



# PNC Infratech Limited

An ISO 9001 : 2015 Certified Company

Ref No: PNC/SE/50/22-23

Date: 24-09-2022

To,  
The Manager  
Department of Corporate Services  
BSE Limited  
Floor 25, P.J. Towers,  
Dalal Street, Mumbai-400 001  
Scrip code:539150

To,  
The Manager  
Listing Department  
National Stock Exchange of India Limited  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (East), Mumbai-400 051  
Scrip code: PNCINFRA

**Sub: Corrigendum to the Annual Report of the Company for the Financial Year 2021-22**

In furtherance to the Annual Report for the FY2021-22 submitted by the Company on 7<sup>th</sup> September, 2022, we hereby inform you that certain inadvertent and typo errors were noticed in the Annual Report for FY 2021-22 after the same was dispatched to the shareholders of the Company vide email on 7<sup>th</sup> September, 2022.

The details of changes made in the Annual Report are mentioned herein below:

*In Page 215 of the Annual Report*, under Notes No. 47(C) to the Consolidated Financial Statement, under heading **Loan outstanding**, amount of Loan given to Shekhar Resorts Limited for previous F.Y. 2020-21 was corrected as '**Dash (-)**' instead of '**3000.00**' and Total of the table was corrected as '**28,766.56**' instead of '**31,766.56**', which was mentioned inadvertently. The same has been rectified.

Except as mentioned above, we confirm that nothing else has been changed. We are enclosing herewith the Annual Report for FY2021-22 after incorporating the above-mentioned changes and further request you to take on record the revised Annual Report.

The updated Annual Report is also available on the Company's website at [www.pncinfratech.com](http://www.pncinfratech.com) and a corrigendum with regard to the above will also be published in the newspapers. Further, Shareholders may access the updated Annual Report with the same link which was sent to them through electronic mode on 7<sup>th</sup> September, 2022.

Please take note of the same.

Thanking you,

**For PNC Infratech Limited**

**Tapan Jain**  
**Company Secretary & Compliance Officer**  
**ICSI M. No.: A22603**

**Encl: as above**



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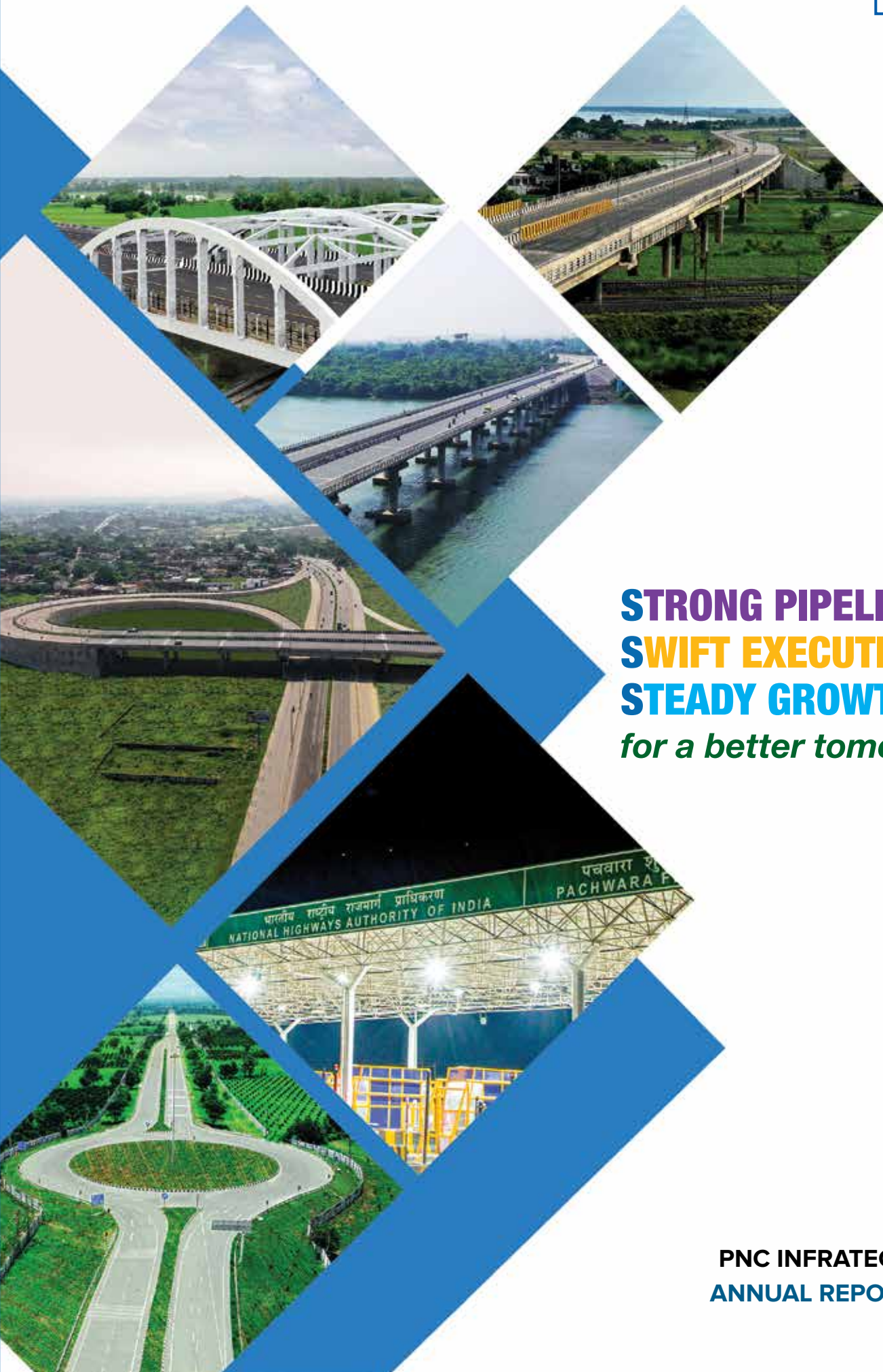
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CIN : L45201DL1999PLC195937



**STRONG PIPELINE**  
**SWIFT EXECUTION**  
**STEADY GROWTH**  
*for a better tomorrow...*



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### Investor Information

Market Capitalization (as at March 31, 2022)	<b>Over ₹ 6,600 Cr</b>
CIN	<b>L45201DL1999PLC195937</b>
BSE Code	<b>539150</b>
NSE Symbol	<b>PNCINFRA</b>
AGM Date	<b>September 29, 2022</b>
AGM Venue	<b>Registered Office</b>
AGM Mode	<b>Video Conferencing (VC)/Other Audio-Visual Means (OAVM)</b>



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



### Disclaimer:

This document contains statements about expected future events and financials of PNC Infratech Limited ('The Company' or 'We' or 'PNC Infra') 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.

# STRONG PIPELINE SWIFT EXECUTION STEADY GROWTH

*for a better tomorrow...*

**Strong Pipeline** of new business is a critical imperative for sustainable growth of any organization. PNC Infratech Limited unremittently put efforts to secure new business and execute projects in hand. We don't bid for new projects just for the sake of order book expansion as our philosophy will always remain bid right projects at right prices. While the Company's focus sector remains to be highways, we continue to look for a calibrated diversification to maintain the growth momentum, without assuming concentration risk. Going by the above principles of business development strategy, during the year FY 2021 & 22, the Company secured seven new HAM Projects with an aggregate Bid Project Cost of ₹ 8,446 Cr, three Rural Drinking Water Supply Projects, for a total value of ₹ 2,337 Cr and one user fee collection mandate of ₹ 363 Cr. With a new order inflow of ₹ 11,146 Cr in FY 2021-22, the unexecuted order book of the Company stood at more than ₹ 20,000 Cr, including the value of seven HAM projects recently awarded as on March 31, 2022, which shows our robust revenue visibility for the next 2-3 years.

**Swift Execution** and timely delivery of projects has always been a testimony of a credible organization. With end-to-end execution capabilities and robust backward linkages, the Company always looks forward to timely, more often ahead of schedule completion of projects, awarded to it. Our proven expertise and in-house capabilities provide significant control over execution of projects even in the most challenging situations. Though FY 2021-22 was full of disruptive incidents and adverse events that warranted requirement of additional resources & efforts, apart from higher inputs costs, the Company performed remarkably well and successfully completed ten highway projects comprizing four HAM and six EPC mandates with total route length of 651 km and aggregate contract value of ₹ 11,981 Cr. Two of these were completed ahead of the schedule and received early completion bonus.

**Steady Growth** is what Company wants to maintain as it progresses. Our journey so far is evidence of consistent performance and steady growth. We do not aim for short-term gains that may end up in roller coaster performance and growth. We strongly believe in the power of focus and hard work, which helps in steadily outperforming ourselves. We always follow what is right, rather than what seems right, even if we need to work hard and hold back ourselves sometimes. As we strive for and the growth in terms of volumes, revenues, profitability, and expertise, we continually calibrate and carefully re-evaluate our growth, to ensure consistency and sustainability. As a part of our journey of following and practicing these principles, our Company's revenue and profitability grew decently in FY 2021-22 as compared to FY 2020-21.



## HIGHLIGHTS OF FY 2021-22<sup>^</sup>

₹ **6,306** Cr  
Total Revenue

₹ **14,663** Cr  
Order Book

₹ **787** Cr  
EBITDA\*

₹ **448** Cr  
PAT\*

## STRONG CREDIT RATINGS

**CARE AA**  
Credit ratings for long-term debt

**"Stable"**  
Outlook

**CARE A1+**  
Credit ratings for short term debt

<sup>^</sup>All numbers are on standalone basis for FY 2021-22

EBITDA: Earnings Before Interest, Taxes, Depreciation and Ammortization

PAT: Profit After Taxes



# PNC INFRATECH – AN OVERVIEW

PNC Infratech Limited is an integrated infrastructure solution provider with investment, design, development, construction, operation, maintenance & management capabilities and with proven experience in airports, highways, expressways, bridges, flyovers, dedicated rail freight corridor, drinking water supply and allied sectors with more than three decades of experience and expertise. PNC has successfully executed more than 80 major infrastructure projects across various states in India. The Company executes projects across varied implementation formats, including item rate, EPC (Design-Build), BOT-Annuity, BOT-Toll, OMT, Operation & Management and Hybrid Annuity Mode (HAM) projects across sectors.

The Company is currently executing over 25 EPC projects in airport, highway, expressway, irrigation, and rural drinking

water supply projects, across geographies. We have over 10,000 employees, including planners, engineers, designers, chartered accountants, management & legal professionals, contract & procurement specialists, company secretaries & construction technicians, etc. with proven experience.

The Company possesses large fleet of state-of-the-art plant and equipment, that include large logistic fleet, modern stone crushers, high-capacity 'batch type' hot mix plants, fully mechanized wet mix plants, high-capacity concrete batch plants, slip-form sensor pavers for rigid pavements and sensor paver finishers for flexible pavement, majority of which have been imported from technologically advanced countries, which can deliver large size projects with high quality.



## Our Vision

To become among the top 3 infrastructure investment, development and construction solution providers in the country by year 2025.



## Our Mission

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



## Our Strengths

- ▶ Integrated construction capabilities from mining to commissioning
- ▶ Expertise in end-to-end project management
- ▶ Excellent financial performance and best-of-industry credit profile
- ▶ Solid techno-experiential-financial qualification credentials
- ▶ Robust order book with optimal mix of fund & non-fund based mandates
- ▶ Integrated in-house planning, design and engineering expertise
- ▶ Large fleet of sophisticated machinery, plants and equipment
- ▶ Experienced employee base and professional management team
- ▶ Unflinching trust of stakeholders



## Our Philosophy

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



## Our Key Objectives and Strategies

- ▶ To expand into new functional areas with continued preference for roads & highways space
- ▶ To continue focus on EPC contracts while carefully increasing penetration in DBFOT projects
- ▶ To maintain performance efficiency and competitiveness across all business activities
- ▶ To develop & maintain strong relationships with our clients and strategic partners
- ▶ To strengthen systems and internal processes
- ▶ To adopt sustainable practices in all spheres of operations

ROB at Jhansi-Khajuraho Section of NH-75/76



## BUSINESS OVERVIEW

### Roads & Highways EPC:

Completed more than 60 major road, highway, and expressway projects across the country and currently executing 11 highway/expressway projects on EPC basis.



### Water Supply & Irrigation:

Working on rural drinking water supply and irrigation projects on EPC basis.



### Roads & Highways BOT/OMT/HAM:

At present, the Company has a total of 25 projects on PPP format, comprising BOT-Toll, BOT Annuity, OMT and HAM assets. Out of these 25 projects, we have 18 projects on HAM model with a total Bid Projects Cost of ₹ 24,590 Cr. Out of 18 HAM projects, we have achieved COD/PCOD of 5 projects, 6 are under construction and 7 recently awarded projects, which are under development.



### Industrial Area Development:

Completed first-of-its-kind BOT annuity project in India - area redevelopment and management of Industrial Estate of Narela, New Delhi for Delhi State Industrial & Infrastructure Development Corporation (DSIIDC).



### Power Transmission:

Set up power transmission lines of approximately 350 km of 132/220 kilovolt lines on a turn-key basis.



### Airport Runways:

Executed 21 airport runway projects across India and received 'Super Special' Class certification from Military Engineering Services for bidding airport projects of large size.



# OUR NATION-WIDE PROJECT REACH

We have executed and executing projects in 16 states across country.

## STATES WITH OUR PROJECT REACH



Disclaimer: This map is a generalized illustration only for the ease of the reader to understand the locations, and 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.





### OUR CLIENTELE



**State Water & Sanitation Mission**  
 NAMAMI GANGE AND RURAL WATER SUPPLY DEPARTMENT  
 Government of Uttar Pradesh

# OUR COMPETITIVE EDGE

Our philosophy is to continue building on our exemplary history of successfully completing major construction projects. Over the years, we have started projects and quickly progressed in the infrastructure sector. The expansion of our footprints and the promotion of infrastructure development are our main priorities. Our continuous performance and strategic growth drivers also serve as a driving force.

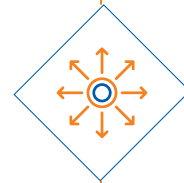
## Strategic Selection of Projects for Bidding

Conscious selection of the project, at the right time, with the right client and at a right price will continue to be the Company's principled approach. The Company doesn't pitch for new projects, just for the sake of order book expansion or under peer pressure. At the same time, we do not spare any effort in seizing the right opportunity, to develop a strong business pipeline.



## Robust Pipeline and Revenue Visibility through Strong Order Book

Utilizing the proven track record, core competency and strong project execution capabilities, the Company diversified into new functional areas of infrastructure viz. irrigation and drinking water supply projects and secured more than ₹ 8,000 Cr worth of new mandates during FY 2020-21 and FY 2021-22. As the above new business stream supplemented with regular business from roads and highways sector, the Company could secure new orders of total value ₹ 11,146 Cr during FY 2021-22. An unexecuted order book worth ₹ 20,000 Cr - including the value of seven HAM projects recently awarded at the end of FY 2021-22 - gives the Company a distinct visibility of sustainable growth in revenues, going forward.



## Strong Balance Sheet and Impressive Credit Ratings

The Company's prudent and disciplined financial management has helped us maintain healthy balance sheets unstintingly over the years. Our unblemished debt servicing and management has enabled us to secure impressive credit ratings with stable outlook for both short and long-term borrowings, as we are accredited with CARE AA for Long-Term and CARE A1+ for Short-Term Loans.



## Holistic Solutions and End-to-End Core Competency under One Roof

We provide integrated and holistic infrastructure development solutions under one roof with proven investment, design, development, construction, operation, maintenance & management capabilities in-house. Our end-to-end construction capability right from in-house mining & crushing of minor minerals, through execution by deployment of trained manpower and multifunctional state-of-the-art large fleet of own machinery, till testing & commissioning of project gives us an edge over other in timely, and even ahead of schedule, completion of projects.





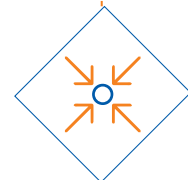
## Strong Relationships

We have developed and nurtured long-term relationship with our clientele (project authorities), Government authorities, lenders, equipment manufacturers, vendors, sub-contractors, consultants, industry specialists and technology providers. These cordial relationships, strategic business partnerships and tie-ups help the Company in delivering the projects timely and efficiently.



## Enhanced Execution Capability and Focused Approach

As on March 31, 2022, our gross block stood over ₹ 1,200 Cr which places us advantageously to execute projects of over ₹ 9,000 Cr in a year with the given in-house plant and machinery. Our present employee strength of over 10,000 comprising experienced project execution and support teams, with proven expertise, further ensures that we are able to meet our set targets of challenging projects across the geographies and socio-cultures. Given our fund-based limit of ₹ 1,000 Cr and non-fund-based limit of ₹ 5,000 Cr, we would be in a position to execute as well bid a greater number and larger size projects without any financial stringency and qualification constraints.



Interchange at Purvanchal Expressway Package VI



# MILESTONES

- 1999 ◆ Incorporated as 'PNC Construction Company Private Limited'

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- 2001 ◆
  - 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

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- 2003 ◆
  - 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

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- 2004 ◆
  - Received certification of ISO 9001:2000

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- 2005 ◆
  - Executed first International Airport Runway project for the AAI at Kolkata

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- 2006 ◆
  - Crossed ₹ 1,500 million in revenues

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- 2007 ◆
  - Awarded BOT Road project by Madhya Pradesh Road Development Corporation Limited

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- 2008 ◆
  - 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
  - Crossed ₹ 5,000 million in revenues

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- 2009 ◆
  - 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

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- 2010 ◆
  - 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

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- 2011 ◆
  - 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

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- 2012 ◆
  - 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/ Kilometre 306/8-9 on Ajmer Saradhana Section
  - Constructed Hamirpur Kalpi Road (State Highway 91) four lane Rajya Yojna Samanya, Uttar Pradesh

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- 2013 ◆
  - 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

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- 2014 ◆
  - Executed a redevelopment and management project at Narela Industrial Area 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

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- 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

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- 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 51-61 km, 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 Uttar Pradesh 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

- Secured three (3) new EPC Projects for Survey, Design, Preparation of DPR, Construction, Commissioning and O&M for 10 years of Rural Water Supply for a total village of 2,337 in Badaun, Aligarh and Barabanki districts of Uttar Pradesh from the State Water Supply & Sanitation Mission, Namami Gange & Rural Water Supply Department, Government of Uttar Pradesh
- Received Letter of Award (LOA) from NHAI for seven new projects on Hybrid Annuity Mode with an aggregate bid project cost of ₹ 84,460 million
- Achieved provisional completion and Commercial Operation Date (COD) for four HAM projects awarded by NHAI (Aligarh - Kanpur Pkg-II, Jhansi - Khajuraho Pkg-II, Chitradurga – Davengere, and Jhansi - Khajuraho Pkg-I)
- Received provisional completion certificates for, two of its EPC projects awarded by UPEIDA (Purvanchal Expressway Package V & Package VI) and one of its EPC project awarded by NHAI (Nagina Kashipur). Received final completion certificate for one of its EPC project awarded by NHAI (Varanasi Gorakhpur Package II)
- Received ₹ 826.8 million as early completion bonus for Purvanchal Expressway (Package V) in March 2022 from Uttar Pradesh Expressways Industrial Development Authority
- Received certificates from Asia Book of Records and India Book of Records for highest quantity of bituminous mix (42,666 MT) laid and the longest length of flexible pavement (50.03 Lane Km) constructed in 100 hours at Delhi Vadodara Greenfield Expressway (Package-29)

 2022

- 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 Haraulipur 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 Pothireddy Padu 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 2,475 in six districts of Uttar Pradesh from the State Water Supply & Sanitation Mission, Namami Gange & Rural Water Supply Department

 2021

- 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

 2020

- Received final completion certificates for two 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

 2019

- 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 4<sup>th</sup> 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

 2018

- 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

 2017

# WORDS FROM **THE CHAIRMAN**



We, at PNC, are committed to deliver the projects, that are mandated to us, on time amid all the challenges that we encounter during implementation. Our end-to-end execution capabilities coupled with our proven competency across project life cycle, including bidding, planning, development, procurement, engineering, construction, operation, and management, make us not only a formidable player but also a reliable partner in the country's infrastructure landscape. As a testimony to our capability, we successfully completed 10 highway projects of total route length of 651 km and aggregate contract value of ₹ 11,981 Cr during FY 22, amid unrelenting challenges and headwinds.



## *Dear Shareholders,*

A warm welcome to you all. I hope all is well with you and your family. FY 22 is no less than a roller coaster ride for all of us. From a deadlier second wave of the Covid-19 pandemic in the first quarter to geo-political conflict in the last quarter, FY 22 witnessed many challenges and turmoil, including restrictions, lockdowns, disruptions in supply chains, sharp rise in prices of commodities and building materials, along with a third wave of the pandemic during early 2022. These hardships and adversities rattled economies and daily lives of people across nations and the construction industry was no exception.

Still, proving our resilience as a country, we unitedly stood against all odds and made our country one of the fastest-growing economies in the world. A special thanks to our frontline forces who have been tirelessly fighting against this health scare caused by the pandemic, safeguarding our lives, as the danger still lurks in the shadows. Their effort and dedication are unparalleled and highly commendable.

Despite the fact that the year was full of difficulties and uncertainties that forced the industry to constantly reevaluate its strategies, the infrastructure industry has seen a decent growth owing to various relief measures and support extended by the Government under the Atmanirbhar Bharath Abhiyan. The Government's aim to build a nation with top-notch infrastructure has set a promising panorama of opportunities for the sector and all its stakeholders.

Over the years, the infrastructure sector has seen a continuous flow of Government funding, and off late, the flow of investments by the private sector has been guarded particularly where revenue (traffic) risk is involved. However, to realize the Governments' goal of timely core infrastructure development in a massive way, under the National Infrastructure Pipeline (NIP), extensive large-scale investment by the private sector across sectors is an imperative. To promote more and wide spread participation by private sector in development of national highway projects through Build-Operate-Transfer (BOT)-Toll, Toll-Operate-Transfer (TOT), Hybrid Annuity Mode (HAM) formats, the Government is open to make changes in the contract conditions, techno-financial bidding criteria and other terms to make them more amenable and bankable for private investment, which is an encouraging step in the right direction.



**The Government's aim to build a nation with top-notch infrastructure has set the path for a promising future. We are well-positioned to take advantage of the prospects and hold onto our market-leading position, thanks to our strong order book, vast industry experience, and proven expertise.**

If we look at the business opportunity landscape for the Company, greenfield expressways are among high-value projects that National Highways Authority of India (NHAI) is focusing on for implementation on both EPC and HAM modes. Infrastructure sector as a whole would be benefited by major Government initiatives such as Bharatmala Pariyojana, Sagarmala, Atal Mission for Rejuvenation & Urban Transformation, Jal Jeevan Mission and the projects being rolled-out therefrom. For faster implementation of these projects across the sectors, geographies and proponents, PM's Gati Shakti National Master Plan framework will further act as a helping hand.

The capital budget for key infrastructure components in the Union Budget 2022-23, increased by 35%, which testified the Government's focus and commitment towards infrastructure development. PM's Gati Shakti's National Master Plan, with its initial financial allocation of ₹ 20,000 Cr, is already on track to achieve Government's goal of becoming a US\$ 5 trillion economy by 2025.

Government's focus on Jal Jeevan Mission to achieve its objectives of 'Har Ghar Pani Ghar Ghar Pani' and 'Har Ghar Nal Se Jal', will also provide ample opportunities in the drinking water supply sector across the states where our Company has already forayed into.

Now, with great pleasure, let me share with all of you, highlights of our Company's performance during FY 2021-22.



**Out of our total order book, the Roads & Highway Projects contribute around 65% and Water & Irrigation projects contribute around 35%. We have total of 25 projects in PPP format, comprising BOT-Toll, BOT Annuity, OMT and HAM assets. Out of these 25 projects, we have 18 HAM projects with a total bid project cost of ₹ 24,590 Cr.**



As the common saying goes, potential of a ship is tested only during storms, our Company's strength and resilience were tested rigorously during FY 2021-22. The year was full of disruptive incidents and adverse events that caused retardation in progress, requirement of additional resources & efforts, apart from higher inputs costs. Nonetheless, our Company performed remarkably well during FY 2021-22, as a testimony to our determination and perseverance and we successfully completed ten highway projects comprising four HAM and six EPC mandates having total route length of 651 km and aggregate contract value of ₹ 11,981.0 Cr. I am immensely happy to share that during FY 2021-22, our Company successfully completed Purvanchal Expressway Packages 5 and 6 (EPC Projects), 132 days and 97 days ahead of schedule, respectively, and received early completion bonus from the Authority i.e., UPEIDA, Government of Uttar Pradesh.

During the year, the Company's order book remained decent as inflow stood at ₹ 11,146 Cr comprising seven highway projects on HAM model, three rural drinking water supply projects on EPC model and one user fee collection mandate. Our unexecuted order book on March 31, 2022 was ₹ 14,663 Cr. By including all the HAM projects which have been awarded to our Company, our order-book would be over ₹ 20,000 Cr, that gives us a robust revenue visibility over next 2-3 years. Out of the total order-book, roads & highway mandates contribute around 65% and water supply & irrigation mandates contribute around 35%. The Company is currently executing total 18 projects, including eleven highway & expressway projects, seven rural drinking water supply projects and one irrigation projects.

Our Company's robust execution capability is driven by four strong pillars of strength that enable us to successfully deliver the projects within the budgeted cost and stipulated time frame, financial strength, end-to-end execution capability, large fleet of modern plant & equipment and multi-disciplinary execution team with proven credentials.

Our judiciously leveraged and healthy balance sheet and strong credit ratings enable us to execute projects seamlessly without any liquidity challenges and financial stringency. Our financial strength helps us in pitching for higher number of projects of larger size continually. Our credit ratings continue to be CARE (Double AA) for Long-Term Bank Facilities and CARE (Single A1 Plus) for Short-Term Bank Facilities. These strong credit ratings are facilitating us to raise funds at competitive rates.

Another significant competency has been having end-to-end construction capabilities in-house, right from the mining till commissioning of projects. These distinct in-house abilities give our Company a great control over execution, quality,

time, and cost of projects, even in challenging situations and times.

Over the years, we have been investing in modern plants & machinery and have built a large equipment bank of our own. This augments our execution capabilities progressively. Our present Gross Block of over ₹ 1,200 Cr, is adequate for execution of projects of value over ₹ 9,000 Cr in a year.

The Company has a strong project execution and support team with proven expertise. Over the past six years, we have doubled our employee strength to more than 10,000 employees as on March 31, 2022.

Coming to the key financials of FY 2021-22, on standalone basis, our Company's revenue leaped by 28% to ₹ 6,306 Cr compared to ₹ 4,925 Cr in FY 2020-21. Our EBITDA in FY 2021-22, stood at ₹ 787 Cr, higher by 16% as compared to ₹ 677 Cr in FY 2020-21 and PAT stood at ₹ 448 Cr as compared to ₹ 362 Cr in FY 2020-21 with a growth of 24% on y-o-y basis.

On consolidated basis, revenue grew by 25% y-o-y basis as in FY 2021-22 it is ₹ 7,208 Cr as compared to ₹ 5,788 Cr in FY 2020-21. Consolidated EBITDA in FY 2021-22 was ₹ 1,534 Cr which was higher by 8% as compared to ₹ 1,422 Cr in FY 2020-21 and consolidated PAT for FY 2021-22 stood at ₹ 580 Cr as compared to ₹ 497 Cr in FY 2020-21, with a growth of 17% on y-o-y basis.

We are proud to be one of the key players in the development of nation's infrastructure, which is a major driver for its socio-economic growth. I am sure our Company has a promising future and will continue to scale new heights with consistent performance and sustainable growth, going forward.

