakresh Kumar Jain
Managing Director
DIN: 00086768

Place: Agra
Date: June 25, 2021

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CORPORATE INFORMATION

Corporate Identification No : **L45201DL1999PLC195937** | LEI No.: **3358008RNTVF1WKN6B22**

BOARD OF DIRECTORS

Chairman and Managing Director

Pradeep Kumar Jain

Managing Director(s)

Chakresh Kumar Jain

Yogesh Kumar Jain

Whole Time Director(s)

Anil Kumar Rao

Talluri Raghupati Rao

Independent Director(s)

Krishan Kumar Jalan

Gauri Shankar

Deepika Mittal

Ashok Kumar Gupta

Subhash Chander Kalia

Chief Financial Officer

Bhupinder Kumar Sawhney

Company Secretary & Compliance Officer

Tapan Jain

Auditors

M/s. S.S. Kothari Mehta & Co.

Chartered Accountants

146-149 Tribhuvan Complex Ishwar Nagar, Mathura Road, New Delhi- 110065 (India)

Bankers

Bank of Baroda

Canara Bank

Central Bank of India

Punjab National Bank

Union Bank of India

ICICI Bank

Axis Bank Limited

Yes Bank

State Bank of India

IndusInd Bank

Registrar and Transfer Agent

Link Intime India Pvt. Ltd

Noble Heights 1st Floor Plot No.

NH-2, C-1 Block, LSC Near Savitri Market, Janakpuri, New Delhi-110058

Corporate/head Office

PNC House,

3/22-D, Civil Lines, NH-2,

Agra-Delhi Bypass Road, Agra-282002 (U.P.)

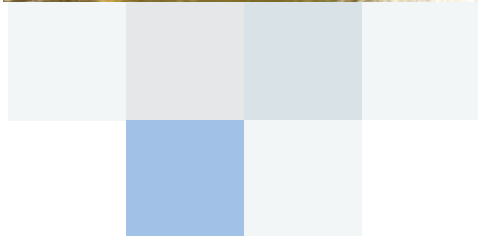
Registered Office

NBCC Plaza, Tower-II, 4th Floor, Pushp Vihar,

Sector-V (Saket), New Delhi-110017, India,

Website: www.pncinfratech.com





PNC INFRATECH LIMITED

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