On a concluding note, while I want to congratulate every member of our team and all the stakeholders for the splendid performance in FY 2021-22, I would like to express my sincere gratitude to all our stakeholders whose unwavering trust and support in our journey have been the driving force behind our journey and accomplishments. I would also like to thank the Board for the valuable guidance which helped us not only in navigating the difficult times but also achieving the goals; our prized human capital for their continued passion and dedication towards the Company, and our bankers, suppliers, vendors, sub-contractors for their committed accompaniment.

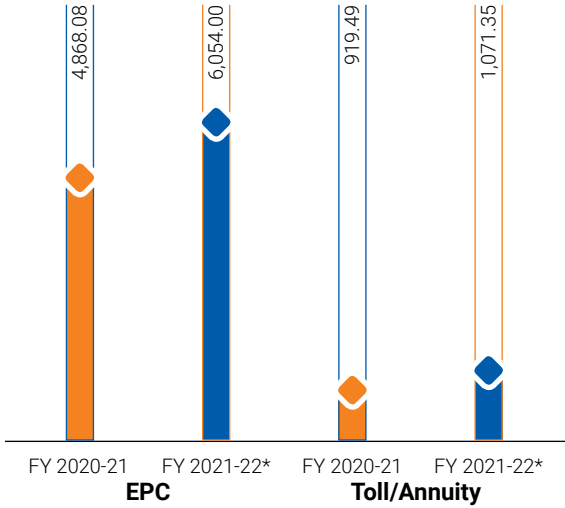
With Regards,

**Pradeep Kumar Jain**  
Chairman



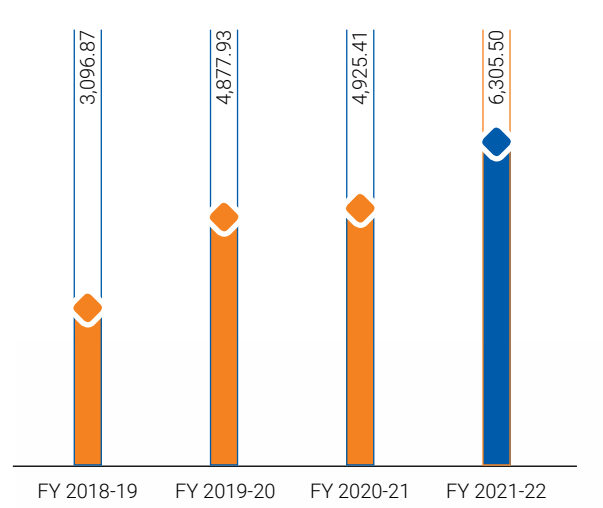
# FINANCIAL HIGHLIGHTS

Segmental Revenue Break-Up Comparison (₹ in Cr)

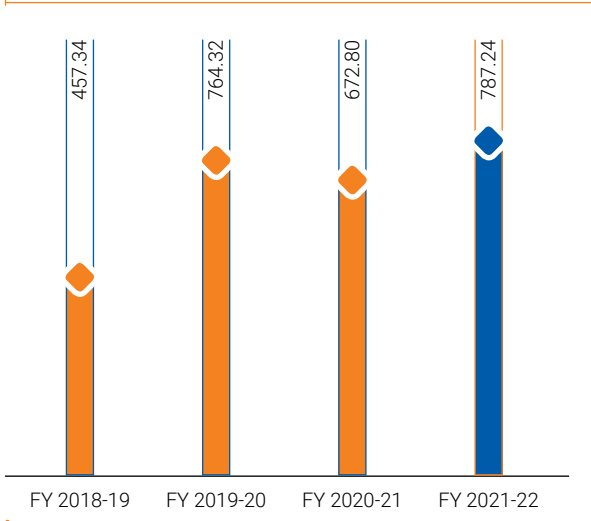


\*Adjusted for bonus of ₹ 82.68 Cr received in Q4 FY 2021-22

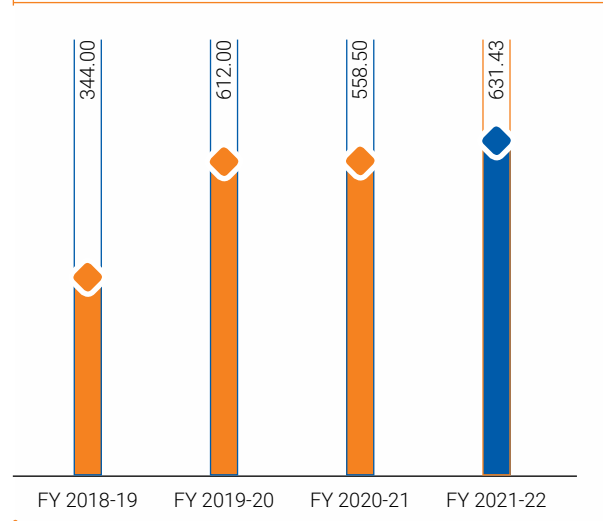
Revenue (₹ in Cr)

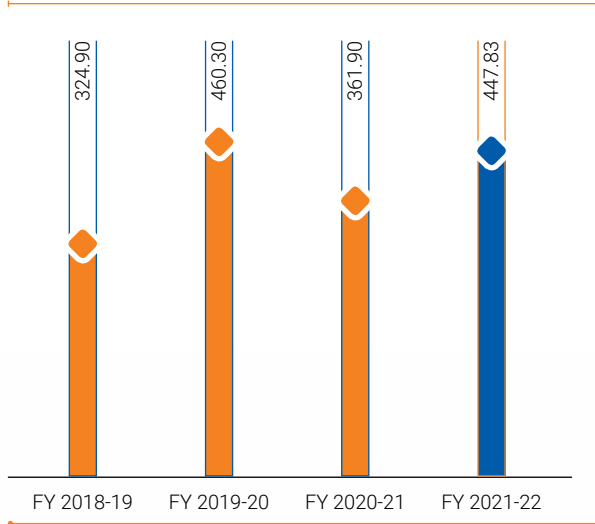
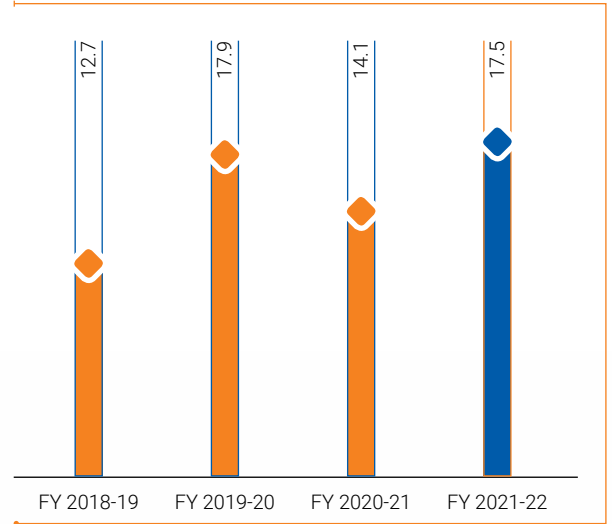


EBITDA (₹ in Cr)



Profit Before Tax (₹ in Cr)



**Profit After Tax (₹ in Cr)****Earnings Per Share (in ₹)**

# BOARD OF DIRECTORS



**Mr. Pradeep Kumar Jain**  
**Chairman and Managing Director**

Mr. Pradeep Kumar Jain has over 44 years of experience in the construction, operation, and management of projects in infrastructure sector and allied areas. He looks after overall administration of the Company, including relationship management and corporate management.



**Mr. Chakresh Kumar Jain**  
**Managing Director**

Mr. Chakresh Kumar Jain has over 34 years of experience in development of infrastructure sector, such as construction of highways, airports, rail over-bridges among others. He looks after overall finance, procurement, taxation, and project administration.



**Mr. Yogesh Kumar Jain**  
**Managing Director**

Mr. Yogesh Kumar Jain has over 26 years of experience in planning, execution, supervision of work starting from prequalification and tendering up to completion and handing over of the projects across the sectors and geographies. He looks after overall project management, including business development, contraction & construction management projects up to the completion stage.



**Mr. Anil Kumar Rao**  
**Whole-time Director**

Mr. Anil Kumar Rao has over 35 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. He looks after overall planning, detailed engineering, monitoring, execution, operation and management of projects. He also looks after contract administration and arbitration matters of the Company.



**Mr. Talluri Raghupati Rao**  
**Whole-time Director**

Mr. T. R. Rao is having over 35 years of professional experience in planning, engineering, development, implementation, and management of infrastructure projects across sectors viz. highways, expressways, bridges, airports, ports, industrial area development, drinking water supply, urban transport & urban infrastructure. Furthermore, he has extensively worked on structuring projects on various PPP models. He looks after business development, project monitoring, contract administration, overseeing operational projects on BOT-Toll, Annuity & HAM including their divestment activities, arbitration and corporate communications of the Company.





### **Mr. Gauri Shankar**

#### **Independent Director**

Mr. Gauri Shankar has 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 (IAS), Haryana Cadre. He has held various posts such as Additional Chief Secretary, Principal Secretary, 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 the 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 in key 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 serves as the Director on the Company's Board since March 25, 2021.



### **Ms. Deepika Mittal**

#### **Independent Director**

Ms. Deepika Mittal holds a Bachelor's degree in Commerce and Law and is also a qualified Chartered Accountant. Her professional experience of over 20 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 the Company's Board since September 8, 2014.



### **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 a Professor in S. N. Medical College, Agra along with rich experience in business and management. He is serving on the Board of Directors on the Company's since October 25, 2009.

# MANAGEMENT DISCUSSION AND ANALYSIS

## GLOBAL ECONOMIC OUTLOOK

As per World Economic Outlook (April 2022 edition) by the International Monetary Fund, the worldwide economic recovery was expected in the 2<sup>nd</sup> quarter of the calendar year 2022 after facing lower than expected challenges due to the covid-19 pandemic. However, it worsened owing to heightened geopolitical conflicts, which resulted in a sudden and sharp increase in the commodity prices and consequent high inflation across the globe. In addition to the conflict, China experienced frequent and broader lockdowns, including in important manufacturing areas.

These geopolitical uncertainties added to a series of supply disruption that hit the global economy resulting in shortages of the energy. Production problems in one country quickly ripple across the globe due to the integrated global supply chains. As per the World Economic Outlook, global growth is projected to slow from an estimated 6.1% in 2021 to 3.6% in 2022 and 2023 which is 0.8 and 0.2 percentage points lower for 2022 and 2023, than projected in January by the International Monetary Fund. Beyond 2023, global growth is expected to decline to about 3.3% over the medium term.

## Indian Economic Overview

When the domestic economy was at the cusp of a strong bounce-back leaving behind the worst of Covid-19, prices of food grains and commodities went up in India, due to the geopolitical tension between Ukraine and





Russia. India's growth prospects have also been affected by this crisis. Crude oil prices tested above US\$ 100 per barrel levels and edible oil prices increased considerably, which are crucial imports from the two warring states. This situation has pushed economic analysts to forecast lower-than-expected growth in 2022. As a result, growth in Government receipts is expected to reduce along with increased subsidy expenses. Capital withdrawals and rising import costs will also have an impact on the current account balance and currency valuation.

High-frequency indicators such as air traffic, automobile sales number, manufacturing, and services PMI, and overall consumer sentiments are pointing towards slow growth, especially during H1 FY 2022-23. The domestic economy grew 8.7% in FY 2021-22. This was followed by a contraction of 6.6% on a y-o-y basis. However, the overall growth was lower than expected due to subdued recovery in a few sectors, including agriculture, manufacturing, and contact-intensive services.

However, looking beyond the short-term challenges, we remain sanguine about the opportunities India offers. The impact of upcoming waves of Covid-19, if any, on the economy is expected to be minimal mainly due to high vaccination coverage and increased general awareness. The Government and the RBI are working in close coordination to contain inflation, while supporting sustainable growth. As per FICCI Economic Outlook Survey, India's GDP growth is expected to be 7.4% for FY 2022-23, which would be one of the best among the emerging markets.



## Infrastructure Sector Overview

The project awarding activity witnessed healthy growth in FY 2021-22. The total length of highway projects awarded in FY 2021-22 stood at 12,731 kilometres, an increase of ~22% y-o-y. The execution, however, remained affected owing to incessant rains across the country, disruptions caused by multiple waves of Covid-19 and the resultant lockdowns, and labor scarcity. At the same time, the industry continued to witness challenges such as increase in raw material costs due to increasing freight, fuel, and commodity prices. In terms of highway construction, the pace of construction declined by almost 21% y-o-y in FY 2021-22, to 10,457 km of national highways, down from 13,327 km in FY 2020-21.

NHAI awarding activity was slow until February 2022, which picked up the pace in March 2022. In FY 2021-22, the NHAI awarded or opened bids for projects with a length of 4,970 km and a value of roughly ₹ 1.4 lakh Cr, compared to 4,818 km and a value of nearly ₹ 1.3 lakh Cr, y-o-y. The speed of road project awards increased considerably in the month of March 2022, to around 5,113 Km.

In the Union budget, allocation to MORTH grew by ₹ 80,000 Cr from about ₹ 1.11 lakh Cr to ₹ 1.9 lakh Cr, representing a 70% YoY growth. NHAI's funding allocation more than doubled during this period as well. The Government's plan to expand the national highway network by 25,000 Km in the current fiscal year is supported by this massive increase in budget. Aside from investments in roads and highways, this year's budget also put a focus on river connection projects, which will increase water availability across various regions, and comparable irrigation projects.

By 2024, the Government intends to add 40 Km of world-class National Highways per day. The Government and other organizations have undertaken several steps in recent years to speed up highway construction and improve the financial health of infrastructure firms.

### Continued Support By The Government Through Various Initiatives

NHAI announced a new system to speed up the payment of compensation for land acquisition to property owners, under which the funds will be transferred directly to the beneficiary's accounts via the public finance management system. This will also save thousands of crore from being blocked in banks for months, which could be used for construction.



### Deleveraging of NHAI Balance Sheet To Drive Highway Construction Growth

NHAI set a monetization target of 21,700 km of highway stretches in three years starting from FY 2022-23. It could help the NHAI to raise about ₹ 2 lakh Cr. NHAI has identified stretches of 5,500 km for monetization in FY 2022-23, 7,300 km in 2023-24, and 8,900 km in 2024-25. The NHAI will utilize these funds to repay the debt which stood at around ₹ 3.2 lakh Cr in FY 2020-21. In early November 2021, the NHAI launched its maiden InvIT, another mode of asset monetization, to mop up ₹ 5,100 Cr by monetizing 390 km highway stretches. Such initiatives are expected to deleverage NHAI's balance sheet significantly, which certainly will benefit the whole industry.



## Significant Rebound In Toll Collection

After witnessing a fall in FY 2020-21 due to Covid-19-induced lockdowns and sluggish economic activities, FASTag toll receipts grew by 67% y-o-y and reached ₹ 38,084 Cr in FY 2021-22. On the national highways, FASTag penetration now stands around 97% with 964 toll plazas being live on FASTag.

The recent hike by NHAI in toll rates, which is linked to WPI along with a rebound in passenger and commercial vehicle traffic, is expected to drive the toll revenues during FY 2022-23.

## Union Budget Highlights For The Infrastructure Sector

- ▶ PM Gati Shakti is a concept strategy for economic growth and development. Seven engines power this strategy: roads, railways, airports, ports, mass transportation, waterways, and logistics infrastructure.
- ▶ During FY 2022-23, national highway network will be extended by 25,000 Km.
- ▶ ₹ 20,000 Cr will be raised using innovative financing methods to supplement public funds.
- ▶ During FY 2022-23, contracts for the PPP implementation of Multimodal Logistics Parks at four locations will be finalized.
- ▶ During FY 2022-23, 2,000 km of the network would be brought under Kavach, an indigenous world-class technology for safety and capacity augmentation, as part of Atmanirbhar Bharat.
- ▶ 400 Vande Bharat trains with new generation technology will be introduced in the next three years. During the following three years, trains with improved energy efficiency and passenger comfort will be developed and operationalized.
- ▶ Multimodal connectivity between public transportation and railway stations will be prioritized. Metro systems, including civil constructions, will be redesigned and standardized to meet Indian conditions and requirements.
- ▶ National Ropeways Development Program will be implemented on a PPP basis as a preferred environmentally sustainable alternative to conventional highways in tough hilly areas. In FY 2022-23, contracts for 60 kilometer 8 ropeway projects will be awarded.
- ▶ Har Ghar, Nal Se Jal now has 8.7 Cr of beneficiaries. In the previous two years, 5.5 Cr households have received tap water. A budget of ₹ 60,000 Cr has been set aside with the goal of covering 3.8 Cr homes by FY 2022-23.



Approach to ROB at Jhansi-Khajuraho section of NH-75/76



Drinking Water Connection

## Water Sector

The Jal Shakti Ministry has been allocated ₹ 86,189 Cr in the Union Budget 2022-23, as against ₹ 69,052 Cr y-o-y, a growth of 24%. Under the Jal Shakti Ministry, the Drinking Water and Sanitation Department has been allocated ₹ 67,221 Cr, while ₹ 18,968 Cr have been allocated to the Department of Water Resources, River Development, and Ganga Rejuvenation.

₹ 60,000 Cr have been allocated to provide Functional Household Tap Connections (FHTC) to 3.8 Cr households in FY 2022-23 under the Jal Jeevan Mission (JJM), as against ₹ 50,000 Cr y-o-y. JJM is a program of the Union Government to provide drinking water connections to rural households in the country.

The mission is on track to meet its target, with groundwork well underway: Goa, Telangana, Andaman & Nicobar Islands, Puducherry, Haryana, Dadra and Nagar Haveli, and Daman & Diu have all reached 100% tap water penetration, while Jharkhand, Chhattisgarh, West Bengal, and Rajasthan have the lowest functional household tap connection coverage. Uttar Pradesh has the lowest tap coverage in rural regions, at 13.46%, and the highest functional tap demand. Thus, ample opportunity is available under the JJM, especially for the northern states, including Uttar Pradesh where the Company has a strong presence.

## Airport Sector

Growth in air passenger traffic in India has remained on upward trajectory since the new millennium, driven by growth in real income and low-cost aviation. During the previous three years, India's civil aviation industry has become one of the country's fastest-expanding industries. India has surpassed the United Kingdom to become the world's third-largest domestic aviation market. According to the International Air Transport Association, India is predicted to overtake China and the United States as the world's largest air passenger market in the next ten years by 2030.

In India, there are currently 464 airports of which 125 are managed by the Airports Authority of India (AAI). 89% of the aircraft movement and 91% of the passenger traffic is handled by these AAI-managed airports (Source: Airports Authority of India).

The Government of India has now allowed foreign companies (except airlines) to own 100% of domestic airlines as against the previous limit of 49% to attract more foreign capital in the aviation sector (scheduled air transport service/domestic scheduled passenger airline and regional air transport service). However, investment by foreign airlines in domestic airlines will be limited to 49% of paid-up capital. With many regional airports coming up along with the Government's support, the aviation sector is expected to witness growth in investments in the coming years.



## COMPANY OVERVIEW

PNC Infratech Limited offers end-to-end infrastructure implementation solutions that include 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, Hybrid Annuity Mode basis and other public-private partnership formats. PNC 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 Capabilities

For the past two decades, the Company has created a strong track record of being an efficient player in the construction of roads, highways, expressways, bridges, and airport runways. The Company is well capable of taking an EPC project of large ticket size. The Company has a large fleet of construction equipment, plants and machinery with a gross block of ₹ 1,273 Cr.

The Company has also focused on creating a robust workforce over the years to reinforce the project execution capabilities. Since FY 2016-17, we have added about 3,415 employees to our workforce, taking the total strength to 10,187 employees. The diverse work force consists of in-house design, engineering, development, construction, operation, management, and a strong technical team. As a result of this, the Company can undertake and execute

projects on a timely basis, without compromising on quality and profitability.

### Diversified Presence Across Multiple Segments

The Company continues to focus on calibrated diversification to continue the growth momentum, without assuming the concentration risk. However, the focus area remains the road sector. The Company is looking forward to increasing the order book in the water sector, by participating in more projects under the Jal Jeevan Mission for which the Company expects sizeable inflow of orders over the near and medium-term.

The key segments where the Company operates include roads, highway and expressway projects under BOT, HAM and OMT models, airport runways & pavements, rural drinking water supply, irrigation, and industrial area development.

### Cluster-based Approach With A Multi-State Presence

Being headquartered in the North India and a strong track record of project execution over the years in the northern part of country, a large chunk of the order book is located in North India. The Company has a strong presence in Uttar Pradesh, Rajasthan, Haryana, Madhya Pradesh, Bihar, Uttarakhand, Maharashtra, Gujarat and Karnataka. We have successfully executed over 80 major infrastructure projects spread across 13 states.



Trumpet Interchange at Jhansi-Khajuraho Section of NH-75/76



At present, the Company has a total of 25 projects in PPP format, comprising BOT-Toll, BOT Annuity, OMT and HAM assets. Out of these 25 projects, 18 HAM projects with a total Bid Projects cost of ₹ 24,590 Cr. From the HAM portfolio of 18 projects, the Company has achieved COD/PCOD of 5 projects, 6 are under construction, and 7 projects recently awarded.

We follow a cluster-based approach, with more than 75% of our total order book consisting of projects from Uttar Pradesh. The Company leverages the strategic location for optimum utilization of resources translating into superior operating leverage and profit margins. Given a long track record of operating in this cluster, the Company can bid at competitive rates and still maintain a margin and profitability profile. The Company has been one of the biggest beneficiaries of the recent awarding activity in North India, especially in Uttar Pradesh and we expect similar momentum in the coming years.

### **Established Relationship With Public Sector Clientele And Excellent Pre-Qualification Credentials**

Over the past two decades, the Company has worked on several projects with various State and Central Governments. We have 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.

IN FY 2021-22, the Company executed multiple projects across the multiple states which helped us mitigate risks and efficiently manage the working capital cycle. With strong execution credentials, the Company has been able to qualify for bidding on 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 0.06x as of FY 2021-22 (consolidated net debt/equity at 1.32x). We will continue to fund the HAM projects through internal accruals and monetization of our operational BOT and HAM projects.

We, along with our wholly owned subsidiary, PNC Infra Holdings Limited and other partners/promoters, on April 01, 2021, entered into 'Share Purchase Agreement' and other related transaction documents inter alia for sale its entire take of 35% (which includes 19.88% stake held by PNC Infra Holdings Limited, a wholly owned subsidiary of the Company) in Ghaziabad Aligarh Expressway Private Limited, an 'Associate' of the Company to Cube Highways and Infrastructure Pte Limited ('Cube Highways'). This transaction was subject to receipt of applicable regulatory and complying with the condition precedent, more specifically laid down in the Share Purchase Agreement. The deal was finally concluded on May 26, 2022 and total consideration was received. The Company is also exploring various options, including direct sale of fund based assets, on the basis on the valuations received going forward.

PNC Infratech had a net cash flow from operations of ₹ 263 Cr in FY 2021-22. While the entire sector is witnessing problems with financial closure and fund-raising, our strong



balance sheet, robust operating cash flows, and credit ratings have helped us raise debt capital at lower rates along with faster financial closures.

## Strong Order Inflow & Robust Order Book Position To Continue To Drive Future Growth

In FY 2021-22, PNC Infratech received projects at a healthy rate of ₹ 11,146 Cr resulting in the expansion of the order book and providing provides strong revenue visibility. The unexecuted order book on March 31, 2022 was over ₹ 14,600 Cr. By including all the projects for which the Company has already received letters of award, the order book would be over ₹ 20,000 Cr, which gives strong revenue visibility for the Company over the 2-3 years. The Company is not expecting any delays in getting financial closure and appointed dates for the recently won projects, so these awarded projects are likely to contribute to the revenue starting FY 2022-23 significantly.



Nagpur Mumbai Super Communication Expressway

## Financial Overview

We are one of the few companies in the infrastructure and construction space in India that has posted consistent operating cash flow/free cash flow (OCF/FCF) post-interest expense over FY 2014-22. The Company has negligible net interest expense as a percentage of EBITDA, thus having significant distributable cash flow. This has helped us avoid initiating aggressive growth campaign as well as unrelated diversification.

The standalone revenue for FY 2021-22 stood at ₹ 6,305.50 Cr.

The EBITDA for FY 2021-22 was ₹ 787.25 Cr and the profit after tax for FY 2021-22 was ₹ 447.83 Cr.

The Company's net worth as on March 31, 2022, on a standalone basis was ₹ 3,340.2 Cr, whereas the total debt was ₹ 216.0 Cr. The Company has net cash of ₹ 191 Cr.

The interest coverage ratio for FY 2021-22 stood at 8.88x, as compared to 8.25x in FY 2020-21.

The current ratio, which indicates the Company's ability to pay short-term obligations, has remained strong at 2.7x for FY 2021-22, as compared to 2.2x in FY 2020-21.

During the year, CARE Ratings Limited reaffirmed its rating to AA with a stable outlook for the long-term facilities and reaffirmed A1+ for the short-term bank facilities of the Company.

The Company's net working capital days stood at 77 days as on March 31, 2022, compared to 51 days as on March 31, 2021.

On a consolidated basis, the revenue for 2021-22 stood at ₹ 7,208 Cr. In terms of segment contribution, the EPC segment contributed approximately 85%, whereas the toll/annuity income contributed 15% for FY 2021-22. The toll/annuity income for FY 2021-22 grew by 17% to ₹ 1,071 Cr, as compared to ₹ 919 Cr in FY 2020-21.

The consolidated EBITDA for FY 2021-22 stood at ₹ 1534.45 Cr and the consolidated profit after tax in FY 2021-22 was ₹ 580.43 Cr. Whereas the consolidated profit after tax, minority interest and share in profit/loss of associate for FY 2021-22 was ₹ 580.43 Cr.

The Company's net worth as on March 31, 2022, on a consolidated basis, was ₹ 3,628.1 Cr, whereas the total debt stood at ₹ 4,779 Cr. The net debt to equity on a consolidated basis came at 1.32x.



## RISKS & MITIGATION

### Competition Risk

The various business segments in which the Company operates, competes with a large set of regional, national and international companies. The competitive intensity varies by geography, nature of project, size and business segment. In FY 2021-22, the competition intensity was further increased owing to multiple Government initiatives, such as relaxed bidding criteria, which are now extended till October 31, 2022. This could lead to some pressure on margins driven by more competitive bids and lower contract prices.

### Mitigation

The Company has a strong track record of 20+ years in engineering and construction. With the strong domain knowledge, the Company is aiming to bid for larger projects with ticket sizes of up to ₹ 4,000 Cr, where competition is less intense. By offering end-to-end services in terms of design, engineering, planning, management, and project execution to finish complex projects in a safe, timely, and cost-effective manner, the Company remains well-equipped to stay ahead of the curve. We are planning to continue to complete the awarded projects ahead of the schedule to earn an early completion bonus wherever possible.

### Capital-Intensive Business Risk

The infrastructure sector as a whole, is very capital-intensive, particularly fund based (BOT) projects with a stretched payback period. The requirement of capital is intense for investment in assets with a large chunk of these assets being funded by the debt. Timely, and cost-effective availability of financing is very crucial, especially for TOT, BOT, and HAM projects.

### Mitigation

While many infrastructure companies have faced challenges in raising the funds in a timely manner, the Company continues to benefit from lower interest rates and better terms on various loans for financing construction equipment, term debt for projects, and working capital facilities. The Company also possesses a large amount of fleet of construction equipment and machines, resulting in efficient mobilization of resources for multiple projects nearby.

### Input Cost Risk

There has been continuous inflationary pressure on input costs, especially for steel and cement. Structural steel, cement, bitumen, concrete, metal plate, cable, and other electrical and mechanical components are among the Company's main products. The sustaining upwards

momentum in these costs may hamper the Company's margins and profitability. Apart from this, demand, manufacturer capacity, market conditions, and specific material shortages, the availability, prices of these products may vary dramatically. The lack of raw materials may also cause the project to be delayed.

### Mitigation

Input cost volatility is very critical for any infrastructure project. The Company's approach is to have complete control over diverse input costs through ownership or long-term contracts. We have a large fleet of own stone aggregate mines and crushers, which is one of the primary cost contributors. Other key raw materials such as cement and steel are purchased from prominent manufacturers with whom the Company has built good business relationship over the years. This ensures competitive rates, high quality, and timely delivery. To minimize input cost pressure, we contract with Government clients and include cost-escalation measures that enable us to safeguard our margins during the project execution phase.

### Labor Risk

The infrastructure projects are highly dependent on the timely availability of the labor force. Availability and the Company's capability to hire, retain and use experienced individuals, such as engineers, designers, corporate management professionals, and labors, with the requisite experience and competence at a competitive cost is critical for the execution of the project. The Company's inability to do so in the future may limit the Company's ability to execute the projects.

### Mitigation

A large chunk of the Company's projects is based out of Northern India, where the availability of the labor force is abundant. The Company is focussing on providing requisite training and creating an environment to thrive and contribute. We follow an open-door policy along with entrepreneurial working culture. The Company's compensation approach is based on a systematic evaluation and appraisal of each employee's performance and potential. We also distribute the early completion bonuses collected for the projects to the project team in the same proportion of number of days.

### Human Resource Management

The Company's overall employee strength was over 10,100 employees as of March 31, 2022. our administration is continually focusing on the skill development and enhancement of professionals and managers, as we think that personnel are the Company's future building pillars. The Company has stayed ahead of the curve because of PNC Infratech's staff of home-grown employees with



unique industry knowledge. We also ensure that our personnel are driven to carry out their jobs with maximum accountability by providing moral support and financial incentives.

### Internal Control Systems

The Company has adequate internal control systems that are commensurate with the size and nature of its business, ensuring that all assets are acquired cost-effectively and are safeguarded against loss from unauthorized use or disposition and that all transactions are properly authorized, recorded, and reported. The Company's internal audit department supplements the internal control system with well-documented policies, guidelines, and procedures, as well as reviews. Internal auditors conduct audits of various departments in accordance with the yearly audit plan and report to Management and the Audit Committee of the Board regularly. To determine the adequacy and efficacy of the internal control system and measures, the views of statutory auditors and ISO auditors are also taken into account. The Company's project locations are protected by sophisticated closed-circuit television camera surveillance and the SAP ERP system. The management monitors these metrics regularly to verify that they are improving.

### Cautionary Statement

We have included forward-looking statements and information including the risk factors in this Annual Report to help investors understand our growth potential and make educated investment decisions. This report, as well as other written and oral comments we make regularly, contain forward-looking statements that outline expected outcomes based on management's plans and assumptions. Forward-looking statements are predictions of future events based on certain assumptions. Risks, uncertainties, and even assumptions play a role in achieving such findings. The quality, reliability, and completeness of market data and information acquired from numerous published and unpublished reports and sources cannot be guaranteed. We do not promise to make any announcements or amend any development or forward-looking statements made by or on behalf of the Company if any of the economic scenarios, industry developments, or forward-looking statements become materially inaccurate in the future.



Entry Exit Points at Purvanchal Expressway Package V

## DIRECTORS' REPORT

### Dear Members,

Your Directors are pleased to present the 23rd 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, 2022.

### 1. RESULTS OF OUR OPERATIONS

The financial performance of the Company for the year ended March 31, 2022, 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, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Revenue from Operations	6,30,550.34	4,92,541.86	7,20,803.56	5,78,756.85
Less: Total Expenses	5,72,831.26	4,43,830.39	6,48,907.93	5,15,515.87
Profit/(Loss) before tax & prior period expenses	63,142.67	55,850.44	80,794.26	73,987.89
Add/(less): Prior period expense (Net)/ Exceptional Item	--	--	(185.00)	--
Profit/(Loss) Before Tax	63,142.67	55,850.44	80,609.26	73,987.89
Less: Tax Expense (Net)	18,359.55	19,655.82	22,566.28	24,724.33
Profit/(Loss) After Tax	44,783.12	36,194.62	58,042.98	49,263.56
Add/(Less): Share in profit/(loss) of Associates	--	--	--	426.69
Profit for the year after share of profit/(Loss) in Associate	44,783.12	36,194.62	58,042.98	49,690.25
Earnings Per Share (Basic & Diluted)	17.46	14.11	22.63	19.37

### 2. FINANCIAL PERFORMANCE

#### On Standalone Basis

On a standalone basis, revenue of the Company for FY 2021-22 is ₹ 6,30,550.34 lakhs as compared to ₹ 4,92,541.86 lakhs in FY 2020-21. The Operating Profit (i.e. Earnings before Interest, Tax, Depreciation and Amortization) for FY 2021-22 is ₹ 78,724.64 lakhs as compared to ₹ 67,660.72 lakhs in FY 2020-21. The Profit before Tax for FY 2021-22 is ₹ 63,142.67 lakhs as compared to ₹ 55,850.44 lakhs in FY 2020-21. The Profit after Tax for FY 2021-22 is ₹ 44,783.12 lakhs as compared to ₹ 36,194.62 lakhs in FY 2020-21.

#### On Consolidated Basis

The Consolidated Revenue of the Company for FY 2021-22 is ₹ 7,20,803.56 lakhs as compared to

₹ 5,78,756.85 lakhs in FY 2020-21. The Consolidated Operating Profit (i.e. Earnings before Interest, Tax, Depreciation and Amortization) for FY 2021-22 is ₹ 1,53,447.36 lakhs as compared to ₹ 1,42,172.32 lakhs in FY 2020-21. The Consolidated Profit before Tax for FY 2021-22 is ₹ 80,609.26 lakhs as compared to ₹ 73,987.89 lakhs in FY 2020-21. The Consolidated Profit after Tax, Minority Interest and Share in Profit / Loss of Associate for FY 2021-22 is ₹ 58,042.98 lakhs as compared to ₹ 49,690.25 lakhs in FY 2020-21.

### 3. CHANGE IN NATURE OF BUSINESS

There was no change in the nature of the business during the financial year 2021-22.

### 4. 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:

**"Construction of Six Lane upgradable to Eight Lane of Kanpur Lucknow Expressway including spur from km. 10.980 to km. 28.500 under Bharatmala Pariyojana (Package-1) on Hybrid Annuity Mode in the State of Uttar Pradesh"** awarded to the Company vide Letter of Award dated March 15, 2022 by National Highways Authority of India.

For the execution of the said project new SPV has been incorporated namely **"KANPUR LUCKNOW EXPRESSWAY PRIVATE LIMITED"**

**"Improvement and Upgradation of Existing Road to 4-Lane with Paved Shoulder from km 174.641 to 229.070 End of Hardoi Bypass to End of Hardoi District of NH-731(Pkg-III) on Hybrid Annuity Mode in the State of Uttar Pradesh"** awarded to the Company vide Letter of Award dated March 16, 2022 by National Highways Authority of India.

For the execution of the said project new SPV has been incorporated namely **"HARDOI HIGHWAYS PRIVATE LIMITED"**

## DIRECTORS' REPORT (Contd.)

**"Construction of Six Lane upgradable to Eight Lane of Kanpur Lucknow Expressway including spur from km. 28.500 to km. 73.744 under Bharatmala Pariyojana (Package-2) on Hybrid Annuity Mode in the State of Uttar Pradesh"** awarded to the Company vide Letter of Award dated March 15, 2022 by National Highways Authority of India.

For the execution of the said project new SPV has been incorporated namely **"AWADH EXPRESSWAY PRIVATE LIMITED"**

**"Four Laning of Sonauli-Gorakhpur section of NH-29E from Design Ch. 0+000 to Design Ch. 79+540 (From Existing Ch. 0+000 to Existing Ch. 80+295) on Hybrid Annuity Mode in the State of Uttar Pradesh"** awarded to the Company vide Letter of Award dated March 30, 2022 by National Highways Authority of India.

For the execution of the said project new SPV has been incorporated namely **"SONAULI GORAKHPUR HIGHWAYS PRIVATE LIMITED"**

**"Construction of Six Lane with Access Controlled Greenfield Highway from km. 26.000 to km 97.000, MH/KN Border (Badadal) to Maradgi S Andola section of NH- 150C (Package –II of Akkalkot to KN/TS Border Section) under Bharatmala Pariyojna on Hybrid Annuity Mode"** awarded to the Company vide Letter of Award dated March 30, 2022 by National Highways Authority of India.

For the execution of the said project new SPV has been incorporated namely **"AKKALKOT HIGHWAYS PRIVATE LIMITED"**

**"Four Laning of NH 530B from Mathura Bypass (Start) (Existing km. 266.000 of SH 33/ Design Km 0.000) to Gaju Village (End) (Design Km. 32.982) (Design Length= 32.982 km) on Hybrid Annuity Mode in the State of Uttar Pradesh (Package 1B)"** awarded to the Company vide Letter of Award dated March 29, 2022 by National Highways Authority of India.

For the execution of the said project new SPV has been incorporated **"YAMUNA HIGHWAYS PRIVATE LIMITED"**

**"Four Laning of NH 530B from Gaju Village (Design km 32.982 Mathura-Aligarh District Boundary) to Devinagar Bypass (Existing Km. 208.000 of SH 33(NH- 530B) – (Design Km. 66.000) (Design Length 33.018km) on Hybrid Annuity Mode in the State of Uttar Pradesh (Package 1C)"** awarded to the Company vide Letter of Award dated March 25, 2022 by National Highways Authority of India.

For the execution of the said project new SPV has been incorporated **"HATHRAS HIGHWAYS PRIVATE LIMITED"**

The Company is presently executing the following major projects:

## HIGHWAYS

Sr.	Category	Name of the Project
1	National Highways	Construction of NH-56, 4-lane bypass connecting NH-56 at Km. 17+400 and terminating near Behta Village Road (from km. 0.000 to 32.000/31.489) in the state of Uttar Pradesh under NHDP Phase-VII on EPC mode ( <b>Lucknow Ring Road - Package-I</b> ).
2	National Highways	6-laning of <b>Chakeri to Allahabad</b> Section of NH-2 from km.483.687 to km.628.753 (Design Length-145.07 km) in Uttar Pradesh under NHDP Ph.-V on Hybrid Annuity Mode.
3	National Highways	Four laning of <b>Bhojpur to Buxar</b> Section, design Chainage from 77.100 to 125.00 (NH-84) in the state of Bihar under NHDP Phase-III on EPC Mode.
4	National Highways	Four laning of <b>Koilwar to Bhojpur</b> Section, design Chainage from 33.250 to 77.100 (NH-30 & 84) in the state of Bihar under NHDP Phase-III on EPC Mode.
5	National Highways	Four laning from Km.358.500 to Km.414.205, <b>Challakere to Hariyur</b> section of NH-150A, on Hybrid Annuity Mode under Bharatmala Pariyojna in the State of Karnataka.
6	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.
7	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.
8	National Highways	Four laning of Jagdishpur-Faizabad Section from 47.800 to 108.020) of NH-330A in the State of Uttar Pradesh on Hybrid Annuity Mode.
9	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 Hybrid Annuity Mode.
10	State Expressway	Construction of Access Controlled Nagpur-Mumbai Super Communication Expressway (Maharashtra Samruddhi Mahamarg) in Maharashtra on EPC Mode, Package 4 from Km. 162.667 to 217.023 in Section-Village Donad Bk. to Village Janunakh in District Washim.



## DIRECTORS' REPORT (Contd.)

HIGHWAYS		
Sr.	Category	Name of the Project
11	National Highways	Construction of 8 Lane access-controlled expressway starting from Junction with NH-47 near Bhamaiya village & ending at Junction with SH-175 in Baletiya village in Panchmahal Dt. (design Ch. 328+500 to 351+000) section of Delhi-Vadodara Greenfield Alignment (NH-148N) on EPC Mode under Bharatmala Pariyojana in the State of Gujarat Pkg-29.
12	National Highways	Construction of 8 Lane access-controlled expressway starting from Junction with SH-63 near Pratap Nagar village & ending at junction with NE-1 near Dodka village of Vadodara Dt. (Design Ch. 372+500 to 391+962) section of Delhi-Vadodara Greenfield Alignment (NH-148N) on EPC Mode under Bharatmala Pariyojana in the State of Gujarat Pkg-31.
Rural Drinking Water Supply and Irrigation Projects		
13	Irrigation	Upgradation of Canal System from Pothireddypadu Head Regulator, from foreshore of Srisailam Reservoir & improvements to existing SRBC/GNSS Canal from Banakacherla Complex to Gorakallu Balancing Reservoir.
14	Drinking Water Supply Ph. I	Construction of Haraulipur Group of Villages Surface & Ground Water Schemes in Hamirpur district incl. Commissioning and Operation & Maintenance for 10 Years.
15	Drinking Water Supply Ph. II	Survey, Design, Preparation of DPR, Construction, Commissioning and O & M for 10 Years of various Rural Water Supply Projects in the State of Uttar Pradesh for Divisions-Aligarh, Bareilly & Devi Patan.
16	Drinking Water Supply Ph III	Survey, Design, Preparation of DPR, Construction, Commissioning and O & M for 10 Years of various Rural Water Supply Projects in the State of Uttar Pradesh for Divisions-Aligarh, Bareilly, Ayodhya.

### 5. 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 for the financial Year 2021-22.

### 6. 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, 2022.

### 7. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company has two direct subsidiary, seventeen step-down subsidiaries and one associate company as on March 31, 2022. 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.

The Company has a material unlisted Subsidiary as defined under Regulation 16 of the SEBI 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.pncinftratech.com/pdfs/policy-for-determining-material-subsidiaries-2022.pdf>.

### 8. MATERIAL CHANGE AFFECTING THE FINANCIAL POSITION OF THE COMPANY

Following step-down wholly owned subsidiaries has been incorporated after the closure of the financial year 2021-22 as under:

- Kanpur Lucknow Expressway Private Limited
- Hardoi Highways Private Limited
- Awadh Expressway Private Limited
- Sonauli Gorakhpur Highways Private Limited
- Akkalkot Highways Private Limited
- Yamuna Highways Private Limited
- Hathras Highways Private Limited

## DIRECTORS' REPORT (Contd.)

All The aforesaid companies have been incorporated as wholly owned subsidiary of PNC INFRA HOLDINGS LIMITED which is itself a wholly owned subsidiary of PNC Infratech Limited.

### In regards of Ghaziabad Aligarh Expressway Private Limited (GAEPL), Associate Company

The Company, along with its wholly owned subsidiary, PNC Infra Holdings Limited and other partners/promoters, on April 1, 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") and the Company received ₹ 274.85 Cr from Cube Highways.

The Company concluded the divestment process of Ghaziabad Aligarh Project on May 26, 2022 and the asset handed over to Cube Highways.

## 9. 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.

## 10. 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.

## 11. 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 SEBI Listing Regulations.

## DIRECTORS' REPORT (Contd.)

### 12. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

During the financial year 2021-22, 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 "Policy On Materiality And Dealing With Related Party Transactions" of the Company and in accordance with Regulation 23 of the SEBI Listing Regulations. During the financial year 2021-22, 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.pdf>.

### 13. CORPORATE SOCIAL RESPONSIBILITY (CSR)

As part of the Corporate Social Responsibility initiative, the Company has spent an amount of ₹ 1049.28 lakhs/- towards the various CSR activities during the financial year 2021-22. 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 <https://www.pncinfratech.com/pdfs/csr-policy-2022.pdf>.

### 14. 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.

### 15. POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

The Policy is framed to address the importance of a diverse Board in harnessing the unique and individual skills and experiences of various Members of the Board in such a way that it collectively benefits the business and the Company as whole. As on March 31, 2022, The Board consists of 10 directors, five of whom are executive directors and five non-executive directors.

The Board Diversity Policy of the Company on director's appointment and other matters provided under sub section 3 of section 178 of the Companies Act, 2013 is available at the website of the Company and that can be accessed at <https://www.pncinfratech.com/pdfs/board-diversity-policy.pdf>.

### 16. 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. Yogesh Kumar Jain (DIN: 00086811) and Mr. Anil Kumar Rao (DIN: 01224525), Directors retires by rotation at the ensuing Annual General Meeting and being eligible offers themselves for re-appointment. The Board recommends the reappointment of Mr. Yogesh Kumar Jain and Mr. Anil Kumar 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 and Board of Directors, the members of the Company approved re-appointment of Mr. Pradeep Kumar Jain, Mr. Chakresh Kumar Jain, Mr. Yogesh Kumar Jain, Managing Director(s) and Mr. Anil Kumar Rao, Whole Time Director for a further period of (5) five years w.e.f, October 1, 2021.

Based on the recommendations of the Nomination and Remuneration committee and Board of Directors, the members of the Company approved regularisation of Mr. Subhash Chander Kalia as an Independent Director of the company to hold office for a term of five consecutive years commencing from the date of the 22nd Annual General Meeting (AGM) of the Company i.e. September 29, 2021.

Pursuant to the provision of section 203 of the Companies Act, 2013 the Key Managerial Personnel of the Company as on March 31, 2022 are:-

1. Mr. Pradeep Kumar Jain, Chairman & Managing Director
2. Mr. Chakresh Kumar Jain, Managing Director
3. Mr. Yogesh Kumar Jain, Managing Director
4. Mr. Anil Kumar Rao, Whole time Director



## DIRECTORS' REPORT (Contd.)

5. Mr. Talluri Raghupati Rao, Whole time Director
6. Mr. Bhupinder Kumar Sawhney, Chief Financial Officer
7. Mr. Tapan Jain, Company Secretary

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.

### 17. 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) and Regulation 26 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.

Further, in the opinion of the Board, all the Independent Directors also possess the attributes of integrity, expertise and experience as required to be disclosed under Rule 8(5) (iii) (a) of the Companies (Accounts) Rules, 2014.

Pursuant to Ministry of Corporate Affairs' Notification No. G.S.R. 804(E) dated October 22, 2019, all the Independent Directors have registered themselves in the databank of Indian Institute of Corporate Affairs (IICA).

### 18. BOARD EVALUATION AND REMUNERATION POLICY

Pursuant to the applicable provisions of the Act and the SEBI 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. NRC Policy of the company is available on Company's website at link <https://www.pncinfratech.com/pdfs/nrc-policy.pdf>.

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.

### 19. 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.

### 20. 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.

### 21. 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, 2022 stood at ₹ 51,30,78,330/-.

## DIRECTORS' REPORT (Contd.)

### 22. AUDITORS AND AUDITORS' REPORT

#### Statutory Auditors

At the 22nd Annual General Meeting held on September 29, 2021, the shareholders approved the appointment of M/s NSBP & Co. (Firm Registration No. 001075N) Chartered Accountants, as Statutory Auditors of the Company until the conclusion of 27th Annual General Meeting of the Company to be held in the year 2026.

#### Auditor's Report

The Auditors' have issued an unmodified Report for the year ended March 31, 2022 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 Statements and Cost Records of the Company for the financial year 2021-22 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, 2022 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 further re-appointed M/s. R K G & Associates, Cost Accountants, as Cost Auditors to conduct Cost Audit for the financial year 2022-23 and their remuneration has also been recommended for the ratification and approval of the Shareholders.

#### Secretarial Auditors

In terms of Section 204 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. DR Associates, Company Secretaries were appointed as Secretarial Auditors for the financial year 2021-22. The Secretarial Audit Report for the financial year ended on March 31, 2022 is annexed herewith marked as "Annexure-B" to this Report. There are no qualifications or adverse remark in their Report, hence, do not call for any comments/explanation from the Management .

The Board further re-appointed M/s. DR Associates, Company Secretaries, as Secretarial Auditors to conduct Secretarial Audit for the financial year 2022-23.

The Secretarial Audit Report of Material Unlisted Subsidiaries has been reviewed and there are no qualifications or adverse remark in their Report that forms an integral part of this report.

### 23. MANAGEMENT DISCUSSION & 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 details of the overall industry structure, developments, performance and state of affairs of the Company' business.

### 24. 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 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.pncinftratech.com/pdfs/vigil-mechanism-whistle-blower-policy-pnc-inftratech-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.

## DIRECTORS' REPORT (Contd.)

### 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-C" 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 2021-22 is uploaded on the website of the Company [www.pncinfratech.com](http://www.pncinfratech.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-D".

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 1000 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-E".

### Dividend Distribution Policy

SEBI Listing Regulations also mandates for top 1000 listed entities based on market capitalization calculated as on March 31 of every financial year to formulate a dividend distribution policy ('the policy'). In Compliance of the same, the policy determining the distribution parameters of dividend to its shareholders was adopted by the Board in their meeting held on December 07, 2016. The Policy is 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.

In terms of Rule 7(2B) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016) the Company has designated Mr. Tapan Jain, Company Secretary and Compliance Officer, as a Nodal Officer. These details are also available on website of the Company i.e. <http://www.pncinfratech.com>.

### 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 complied with the provisions relating to the constitution of Internal Complaint Committee and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (India) and the Rules there under.

During the financial year ended March 31, 2022, the



## **DIRECTORS' REPORT (Contd.)**

company has not received any complaint pertaining to sexual harassment.

### **25. SIGNIFICANT AND MATERIAL ORDERS**

There are no significant and material order passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

There is neither any regulatory action initiated nor pending under Company law or any other statutory act during FY 2021-22.

### **26. COMPLIANCE OF APPLICABLE SECRETARIAL STANDARDS**

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.

### **27. GENERAL**

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

- i. Details relating to deposits covered under Chapter V of the Act;
- ii. Voluntary revision of Financial Statements or Board's Report;
- iii. Issue of equity shares with differential rights as to dividend, voting or otherwise;
- iv. Managing Directors and Whole time Director received Commission from the company within a regulatory limits of the Company Act 2013 but Neither the Managing Director nor the Whole-time Directors of the Company received any remuneration or commission from any of its subsidiaries;

- v. There was no instance of reporting of fraud by auditors to the Audit Committee or the Board;
- vi. There was no instance of any Employee Stock Options, Equity Share with differential voting rights as to dividend, voting or otherwise.;
- vii. There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016;
- viii. There was no instance of onetime settlement with any Bank or Financial Institution.
- ix. The Company is not in receipt of any loan amount from any Director of the Company.

### **28. ACKNOWLEDGEMENT**

Your Directors take this opportunity to thank the stakeholders, banks and financial institutions, clients, vendors, Intermediaries associated with the Company. Your Directors also place on records their appreciation for the contribution made by employees at all levels.

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**

**Sd/-**  
**Chakresh Kumar Jain**  
**(Managing Director)**  
**DIN:-00086768**

**Sd/-**  
**Yogesh Kumar Jain**  
**(Managing Director)**  
**DIN:-00086811**

**Place: Agra**  
**Date: May 28, 2022**

# 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.
- Facilities for senior citizens like Setting up old age homes, day care centres & Enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects Rural Development and Education.
- Animal Welfare & Agro Forestry.
- Empowering Women & Differently Abled (VIKLANG SAMITI).
- Promoting Art & Culture & Rural Development.
- Research and Development.

### 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)	02	02
2	Mr. Anil Kumar Rao	Member (Whole Time Director)	02	02
3	Mr. Ashok Kumar Gupta	Member (Independent Non Executive Director)	02	02

- 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	FY 2019-20	NIL	NIL
2	FY 2020-21	NIL	NIL
3	FY 2021-22	NIL	NIL

- Average net profit of the company as per section 135(5) of the Act: ₹ **52,389.77 lakhs**.
- Two % of average net profit of the company as per section 135(5): ₹ **1,047.80 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): ₹ **1,047.80 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
₹ 1,049.28 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: **₹ 10.13 lakhs**  
(e) Amount spent on Impact Assessment, if applicable: **NA**  
(f) Total amount spent for the Financial Year: **₹ 1,049.28 lakhs**  
(g) Excess amount for set off, if any

<b>S. No.</b>	<b>Particular</b>	<b>Amount (in lakhs.)</b>
i	Two % of average net profit of the company as per section 135(5)	1,047.80
ii	Total amount spent for the Financial Year	1,049.28
iii	Excess amount spent for the financial year [(ii)-(i)]	1.48
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 % of the average net profit as per section 135(5): **Nil**

**For & on behalf of Corporate Social Responsibility Committee**

**Sd/-**  
**Chakresh Kumar Jain**  
**Chairman of Committee**  
**(Managing Director)**  
**DIN: 00086768**

**Sd/-**  
**Ashok Kumar Gupta**  
**Member of Committee**  
**(Independent Director)**  
**DIN: 02808356**

**Place: Agra**  
**Date: May 28, 2022**



## 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.	Animal Welfare & Agro Forestry	Clause IV	93,000.00	Direct	-	-
2.	Promoting Healthcare, Poverty and Malnutrition, Eradicating Hunger and making available safe drinking water	Clause I	5,09,69,585.50	Direct	-	-
3.	Facilities for senior citizens like Setting up old age homes, day care centres & Enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	Clause III	1,50,11,000.00	Direct	-	-
4.	Empowering Women	Clause III	5,64,000.00	Direct	-	-
5.	Student dormitory (Promoting Hostels for women and orphans)	Clause III	51,000.00	Direct	-	-
6.	Promoting Education	Clause II	2,33,46,516.00	Direct	-	-
7.	Research Work (Promoting Education)	Clause II	5,00,000.00	Direct	-	-
8.	Differently Abled (VIKLANG SAMITI)	Clause II	5,00,000.00	Direct	-	-
9.	Promoting Art & Culture	Clause V	31,69,111.00	Direct	-	-
10.	Rural Development	Clause X	73,61,608.20	Direct	-	-
11.	Research and Development	Clause IX(a)	23,48,000.00	Direct	-	-
12.	Administrative Expenses	-	10,13,887.00	-	-	-

For &amp; on behalf of Corporate Social Responsibility Committee

Sd/-

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

Sd/-

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

Place: Agra

Date: May 28, 2022

## ANNEXURE B

### 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 March 31, 2022

#### 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 March 31, 2022, 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 March 31, 2022 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 and Sweat Equity) Regulations, 2021; **Not Applicable to the Company during the financial year under review.**
  - (e) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **Not Applicable to the Company during the financial year under review.**
  - (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, 2021; **Not Applicable to the Company during the financial year under review.**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable to the Company during the financial year under review.**
  - (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, we believe that the processes and practices,

**ANNEXURE B (Contd.)**

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;

**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  
Firm Regn. No.: P2007DE003300**

**Sd/-  
Suchitta Koley  
Partner**

**Place: New Delhi  
Date: May 28, 2022**

**CP No.: 714  
UDIN: F001647D000378771**



## ANNEXURE B (Contd.)

### SECRETARIAL AUDIT REPORT

#### FORM NO. MR-3

(For the Company's Financial Year from April 01, 2021 to March 31, 2022)

[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, 2022. 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, 2022**, 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, 2022** 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*)
  - e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act

**ANNEXURE B (Contd.)**

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. All 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 July 07, 2021; September 11, 2021; November 02, 2021; December 31, 2021; February 07, 2022 and March 25, 2022 had allotted 20,00,000, 1,20,000, 39,18,000, 35,46,000, 88,68,000 and 1,23,50,000 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.
- b) The Company has increased its authorized Share Capital the General Meeting duly held on August 26, 2021 from ₹ 1,55,00,00,000 /- (Rupees One Hundred and Fifty Five Crore only) divided into 15,50,00,000 (Fifteen Crore Fifty lakh) Equity Shares of ₹ 10/- each to ₹ 2,05,00,00,000/ (Rupees Two Hundred and Five Crore only) divided into 20,50,00,000 (Twenty Crore Fifty lakh) Equity Shares of ₹ 10/- by creation of additional 5,00,00,000 Equity Shares of ₹ 10/- each.

**For Akash Jain,  
Company Secretaries,**

**Sd/-  
Akash Jain  
Proprietor**

**Place: Agra  
Date: May 27, 2022**

**FCS: 9617 C.P.: 9432  
ICSI UDIN: F009617D000398445**

## ANNEXURE-C 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, 2022

### 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"> <li>• Improvements in quality,</li> <li>• Reduction in cost</li> <li>• Development of Product</li> </ul>
(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-D

## PARTICULARS OF EMPLOYEES

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

Remuneration paid to Executive Directors and Key Managerial Personnel

S. No.	Name of the Employee	Designation/Nature of Duties	Remuneration for FY 2021-22 (₹ in lakhs)	% increase in remuneration in FY 2021-22	Ratio of Remuneration of each Director to median remuneration of employees
1	Mr. Pradeep Kumar Jain	Chairman and Managing Director	312.00	20.93	136.84
2	Mr. Chakresh Kumar Jain	Managing Director	282.00	20.51	123.68
3	Mr. Yogesh Kumar Jain	Managing Director	282.00	20.51	123.68
4	Mr. Anil Kumar Rao	Whole Time Director	94.60	18.04	41.49
5	Mr. Talluri Raghupati Rao	Whole Time Director	81.07	18.04	35.55
6	Mr. Bhupinder Kumar Sawhney	Chief Financial Officer	79.58	0.00	34.90
7	Mr. Tapan Jain	Company Secretary	25.06	25.36	10.99

### 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 0.00%

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

The Company has 8796 permanent employees as on March 31, 2022.

### 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 1.06%. There was no exceptional increase in the managerial remuneration.

#### Notes –

- The nature of employment is contractual;
- None of the employee is a relative of any managing director or whole – time director of the company;
- 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.
- No employee of the Company is posted or working in a country outside India;
- No employee of Company was in receipt of remuneration of 102 lakhs rupees or more p.a. or 8.5 lakhs p.m. for financial year 2021-22.

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: May 28, 2022

Sd/-  
Chakresh Kumar Jain  
(Managing Director)  
DIN:-00086768

Sd/-  
Yogesh Kumar Jain  
(Managing Director)  
DIN:-00086811

## ANNEXURE-E

### 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.	E-mail	complianceofficer@pncinfratech.com						
5.	Website	www.pncinfratech.com						
6.	Financial year reported	April 1, 2021 to March 31, 2022						
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)	<p><b>The three main services of PNC Infratech Limited are:</b></p> <ol style="list-style-type: none"> <li>1) Construction of Roads, Highways Expressways and Bridges.</li> <li>2) Construction of projects in other infra sectors including Power Transmission Lines, Industrial Area Development and Rural Water supply project.</li> <li>3) Construction of Airport Runways and allied pavements.</li> </ol>						
9.	Total number of locations where business activity is undertaken by the Company –	<table border="1"> <thead> <tr> <th>(a)</th> <th>Number of International Locations (Provide details of major 5):</th> <th>NIL</th> </tr> </thead> <tbody> <tr> <td>(b)</td> <td>Number of National Locations:</td> <td>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                      (i) Gujarat                      (j) Andhra Pradesh</td> </tr> </tbody> </table>	(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 (i) Gujarat (j) Andhra Pradesh
(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 (i) Gujarat (j) Andhra Pradesh						
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)	6,30,550.34
3.	Total profit after taxes (₹ in lakhs)	44,783.12
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit After Tax (%)	2.00% (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-E (Contd.)

## Section C: Other Details

1.	Does the Company have any Subsidiary Company/ Companies?	Yes, the company has two direct subsidiaries, seventeen step-down subsidiaries and one associate company as on March 31, 2022.
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-E (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?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		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?	<a href="http://www.pncinftratech.com">www.pncinftratech.com</a>								
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-E (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](http://www.pncinfratech.com)

The 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 financial year 2021-22.

**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-E (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
- b. Redesign of roads to avoid unnecessary cutting down of trees for road laying activities
- c. Construction of rain water harvesting structures.
- d. 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 endeavors 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 labor 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 labor 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 endeavors 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 know how 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 e.t.c. The company is trying to recycled concrete and bitumen aggregates, which is 15-20% of the total projects.



## ANNEXURE-E (Contd.)

**Principle 3**

- Please indicate the Total number of permanent employees: **8796 as on March 2022.**
- Please indicate the Total number of employees hired on temporary/contractual/casual basis: **1764 as on March 2022.**
- Please indicate the Number of permanent women employees (in the group): **09 as on March 2022.**
- Please indicate the Number of permanent employees with disabilities: **No**
- Do you have an employee association that is recognized by management: **No**
- What percentage of your permanent employees is members of this recognized employee association? : **No**
- 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 2021-22, the Company has not received any complaints of child labour, forced labour, involuntary labour and sexual harassment.

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

I	Permanent Employees	94%
II	Permanent Women Employees	100%
III	Casual/Temporary/Contractual Employees	91%
IV	Employees with Disabilities	Nil

**Principle 4**

- Has the company mapped its internal and external stakeholders:** Yes
- Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders:** Yes
- 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. 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 2021-22, please refer the 'Annual Report on CSR Activities' attached to Directors Report.

**Principle 5**

- 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.

- How many stakeholder complaints have been received in the past financial year and what % 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**

- 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.

- 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.

- Does the company identify and assess potential environmental risks? : Yes**
- 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**
- 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**
- Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported? : Yes**

## ANNEXURE-E (Contd.)

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 2021-22, 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 Digambar Jain Sanrakshani Sabha Trust, Swami Vivekanand Health Mission Society, Divine International Foundation and Jain Shiksha Samraddhi.

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

Impact Assessment has not been applicable on the Company. We have continuously engaged with the community to assess the effectiveness of our CSR programs.

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 ₹ 1,049.27 lakhs to various community development and, health development programmes, 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 behavior 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.

## 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 SEBI 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 the financial year 2021-22.

### 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, 2022, 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 (LODR) Regulations.

### Changes in composition during the year:

Mr. Pradeep Kumar Jain, Chairman & Managing Director; Mr. Chakresh Kumar Jain, Managing Director; Mr. Yogesh Kumar Jain, Managing Director; Mr. Anil Kumar Rao, Whole Time Director re-appointed for further period of 5 years commencing from October 1, 2021.

Mr. Subhash Chander Kalia appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of five consecutive years commencing from the date of the 22nd Annual General Meeting (AGM) of the Company.

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

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

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 as 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



## REPORT ON CORPORATE GOVERNANCE (Contd.)

other Public Companies as on March 31, 2022 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, 2022 is as under:-

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
Mr. Pradeep Kumar Jain	Chairman & Managing Director	1,53,49,500	Five	Yes	One	None	None
Mr. Chakresh Kumar Jain	Managing Director	25,14,000	Five	Yes	Two	None	One
Mr. Yogesh Kumar Jain	Managing Director	1,67,94,000	Four	Yes	Two	None	One
Mr. Anil Kumar Rao	Whole Time Director	80,500	Four	Yes	Six	None	None
Mr. Talluri Raghupati Rao	Whole Time Director	11,000	Four	Yes	Eight	None	None
Mr. Ashok Kumar Gupta	Independent Director	NIL	Five	Yes	None	One	Two
Mrs. Deepika Mittal	Independent Director	NIL	Five	Yes	One	One	One
Mr. Gauri Shankar	Independent Director	NIL	Four	Yes	One	None	Three
Mr. Krishan Kumar Jalan	Independent Director	NIL	Five	Yes	Seven	Four	Eight
Mr. Subhash Chander Kalia	Independent Director	NIL	Four	Yes	One	None	One

### 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 Committee and Stakeholders' Relationship Committee of public limited companies including this Listed Entity have been considered only.
3. There is no inter-se relationship between any Directors except Mr. Pradeep Kumar Jain, Chairman & Managing Director, Mr. Chakresh Kumar Jain, Managing Director and Mr. 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	Mr. Pradeep Kumar Jain	PNC Infratech Limited	Chairman & Managing Director
2	Mr. Chakresh Kumar Jain	PNC Infratech Limited	Managing Director
3	Mr. Yogesh Kumar Jain	PNC Infratech Limited	Managing Director
4	Mr. Anil Kumar Rao	PNC Infratech Limited	Whole Time Director
5	Mr. Talluri Raghupati Rao	PNC Infratech Limited	Whole Time 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
6	Mr. Ashok Kumar Gupta	PNC Infratech Limited	Independent Director
7	Mrs. Deepika Mittal	PNC Infratech Limited	Independent Director
8	Mr. Gauri Shankar	PNC Infratech Limited	Independent Director
		Paisalo Digital Limited	Independent Director
9	Mr. Krishan Kumar Jalan	PNC Infratech Limited	Independent Director
		UNO Minda Limited	Independent Director
		Titagarh Wagons Limited	Independent Director
10	Mr. Subhash Chander Kalia	PNC Infratech Limited	Independent Director
		Capital India Finance Limited	Independent Director

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, Mr. Yogesh Kumar Jain, Managing Director and Mr. Anil Kumar 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 25, 2021, August 11, 2021, September 24, 2021, November 13, 2021 and February 12, 2022. 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 SEBI Listing Regulations. Due to COVID-19 pandemic prevailing all over the world, Except one meeting of Board, all the 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 25, 2021	August 11, 2021	September 24, 2021	November 13, 2021	February 12, 2022	September 29, 2021
Mr. Pradeep Kumar Jain	✓	✓	✓	✓	✓	✓
Mr. Chakresh Kumar Jain	✓	✓	✓	✓	✓	✓
Mr. Yogesh Kumar Jain	✓	✓	X	✓	✓	✓
Mr. Anil Kumar Rao	✓	✓	✓	✓	X	✓
Mr. Talluri Raghupati Rao	✓	✓	X	✓	✓	✓
Mr. Ashok Kumar Gupta	✓	✓	✓	✓	✓	✓
Mrs. Deepika Mittal	✓	✓	✓	✓	✓	✓
Mr. Gauri Shankar	✓	✓	✓	X	✓	✓
Mr. Krishan Kumar Jalan	✓	✓	✓	✓	✓	✓
Mr. Subhash Chander Kalia	✓	✓	X	✓	✓	✓

#### 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, 2022 is given as follows:

Name of the Director	Number of Equity Shares
Mr. Ashok Kumar Gupta	Nil
Smt Deepika Mittal	Nil
Mr. Gauri Shankar	Nil
Mr. Krishan Kumar Jalan	Nil
Mr. 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 2021-22, the Independent Directors have been updated on the strategy, operations of the Company performance, developments in the Company and the Company's performance.

The details of such familiarization programmes are disclosed on the Company's website at

## REPORT ON CORPORATE GOVERNANCE (Contd.)

[www.pncinfotech.com](http://www.pncinfotech.com) and can be accessed through web link <https://www.pncinfotech.com/pdfs/familiarization-program-independent-directors-2022.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
Mr. Pradeep Kumar Jain	✓	✓	✓	✓	✓	✓	✓
Mr. Chakresh Kumar Jain	✓	✓	✓	✓	✓	✓	✓
Mr. Yogesh Kumar Jain	✓	✓	✓	✓	✓	✓	✓
Mr. Anil Kumar Rao	✓	✓	✓	✓	✓	✓	
Mr. Talluri Raghupati Rao	✓	✓	✓	✓	✓	✓	
Mr. Ashok Kumar Gupta	✓	✓	✓	✓		✓	
Mrs. Deepika Mittal	✓	✓	✓	✓		✓	
Mr. Gauri Shankar	✓	✓	✓	✓		✓	
Mr. Krishan Kumar Jalan	✓	✓	✓	✓		✓	
Mr. Subhash Chander Kalia	✓	✓	✓	✓		✓	

**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) 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.

## 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.

REPORT ON CORPORATE GOVERNANCE (Contd.)

Name	Board and Committee Composition as on March 31, 2022							
	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
Mr. Pradeep Kumar Jain								
Mr. Chakresh Kumar Jain								
Mr. Yogesh Kumar Jain								
Mr. Anil Kumar Rao								
Mr. Talluri Raghupati Rao								
Mr. Ashok Kumar Gupta								
Mrs. Deepika Mittal								
Mr. Gauri Shankar								
Mr. Krishan Kumar Jalan								
Mr. Subhash Chander Kalia								



Chairperson



Member

**A) AUDIT COMMITTEE (AC)**

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 29, 2021 to answer the members' queries.

The Audit Committee met Four times during the financial i.e. June 25, 2021, August 11, 2021, November 13, 2021 and February 12, 2022.

## REPORT ON CORPORATE GOVERNANCE (Contd.)

The composition of the Audit Committee, no. of meetings and the attendance of its members as on March 31, 2022 are detailed below:

Name of Members	Category	Position Held	Audit Committee Meeting				% of Attendance
			June 25, 2021	August 11, 2021	November 13, 2021	February 12, 2022	
Mrs. Deepika Mittal	Non-Executive and Independent Director	Chairperson	P	P	P	P	100%
Mr. Ashok Kumar Gupta	Non-Executive and Independent Director	Member	P	P	P	P	100%
Mr. Gauri Shankar	Non-Executive and Independent Director	Member	P	P	A	P	75%

-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.

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

Name of Members	Category	Position Held	NRC Meeting			% of Attendance
			June 22, 2021	September 24, 2021	January 24, 2022	
Mr. Ashok Kumar. Gupta	Non-Executive and Independent Director	Chairman	P	P	P	100%
Mrs. Deepika Mittal	Non-Executive and Independent Director	Member	P	P	P	100%
Mr. Gauri Shankar	Non-Executive and Independent Director	Member	P	P	P	100%

-P stands for present/attended the meeting.

### B) Nomination and Remuneration Committee (NRC)

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, 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 the Financial Year 2021-22, Nomination and Remuneration Committee met three times on June 22, 2021, September 24, 2021 and January 24, 2022.

## REPORT ON CORPORATE GOVERNANCE (Contd.)

### 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 SEBI Listing Regulations, the annual performance evaluation of the Board of Directors, the Committees of the Board and every Director individually for the Financial Year 2021-22 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.

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 <https://www.pncinfratech.com/pdfs/nrc-policy.pdf>.

### C) Stakeholders Relationship Committee (SRC)

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 wherein Mr. Ashok Kumar Gupta, Non-Executive Independent Director is heading the Committee by holding the position of Chairperson.

Mr. Tapan Jain, Company Secretary & Compliance Officer 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 the Financial Year 2021-22, Stakeholders Relationship Committee met Twice on November 01, 2021 and March 15, 2022.



## REPORT ON CORPORATE GOVERNANCE (Contd.)

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

Name of Members	Category	Position Held	SRC Meeting		% of Attendance
			November 01, 2021	March 15, 2022	
Mr. Ashok Kumar Gupta	Non-Executive and Independent Director	Chairman	P	P	100%
Mr. Chakresh Kumar Jain	Promoter / Executive Director	Member	P	P	100%
Mr. Yogesh Kumar Jain	Promoter / Executive Director	Member	P	P	100%

-P stands for present/attended the meeting.

### 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; 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.

During the financial year 2021-22, no queries/complaints were received by your 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 financial year 2021-22

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

### D) Corporate Social Responsibility Committee (CSR):

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

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

During the Financial Year 2021-22, Corporate Social Responsibility Committee met Twice on November 01, 2021 and March 15, 2022.

## REPORT ON CORPORATE GOVERNANCE (Contd.)

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	CSR Committee meeting		Attendance
			November 01, 2021	March 15, 2022	
Mr. Chakresh Kumar Jain	Promoter/ Executive Director	Chairman	P	P	100%
Mr. Anil Kumar Rao	Non Promoter/ Executive Director	Member	P	P	100%
Mr. Ashok Kumar Gupta	Non-Executive and Independent Director	Member	P	P	100%

-P stands for present/attended the meeting.

The Scope and Responsibility of the CSR Committee are:

- i) To formulate the Corporate Social Responsibility Policy and recommend to the Board an annual action plan in pursuance of its CSR policy.
- ii) To recommend the activities to be undertaken, as per Sch. VII of the Companies Act, 2013, as and when amended from time to time.
- iii) To recommend the amount of expenditure.
- iv) To Monitor the Corporate Social Responsibility Policy and the expenditure.
- v) 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.
- vi) 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 your Company has been uploaded and can be viewed on your Company's website at link <https://www.pncinftratech.com/pdfs/csr-policy-2022.pdf>.

### E) Project Management Committee:

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

During the Financial Year 2021-22, Project Management Committee met Thirteen times on April 01, 2021, April 16, 2021, June 19, 2021, August 11, 2021, September 06, 2021, September 09, 2021, October 20, 2021, November 15, 2021, December 02, 2021, December 06, 2021, December 18, 2021, December 27, 2021, February 08, 2022, The attendance of each member of the Committee is given below

Project Management Committee Meeting	Name of Members		
	Mr. Yogesh Kumar Jain	Mr. Anil Kumar Rao	Mr. Talluri Raghupati Rao
	Promoter / Executive Director	Non Promoter / Executive Director	Non Promoter / Executive Director
	(Chairman)	(Member)	(Member)
April 1, 2021	P	P	P
April 16, 2021	P	P	P
June 19, 2021	P	P	P
August 11, 2021	P	P	P
September 06, 2021	P	P	P
September 09, 2021	P	P	P
October 20, 2021	P	P	P
November 15, 2021	P	P	P

## REPORT ON CORPORATE GOVERNANCE (Contd.)

Project Management Committee Meeting	Name of Members		
	Mr. Yogesh Kumar Jain	Mr. Anil Kumar Rao	Mr. Talluri Raghupati Rao
	Promoter / Executive Director	Non Promoter / Executive Director	Non Promoter / Executive Director
	(Chairman)	(Member)	(Member)
December 02, 2021	P	P	P
December 06, 2021	P	P	P
December 18, 2021	P	P	P
December 27, 2021	P	P	P
February 08, 2022	P	P	P
<b>% of Attendance</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

-P stands for present/attended the meeting.

#### F) Banking cum Investment Committee:

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

During the Financial Year 2021-22, Banking cum Investment Committee met Six times on April 06, 2021, June 29, 2021, August 11, 2021, November 11, 2021, December 27, 2021 and February 08, 2022.

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

Banking cum Investment Committee Meeting	Name of Members		
	Mr. Pradeep Kumar Jain	Mr. Chakresh Kumar Jain	Mr. Yogesh Kumar Jain
	Promoter / Executive Director	Promoter / Executive Director	Promoter / Executive Director
	(Chairman)	(Member)	(Member)
April 06, 2021	P	P	P
June 29, 2021	P	P	P
August 11, 2021	P	P	P
November 11, 2021	P	P	P
December 27, 2021	P	P	P
February 08, 2022	P	P	P
<b>% of Attendance</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

-P stands for present/attended the meeting.

#### G) Risk Management Committee (RMC):-

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 Twice during the financial year i.e. September 18, 2021 and March 15, 2022.

## REPORT ON CORPORATE GOVERNANCE (Contd.)

The composition of the Risk Management Committee and the attendance of its members as on March 31, 2022 are detailed below:

Name of the Member	Category	Position held	Risk Management Committee Meeting		Attendance
			September 18, 2021	March 15, 2022	
Mr. Chakresh Kumar Jain	Promoter/ Executive Director	Chairman	P	P	100%
Mr. Gauri Shankar	Non-Executive and Independent Director	Member	P	P	100%
Mrs. Deepika Mittal	Non-Executive and Independent Director	Member	P	P	100%

-P stands for present/attended the meeting.

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.

### 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 your 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.pncinftratech.com/pdfs/nrc-policy.pdf>.

#### Remuneration to Non-Executive, Independent Directors paid as on March 31, 2022

[In ₹]

Director	All elements of remuneration packages of the Directors			
	Sitting fees (Board)	Sitting fees (Committees)	Other benefits, if any	Total
Mr. Ashok Kumar Gupta	1,00,000	1,20,000	-	2,20,000
Mrs. Deepika Mittal	1,00,000	1,00,000	-	2,00,000
Mr. Gauri Shankar	80,000	90,000	-	1,70,000
Mr. Krishan Kumar Jalan	1,00,000	10,000	-	1,10,000
Mr. Subhash Chander Kalia	80,000	10,000	-	90,000
<b>Total</b>	<b>4,60,000</b>	<b>3,30,000</b>	<b>-</b>	<b>7,90,000</b>



## REPORT ON CORPORATE GOVERNANCE (Contd.)

## Details of remuneration to Executive Directors for the Financial Year ended March 31, 2022

[In ₹]

Director	All elements of remuneration packages of the Directors					
	Salary and Allowances including Contribution to PF and other funds	Stock Options	Commission (4.5% of eligible net profit)	Total	Term of Appointment	Notice Period & Severance Fees#
Mr. Pradeep Kumar Jain	3,12,00,000	-	8,88,92,730	12,00,92,730	October 01, 2021-September 30, 2026	
Mr. Chakresh Kumar Jain	2,82,00,000	-	8,88,92,730	11,70,92,730	October 01, 2021 - September 30, 2026	
Mr. Yogesh Kumar Jain	2,82,00,000	-	8,88,92,730	11,70,92,730	October 01, 2021-September 30, 2026	
Mr. Anil Kumar Rao	94,60,200	-	-	94,60,200	October 01, 2021 - September 30, 2026	
Mr. Talluri Raghupati Rao	81,07,680	-	-	81,07,680	August 10, 2019 - August 09, 2024	
<b>Total</b>	<b>10,51,67,880</b>		<b>26,66,78,190</b>	<b>37,18,46,070</b>		

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 June 22, 2021 and January 24, 2022.

# Service Contracts Notice and Severance Fees as at March 31, 2022, the Board comprised of 10 members including 5 Executive Directors and 5 Non-Executive-Independent Directors. The Executive Directors are the employees of your 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 link of detailed Nomination and Remuneration Policy of your Company has been provided in the this Report.

## 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
2020-21	Meeting held through Video Conferencing ("VC")/ other Audio- Visual Means ("OAVM")	September 29, 2021	11:00 A.M.	<ol style="list-style-type: none"> <li>1. Reappointment of Mr. Pradeep Kumar Jain, Chairman &amp; Managing Director</li> <li>2. Reappointment Of Mr. Chakresh Kumar Jain, Managing Director</li> <li>3. Reappointment Of Mr. Yogesh Kumar Jain, Managing Director</li> <li>4. Reappointment Of Mr. Anil Kumar Rao, Whole Time Director</li> <li>5. Regularization of Mr. Subhash Chander Kalia, Independent Director</li> </ol>
2019-20	Meeting held through Video Conferencing ("VC")/ other Audio- Visual Means ("OAVM")	September 30, 2020	12:00 Noon	<ol style="list-style-type: none"> <li>1. Special incentive to Mr. Anil Kumar Rao (DIN: 01224525), Whole Time Director</li> </ol>
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.	<ol style="list-style-type: none"> <li>1. Revision in the Remuneration of Mr. Pradeep Kumar Jain (DIN:00086653), Chairman and Managing Director of the Company;</li> <li>2. Revision in the Remuneration of Mr. Chakresh Kumar Jain (DIN:00086768), Managing Director of the Company;</li> <li>3. Revision in the Remuneration of Mr. Yogesh Kumar Jain (DIN:00086811), Managing Director of the Company;</li> </ol>

## REPORT ON CORPORATE GOVERNANCE (Contd.)

Year ended	Venue	Date	Time	Special Resolution Passed
				<p>4. Revision in the Remuneration Of Mr. Anil Kumar Rao (DIN: 01224525), Whole Time Director of the Company,</p> <p>5. Re-Appointment of Mr. Ashok Kumar Gupta (DIN: 02808356) as an Independent Director for a second term of five consecutive years;</p> <p>6. Re-Appointment Of Mr. C R Sharma (DIN: 00522678) as an Independent Director for a second term of five consecutive years;</p> <p>7. Re-Appointment Of Mrs. Deepika Mittal (Din: 06966373) as an independent Director for a second term of five consecutive years;</p> <p>8. Approve continuation of Mr. C.R. Sharma (Din: 00522678) as a Non- Executive Independent Director Of The Company</p>

### Resolution passed through Postal ballot

No postal ballot for any special resolution was conducted during the financial year 2021-22. 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.

### Means of Communication

**Website:** In accordance with Regulation 46 of the SEBI Listing Regulations, your Company has maintained a functional website at [www.pncinfratech.com](http://www.pncinfratech.com) contains a separate dedicated section "Investors" where all relevant information for the shareholders is available. Quarterly, Half-yearly and Annual Financial Results, disclosures and filings with the stock exchanges, official press releases, presentations to analysts and institutional investors, details of the policies approved by your Company, contact information of the designated official of your Company, who is responsible for assisting and handling investor grievances and other general information about the Company is also

available on your Company's website. The Annual Report of your Company is uploaded on the website of the Company. The contents of the said website are updated from time to time.

**Newspapers:** The extract of Quarterly, Half-yearly and Annual Financial Results are published in Financial Express (English) and Jansatta (Hindi), which are national and local dailies respectively.

**Disclosures:** Your Company disseminates on the website of the Stock Exchanges (i.e. BSE and NSE), wherein its equity shares are listed, all mandatory information, price sensitive information and 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.

### Presentations to institutional investors or analysts:

The presentations made to the institutional investors or analysts have been uploaded on the website of your Company and also submitted to the Stock Exchanges for dissemination.

For the benefit of the members, a separate email id has been created for member correspondence viz., [complianceofficer@pncinfratech.com](mailto:complianceofficer@pncinfratech.com)

## V. GENERAL SHAREHOLDERS INFORMATION

a)	Annual General Meeting:	
	Date	29 September, 2022
	Time	11:30 A.M.
	Venue	NBCC Plaza, Tower II, 4th Floor, Pushp Vihar, Sector 5, New Delhi-110017

## REPORT ON CORPORATE GOVERNANCE (Contd.)

b)	<b>Financial year</b>	April 1 to March 31
c)	<b>Financial results</b>	
	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 11, 2021
	2nd Quarter Results	November 13, 2021
	3rd Quarter Results	February 12, 2022
	4th Quarter & Annual Results	May 28, 2022
	The tentative dates of the Board Meetings for consideration of financial results for the financial year 2022-23 are as follows:	
	1st Quarter Results	By August 09, 2022
	2nd Quarter Results	By November 14, 2022
	3rd Quarter Results	By February 14, 2023
	4th Quarter & Annual Results	By May 30, 2023
d)	<b>Dividend payment date:</b>	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, 2022.
e)	<b>Book Closure Date</b>	September 23, 2022 to September 29, 2022 (Both days inclusive)
f)	<b>Listing on stock exchanges:</b>	Your Company's equity shares are listed on the following Stock Exchanges. 1. National Stock Exchange of India Limited(NSE) Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai-400 051
		2. BSE Limited (BSE) Floor 25, P.J. Towers, Dalal Street, Mumbai-400 001
g)	<b>Payment of Listing Fees:</b>	Your Company has paid annual listing fees for the financial year 2021-22 to the BSE and NSE within stipulated time.
h)	Stock Code	BSE 539150 NSE PNCINFRA
i)	ISIN No. for NSDL / CDSL	ISIN-INE195J01029 (Old ISIN – INE195J01011) Your Company has paid the annual custodial fee for the financial year 2021-22 to NSDL and CDSL
j)	Corporate Identification Number	L45201DL1999PLC195937
k)	Share Transfer System	Your Company has appointed Registrar and Shareholder Transfer Agents for all activities in relation to electronic share transfer facility.
l)	Registrar and Share Transfer Agents	Link Intime India Private Limited C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083 <b>Branch off:</b> - Noble Heights, 1st Floor, Plot NH2, C-1 Block LSC, Near Savitri Market, Janakpuri, New Delhi- 110058.

## REPORT ON CORPORATE GOVERNANCE (Contd.)

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

### Suspension of Trading

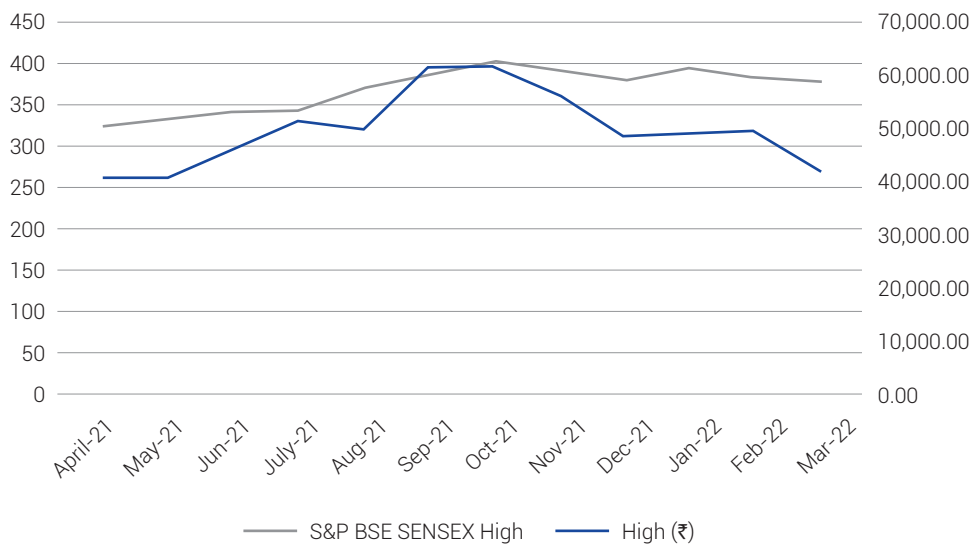
No securities of your Company were suspended from trading on stock exchanges during the year under review.

### 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 2021-22 are as follows:

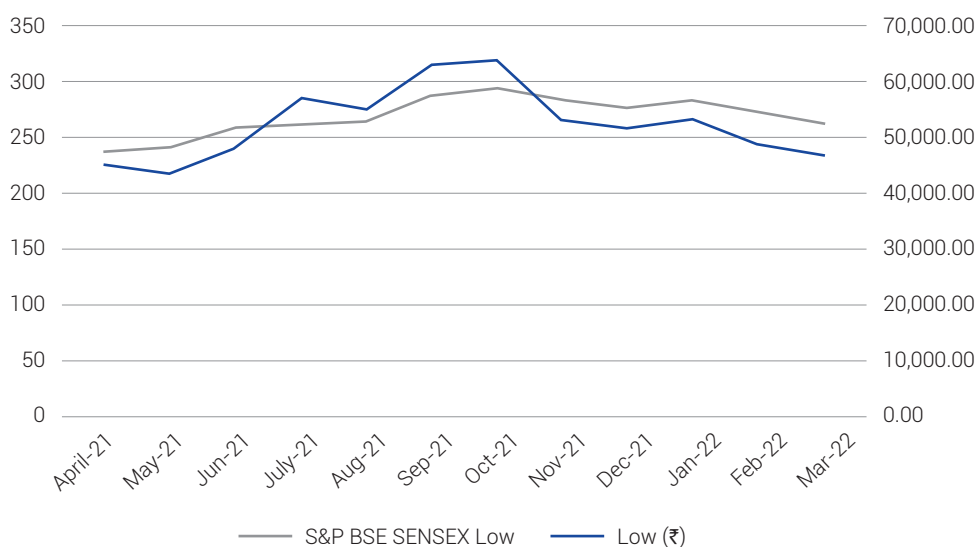
Month	BSE			NSE			S&P BSE	S&P BSE
	High (₹)	Low (₹)	Volume (No.)	High (₹)	Low (₹)	Volume (No.)	SENSEX High	SENSEX Low
Apr-21	262.60	224.65	831889	279.00	225.00	4942087	50,375.77	47,204.50
May-21	264.00	217.50	994775	264.00	217.20	11198357	52,013.22	48,028.07
Jun-21	298.00	239.35	2379766	298.20	239.00	26210763	53,126.73	51,450.58
Jul-21	328.80	283.40	2426178	329.20	283.50	27651065	53,290.81	51,802.73
Aug-21	318.90	275.00	992218	319.25	275.50	12883672	57,625.26	52,804.08
Sep-21	394.15	313.50	5602213	394.95	311.20	17393937	60,412.32	57,263.90
Oct-21	395.55	318.30	729395	395.90	323.00	7476678	62,245.43	58,551.14
Nov-21	361.00	264.30	480247	348.60	266.50	7430838	61,036.56	56,382.93
Dec-21	311.75	258.10	616652	310.00	257.90	6525077	59,203.37	55,132.68
Jan-22	313.50	264.45	804349	313.75	264.05	8206383	61,475.15	56,409.63
Feb-22	317.65	242.85	868728	318.00	242.60	12154432	59,618.51	54,383.20
Mar-22	268.35	233.05	942000	268.90	233.05	12801915	58,890.92	52,260.82

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





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



## Distribution of Shareholding as on March 31, 2022

Sr. No.	Category	No. of Shares	Total Shares (%)	No. of Shareholders	Total Shareholders (%)
1	1 to 500	5220797	2.04	75238	95.20
2	501 to 1000	1655149	0.65	2143	2.71
3	1001 to 2000	1261077	0.49	838	1.06
4	2001 to 3000	636036	0.25	253	0.32
5	3001 to 4000	324300	0.12	91	0.12
6	4001 to 5000	446031	0.17	95	0.12
7	5001 to 10000	988822	0.39	136	0.17
8	10001 & above	246006953	95.89	234	0.30
	<b>Total</b>	<b>256539165</b>	<b>100</b>	<b>79028</b>	<b>100</b>

## REPORT ON CORPORATE GOVERNANCE (Contd.)

### Pattern of Shareholding as on March 31, 2022

Category	As on March 31, 2022		As on March 31, 2021	
	No. of Shares	Percentage (%)	No. of Shares	Percentage (%)
Promoters	119076000	46.42	119076000	46.42
Corporate Bodies (Promoter Co)	24765000	9.65	24765000	9.65
Clearing Members	211202	0.08	1070150	0.42
Other Bodies Corporate	578939	0.23	832945	0.32
Financial Institutions/Banks	100	0.00	40156	0.02
Hindu Undivided Family	309964	0.12	264746	0.10
Mutual Funds	70568551	27.5079	64847669	25.28
Non Resident Indians	525496	0.20	472770	0.18
Non Resident (Non Repatriable)	194752	0.07	141210	0.06
Public	10674724	4.16	11083879	4.32
Insurance Companies	3941927	1.53	5786189	2.26
Foreign Portfolio Investors (Corporate)	25637295	9.99	27686589	10.79
NBFCs registered with RBI	0.00	0.00	46352	0.02
Trust (Employees)	0.00	0.00	12925	0.01
Alternate Investment Funds- III	35742	0.01	412585	0.16
Body Corporate-Limited Liability Partnership	11288	0.0044	0.00	0.00
Trusts	7185	0.0028	0.00	0.00
Foreign Nationals	1000	0.0004	0.00	0.00
<b>Total</b>	<b>256539165</b>	<b>100.00</b>	<b>256539165</b>	<b>100.00</b>

### Dematerialization of shares and Liquidity

As on March 31, 2022, 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, 2022, is given below:

S. No.	Particulars	No. of Share	Percentage (%)
1	Held in dematerialised form with CDSL	35307386	13.76
2	Held in dematerialised form with NSDL	221231774	86.24
3	Physical	5	Negligible
	<b>Total</b>	<b>25,65,39,165</b>	<b>100.00</b>

The Promoters, Directors and Key Managerial Personnel(s) hold their entire equity shareholding in your 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.

**Plant Locations:** Your Company does not have any manufacturing plant as the Company is in the business of Construction and other infrastructure activities. Your Company has various works and project sites across the country.

## REPORT ON CORPORATE GOVERNANCE (Contd.)

### 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](mailto:complianceofficer@pncinfratech.com)

Website: [www.pncinfratech.com](http://www.pncinfratech.com)

#### (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](mailto:complianceofficer@pncinfratech.com)

Website: [www.pncinfratech.com](http://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](mailto:delhi@linkintime.co.in)

Website: [www.linkintime.co.in](http://www.linkintime.co.in)

### Credit Rating

During the Financial Year 2021-22, List of credit rating obtained by your company for its equity shares date wise are given below:

S. N.	Date of Report by CARE	Date of rating intimated to Stock Exchange	Facilities	Rating	Rating Action
1	December 01, 2021	December 02, 2021	For Long Term Bank Facilities for ₹ 1700 Cr	CARE AA; Stable (Double A; Outlook: Stable)	Reaffirmed
			For Short Term Bank Facilities for ₹ 5000 Cr	CARE A1+ (A One Plus)	Reaffirmed

## REPORT ON CORPORATE GOVERNANCE (Contd.)

### VI. OTHER DISCLOSURES

#### a) Disclosures regarding the Board of Directors

As per the provisions of the Companies Act, 2013, Mr. Yogesh Kumar Jain (DIN: 00086811), Managing Director and Mr. Anil Kumar Rao (DIN: 01224525), 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/re-appointment at the ensuing Annual General Meeting of your 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

There were no material related party transactions entered by your Company that may have a potential conflict with the interests of the Company. Details of other related party transactions with its promoters, the Directors or the management, their subsidiaries or relatives, etc. are presented in the Note No. 50 of 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 the financial year 2021-22.

Your Company has formulated a Policy on Related Party Transactions, which has been uploaded and can be viewed on your Company's website <https://www.pncinfotech.com/pdfs/policy-on-materiality-and-dealing-with-relatedparty-transactions-pnc.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 your Company and no penalties and strictures imposed on your 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 your Company and can be accessed at <https://www.pncinfotech.com/pdfs/vigil-mechanism-whistle-blower-policy-pnc-infotech-limited.pdf>

#### e) Compliance with mandatory requirements

Your Company has complied with all the applicable mandatory requirements under various Regulations of the SEBI Listing Regulations.

##### Non- mandatory requirements

Your Company has adopted the following non-mandatory discretionary requirements as specified in Part E of Schedule II of the SEBI Listing Regulations:

##### i. Board

Since your Company did not have a Non-Executive Chairman during the financial year 2021-22, hence, the requirement of maintaining a Chairman's Office was not applicable to the Company.

##### ii. Shareholder Rights

The quarterly, half-yearly and annual financial results are published in the newspapers and are also displayed on the website of your Company.

##### iii. Audit qualifications

During the financial year under review, there is no audit qualification or observation on your Company's Audited Standalone and Consolidated Financial Statements and Results. Your Company continues to adopt best practices to ensure regime of Financial Statements with unmodified opinion in audit report.

##### iv. Separate Posts of Chairperson and MD/CEO

Your Company Chairperson is an Executive Director and related to the Managing Director



## REPORT ON CORPORATE GOVERNANCE (Contd.)

as per the definition of the "relative" defined under Companies Act, 2013.

### v. Reporting of Internal Auditor

The Internal Auditors of your Company directly reports to the Audit Committee of your 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.pncinftratech.com/pdfs/policy-for-determining-material-subsidiaries-pnc-inftratech-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 pertaining to SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018.

### h) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under regulation 32(7A) of LODR Regulations:

During the year under review your Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A). Hence, no disclosure is required.

### i) Practicing Company Secretary Certification

Mr. Suchitta Koley, Partner of DR Associates, Practicing Companies Secretaries has issued certificate as required under SEBI Listing Regulations, confirming that none of the Directors on the board of the company have been debarred or disqualified from being appointed or continuing as Directors of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority. The certificate forms integral part of this report.

### j) The board has accepted all the recommendation/submission made by the committees of the board which are mandatory or recommendatory in nature during the period under review;

### k) Total fees for all services paid by your 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:

Details relating to fees paid to the statutory auditors are given in Note No. 38 of the Standalone Financial Statements and note 40 to the Consolidated Financial Statements.

### l) 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

### m) 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 statement 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.

### n) Risk Management

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

## REPORT ON CORPORATE GOVERNANCE (Contd.)

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, your Company has set in place various procedures for Risk Management. Your Company has separate Risk Management Committee that reviewed the mitigation plan for the various risks (both internal and external) identified and monitored its implementation in order to continuously improve the risk management process. Also the Committee is planning to appoint exclusive Chief Risk Officer who shall be responsible for implementing the risk management framework, including the procedures, policies and controls which establish an appropriate risk management framework that, at a minimum, clearly identifies and documents the range of risks to which the Company is exposed, addresses the monitoring and management of the entirety of those risks, and provides a mechanism for internal audit.

### o) Code of Conduct

The Board has laid down the code of conduct for all the Board Members and Senior Managerial

Personnel of the Company. All Board Members and Senior Managerial Personnel have affirmed compliance with the code of conduct for the financial year ended March 31, 2022 and a declaration to this effect duly signed by Managing Director of the Company forms integral part to this report. This Code has been displayed on your Company's website– <https://www.pncinfratech.com/pdfs/code-of-conduct-pnc-infratech-limited.pdf>.

### p) 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 your Company's website viz [www.pncinfratech.com](http://www.pncinfratech.com). Your 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.

### q) Loans & Advances by the Company and its subsidiaries in the nature of Loans to firms/Companies in which directors are interested :

#### I. Loans & Advances by the Company i.e. PNC Infratech Limited as under:

S. No.	Name of the Firms/ Companies in which Directors are interested	Amount Outstanding as on March 31, 2022 (₹ In lakhs )
1.	PNC Khajuraho Highways Private Limited	6,480.00
2.	PNC Chitradurga Highways Private Limited	6,400.00
3.	PNC Triveni Sangam Highways Private Limited	7,009.00
4.	PNC Aligarh Highways Private Limited	6,419.00
5.	PNC Unnao Highways Private Limited	3,867.00
6.	PNC Bithur Kanpur Highways Private Limited	4,751.00
7.	PNC Meerut Haridwar Highways Private Limited	490.00
8.	PNC Rajasthan Highways Private Limited	4,804.00

## REPORT ON CORPORATE GOVERNANCE (Contd.)

S. No.	Name of the Firms/ Companies in which Directors are interested	Amount Outstanding as on March 31, 2022 (₹ In lakhs )
9.	PNC Challakere (Karnataka) Highways Private Limited	2,947.00
10.	Ghaziabad Aligarh Expressway Private Limited (GAEPL)*	21,802.00
11.	PNC Bareilly Nainital Highways Private Limited	9,650.00
12.	PNC Bundelkhand Highways Private Limited	5,292.00
13.	PNC Gomti Highways Private Limited	490.00
	<b>Total</b>	<b>80,401.00</b>

\* In regards GAEPL negotiation for sale was undergone with Cube Highways and the said deal has been finalized on 26.05.2022 and the Company received ₹ 274.85 Cr from Cube Highways. Hence, GAEPL ceased to be its Associate Company.

## II. Loans & Advances by the Subsidiary i.e. PNC Kanpur Ayodhya Tollways Private Limited as under:

S. No.	Name of the Firms/ Companies in which Directors are interested	Amount Outstanding as on March 31, 2022 (₹ In lakhs )
1.	Shekhar Resort Limited	3,000.00
2.	NCJ Infrastructure Private Limited	3,000.00
3.	PNC Bareilly Nainital Highways Private Limited	10,000.00
	<b>Total</b>	<b>16,000.00</b>

### r) 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.

### s) Compliance with corporate governance requirements specified in Regulation 17 to 27 and Clause (b) to of sub-regulation (2) of Regulation 46 of SEBI(LODR) Regulations, 2015

Your Company has complied with all Corporate Governance requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of sub Regulation (2) of Regulation 46 of SEBI (LODR) Regulations, 2015.

### t) 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 forms integral part of this report and shall be sent to all the members of your Company and the Stock Exchanges along with the Annual Report of the Company.

### u) 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, 2022, there was no unclaimed share and thereby, the detail pertaining to demat suspense account / unclaimed shares shall not be disclosed.

### v) 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, your 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.

## REPORT ON CORPORATE GOVERNANCE (Contd.)

### w) CEO/ CFO certification

Certificate from Mr. Chakresh Kumar Jain, Managing Director and Mr. 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 Dated 28.05.2022 and forms integral part of this report.

dividend warrants or for electronic credit of unpaid dividend warrants, requisite bank details for such electronic remittance shall be made updated in the records of Depository Participants.

Upon receipt of the requisite documents, the Company will credit the unpaid dividend amount to the shareholder's bank account within stipulated time.

## 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

### • 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.

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	1269.00
2015-16	Final	0.50	September 30, 2016	October 27, 2023	5230.50
2016-17	Final	0.50	September 29, 2017	October 27, 2024	9349.00
2017-18	Final	0.50	September 29, 2018	October 27, 2025	40497.50
2018-19	Final	0.50	September 30, 2019	October 27, 2026	14056.50
2019-20	Interim	0.50	March 09, 2020	April 07, 2027	42544.00
2020-21	Final	0.50	September 29, 2021	October 27, 2028	11977.00

### • 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.

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.

### • 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

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



## REPORT ON CORPORATE GOVERNANCE (Contd.)

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 23rd AGM**

Pursuant to the General Circular numbers 20/2020, 02/2021, 19/2021, 21/2021 and 02/2022 issued by the Ministry of Corporate Affairs and Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 issued by SEBI, the 23rd AGM of your 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.

- **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**

Sd/-

**Chakresh Kumar Jain**  
(Managing Director)  
DIN:-00086768

Sd/-

**Yogesh Kumar Jain**  
(Managing Director)  
DIN:-00086811

Place: Agra

Date: May 28, 2022

**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,  
Pushp Vihar, 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, Pushp Vihar, 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](http://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, 2022 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**  
**Firm Regn. No.: P2007DE003300**

**Sd/-**  
**Suchitta Koley**  
**Partner**  
**CP No.: 714**  
**UDIN: F001647D000316104**

**Place: New Delhi**  
**Date: May 13, 2022**

**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 2021-22.

**For PNC Infratech Limited**

**Sd/-**

**Chakresh Kumar Jain**

**Managing Director**

**DIN: 00086768**

**Place: Agra**

**Date: May 28, 2022**

### **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, 2022, 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**  
**Firm Regn. No.: P2007DE003300**

**Sd/-**  
**Suchitta Koley**  
**Partner**  
**CP No.: 714**  
**UDIN: F001647D000378837**

**Place: New Delhi**  
**Date: May 28, 2022**

Date:28.05.2022

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 financial year 2021-22 -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.

**Sd/-**  
**(Chakresh Kumar Jain)**  
**Managing Director**

**Sd/-**  
**(Bhupinder Kumar Sawhney)**  
**Chief Financial Officer**



# 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, 2022, the statement of profit and loss, including the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the standalone 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, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the profit including other comprehensive losses, changes in equity and its cash outflows 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), as 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 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 Code of Ethics.

We believe that the audit evidence obtained by us 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 the key audit matters to be communicated in our report.

For each matter below, our description of how our audit addressed the matter is provided in that context.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><b>1) Revenue Recognition for Construction contracts</b></p> <p>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.</p> <p>Refer Note 2.10 and Note 32 of the standalone financial statements.</p>	<p>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.</p> <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of company's revenue recognition policies and reviewed compliance in terms of provisions of Ind-AS 115.</li> <li>• Performed assessment that the revenue recognition method applied was appropriate based on the terms of the arrangement and contract;</li> <li>• Obtained an understanding of the revenue recognition processes including documentation maintained and tested key internal controls impacting revenue, on sample basis;</li> <li>• Assessed the reliability of management's estimates by comparing the actual outcome of completed projects with previous estimated timelines;</li> </ul>

## INDEPENDENT AUDITOR'S REPORT (Contd.)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><b>2) Impairment Assessment of carrying value of equity investment, unsecured loan and trade receivable in Associate.</b></p> <p><b>(Refer to Note 2.18, 7, 14, 16, 52 and 57 of the financial statement) (Rs. 12,972.12 Lakhs)</b></p> <p>During the year, company has made the impairment testing for amount recoverable in an associate in the form of investment, unsecured loans and trade receivable.</p> <p>Subsequent to the year end, company has enter into an agreement for transfer of investment into equity and along with the outstanding unsecured loan and trade receivable to Cube Highways and Infrastructure Pte Ltd. The recoverable value of mentioned asset is lesser than the carrying value of the asset.</p> <p>The deals has already been concluded before adoption of financial statement and the actual value of the impairment provision aggregating to Rs. 12972.12 Lakhs is booked as loss in the financial statement.</p>	<p>Our Audit Procedures included the following:</p> <ul style="list-style-type: none"> <li>• Obtained understanding of the process, evaluated the design and tested operating effectiveness of controls in respect of impairment assessment of investments in equity investment.</li> <li>• Held discussions with management regarding appropriate implementation of policy on impairment.</li> <li>• Considering the terms and conditions mentioned in Share purchase agreement entered by the company for disposal of investment in associate.</li> <li>• Verification or reconciliation of the amount realized against the carrying value of the assets in the standalone financial statement and impairment provision has been made accordingly against investment, unsecured loan and trade receivable.</li> <li>• We have verified the subsequent proceeds of the amount realized form the buyers towards disposal of the investment in associate including trade receivable and unsecured loan.</li> <li>• We observe the necessary documentation relating to the agreement between company and buyer.</li> <li>• Assessed the completeness and accuracy of the disclosures in the financial statements (refer note 2.18, 7, 14, 16, 52 and 57 of the standalone financial statements).</li> </ul>
<p><b>3) Litigations Matters &amp; Contingent liabilities (as described in note no.41 of the standalone financial statements)</b></p> <p>The Company is subject to claims and litigations. Major risks identified by the Company in that area relate to claims against the company and taxation matters. The amounts of claims and litigations may be significant and estimates of the amounts of provisions or contingent liabilities are subject to significant management judgment.</p> <p>Due to complexity involved in these litigation matters, management's judgment regarding recognition and measurement of provisions for these legal proceedings is inherently uncertain and might change over time as the outcomes of the legal cases are determined and it has been considered as a key audit matter.</p>	<p><b>Principal Audit Procedures:</b></p> <ul style="list-style-type: none"> <li>• Assessing the procedures implemented by the company to identify and gather the risks it is exposed to.</li> <li>• Discussion with the management on the development in theses litigations during the year ended March 31, 2022.</li> <li>• Obtaining an understanding of the risk analysis performed by the company, with the relating supporting documentation and studying written statements from internal / external legal experts, when applicable.</li> <li>• Verification that the accounting and / or disclosures as the case may be in the standalone financial statements is in accordance with the assessment of legal counsel/ management.</li> <li>• Obtaining representation letter from the management on the assessment of those matters as per SA 580 (revised) - written representations.</li> </ul>

### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report 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 such other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the 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,

## INDEPENDENT AUDITOR'S REPORT (Contd.)

we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management 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 including other comprehensive Income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant Rules, as amended, as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the 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, 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 management 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 control 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 with reference to financial statements 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 the 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 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.

## INDEPENDENT AUDITOR'S REPORT (Contd.)

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

1) The standalone financial Statement include the audited financial statement of three joint operations, whose financial statement reflect total assets Rs. 26271.65 lakhs as at March 31, 2022, total revenue of Rs. 44,044.51 lakhs and total net profit after tax of Rs. 35.8 lakhs and total comprehensive income of Rs. 35.8 lakhs for the year ended March 31, 2022, and net cash inflows of Rs. 3129.38 lakhs for the year ended March 31, 2022, as considered in the standalone financial statement which have been audited by other auditors.

The auditor's reports on the financial statements for these three joint operations have been furnished to us by the management and our opinion on the standalone financial statement in so far as it relates to the amounts and disclosures included in respect of these 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 statement and our report on other legal and regulatory requirement below, are not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

2) The standalone financial statements of the Company for the year ended March 31, 2021, were audited by predecessor auditor, S.S Kothari Mehta & Company, who have expressed an unmodified opinion on those

standalone financial statement vide their audit report dated on June 25, 2021.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020("the Order"), issued by the Central Government of India in terms of Section 143 (11) of the Act, we give 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 of the aforesaid standalone financial statements;
  - 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 the statement of other comprehensive income, the cash flow statement and statement of changes in equity dealt with by this Report are in agreement with the 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, 2022 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 Standalone financial statement of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report: Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company internal financial control over financial reporting of those company, for reasons stated therein; and
  - g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act;

## INDEPENDENT AUDITOR'S REPORT (Contd.)

- 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 as at March 31, 2022 on its financial position in its standalone financial statements—Refer Note 41 to the standalone financial statements;
  - ii. The Company did not have any material foreseeable losses, on long term contracts including derivative contracts; and
  - iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2022.
  - iv.
    - a) Management has represented to us that , to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - b) Management has represented to us that, to the best of its knowledge and belief, other than as disclosed in the

notes to the account, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

- c) Based on our audit procedure conducted that are considered reasonable and appropriate in the circumstances, nothing has come to our attention that cause us to believe that the representation given by the management under paragraph (2) (h) (iv) (a) & (b) contain any material misstatement.
- (v) As stated in Notes 20 to the standalone financial statements:
  - a) The final dividend proposed in the previous year, declared and paid by the company during the year is in accordance with Section 123 of the Act, as applicable.
  - b) The Board of Director of the Company have proposed final dividend for the year, which is subject the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable.

For **NSBP & Co.**  
Chartered Accountants  
Firm's Registration No. 001075N

**DEEPAK K. AGGARWAL**  
Partner

Place : New Delhi  
Date : May 28, 2022

Membership No. 095541  
UDIN:- 22095541AKDGF3343



## **"ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PNC INFRA TECH LIMITED ON ITS FINANCIAL STATEMENTS DATED MAY 28, 2022.**

### **REPORT ON THE MATTERS SPECIFIED IN PARAGRAPH 3 OF THE COMPANIES (AUDITOR'S REPORT) ORDER, 2020 ('THE ORDER') ISSUED BY THE CENTRAL GOVERNMENT OF INDIA IN TERMS OF SECTION 143(11) OF THE COMPANIES ACT, 2013 ('THE ACT') AS REFERRED TO IN PARAGRAPH 1 OF 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION.**

**To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:**

- 1) a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment and relevant details of right of use assets.
  - (B) The Company has maintained proper records showing full particulars of intangible assets.
  - b) As explained to us, property, plant & equipment and right of use assets were 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 nature of its assets. According to the 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 the records examined by us in respect of immovable properties disclosed as property, plant & equipment and right of use assets (other than properties where the company is the lessee and the lease agreements are duly executed in favors of the lessee) in the financial statements are in the name of the Company.
  - d) According to information and explanations given to us and books of accounts and records examined by us, Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets during the year.
  - e) According to information & explanations and representation given to us by the management,
- no proceedings have been initiated or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- 2) a) As explained to us and on the basis of the records examined by us, in our opinion, physical verification of the inventories have been conducted at reasonable intervals by the management and having regard to the size and nature of business of the Company and nature of its inventory, the coverage and procedures of such verification by the management is appropriate. As explained to us and on the basis of the records examined by us, no discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account and discrepancies have been properly dealt with in the books of account.
  - b) The Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks and/or financial institutions during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks are in agreement with the books of accounts of the Company.
- 3) With respect to investments made in or any guarantee or security provided or any loans or advances in the nature of loans, secured or unsecured, granted during the year by the Company to companies, firms, Limited Liability Partnerships or any other parties:
    - a) As per the information and explanations given to us and books of accounts and records examined by us, during the year, company provided interest free unsecured loans to its subsidiaries and associate company's amounting to Rs.18,939.00 Lakhs and Rs. 4080.00 Lakhs respectively and has not provided any guarantee security or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other entities (including subsidiaries/ joint ventures /associates).

**"ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PNC INFRA TECH LIMITED ON ITS FINANCIAL STATEMENTS DATED MAY 28, 2022. (Contd.)**

(₹ in Lakhs)

		<b>Guarantees</b>	<b>Loans</b>
Aggregate amount granted/ provided during the year			
-	Subsidiaries	-	18,939.00
-	Associates	-	4,080.00
-	Others	-	-
Balance outstanding as at balance sheet date in respect of above cases (Net of impairment provision)			
-	Subsidiaries	-	57,784.00
-	Associates	3,455.07	21,802.00
-	Others	-	-

- b) In our opinion and according to information and explanations given us and on the basis of our audit procedures, the investments made, guarantee provided, security given and the terms and conditions of all loans and advances in the nature of loans and guarantee provided are, prima facie, not prejudicial to Company's interest.
- c) According to the books of accounts and records examined by us in respect of the loans and advances in the nature of loans granted to subsidiaries and associate companies which are repayable on demand and has been disclosed as per clause 3(iii)(f) below. In respect of these interest free unsecured loans, the company has not demanded repayment of loan, hence the same is treated as regular.
- d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted and advances in the nature of loans provided by the Company, we are informed that
- the company has not demanded the repayment of the interest free unsecured loans granted to subsidiaries and associate companies, hence, there is no overdue amount remaining outstanding as at the balance sheet date.
- e) In our opinion and according to the information and explanations given and books of accounts and records examined by us, there were no loans or advance in the nature of loan granted to subsidiaries and associate companies which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- f) According to the information and explanations given to us and based on the audit procedures performed by us, the company has granted following amount of interest free unsecured loans repayable on demand to related parties as defined in clause (76) of section 2 of the Companies Act, 2013

(₹ in Lakhs)

	<b>All Parties</b>	<b>Promoters</b>	<b>Related Parties</b>
Aggregate amount of loans/ advances in nature of loans (Net of impairment provision)			
-	79,586.00	-	79,586.00
-	-	-	-
Total (A+B)	79,586.00	-	79,586.00
Percentage of loans/ advances in nature of loans to the total Loans	100%	-	100%

**"ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PNC INFRA TECH LIMITED ON ITS FINANCIAL STATEMENTS DATED MAY 28, 2022. (Contd.)**

- 4) In our opinion and according to the information and explanations given to us, the Company has complied with provisions of Sections 185 and 186 of the Act.
- 5) According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Therefore, the clause (v) of paragraph 3 of the Order is not applicable to the Company.
- 6) 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.
- 7) (a) According to the records examined by us of the Company, undisputed statutory dues including Goods and Service tax, provident fund, employees' state insurance, income tax, duty of customs, cess and any other statutory dues have been generally regularly deposited with appropriate authorities. According to the information and explanations given to us, there were no undisputed amounts payable in respect of the aforesaid dues, outstanding as at March 31, 2022 for a period of more than six months from the date they became payable
- (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 Involved (Rs. in Lakhs)
UP VAT Act, 2007	VAT	Commercial Tax, Agra	2006-07	38.10
		Additional Commissioner, Grade II, Agra	2016-17	877.36
		Additional Commissioner, Grade II, Agra	2017-18	782.02
UP Entry Tax Act, 2007	UP Entry Tax Act	Additional Commissioner, Grade II, Agra	2016-17	1.94
		Additional Commissioner, Grade II, Agra	2016-17	36.06
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 (appeals), Haldwani	2016-17	0.85
Income Tax Act' 1961	Income Tax	Allahabad High Court	2010-11	645.81
MPGST Act, 2017	Goods and Service Tax	Assessing Officer, GST	Oct-18	0.55
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

**"ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PNC INFRA TECH LIMITED ON ITS FINANCIAL STATEMENTS DATED MAY 28, 2022. (Contd.)**

- 8) According to the information and explanations and representation given to us by the management, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- 9) (a) According to the information and explanations given to us and as per the books and records examined by us, in our opinion, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender including the loans and interest which are repayable on demand.
- (b) According to the information and explanations given to us and the records of the Company examined by us including representation received from the management, the Company has not been declared wilful defaulter by any bank, financial institution or other lenders or government or any government authority.
- (c) Term loans were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, prima facie, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiary. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.
- 10) a) According to the information and explanations given to us and as per the books and records examined by us, the company has not raised money by way of initial public offer or further public offer (including debt instruments). Accordingly, reporting under clause 3 (x) (a) of the Order is not applicable to the Company.
- b) According to the information and explanations given to us and as per the books and records examined by us, the company has not made any preferential allotment or private placement of shares or convertible debentures during the year. Accordingly, reporting under clause 3 (x) (b) of the Order is not applicable to the Company..
- 11) a) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.
- b) According to information and explanation given to us, No report under sub-section 12 of section 143 of the Act has been filed by us or by any other auditor in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) We have taken into consideration the whistle blower complaints received by the Company during the year and provided to us, when performing our audit.
- 12) In our opinion, the Company is not a Nidhi Company. Accordingly reporting under clause 3 (xii) (a) to (c) of the Order is not applicable to the Company.
- 13) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by applicable accounting standards.
- 14) a) In our opinion, and according to the information and explanations given to us, the company has an internal audit system commensurate with the size and nature of its business.
- b) We have considered the internal audit reports of the company issued till date, for covering the period upto March 31, 2022.
- 15) According to the information and explanations provided by the management, the Company has not entered into any non-cash transaction with directors or persons connected with him as referred to in Section 192 of the Act.
- 16) a) To the best of our knowledge and according to the information and explanations provided to us , the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- b) In our opinion, and according to the information and explanations provided to us and on the basis of our audit procedures, the company has not conducted any Non-Banking Financial or Housing Finance activities during the year as per the Reserve bank of India Act 1934.

**"ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PNC INFRATECH LIMITED ON ITS FINANCIAL STATEMENTS DATED MAY 28, 2022. (Contd.)**

- c) In our opinion, and according to the information and explanations provided to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- d) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable
- 17) In our opinion, and according to the information and explanations provided to us, Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.
- 18) There has been no resignation of the statutory auditors during the year. Therefore, provisions of clause (xviii) of Paragraph 3 of the Order are not applicable to the Company.
- 19) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- 20) With respect to CSR contribution under section 135 of the Act:
- a) According to the information and explanations given to us and on the basis of our audit procedures, in respect of other than ongoing projects, there were no unspent amount that were required to be transferred to a Fund specified in Schedule VII in compliance with second proviso to sub-section 5 of section 135 of the Act.
- b) According to the information and explanations given to us and on the basis of our audit procedures, in respect of ongoing projects there were no unspent amount that were required to be transferred to special account in compliance with provision of sub section 6 of section 135 of the Act.

For **NSBP & Co.**

Chartered Accountants

Firm Registration No. 001075N

**Deepak K. Aggarwal**

Partner

Place: New Delhi

Membership No: 095541

Date: May 28, 2022

UDIN:- 22095541AKDGF33343



## **“ANNEXURE B” TO THE INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PNC INFRA TECH LIMITED ('THE COMPANY') ON ITS STANDALONE FINANCIAL STATEMENTS DATED MAY 28, 2022.**

### **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") as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section**

We have audited the internal financial controls with reference to standalone financial statements of **PNC INFRA TECH LIMITED** ("the Company") as of March 31, 2022 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 Companies Act, 2013.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to standalone 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 these standalone 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 in conditions, or that the degree of compliance with the

**"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PNC  
INFRATECH LIMITED ('THE COMPANY') ON ITS STANDALONE FINANCIAL STATEMENTS DATED MAY 28, 2022.  
(Contd.)**

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, 2022, 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 report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to three joint operations which is a company incorporated in India, is based on the corresponding reports of the other auditor of such company incorporated in India.

For **NSBP & Co.**

Chartered Accountants

Firm's Registration No. 001075N

**DEEPAK K. AGGARWAL**

Partner

Place : New Delhi

Membership No. 095541

Date : May 28, 2022

UDIN:- 22095541AKDGF3343

# STANDALONE BALANCE SHEET

AS AT MARCH 31, 2022

(₹ In Lakh)

Particulars	Notes	As at	
		March 31, 2022	March 31, 2021
<b>I ASSETS</b>			
<b>1 Non Current Assets</b>			
(a) Property, Plant and Equipment	4	57,372.90	64,845.65
(b) Right to Use Assets	4	1,383.49	505.06
(c) Capital work - in - Progress	5	-	341.59
(d) Intangible Asset	6	179.51	223.83
(e) Financial assets			
(i) Investments	7	87,118.45	74,649.85
(ii) Loans	8	48,949.00	31,910.00
(iii) Other Financial Assets	9	8,055.43	11,880.65
(f) Deferred Tax Assets(Net)	10	1,516.27	2,252.28
(g) Other Non - Current assets	11	31,937.51	26,965.34
<b>Total Non Current Assets</b>		<b>2,36,512.56</b>	<b>2,13,574.25</b>
<b>2 Current Assets</b>			
(a) Inventories	12	48,078.88	35,359.48
(b) Financial assets			
(i) Investments	13	-	10,048.61
(ii) Trade receivables	14	1,27,281.78	83,924.66
(iii) Cash and Cash Equivalents	15 (i)	40,684.20	68,771.63
(iv) Bank Balances other than (iii) Above	15 (ii)	12,085.81	8,053.39
(v) Loans	16	30,637.00	36,384.19
(vi) Other Financial Assets	17	14,709.44	9,386.33
(c) Other Current Assets	18	<b>20,147.65</b>	<b>20,184.96</b>
		2,93,624.76	2,72,113.25
Assets classified as held for sale	52	75.58	-
<b>Total Current Assets</b>		<b>2,93,700.34</b>	<b>2,72,113.25</b>
<b>Total Assets</b>		<b>5,30,212.90</b>	<b>4,85,687.50</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity Share Capital	19	5,130.78	5,130.78
(b) Other Equity	20	3,28,890.55	2,85,716.26
<b>Total Equity</b>		<b>3,34,021.33</b>	<b>2,90,847.04</b>
<b>Liabilities</b>			
<b>2 Non Current Liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Borrowings	21	12,923.91	25,285.51
(ii) Lease Liabilities	22	1,048.33	188.46
(iii) Other financial liabilities	23	33,257.47	25,413.36
(b) Provisions	24	1,914.98	1,275.12
(c) Other Non Current liabilities	25	38,936.55	16,655.23
<b>Total Non Current Liabilities</b>		<b>88,081.24</b>	<b>68,817.68</b>
<b>3 Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	26	8,654.43	14,638.22
(ii) Lease Liabilities	27	362.10	180.22
(iii) Trade Payables			
(a) Total Outstanding dues of Micro and Small enterprises	28	4,384.67	2,725.33
(b) Total Outstanding dues of Creditor other than Micro and Small Enterprises		46,370.37	69,214.93
(iii) Other Financial Liabilities	29	21,649.26	26,765.11
(b) Other Current Liabilities	30	26,528.16	11,392.11
(c) Provisions	31	161.34	1,106.86
<b>Total Current Liabilities</b>		<b>1,08,110.33</b>	<b>1,26,022.78</b>
<b>Total Equity &amp; Liabilities</b>		<b>5,30,212.90</b>	<b>4,85,687.50</b>

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

For **NSBP & Co.**

Chartered Accountants

Firm Registration No. 001075N

**Deepak K. Aggarwal**

Partner

Membership No. 095541

Place: New Delhi

Date: May 28, 2022

On behalf of the Board of Directors

**Pradeep Kumar Jain**

Chairman and Managing Director

DIN. - 00086653

Place: Agra

Date: May 28, 2022

**Tapan Jain**

Company Secretary

M. No. A22603

Place: Agra

Date: May 28, 2022

**Chakresh Kumar Jain**

Managing Director

DIN. - 00086768

Place: Agra

Date: May 28, 2022

**Bhupinder Kumar Sawhney**

Chief Financial Officer

Place: Agra

Date: May 28, 2022

# STANDALONE STATEMENT OF PROFIT AND LOSS

AS AT MARCH 31, 2022

(₹ In Lakh)

Particulars	Notes	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>INCOME</b>			
I Revenue from Operations	32	6,30,550.34	4,92,541.86
II Other Income	33	5,423.59	7,138.97
<b>III Total Income ( I+II )</b>		<b>6,35,973.93</b>	<b>4,99,680.83</b>
<b>IV Expenses</b>			
Cost of Materials Consumed	34	3,19,307.28	2,24,403.72
Employee Benefit Expense	35	34,197.73	27,908.70
Finance Cost	36	8,014.55	7,710.86
Depreciation and Amortization Expenses	37	12,991.01	11,238.39
Other Expenses	38	1,98,320.69	1,72,568.72
<b>Total Expenses (IV)</b>		<b>5,72,831.26</b>	<b>4,43,830.39</b>
<b>V Profit before tax (III-IV)</b>		<b>63,142.67</b>	<b>55,850.44</b>
VI Tax expense :			
Current Tax	39	17,513.85	20,058.39
Taxes for earlier years		-	(81.40)
Deferred tax Charge/(Credit)		845.70	(321.17)
<b>VII Profit for the year (V-VI)</b>		<b>44,783.12</b>	<b>36,194.62</b>
<b>VIII Other Comprehensive Income</b>			
A (i) Items that will not be reclassified to profit or loss			
- Actuarial Gain/ (Loss) on defined benefit plans		(435.82)	(11.07)
(ii) Income tax relating to items that will not be reclassified to profit or Loss		109.69	3.87
<b>IX Total Comprehensive Income for the year ( VII + VIII)</b>		<b>44,456.99</b>	<b>36,187.42</b>
Earning per equity share of ₹ 2/- each			
Basic & Diluted	40	17.46	14.11

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

For **NSBP & Co.**

Chartered Accountants

Firm Registration No. 001075N

**Deepak K. Aggarwal**

Partner

Membership No. 095541

Place: New Delhi

Date: May 28, 2022

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DIN. - 00086768

Place: Agra

Date: May 28, 2022

**Bhupinder Kumar Sawhney**

Chief Financial Officer

Place: Agra

Date: May 28, 2022

## STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2022

(₹ In lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>I A CASH FLOW FROM OPERATING ACTIVITIES :</b>		
<b>Net Profit before tax as per Statement of Profit and Loss</b>	<b>63,142.67</b>	<b>55,850.44</b>
<b>Adjustment for:</b>		
Add/(Less):		
Finance cost	4,245.34	6,187.60
Loss/(Profit) on sale of property, plant and equipment (Net)	(33.70)	4.66
Loss/ (Gain) on foreign exchange fluctuations (Net)	(40.00)	18.01
Interest income	(1,531.06)	(2,858.55)
Loss/ (Profit) on fair valuation of units of mutual fund (Net)	48.61	5.38
Loss/(Profit) on redemption of units of mutual fund (Net)	(1,018.67)	(1,498.46)
Provision for gratuity & leave liability	574.40	412.36
Impairment loss on trade receivable	3,172.74	-
Impairment loss on unsecured loan	6,942.56	-
Impairment loss on investment	2,856.82	-
Allowance for expected credit loss	698.77	546.62
Depreciation and Amortization expenses	12,991.01	11,238.39
<b>Operating Profit before working capital changes</b>	<b>92,049.49</b>	<b>69,906.45</b>
<b>Adjustment for Changes in Working Capital</b>		
(Increase)/Decrease in inventories	(12,719.40)	(8,630.55)
Increase/(Decrease) in trade payable	(21,185.22)	25,189.77
Increase/(Decrease) in other current liabilities	10,242.07	(3,162.27)
Increase/(Decrease) in non-current liabilities	31,382.35	(21,800.41)
Increase/(Decrease) in provisions	(1,315.87)	877.24
(Increase)/Decrease in trade receivable	(47,228.63)	(4,119.38)
(Increase)/Decrease in non-current assets	(18,677.93)	(7,141.76)
(Increase)/Decrease in current assets	(6,251.17)	(3,824.15)
<b>Cash generated from/(used) operating activities</b>	<b>26,295.69</b>	<b>47,294.95</b>
Direct taxes paid	(17,513.85)	(19,976.99)
<b>Cash from/(used) operating activities before exceptional Items</b>	<b>8,781.84</b>	<b>27,317.96</b>
Exceptional item	-	-
<b>Cash Generated from/(used) operating activities (A)</b>	<b>8,781.84</b>	<b>27,317.96</b>
<b>B Cash Flow from Investing Activities</b>		
Purchase of property, plant & equipment, CWIP & intangible Assets	(7,546.22)	(18,549.96)
Disposal of property, plant & equipment & intangible Assets	2,086.56	354.59
Purchase/ (Disposal) of investments (net)	(15,401.00)	(7,334.00)
Purchase of mutual fund	(2,13,309.23)	(45,000.00)
Proceeds from sale of mutual fund	2,24,327.90	42,678.43
Investment in term deposit & others bank balance	(4,032.42)	(2,271.94)
Interest income	1,275.63	2,611.75
<b>Net Cash from/(used) Investing Activities (B)</b>	<b>(12,598.78)</b>	<b>(27,511.13)</b>
<b>C Cash Flow from Financing Activities</b>		
Proceeds from term loan borrowings	4,786.17	15,011.69
Repayment of term loan borrowings	(23,131.56)	(7,744.80)
Dividend paid	(1,282.70)	-
Lease payment including interest	(397.06)	(338.08)
Interest expenses	(4,245.34)	(6,187.60)
<b>Net Cash from/(used) Financing Activities (C)</b>	<b>(24,270.49)</b>	<b>741.21</b>
<b>Net Cash Increase in cash &amp; cash equivalents (A+B+C)</b>	<b>(28,087.43)</b>	<b>548.04</b>
Cash & cash equivalents in beginning	68,771.63	68,223.59
<b>Cash &amp; cash equivalents as at the end</b>	<b>40,684.20</b>	<b>68,771.63</b>



## STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(₹ In lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>II Cash &amp; cash equivalents included in cash flow statement comprise of following (Refer note no. 15(i))</b>		
Bank account	32,004.41	24,628.36
Fixed deposits	8,503.32	44,020.19
Cash on hand	176.47	123.08
<b>Total</b>	<b>40,684.20</b>	<b>68,771.63</b>

### III Reconciliation of liabilities arising from financing activities

Particulars	As at April 1, 2021	Cash Flow	Non Cash Changes	As at March 31, 2022
Non current borrowing	39,923.73	(18,345.39)	-	21,578.34
Lease liability	368.68	(397.06)	1,438.81	1,410.43

Particulars	As at April 1, 2020	Cash Flow	Non Cash Changes	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

- Figures in bracket indicate cash outflow
  - The above cash flow statement has been prepared under the Indirect method set out in Ind AS-7 specified under section 133 of the Companies Act, 2013
  - Previous year figures have been regroup and recasted wherever necessary to confirm to the current year classification
- The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

For **NSBP & Co.**  
Chartered Accountants  
Firm Registration No. 001075N

**On behalf of the Board of Directors**

**Deepak K. Aggarwal**  
Partner  
Membership No. 095541

**Pradeep Kumar Jain**  
Chairman and Managing Director  
DIN. - 00086653  
Place: Agra  
Date: May 28, 2022

**Chakresh Kumar Jain**  
Managing Director  
DIN. - 00086768  
Place: Agra  
Date: May 28, 2022

Place: New Delhi  
Date: May 28, 2022

**Tapan Jain**  
Company Secretary  
M. No. A22603  
Place: Agra  
Date: May 28, 2022

**Bhupinder Kumar Sawhney**  
Chief Financial Officer  
Place: Agra  
Date: May 28, 2022

## STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2022

### A. EQUITY SHARE CAPITAL

Equity share of ₹ 2 each issued ,subscribed & fully paid up	No of Shares	(₹ In Lakh)
As on April 1, 2020	25,65,39,165	5,130.78
Changes in equity share capital during FY 2020-21	-	-
As at March 31, 2021	25,65,39,165	5,130.78
Changes in equity share capital during FY 2021-22	-	-
<b>As at March 31, 2022</b>	<b>25,65,39,165</b>	<b>5,130.78</b>

### B. OTHER EQUITY

(₹ In lakhs)

Particulars	Reserves & Surplus			Total
	Securities premium	General Reserve	Retained earnings	
<b>Balance as at April 1, 2021</b>	<b>59,009.66</b>	<b>128.96</b>	<b>2,26,577.64</b>	<b>2,85,716.26</b>
Profit for the year	-	-	44,783.12	44,783.12
<b>Other Comprehensive Income/ (Loss)</b>				
Remeasurements gain/ (loss) of defined benefit obligation (net of taxes)	-	-	(326.13)	(326.13)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>44,456.99</b>	<b>44,456.99</b>
<b>Transaction with owners in the capacity of owners</b>				
Dividend paid	-	-	1,282.70	1,282.70
Interim dividend paid	-	-	-	-
Corporate dividend tax	-	-	-	-
<b>Balance as at March 31, 2022</b>	<b>59,009.66</b>	<b>128.96</b>	<b>2,69,751.93</b>	<b>3,28,890.55</b>
<b>Balance as at April 1, 2020</b>	<b>59,009.66</b>	<b>128.96</b>	<b>1,90,390.22</b>	<b>2,49,528.84</b>
Profit for the year	-	-	36,194.62	36,194.62
<b>Other Comprehensive Income/ (Loss)</b>				
Remeasurements gain/ (loss) of defined benefit obligation (net of taxes)	-	-	(7.20)	(7.20)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>36,187.42</b>	<b>36,187.42</b>
<b>Transaction with owners in the capacity of owners</b>				
Dividend paid	-	-	-	-
Interim dividend paid	-	-	-	-
Corporate dividend tax	-	-	-	-
<b>Balance as at March 31, 2021</b>	<b>59,009.66</b>	<b>128.96</b>	<b>2,26,577.64</b>	<b>2,85,716.26</b>

## STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

For description of the purposes of each reserve within equity, refer note 20

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

For **NSBP & Co.**

Chartered Accountants

Firm Registration No. 001075N

**Deepak K. Aggarwal**

Partner

Membership No. 095541

Place: New Delhi

Date: May 28, 2022

**On behalf of the Board of Directors**

**Pradeep Kumar Jain**

Chairman and Managing Director

DIN. - 00086653

Place: Agra

Date: May 28, 2022

**Tapan Jain**

Company Secretary

M. No. A22603

Place: Agra

Date: May 28, 2022

**Chakresh Kumar Jain**

Managing Director

DIN. - 00086768

Place: Agra

Date: May 28, 2022

**Bhupinder Kumar Sawhney**

Chief Financial Officer

Place: Agra

Date: May 28, 2022

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2022

### 1. COMPANY OVERVIEW:

PNC Infratech Limited was incorporated on August 9, 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, Andhra Pradesh, Rajasthan, Uttar Pradesh, Uttarakhand, Gujarat, Delhi 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 May 28, 2022.

### 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 1, 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 (₹) 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
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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 April 1, 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.

### 2.8. Depreciation and Amortization

Depreciation on Fixed Assets is provided on straight line method (other than specified Plant & Machinery which are depreciated on written down value basis) based on useful life 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

### 2.9. 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.

### 2.10. 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 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



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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 recognised 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 recognises 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 recognised 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 recognised only to the extent that it is highly probable that a significant reversal in the amount recognised 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 recognised 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 recognised 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 recognised 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 amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument. Income from dividend is recognized when the right to received is established.

### Dividend

Dividends are recognised in profit or loss only when:

- (i) the Company's right to receive payment of the dividend is established;
- (ii) It is probable that the economic benefits associated with the dividend will flow to the entity; and
- (iii) The amount of dividend can be measured reliably.

### 2.11. Inventories

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

### 2.12. 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.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

Effective from April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 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

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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.

### 2.13. Employee benefits

#### Short Term:

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

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

#### Long Term:

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

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

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

#### Other long term employee benefits:

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

### 2.14. Borrowing Costs

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

### 2.15. Segment reporting

The Company's operations predominantly consist of infrastructure development and construction/project activities 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.

### 2.16. Earnings per share:

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

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

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

### 2.17. Taxation

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

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### Deferred Tax

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

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

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

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

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

### 2.18. Impairment of Financial Assets

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

For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected

credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.

### 2.19. Impairment of Non-Financial Assets

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost 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.

### 2.20. Claims & Counter Claims:

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

### 2.21. Provisions, Contingent liabilities and Contingent assets

#### Provisions

Provisions are 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

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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.

### 2.22. Financial instruments

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

#### Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are 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 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.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 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.

### 2.23. Foreign currencies

#### i. Initial recognition

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

#### ii. Conversion

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

#### iii. Exchange differences:

The Company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items by

recognizing the exchange differences as income or as expenses in the period in which they arise.

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

### 2.24. Fair Value Measurement

The Company measures 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

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.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 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 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 THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

**4 PROPERTY, PLANT & EQUIPMENTS**

Year ended March 31, 2022

(₹ in Lakhs)

Particulars	Property, Plant & Equipment							Right of Use Assets			
	Freehold Land	Buildings	Plant & Equipment	Office Equipment	Furniture & Fixtures	Vehicles	Computers	Temporary Constructions	Total-Property, Plant & Equipment	Right of Use Assets	Total-Right of Use
<b>Gross carrying value</b>											
At April 01, 2021	504.93	615.79	1,02,145.31	1,092.31	461.00	4,090.54	738.56	1,537.45	1,11,185.90	920.09	920.09
Addition during the year	-	-	4,904.96	262.88	75.27	1,092.93	219.99	-	6,556.02	1,297.24	1,297.24
Disposal / Adjustments	109.19	-	5,572.97	6.46	0.81	213.24	5.76	-	5,908.43	-	-
<b>At March 31, 2022</b>	<b>395.74</b>	<b>615.79</b>	<b>1,01,477.30</b>	<b>1,348.73</b>	<b>535.46</b>	<b>4,970.23</b>	<b>952.79</b>	<b>1,537.45</b>	<b>1,11,833.49</b>	<b>2,217.33</b>	<b>2,217.33</b>
<b>Accumulated Depreciation/ Amortization</b>											
At April 01, 2021	-	122.08	41,770.37	643.63	185.41	1,433.43	648.83	1,536.48	46,340.25	415.03	415.03
Addition during the year	-	20.24	11,098.21	166.55	51.95	519.17	119.81	-	11,975.91	418.81	418.81
Disposal / Adjustments	-	-	3,710.82	4.75	0.16	136.50	3.34	-	3,855.57	-	-
<b>At March 31, 2022</b>	<b>-</b>	<b>142.32</b>	<b>49,157.76</b>	<b>805.43</b>	<b>237.20</b>	<b>1,816.10</b>	<b>765.30</b>	<b>1,536.48</b>	<b>54,460.59</b>	<b>833.84</b>	<b>833.84</b>
<b>Net carrying value as at March 31, 2022</b>	<b>395.74</b>	<b>473.47</b>	<b>52,319.54</b>	<b>543.30</b>	<b>298.26</b>	<b>3,154.13</b>	<b>187.49</b>	<b>0.97</b>	<b>57,372.90</b>	<b>1,383.49</b>	<b>1,383.49</b>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

Year ended March 31, 2021

Particulars	Property, Plant & Equipment							Right of Use Assets			
	Freehold Land	Buildings	Plant & equipment	Office equipment	Furniture & fixtures	Vehicles	Computers	Temporary Constructions	Total-Property, Plant & Equipment	Right of Use Assets	Total - Right of Use
<b>Gross carrying value</b>											
At April 01, 2020	504.93	615.79	85,612.91	1,002.00	393.16	3,574.80	605.16	1,537.24	93,845.99	995.46	995.46
Addition during the year	-	-	16,946.18	92.53	67.87	635.35	134.12	0.21	17,876.26	192.56	192.56
Disposal / Adjustments	-	-	413.78	2.22	0.03	119.61	0.72	-	536.35	267.93	267.93
<b>At March 31, 2021</b>	<b>504.93</b>	<b>615.79</b>	<b>1,02,145.31</b>	<b>1,092.31</b>	<b>461.00</b>	<b>4,090.54</b>	<b>738.56</b>	<b>1,537.45</b>	<b>1,11,185.90</b>	<b>920.09</b>	<b>920.09</b>
<b>Accumulated Depreciation/ Amortization</b>											
At April 01, 2020	-	102.49	32,046.12	504.47	141.63	1,053.00	548.29	1,528.93	35,924.95	266.89	266.89
Addition during the year	-	19.59	10,098.29	140.89	43.79	449.08	101.22	7.55	10,860.41	148.14	148.14
Disposal / Adjustments	-	-	374.04	1.73	0.01	68.65	0.68	-	445.11	-	-
<b>At March 31, 2021</b>	<b>-</b>	<b>122.08</b>	<b>41,770.37</b>	<b>643.63</b>	<b>185.41</b>	<b>1,433.43</b>	<b>648.83</b>	<b>1,536.48</b>	<b>46,340.25</b>	<b>415.03</b>	<b>415.04</b>
<b>Net carrying value as at March 31, 2021</b>	<b>504.93</b>	<b>493.71</b>	<b>60,374.94</b>	<b>448.68</b>	<b>275.59</b>	<b>2,657.11</b>	<b>89.73</b>	<b>0.97</b>	<b>64,845.65</b>	<b>505.06</b>	<b>505.06</b>

Notes :

- (i) Property, plant and equipment hypothecated/ pledged as security except project assets. (Refer note no 21 & 26)
- (ii) Refer note no 43 for disclosure of Contractual Commitment for the acquisition of Property, plant & equipment.
- (iii) Right of use assets includes Land and Building under lease in pursuance of Ind AS 116.
- (iv) The Company has not revalued its Property, plant & equipment during the year

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 5 CAPITAL WORK IN PROGRESS

(₹ in Lakhs)

Particulars	Amount
<b>Gross Carrying Value</b>	
Opening Balance as at April 1, 2021	341.59
Addition during the year	1,392.09
Capitalized/Adjustments during the year	1,733.68
<b>As at March 31, 2022</b>	<b>-</b>
<b>Gross Carrying Value</b>	
Opening Balance as at April 1, 2020	-
Addition during the year	5,912.38
Capitalized/Adjustments during the year	5,570.79
<b>As at March 31, 2021</b>	<b>341.59</b>

#### Capital work in progress ageing schedule is as follows

CWIP Ageing		As at March 31, 2022	As at March 31, 2021
Projects in progress	Less than 1 year	-	341.59
	1-2 years	-	-
	2-3 years	-	-
	More than 3 years	-	-
Projects temporarily suspended	Less than 1 year	-	-
	1-2 years	-	-
	2-3 years	-	-
	More than 3 years	-	-
<b>Total</b>		<b>-</b>	<b>341.59</b>

There is no Capital-work-in progress whose completion is overdue or has exceeded its cost compared to its original plan

### 6 INTANGIBLE ASSETS

#### Year ended March 31, 2022

(₹ in Lakhs)

Particulars	Computer software (Bought out)	Mining Lease	Total
<b>Gross carrying value</b>			
Opening Balance as at April 1, 2021	508.00	33.53	541.53
Addition during the year	34.54	-	34.54
Disposals/Adjustments	-	-	-
<b>As at March 31, 2022</b>	<b>542.54</b>	<b>33.53</b>	<b>576.07</b>
Accumulated Amortization			
Opening Balance as at April 1, 2021	308.81	8.89	317.70
For the year	75.51	3.35	78.86
Disposals/Adjustments	-	-	-
<b>As at March 31, 2022</b>	<b>384.32</b>	<b>12.24</b>	<b>396.56</b>
<b>Net carrying value as at March 31, 2022</b>	<b>158.22</b>	<b>21.29</b>	<b>179.51</b>



**NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)**

Year ended March 31, 2021

(₹ in Lakhs)

Particulars	Computer software (Bought out)	Mining Lease	Total
<b>Gross carrying value</b>			
Opening Balance as at April 1, 2020	368.82	33.53	402.35
Addition during the year	139.55	-	139.55
Disposals/Adjustments	0.37	-	0.37
<b>As at March 31, 2021</b>	<b>508.00</b>	<b>33.53</b>	<b>541.53</b>
Accumulated Amortization			
Opening Balance as at April 1, 2020	241.77	5.54	247.31
For the year	67.33	3.35	70.68
Disposals/Adjustments	0.29	-	0.29
<b>As at March 31, 2021</b>	<b>308.81</b>	<b>8.89</b>	<b>317.70</b>
<b>Net carrying value as at March 31, 2021</b>	<b>199.19</b>	<b>24.64</b>	<b>223.83</b>

The Company has not revalued its Intangible asset during the year

**7 INVESTMENTS**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Investments in equity instruments</b>		
<b>A. Subsidiaries</b>		
10 Equity shares (Previous Year 10) of PNC Raebareli Highways Private Limited of ₹ 10/- each ( Face value ₹ 10/- each)*	0.00	0.00
10 Equity shares (Previous Year 10) of PNC Bundelkhand Highways Private Limited of ₹ 10/- each ( Face value ₹ 10/- each)*	0.00	0.00
10 Equity shares (Previous Year 10) of PNC Haridwar Meerut Highways Private Limited of ₹ 10/- each ( Face value ₹ 10/- each)*	0.00	0.00
10 Equity shares (Previous Year 10) of PNC Chitrdurga Highways Private Limited of ₹ 10/- each ( Face value ₹ 10/- each)*	0.00	0.00
10 Equity shares (Previous Year 10) of PNC Khujrao Highways Private Limited of ₹ 10/- each ( Face value ₹ 10/- each)*	0.00	0.00
50,00,000 Equity shares (Previous Year 50,00,000) of PNC Bareilly Nainital Highways Private Limited of ₹ 10/- each ( Face value ₹ 10/- each)	500.00	500.00
10 Equity shares (Previous Year 10) of PNC Bithur Kanpur Highways Private Limited of ₹ 10/- each ( Face value ₹ 10/- each)*	0.00	0.00
10 Equity shares (Previous Year 10) of PNC Unnao Highways Private Limited of ₹ 10/- each ( Face value ₹ 10/- each)*	0.00	0.00
10 Equity shares (Previous Year 10) of PNC Gomti Highways Private Limited of ₹ 10/- each ( Face value ₹ 10/- each)*	0.00	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
17,31,14,788 Equity shares (Previous Year 14,23,12,788) of PNC Infra Holdings Limited acquired of ₹ 50/- each ( Face value ₹ 10/- each)	86,557.40	71,156.40
10 Equity shares (Previous Year 10) of PNC Triveni Sangam Highways Private Limited of ₹ 10/- each ( Face value ₹ 10/- each)*	0.00	0.00

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
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
<b>Investment in Subsidiaries (A)</b>	<b>87,062.91</b>	<b>71,661.91</b>
<b>B. Associates</b>		
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
Less : Impairment loss on investment (Refer note no 38)	(2,856.82)	-
Less : Investment classified as held for sale (Refer note no 52)	(75.58)	-
<b>Investment in Associates (B)</b>	<b>-</b>	<b>2,932.40</b>
<b>C. Others</b>		
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
<b>Investment in Others (C)</b>	<b>55.54</b>	<b>55.54</b>
<b>Total(A+B+C)</b>	<b>87,118.45</b>	<b>74,649.85</b>

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

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate book value of unquoted investments	90,050.85	74,649.85
Less : Aggregate amount of impairment in value of investment (Refer note no 38)	(2,856.82)	-
Less : Investment classified as held for sale (Refer note no 52)	(75.58)	-
	<b>87,118.45</b>	<b>74,649.85</b>

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	Relationship	As at March 31, 2022	As at March 31, 2021
PNC Bareilly Nainital Highways Private Limited (Equity shares of ₹ 10 each)	Subsidiaries	25,50,000	25,50,000
Ghaziabad Aligarh Expressway Private Limited (Equity shares of ₹ 10 each) (Refer note no 52)	Associate	1,49,55,240	1,49,55,240

NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

8 LOANS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Unsecured and considered good- unless otherwise stated</b>		
<b>Loans</b>		
- Related party*	48,949.00	31,910.00
	<b>48,949.00</b>	<b>31,910.00</b>

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Loan receivable considered good-secured	-	-
Loan receivable considered good-un secured	48,949.00	31,910.00
Loan receivable which have increase in credit risk	-	-
Credit impaired	-	-

\*The Company has given unsecured loan to its subsidiaries in lieu of equity of ₹ 48,949.00 lakhs (P.Y. ₹ 31,910.00 lakhs) which is non interest bearing.

\* For details refer note no 50

(₹ in Lakhs)

Type of Borrower	As at March 31, 2022		As at March 31, 2021	
	Loan Outstanding	% to Total Loan	Loan Outstanding	% to Total Loan
Promoter	-		-	
Directors	-		-	
KMPs	-		-	
Related Parties				
PNC Aligarh Highways Private Limited	6,419.00	13.11%	5,145.00	16.12%
PNC Bundelkhand Highways Private Limited	5,292.00	10.81%	5,292.00	16.58%
PNC Challakere (Karnataka) Highways Private Limited	2,947.00	6.02%	392.00	1.23%
PNC Chitradurga Highways Private Limited	6,400.00	13.07%	4,700.00	14.73%
PNC Khajuraho Highways Private Limited	6,480.00	13.24%	5,346.00	16.75%
PNC Rajasthan Highways Private Limited	4,804.00	9.81%	3,904.00	12.23%
PNC Triveni Sangam Highways Private Limited	7,009.00	14.32%	5,637.00	17.67%
PNC Bithur Kanpur Highways Private Limited	4,751.00	9.71%	490.00	1.54%
PNC Gomti Highways Private Limited	490.00	1.00%	490.00	1.54%
PNC Unnao Highways Private Limited	3,867.00	7.90%	490.00	1.54%
PNC Meerut Haridwar Highways Private Limited	490.00	1.00%	24.00	0.08%
	<b>48,949.00</b>	<b>100%</b>	<b>31,910.00</b>	<b>100%</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 9 OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Security deposits</b>		
a. Held with related party***	1,453.03	1,424.23
b. Held with others	-	85.21
<b>Terms Deposits (having maturity of more than 12 months)*</b>		
- Term deposits as margin money for Bank guarantees	192.26	65.06
- Earnest money deposits (in the form of term deposits, NSC etc)	302.13	302.13
<b>Others</b>		
- Retention & Withheld		
a. Held with departments	5,264.98	7,987.48
b. Held with related party***	843.03	2,016.54
	<b>8,055.43</b>	<b>11,880.65</b>

\* For details refer note no 15

\*\*\* For details refer note no 50

### 10 DEFERRED TAX ASSETS/ (LIABILITIES)

#### 10.1 The balance comprises temporary differences attributable to:

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Deferred Tax Assets/ (Liabilities)</b>		
Difference in value of property, plant and equipment	479.52	432.55
Retention assets	-	428.15
Retention liabilities	(445.44)	(607.41)
Deferred retention liabilities	428.77	590.46
Deferred retention assets	-	(428.15)
Gratuity & leave liability	522.57	484.24
Lease liability	354.98	128.83
Mutual fund	-	(8.49)
Trade receivables	175.87	191.01
Mat credit entitlement	-	1,041.09
<b>Net Deferred tax Assets/ (Liabilities)</b>	<b>1,516.27</b>	<b>2,252.28</b>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

10.2 Movement in Deferred tax Assets/ (Liabilities)\*

(₹ in Lakhs)

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
<b>At April 1, 2021</b>	<b>432.55</b>	<b>428.15</b>	<b>(607.41)</b>	<b>1,041.09</b>	<b>128.83</b>	<b>590.46</b>	<b>(428.15)</b>	<b>191.01</b>	<b>(8.49)</b>	<b>484.24</b>	<b>2,252.28</b>
(Charged)/credited:-											
- to profit & loss	46.97	(428.15)	161.97	(1,041.09)	226.15	(161.69)	428.15	(15.14)	8.49	(71.36)	(845.70)
- to Other comprehensive income	-	-	-	-	-	-	-	-	-	109.69	109.69
- to Mat credit availability/ (utilization)	-	-	-	-	-	-	-	-	-	-	-
<b>At March 31, 2022</b>	<b>479.52</b>	<b>-</b>	<b>(445.44)</b>	<b>-</b>	<b>354.98</b>	<b>428.77</b>	<b>-</b>	<b>175.87</b>	<b>-</b>	<b>522.57</b>	<b>1,516.27</b>
<b>At April 1, 2020</b>	<b>97.53</b>	<b>(80.76)</b>	<b>(403.33)</b>	<b>11,259.89</b>	<b>237.95</b>	<b>712.54</b>	<b>(55.63)</b>	<b>-</b>	<b>-</b>	<b>377.85</b>	<b>12,146.04</b>
(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)
<b>At March 31, 2021</b>	<b>432.55</b>	<b>428.15</b>	<b>(607.41)</b>	<b>1,041.09</b>	<b>128.83</b>	<b>590.46</b>	<b>(428.15)</b>	<b>191.01</b>	<b>(8.49)</b>	<b>484.24</b>	<b>2,252.28</b>



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 11 OTHER NON - CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>- Advances other than Capital advances</b>		
Balance with Statutory authorities	3,941.98	3,946.06
<b>- Others</b>		
- Advance tax and tax deducted at source*	6,945.16	5,449.35
- Tax and duty deposited under demand	107.81	107.81
- GST Input, GST TDS & GST on advance	19,574.91	15,387.33
- Mobilization advance to sub-contractors	1,367.65	849.55
- Deferred retention money	-	1,225.24
	<b>31,937.51</b>	<b>26,965.34</b>

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

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Raw Materials (Construction material)	42,516.66	29,987.12
Raw Materials in transit	1.30	-
Stores and Spares	5,560.92	5,372.36
	<b>48,078.88</b>	<b>35,359.48</b>

Inventories are hypothecated against secured borrowing of the Company (Refer note no 21 & 26)

The Company follows suitable provisioning norms for written down the value of Inventory towards slow moving, non moving and surplus Inventories

#### 12.1 Bifurcation of Raw Material under broad heads:

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Raw material</b>		
Bitumen	671.74	1,032.96
Cement	989.85	1,402.50
Steel	11,854.28	8,678.55
Stone, Grit and Sand	15,740.95	12,071.09
High speed diesel and Fuel oil	1,447.29	1,391.95
Others	11,812.55	5,410.07
	<b>42,516.66</b>	<b>29,987.12</b>

### 13 INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Investments in Mutual Funds		
Kotak Equity Arbitrage Fund	-	10,048.61
(No. of Unit Nil (Previous Year No. of Unit 3,31,84,438.458))		
	-	<b>10,048.61</b>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Aggregate book value of quoted investments	-	10,048.61
Aggregate market value of quoted investments	-	10,048.61
Aggregate book value of unquoted investments	-	-
Aggregate amount of impairment in value of investment	-	-

**14 TRADE RECEIVABLES**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Trade receivable considered good-secured</b>	-	-
<b>Trade receivable considered good-unsecured</b>		
Related parties*	79,321.48	57,355.97
Other	49,205.68	27,115.31
<b>Less: Allowance for expected credit loss</b>	(1,245.38)	(546.62)
	<b>1,27,281.78</b>	<b>83,924.66</b>
<b>Trade receivable which have significant increase in credit risk</b>	-	-
<b>Trade receivable-credit impaired**</b>	3,172.74	-
<b>Less: Allowance for credit impairment**</b>	(3,172.74)	-
	<b>1,27,281.78</b>	<b>83,924.66</b>

\* For details refer note no 50

\*\* For details refer note no 57

(₹ in Lakhs)

Movement in the expected credit loss allowance	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	546.62	-
Add: Provision for expected credit loss (Refer note no 38)	698.77	546.62
Add: Impairment loss recognize during the year (Refer note no 38)	3,172.73	-
<b>Balance at the end of the year</b>	<b>4,418.12</b>	<b>546.62</b>

**Trade receivables ageing schedule as at March 31, 2022:**

(₹ in Lakhs)

Particulars	Outstanding for following period from due date of payment					Total
	Less than 6 months	6 months - 1 Year	1-2 Year	2-3 Year	More than 3 Years	
Undisputed Trade receivables-considered good	1,16,999.73	1,130.93	1,339.46	2,134.25	6,922.79	1,28,527.16
Undisputed Trade receivables-which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivables-credit impaired	-	-	-	-	3,172.74	3,172.74
Disputed Trade Receivables-considered good	-	-	-	-	-	-
Disputed Trade receivables-which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade receivables-credit impaired	-	-	-	-	-	-
	<b>1,16,999.73</b>	<b>1,130.93</b>	<b>1,339.46</b>	<b>2,134.25</b>	<b>10,095.53</b>	<b>1,31,699.90</b>
Less : Allowance for credit loss						(4,418.12)
<b>Total Trade receivable</b>						<b>1,27,281.78</b>

Amount will due when bill raised to the customer

**Trade receivables ageing schedule as at March 31, 2021**

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)**

(₹ in Lakhs)

Particulars	Outstanding for following period from due date of payment					Total
	Less than 6 months	6 months - 1 Year	1-2 Year	2-3 Year	More than 3 Years	
Undisputed Trade receivables-considered good	69,984.90	676.23	2,427.77	10.73	11,371.65	84,471.28
Undisputed Trade receivables-which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivables-credit impaired	-	-	-	-	-	-
Disputed Trade Receivables-considered good	-	-	-	-	-	-
Disputed Trade receivables-which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade receivables-credit impaired	-	-	-	-	-	-
	<b>69,984.90</b>	<b>676.23</b>	<b>2,427.77</b>	<b>10.73</b>	<b>11,371.65</b>	<b>84,471.28</b>
Less : Allowance for credit loss						(546.62)
<b>Total Trade receivable</b>						<b>83,924.66</b>

Amount will due when bill raised to the customer

Trade receivable are hypothecated against secured borrowing of the Company (Refer note no 21 & 26)

For information on financial risk management objectives and policies (Refer note no 45)

**15****15 (i) Cash & Cash Equivalents**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Balances with Banks</b>		
In Bank accounts	32,004.41	24,628.36
Fixed deposits with maturity less than 3 months	8,503.32	44,020.19
Cash on hand	176.47	123.08
	<b>40,684.20</b>	<b>68,771.63</b>

**15 (ii) Other Bank Balances**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Fixed Deposit</b>		
<b>(with maturity less than 3 months maturity)</b>		
Fixed deposits as margin money on bank guarantee	1,978.67	1,349.32
Earnest money deposits (in the form of term deposits, NSC etc)	3,247.73	171.99
<b>(with maturity more than 3 months but up to 12 months)</b>		
Fixed deposits as margin money on bank guarantee	6,811.02	6,486.39
Earnest money deposit	47.14	44.56
	<b>12,084.56</b>	<b>8,052.26</b>
<b>Current Account</b>		
Earmarked balances-unclaimed dividend	1.25	1.13
	<b>12,085.81</b>	<b>8,053.39</b>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Fixed deposits as Margin money on bank guarantee</b>		
Under lien in favour of Banks as margin deposits for letter of credit and Bank guarantees	8,981.95	7,900.77
Earnest money (in form of term deposits) deposits in favour of customers.	3,597.00	518.68
Add: Interest accrued but not due on margin money & earnest money deposit	230.00	229.24
Less: Interest accrued but not due on margin money & earnest money deposit	(230.00)	(229.24)
<b>Total deposits</b>	<b>12,578.95</b>	<b>8,419.45</b>
<b>Deposit having more than 12 months maturity from reporting date</b>		
Fixed deposits	192.26	65.06
Earnest money deposits	302.13	302.13
<b>Total Non-current deposits</b>	<b>494.39</b>	<b>367.19</b>
<b>Total current deposits</b>	<b>12,084.56</b>	<b>8,052.26</b>

16 LOANS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Unsecured and considered good- unless otherwise stated</b>		
<b>Loans</b>		
- Related party*	30,637.00	36,384.19
	<b>30,637.00</b>	<b>36,384.19</b>

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Loan receivable considered good-secured	-	-
Loan receivable considered good-unsecured	30,637.00	36,384.19
Loan receivable which have increase in credit risk	-	-
Loan receivable-credit impaired	7,757.56	815.00
Less: Allowance for credit impairment	(7,757.56)	(815.00)
	<b>30,637.00</b>	<b>36,384.19</b>

\*The Company has given unsecured loan to its subsidiaries and associates for financial assistance of ₹ 38,394.56 lakhs (P.Y. ₹ 37,199.19 lakhs), which is non interest bearing.

\*The amount is net off of impairment of ₹ 7757.56 lakhs (P.Y. ₹ 815.00 lakhs)

\* For details refer note no 50 & 57

(₹ in Lakhs)

Movement in the expected credit loss allowance	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	815.00	815.00
Add: Impairment loss recognize during the year (Refer note no 38)	6,942.56	-
<b>Balance at the end of the year</b>	<b>7,757.56</b>	<b>815.00</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(₹ in Lakhs)

Type of Borrower	As at March 31, 2022		As at March 31, 2021	
	Loan Outstanding	% to Total Loan	Loan Outstanding	% to Total Loan
Promoter	-		-	
Directors	-		-	
KMPs	-		-	
Related Parties				
Ghaziabad Aligarh Expressway Private Limited	21,802.00	71.16%	25,766.56	70.82%
PNC-SPSCPL(JV)	-	0.00%	20.00	0.05%
PNC Bareilly Nainital Highways Private Limited	8,835.00	28.84%	10,597.63	29.13%
	<b>30,637.00</b>	<b>100%</b>	<b>36,384.19</b>	<b>100%</b>

### 17 OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Security deposits</b>	614.98	356.81
<b>Retention &amp; Withheld Money</b>		
a. Held with departments	7,276.98	4,592.63
b. Held with related party*	6,587.48	4,207.65
<b>Others</b>		
- Interest accrued but not due on margin money & earnest money deposit	230.00	229.24
	<b>14,709.44</b>	<b>9,386.33</b>

\* For details refer note no 50

### 18 OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Advances other than Capital advances</b>		
Advances to supplier/ contractor		
- Considered good-unsecured	11,183.23	12,339.93
<b>Deposit and Balances with Government authority</b>		
- Unsecured and considered good	5,325.41	5,295.67
<b>Other Receivable</b>		
- Mobilization advance to sub contractor	1,367.65	849.55
- Other advances	2,271.36	1,699.81
	<b>20,147.65</b>	<b>20,184.96</b>

### 19 SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Authorized</b>		
Equity Shares of ₹ 2/- each		
27,50,00,000 (Previous year 27,50,00,000)	5,500.00	5,500.00



NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
	5,500.00	5,500.00
<b>Issued ,Subscribed &amp; Fully Paid up*</b>		
Equity Shares of ₹ 2/- each		
25,65,39,165 (Previous year 25,65,39,165)	5,130.78	5,130.78
	<b>5,130.78</b>	<b>5,130.78</b>

\*Refer Statement of Changes In equity

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

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
	Nos.	Nos.
Opening	25,65,39,165	25,65,39,165
Change during the year	-	-
<b>Closing</b>	<b>25,65,39,165</b>	<b>25,65,39,165</b>

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

(₹ in Lakhs)

Type of Borrower	As at March 31, 2022		As at March 31, 2021	
	No of Shares	% Holdings	No of Shares	% Holdings
NCJ Infrastructure Private Limited	2,47,65,000	9.65	2,47,65,000	9.65
HDFC Mutual Fund	2,23,09,699	8.70	2,26,24,395	8.82
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

As per records of the Company, including its register of shareholders/ members and other declarations received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**C Shares held by promoters at the end of the year**

(₹ in Lakhs)

Promoter Name	As at March 31, 2022				As at March 31, 2021			
	No of Shares	Change during the year	% Holdings	% Change during the year	No of Shares	Change during the year	% Holdings	% Change during the year
Pradeep Kumar Jain	1,53,49,500	-	5.98	-	1,53,49,500	-	5.98	-
Naveen Kumar Jain	1,80,96,000	-	7.05	-	1,80,96,000	-	7.05	-
Chakresh Kumar Jain	25,14,000	-	0.98	-	25,14,000	-	0.98	-
Yogesh Kumar Jain	1,67,94,000	-	6.55	-	1,67,94,000	-	6.55	-
Meena Jain	74,26,500	-	2.89	-	74,26,500	-	2.89	-
Ashita Jain	78,73,500	-	3.07	-	78,73,500	-	3.07	-
Madhavi Jain	1,79,98,500	-	7.02	-	1,79,98,500	-	7.02	-
Vaibhav Jain	1,16,71,500	-	4.55	-	1,16,71,500	-	4.55	-

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(₹ in Lakhs)

Promoter Name	As at March 31, 2022				As at March 31, 2021			
	No of Shares	Change during the year	% Holdings	% Change during the year	No of Shares	Change during the year	% Holdings	% Change during the year
Pradeep Kumar Jain HUF	52,50,000	-	2.05	-	52,50,000	-	2.05	-
Naveen Kumar Jain HUF	1,500	-	0.00	-	1,500	-	0.00	-
Chakresh Kumar Jain HUF	92,56,500	-	3.61	-	92,56,500	-	3.61	-
Yogesh Kumar Jain HUF	51,01,500	-	1.99	-	51,01,500	-	1.99	-
Abhinandan Jain	17,43,000	-	0.68	-	17,43,000	-	0.68	-
NCJ Infrastructure Private Limited	2,47,65,000	-	9.65	-	2,47,65,000	-	9.65	-

### D 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.

E There are no Bonus shares/ shares issued for consideration other than cash and shares bought back during the period of five years.

## 20 OTHER EQUITY

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Securities Premium*	59,009.66	59,009.66
General Reserve*	128.96	128.96
Retained Earnings*	2,69,751.93	2,26,577.64
	<b>3,28,890.55</b>	<b>2,85,716.26</b>

\*Refer Statement of changes in equity

### (i) Securities Premium

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	59,009.66	59,009.66
Change during the year	-	-
<b>Closing balance</b>	<b>59,009.66</b>	<b>59,009.66</b>

### (ii) General Reserve

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	128.96	128.96
Change during the year	-	-
<b>Closing balance</b>	<b>128.96</b>	<b>128.96</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### (iii) Retained Earnings

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	2,26,577.64	1,90,390.22
Profit for the year	44,783.12	36,194.62
Item of other comprehensive income directly booked in retained earnings		
Re-measurement (loss) of defined benefit obligation (net of taxes)	(326.13)	(7.20)
Dividend	(1,282.70)	-
<b>Closing balance</b>	<b>2,69,751.93</b>	<b>2,26,577.64</b>

### Dividend distribution made and proposed

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>(a) Dividend paid on equity shares</b>		
Final dividend for the year ended March 31, 2021 of ₹ 0.5/- per equity share of ₹ 2/-	1,282.70	-
<b>Total</b>	<b>1,282.70</b>	<b>-</b>
<b>(b) Dividend proposed on equity shares</b>		
Final dividend for the year ended March 31, 2022 of ₹ 0.5/- per equity share of ₹ 2/-*	1,282.70	-
Final dividend for the year ended March 31, 2021 of ₹ 0.5/- per equity share of ₹ 2/-	-	1,282.70
<b>Total</b>	<b>1,282.70</b>	<b>1,282.70</b>

\* Proposed dividend on equity shares is subject to the approval at the annual general meeting and was not recognize as a liability as at end of financial year

### Description of nature and purposes of each reserve

#### 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

## 21 BORROWINGS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Secured</b>		
Term loans -from Banks (For maturity pattern refer detail below)	20,659.06	37,557.98
Term loans -from NBFCs (For maturity pattern refer detail below)	919.28	2,365.75
<b>Less : Current Maturities of long term debt</b>		
Term loans -from Banks (Refer note no 26)	(7,811.37)	(13,208.97)
Term loans -from NBFCs (Refer note no 26)	(843.06)	(1,429.25)
	<b>12,923.91</b>	<b>25,285.51</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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

(₹ in Lakhs)

Particulars		Total Outstanding	Non - Current Maturity	Current Maturity*
<b>Term Loan From Banks</b>				
Axis Bank	<b>as at March 31, 2022</b>	<b>3,640.83</b>	<b>2,353.17</b>	<b>1,287.66</b>
	as at March 31, 2021	(6,205.63)	(3,470.20)	(2,735.43)
HDFC Bank	<b>as at March 31, 2022</b>	<b>9,785.75</b>	<b>6,093.55</b>	<b>3,692.20</b>
	as at March 31, 2021	(15,648.14)	(10,406.72)	(5,241.42)
Bank of Baroda	<b>as at March 31, 2022</b>	<b>12.24</b>	<b>7.31</b>	<b>4.93</b>
	as at March 31, 2021	(16.87)	(12.36)	(4.51)
Yes Bank	<b>as at March 31, 2022</b>	-	-	-
	as at March 31, 2021	(1,792.63)	(1,043.17)	(749.46)
IDFC First Bank Limited	<b>as at March 31, 2022</b>	<b>215.50</b>	<b>26.79</b>	<b>188.71</b>
	as at March 31, 2021	(473.42)	(215.51)	(257.91)
Indusind Bank Limited	<b>as at March 31, 2022</b>	-	-	-
	as at March 31, 2021	(2,675.19)	(1,632.51)	(1,042.68)
ICICI Bank	<b>as at March 31, 2022</b>	<b>5,684.85</b>	<b>3,780.94</b>	<b>1,903.91</b>
	as at March 31, 2021	(6,198.22)	(4,705.70)	(1,492.52)
Kotak Mahindra Bank Limited	<b>as at March 31, 2022</b>	<b>1,251.18</b>	<b>536.46</b>	<b>714.72</b>
	as at March 31, 2021	(4,547.87)	(2,862.83)	(1,685.04)
Canara Bank	<b>as at March 31, 2022</b>	<b>68.72</b>	<b>49.48</b>	<b>19.24</b>
	as at March 31, 2021	-	-	-
<b>Term Loan From NBFCs</b>				
Hinduja Leyland Finance Limited	<b>as at March 31, 2022</b>	<b>170.31</b>	-	<b>170.31</b>
	as at March 31, 2021	(506.91)	(170.78)	(336.13)
Tata Capital Financial Services Limited	<b>as at March 31, 2022</b>	<b>323.89</b>	-	<b>323.89</b>
	as at March 31, 2021	(1,047.14)	(323.89)	(723.25)
Tata Motor Finance Limited	<b>as at March 31, 2022</b>	<b>425.07</b>	<b>76.21</b>	<b>348.86</b>
	as at March 31, 2021	(811.71)	(441.84)	(369.87)
		<b>21,578.34</b>	<b>12,923.91</b>	<b>8,654.43</b>
		<b>(39,923.73)</b>	<b>(25,285.51)</b>	<b>(14,638.22)</b>

Loans are repayable as under :

(₹ in Lakhs)

Period	As at March 31, 2022	As at March 31, 2021
Paid with in one year	8,654.43	14,638.22
Paid after one year to three year	12,626.65	21,305.28
Paid after three year	297.26	3,980.23
	<b>21,578.34</b>	<b>39,923.73</b>

- The above loans are secured by way of hypothecation of asset financed out of said loans
- The above loans are repayable in equitable monthly installment over the period of loan
- Above Loans carrying Interest rate ranging 7.35% to 9.50%
- Term Loans raised during the year have been used for the same purpose for it was drawn

NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

**22 LEASE LIABILITIES**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Lease liability	1,048.33	188.46
	<b>1,048.33</b>	<b>188.46</b>

\*FOR DETAIL REFER NOTE NO 53

**23 OTHERS FINANCIAL LIABILITIES**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Retentions & security deposit	33,210.41	25,366.30
Security received from contractor/suppliers	47.06	47.06
	<b>33,257.47</b>	<b>25,413.36</b>

**24 PROVISIONS**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Employee Benefits*</b>		
Provision for Gratuity (funded)	1,497.78	990.25
Provision for Leave liability (unfunded)	417.20	284.87
	<b>1,914.98</b>	<b>1,275.12</b>

\*For details refer note no 49

**25 OTHER NON CURRENT LIABILITIES**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advances from customers		
Related Parties*	21,839.48	14,965.51
Others	15,393.42	-
Others		
Deferred retentions & security deposit	1,703.65	1,689.72
	<b>38,936.55</b>	<b>16,655.23</b>

\*For details refer note no 50

**26 BORROWINGS**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Secured</b>		
<b>A. Current Maturities of long term debt</b>		
- Term loan from Banks**	7,811.37	13,208.97
- Term loan from NBFC'S**	843.06	1,429.25



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Sub Total (A)</b>	<b>8,654.43</b>	<b>14,638.22</b>
<b>B. Working Capital Loans</b>		
<b>Sub Total (B)</b>	<b>-</b>	<b>-</b>
<b>Total (A+B)</b>	<b>8,654.43</b>	<b>14,638.22</b>

\*\*For detail refer note no 21

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

(₹ in Lakhs)

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

### 27 LEASE LIABILITIES

(₹ in Lakhs)

Period	As at March 31, 2022	As at March 31, 2021
Lease Liability	362.10	180.22
	<b>362.10</b>	<b>180.22</b>

\*For detail refer note no 53

### 28 TRADE PAYABLES

(₹ in Lakhs)

Period	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of Micro and Small enterprises ( Refer note 28.1)	4,384.67	2,725.33
Total outstanding dues of creditor other than Micro and Small enterprises	46,370.37	69,214.93
	<b>50,755.04</b>	<b>71,940.26</b>

#### Note 28.1

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
- Principal amount due to suppliers	4,384.67	2,725.33
- 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	-	-

Trade payable ageing schedule as at March 31, 2022

(₹ in Lakhs)

Particulars	Outstanding for following period from due date of payment				Total
	Less than 1 Year	1-2 Year	2-3 Year	More than 3 Years	
MSME	4,384.67	-	-	-	4,384.67
Others	36,515.10	4,746.70	2,985.31	2,123.26	46,370.37
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>40,899.77</b>	<b>4,746.70</b>	<b>2,985.31</b>	<b>2,123.26</b>	<b>50,755.04</b>

Trade payable ageing schedule as at March 31, 2021

(₹ in Lakhs)

Particulars	Outstanding for following period from due date of payment				Total
	Less than 1 Year	1-2 Year	2-3 Year	More than 3 Years	
MSME	2,725.33	-	-	-	2,725.33
Others	57,450.64	7,237.80	1,755.35	2,771.14	69,214.93
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>60,175.97</b>	<b>7,237.80</b>	<b>1,755.35</b>	<b>2,771.14</b>	<b>71,940.26</b>

29 OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Capital creditors	114.61	3,110.83
Due to employees	3,540.41	3,320.42
Retention money	15,206.91	14,275.94

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unclaimed dividend	1.25	1.13
Expenses payable	2,786.08	6,056.79
	<b>21,649.26</b>	<b>26,765.11</b>

### 30 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>- Other Advances</b>		
Advances from customers		
Related parties*	25,603.56	10,211.81
Others	8.91	346.92
<b>- Payable to Government Authority</b>		
a. ESI / PF Payable	89.95	89.03
b. TDS & TCS Payable	823.29	741.23
c. Others	2.45	3.12
	<b>26,528.16</b>	<b>11,392.11</b>

\*For detail refer note no 50

### 31 PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Employee Benefits*		
Provision for Leave liability (unfunded)	161.34	110.63
Others		
Provision for Income tax	-	996.23
	<b>161.34</b>	<b>1,106.86</b>

\*For details refer note no 49

### 32 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>Sale of Product</b>		
Contract Revenue*	6,29,816.61	4,92,429.92
<b>Other Operating Revenues</b>		
(a) Sale of material	715.39	75.92
(b) Sale of scrap material	18.34	36.02
	<b>6,30,550.34</b>	<b>4,92,541.86</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

\*Including Bonus received for early completion of the project amounting of ₹ 8268.48 lakhs (Previous year ₹ Nil lakhs).

\*Bifurcation of Contract Revenue are as under:

(₹ in Lakhs)		
Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>Contract Revenue</b>		
Road	6,10,102.31	4,91,820.80
Airport runways	-	609.12
Water projects	10,809.55	-
Toll collection	8,904.75	-
	<b>6,29,816.61</b>	<b>4,92,429.92</b>

### 33 OTHER INCOME

(₹ in Lakhs)		
Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>Interest Income:</b>		
From Bank	1,010.14	1,472.22
From Subsidiaries	360.18	-
From Others*	160.74	1,386.33
Profit/ (loss) on sale of property, plant & equipment (net)	33.70	-
Profit/ (loss) on redemption of units of mutual fund (net)	1,018.67	1,498.46
Profit/ (loss) on fair valuation of units of mutual fund (net)	(48.61)	(5.38)
Unwinding of interest income on financial instrument	2,119.29	1,586.27
Other non-operating income	769.48	1,201.07
	<b>5,423.59</b>	<b>7,138.97</b>

\*During the F.Y. 2021-22 interest income on Income tax refund of ₹ Nil lakhs. (Previous year interest income on Income tax refund of ₹ 1306.27 lakhs)

### 34 COST OF MATERIAL CONSUMED

(₹ in Lakhs)		
Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Raw material	3,19,307.28	2,24,403.72

### 35 EMPLOYEE BENEFIT EXPENSES

(₹ in Lakhs)		
Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Salaries, wages and bonus	33,070.43	26,991.02
Gratuity expenses (Refer note no 49)	424.44	298.69
Contributions to provident fund & other funds	559.89	519.87
Workmen and staff welfare expenses	142.97	99.12
	<b>34,197.73</b>	<b>27,908.70</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 36 FINANCE COST

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>(a) Interest Cost:</b>		
On Borrowings	2,889.13	2,600.88
On Mobilization advance	2,025.59	2,115.11
<b>(b) Others:</b>		
On Unwinding of liabilities	1,743.62	1,523.26
<b>(c) Other Borrowing Cost</b>		
Loan processing charges	135.23	115.57
Guarantee charges	1,220.98	1,356.04
	<b>8,014.55</b>	<b>7,710.86</b>

### 37 DEPRECIATION AND AMORTIZATION EXPENSES

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>Depreciation</b>		
Depreciation on property, plant & equipment	11,975.91	10,860.41
<b>Amortization</b>		
Amortization on intangible assets	78.86	70.68
Amortization on right of use assets	418.81	148.14
Amortization of deferred retention assets	517.43	159.16
	<b>12,991.01</b>	<b>11,238.39</b>

### 38 OTHER EXPENSES

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Consumption of Stores and Spare parts*	10,403.61	7,549.96
Power & fuel	1,206.76	948.98
Contract paid	1,16,802.06	1,24,863.69
Concession fee on Toll project	9,064.97	-
Hire charges of machineries	6,250.72	3,149.29
Other construction expenses	10,761.24	6,439.57
Rent	796.98	694.76
Insurance	1,968.63	1,370.65
Repairs to buildings	-	43.74
Travelling and conveyance	556.13	236.74
Legal & professional expenses	1,347.10	1,290.61
Rates and taxes**	22,643.02	23,405.16
Auditor's remuneration***	35.81	30.63
Tender & survey expenses	104.63	236.95



**NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)**

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Director's sitting fees	7.50	5.60
Corporate social responsibility (Refer note no 51)	1,049.28	810.35
Allowance for expected credit loss	698.77	546.62
Impairment Loss on Associate		
- Trade receivable (Refer note no 14)	3,172.74	-
- Unsecured loan (Refer note no 16)	6,942.56	-
- Investment (Refer note no 52)	2,856.82	-
Loss on disposal of property, plant & equipment (net)	-	4.66
Miscellaneous and general expenses****	1,651.36	940.76
	<b>1,98,320.69</b>	<b>1,72,568.72</b>

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

\*\* Includes GST expenses of ₹ 17,256.50 lakhs (Previous year ₹ 19,524.99 lakhs)

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
*** Auditor remuneration includes		
Audit fees	29.00	29.00
Certification fees and other services	5.00	-
For reimbursement of expenses	1.81	1.63

\*\*\*\*Includes foreign exchange gain of ₹ 40.00 lakhs. (Previous year foreign exchange loss ₹ 18.01 lakhs)

**39 TAX EXPENSE**

**A. Income Tax Expense**

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>(a) Current Income tax</b>		
Current tax on profit for the year	17,513.85	20,058.39
Adjustments for current tax of earlier years	-	(81.40)
<b>Total Current tax expense</b>	<b>17,513.85</b>	<b>19,976.99</b>
<b>(b) Deferred tax</b>		
Relation to origination of temporary Differences	(195.39)	(321.17)
Adjustments of Tax relating to earlier years		
- Remeasurement of deferred tax on a/c of new tax regime	1,041.09	-
<b>Total Deferred tax expenses</b>	<b>845.70</b>	<b>(321.17)</b>
<b>Total Income tax expense</b>	<b>18,359.55</b>	<b>19,655.82</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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

Particulars	(₹ in Lakhs)	
	Year Ended March 31, 2022	Year Ended March 31, 2021
Accounting profit before taxes	63,142.71	55,850.44
Applicable tax rate	25.168%	34.944%
<b>Computed tax expenses</b>	<b>15,891.76</b>	<b>19,516.38</b>
<b>Tax Adjustments for earlier years</b>		
Current tax	-	(81.40)
Adjustments of tax relating to earlier years		
- Remeasurement of deferred tax on a/c of new tax regime	1,041.09	-
<b>Others:</b>		
Tax of income that is taxable at special rates	231.82	261.81
Effect of expenses that are non-deductible for tax purposes	1,390.28	280.20
Decrease (Increase) in deferred tax assets/liabilities		
Retention & deferred retention assets	-	(136.38)
Retention & deferred retention liabilities	(0.28)	326.15
Lease liability	(226.15)	109.12
Gratuity & leave liability	71.36	(102.52)
Property, plant & equipment	(46.98)	(335.02)
Trade receivables	15.14	(191.01)
Mutual fund	(8.49)	8.49
<b>Income tax expenses charged to Profit and Loss</b>	<b>18,359.55</b>	<b>19,655.82</b>

The Government of India inserted section 115BBA in the Income tax Act 1961, which provides domestic companies with an option to opt for lower tax rates effective April 01, 2019, subject to certain conditions.

The Company has, during the year, adopted the option reduced tax rate. Consequently net deferred tax charged of ₹ 845.70 lakhs has been recognized in profit and loss during the year ended March 31, 2022 on account of expensing of mat credit balance of ₹ 1041.09 lakhs and offset by tax credit on account of remeasurement of net deferred tax assets of ₹ 195.39 lakhs.

### 40 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	(₹ in Lakhs)	
	Year Ended March 31, 2022	Year Ended March 31, 2021
(a) Profit/(Loss) available to equity shareholders (₹ In lakhs)	44,783.12	36,194.62
(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)]	<b>17.46</b>	<b>14.11</b>

### 41 CONTINGENT LIABILITIES & ASSETS

Particulars	(₹ in Lakhs)	
	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>Contingent Liabilities</b>		
<b>Claims against the Company not acknowledged as debts*</b>		
Disputed demand of Income Tax for A.Y. 2010-11. (During the Previous Year Disputed demand of Income Tax (includes, net of prepaid taxes under verification, adjusted from demand of ₹ 3351.00 lakhs 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	1,883.61	3,330.85

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

Particulars	(₹ in Lakhs)	
	Year Ended March 31, 2022	Year Ended March 31, 2021
Disputed demand of Service Tax for which Company preferred appeal	206.97	199.86
Disputed demand of Entry Tax for which Company preferred appeal	38.00	35.75
Others (including motor accident, labour & civil matters)	84.93	60.08
(Interest and penalties if any, on above cases will be provided at the time of settlement)		
Court Case by NHAI against claim award of NH-24 Project	14,527.00	14,527.00
<b>Other</b>		
- Letter of Credit outstanding	10,624.00	2,011.26

\* In respect of certain proposed disallowances and additions made by the Income Tax Authorities, appeal are pending before the appellate authorities and adjustment, if any, will be made after the same are finally settled.

### Contingent Assets

#### 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 (Previous year ₹ 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 favours 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 30.01.2020 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 ₹ 3091.00 lakhs (Previous year ₹ 3091.00 lakhs) (including interest). The arbitral Tribunal has pronounced its unanimous award dt. February 3, 2019 for ₹ 3091.00 lakhs in favours 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.

## 42 GUARANTEES

Particulars	(₹ in Lakhs)	
	Year Ended March 31, 2022	Year Ended March 31, 2021
(i) Bank Guarantees - Executed in favour of National Highways Authority of India and others	2,98,762.10	2,14,866.04
(ii) Corporate guarantee -	3,455.07	5,849.24
- The outstanding liability at reporting date against the corporate guarantee of ₹ 20500.00 Lakh 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)*"		

\* For details refer note no 50

## 43 COMMITMENTS

Particulars	(₹ in Lakhs)	
	Year Ended March 31, 2022	Year Ended March 31, 2021
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for.	50.31	183.54
(b) Capital Commitment for Equity and others (Net of Investment)*		

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
PNC Chitradurga Highways Private Limited	-	2,901.00
PNC Bundelkhand Highways Private Limited	2,000.00	1,363.00
PNC Khajuraho Highways Private Limited	-	1,910.00
PNC Triveni Sangam Highways Private Limited	4,956.00	8,025.00
PNC Aligarh Highways Private Limited	-	2,591.00
PNC Challakere (Karnataka) Highways Private Limited	6,015.00	10,200.00
PNC Bithur Kanpur Highways Private Limited	9,695.00	18,390.00
PNC Gomti Highways Private Limited	12,982.00	12,982.00
PNC Meerut Haridwar Highways Private Limited	11,834.00	12,300.00
PNC Unnao Highways Private Limited	7,889.00	14,781.00

### 44 DISCLOSURE PURSUANT TO INDIAN ACCOUNTING STANDARD-115 "REVENUE FROM CONTRACT WITH CUSTOMERS"

Particulars	Year Ended March 31, 2021
(a) Type of Goods or service	Construction services
(b) Geographical region	India
(c) Market or type of customer	Government and Non-Government
(d) Type of contract	Fixed-price construction contracts
(e) Contract duration	Long-term contracts
(f) Timing of transfer of goods or service	Transferred over time
(g) Sales channels	Directly to client
(h) Opening trade receivables	₹ 83,924.66 (In lakhs)
(i) Closing trade receivables	₹ 1,27,281.78 (In lakhs)
(j) Contract assets	Nil
(k) Contract liabilities	Nil

### 45 FINANCIAL RISK MANAGEMENT

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

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

#### I. Market risk

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

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

##### (a) Interest rate risk

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Variable rate borrowings	-	-
Fixed rate borrowings*	21,578.34	39,923.73
<b>Total borrowings</b>	<b>21,578.34</b>	<b>39,923.73</b>

\*For detail refer note no 21 & 26

- (ii) As at the end of reporting period, the Company had the following variable rate borrowings.

(₹ in Lakhs)

Promoter Name	As at March 31, 2022			As at March 31, 2021		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Cash credit limit	7.76%	-	0.00%	8.33%	-	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)

Summarized balance sheet	Increase/ Decrease in Basis Points		Impact on Profit before Tax	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
₹	+50	+50	-	-
	- 50	- 50	-	-

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company does not operate 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 hedge 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, 2022	As at March 31, 2022	As at March 31, 2021
Trade Payable		
- Exposure in Euros (In ₹)	-	1,921.73

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)

Promoter Name	FY 2021-22		FY 2020-21	
	5% increase	5% decrease	5% increase	5% decrease
Euros (In ₹)	-	-	(96.09)	96.09



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### (c) Price Risk

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

## II. Credit risk

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

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

- (i) Actual or expected significant adverse changes in business.
- (ii) Actual or expected significant changes in the operating results of the counterparty.
- (iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligation
- (iv) Significant increase in credit risk an other financial instruments of the same counterparty
- (v) significant changes in the value of collateral supporting the obligation or in the quality of third party guarantees or credit enhancements

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

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

### Expected credit loss for trade receivable on simplified approach :

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

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Ageing of gross carrying amount</b>		
0-180 days	1,16,999.73	69,984.90
181-365 days	1,130.93	676.23
More than 365 days	13,569.24	13,810.15
<b>Gross Carrying Amount (Refer note no 14)</b>	<b>1,31,699.90</b>	<b>84,471.28</b>
<b>Allowance for credit loss</b>	<b>(4,418.12)</b>	<b>(546.62)</b>
<b>Net carrying amount</b>	<b>1,27,281.78</b>	<b>83,924.66</b>

(₹ in Lakhs)

Movement in expected credit loss allowance	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	546.62	-
Add: Provision for expected credit loss (Refer note no 38)	698.77	546.62
Add: Impairment loss recognize during the year (Refer note no 38)	3,172.73	-
	<b>4,418.12</b>	<b>546.62</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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 analyzed. 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, 2022	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 no 21 & 26)	21,578.34	-	8,654.43	12,626.65	297.26	21,578.34
Trade payables (Refer note no 28)	50,755.04	-	50,755.04	-	-	50,755.04
Other liabilities (Refer note no 23, 25 & 29)	54,905.48	-	21,648.01	33,257.47	-	54,905.48
<b>Total</b>	<b>1,27,238.86</b>	<b>-</b>	<b>81,057.48</b>	<b>45,884.12</b>	<b>297.26</b>	<b>1,27,238.86</b>

(₹ 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 no 21 & 26)	39,923.73	-	14,638.22	21,305.28	3,980.23	39,923.73
Trade payables (Refer note no 28)	71,940.26	-	71,940.26	-	-	71,940.26
Other liabilities (Refer note no 23, 25 & 29)	52,177.34	-	26,763.98	25,413.36	-	52,177.34
<b>Total</b>	<b>1,64,041.33</b>	<b>-</b>	<b>1,13,342.46</b>	<b>46,718.64</b>	<b>3,980.23</b>	<b>1,64,041.33</b>

### 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, 2022	As at March 31, 2021
Cash credit	1,00,000.00	1,00,000.00
Bank guarantee	1,90,613.90	2,83,122.71
	<b>2,90,613.90</b>	<b>3,83,122.71</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 46 CAPITAL MANAGEMENT

#### (a) Risk Management

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

The Company 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, 2022	As at March 31, 2021
Debt (Refer note no 21 & 26)	21,578.34	39,923.73
Cash & Bank balances (Refer note no 15 (i))	40,684.20	68,771.63
Net Debt	(19,105.86)	(28,847.90)
Total Equity (Refer note no 19 & 20)	3,34,021.33	2,90,847.04
<b>Gearing Ratio</b>	<b>(0.06)</b>	<b>(0.10)</b>

#### Notes-

- (i) Debt is defined as long-term and short-term borrowings including current maturities (excluding derivatives) as described in notes
- (ii) Total equity (as shown in balance sheet) includes issued capital and all other equity reserves.

#### (b) Loan Covenants

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

### 47 FAIR VALUE MEASUREMENT

#### Financial instruments by category

(₹ in Lakhs)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Amortized Cost	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI
<b>Financial Asset</b>						
Investments						
- Investments in equity instruments (Refer note no 7C)	-	55.54	-	-	55.54	-
- Investments in mutual fund (Refer note no 13)	-	-	-	-	10,048.61	-
- Investments in subsidiary & associates companies (Refer note no 7)	87,062.91	-	-	74,594.31	-	-
Trade receivables (Refer note no 14)	1,27,281.78	-	-	83,924.66	-	-
Cash and cash equivalents (Refer note no 15(i))	40,684.20	-	-	68,771.63	-	-

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)**

(₹ in Lakhs)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Amortized Cost	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI
Bank balances (Refer note no 15(ii))	12,085.81	-	-	8,053.39	-	-
Loans (Refer note no 8 & 16)	79,586.00	-	-	68,294.19	-	-
Other financial assets (Refer note no 9 & 17)	22,764.87	-	-	20,910.17	-	-
<b>Total Financial Assets</b>	<b>3,69,465.57</b>	<b>55.54</b>	<b>-</b>	<b>3,24,548.35</b>	<b>10,104.15</b>	<b>-</b>
<b>Financial Liabilities</b>						
Borrowings (Refer note no 21 & 26)	21,578.34	-	-	39,923.73	-	-
Lease liabilities (Refer note no 22 & 27)	1,410.43	-	-	368.68	-	-
Trade payables (Refer note no 28)	50,755.04	-	-	71,940.26	-	-
Other financial liabilities (Refer note no 23 & 29)	54,906.73	-	-	52,547.15	-	-
<b>Total Financial Liabilities</b>	<b>1,28,650.54</b>	<b>-</b>	<b>-</b>	<b>1,64,779.82</b>	<b>-</b>	<b>-</b>

**(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)
<b>(A) Financial Asset and Liabilities measured at fair value through profit and loss or other comprehensive income at March 31, 2022</b>			
<b>(i) Financial Assets</b>			
- Investment in equity (Refer note no 7C)	-	-	55.54
- Investment in mutual fund (Refer note no 13)	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>55.54</b>
<b>(B) Financial Assets and Liabilities measured at amortized cost for which fair values are disclosed at March 31, 2022</b>			
<b>(i) Financial Assets</b>			
- Retention & withheld & security deposit (Refer note no 9)	-	-	7,561.04
<b>Total</b>	<b>-</b>	<b>-</b>	<b>7,561.04</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2022 (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)
<b>(ii) Financial Liabilities</b>			
- Borrowing (Refer note no 21 & 26)	-	21,578.34	-
- Retentions & security deposit (Refer note no 23)	-	-	33,257.47
<b>Total</b>	<b>-</b>	<b>21,578.34</b>	<b>33,257.47</b>

(₹ in Lakhs)

Particulars	Fair Value Measurement using		
	Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>(A) Financial Asset and Liabilities measured at fair value through profit and loss or other comprehensive income at March 31, 2021</b>			
- Investment in equity (Refer note no 7C)	-	-	55.54
- Investment in mutual fund (Refer note no 13)	10,048.61	-	-
<b>Total</b>	<b>10,048.61</b>	<b>-</b>	<b>55.54</b>
<b>(B) Financial Assets and Liabilities measured at amortized cost for which fair values are disclosed at March 31, 2021</b>			
<b>(i) Financial Assets</b>			
- Retention & withheld & security deposit (Refer note no 9)	-	-	11,513.46
<b>Total</b>	<b>-</b>	<b>-</b>	<b>11,513.46</b>
<b>(ii) Financial Liabilities</b>			
- Borrowing (Refer note no 21 & 26)	-	39,923.73	-
- Retentions & security deposit (Refer note no 23)	-	-	25,413.36
<b>Total</b>	<b>-</b>	<b>39,923.73</b>	<b>25,413.36</b>

**(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 amortized 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.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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 fair value.

### 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 DETAIL OF EMPLOYEE BENEFIT EXPENSES

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

#### (a) Defined Contribution Plan

- (i) The contribution to provident fund is charged to accounts on accrual basis. The contribution made by the Company during the year is ₹ 319.65 lakhs (previous year ₹ 118.98 lakhs)
- (ii) In respect of short term employee benefits, the Company has at present only the scheme of cumulative benefit of leave encashment payable at the time of retirement/ cessation and the same have been provided for on accrual basis as per actuarial valuation.

#### (b) Defined Benefit Plan

- (i) Liability for retiring gratuity as on March 31, 2022 is ₹ 1497.78 lakhs (Previous year ₹ 990.25 lakhs). The liability for Gratuity is actuarially determined and provided for in the books.
- (ii) Details of the Company's post-retirement gratuity plans and leave encashment for its employees including whole-time directors are given below, which is certified by the actuary and relied upon by the auditors

(₹ in Lakhs)

Particulars	Gratuity	
	FY 2021-22	FY 2020-21
<b>1. Change in Present Value of Obligation</b>		
Present value of obligation at the beginning of the year	1,621.62	1,291.72
Interest cost	105.20	83.96
Current service cost	366.48	250.89
Past service cost	-	-
Benefits paid	(6.32)	-
Actuarial gain/(loss) on obligation		
a) Effect of changes in demographic assumptions	-	-
b) Effect of changes in financial assumptions	-	-
c) Effect of experience adjustments	233.04	(4.95)
<b>Present value of obligation at end of the year</b>	<b>2,320.02</b>	<b>1,621.62</b>
Current obligation	-	387.47
Non current obligation	2,320.02	1,234.15
<b>2. Change in Fair Value of Plan Assets</b>		
Fair value of plan assets at the beginning of the year	631.37	481.11
Acquisition adjustment		
Interest Income	47.24	36.16
Contributions	319.65	118.98



**NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)**

(₹ in Lakhs)

Particulars	Gratuity	
	FY 2021-22	FY 2020-21
Benefits paid	(6.32)	-
Actuarial gain/(loss) on plan assets	(169.70)	(4.88)
<b>Fair value of plan assets at the end of the year</b>	<b>822.24</b>	<b>631.37</b>
<b>3. Amount to be recognized in Balance Sheet</b>		
Present value of obligation as at end of the year	2,320.02	1,621.62
Fair value of plan assets as at the end of the year	(822.24)	(631.37)
Funded Status	1,497.78	990.25
Effect of asset ceiling	-	-
<b>Net Asset/(liability) recognized in Balance Sheet</b>	<b>1,497.78</b>	<b>990.25</b>
<b>4. Expenses recognized in the statement of profit &amp; loss</b>		
Current service cost	366.48	250.89
Past service cost	-	-
Net Interest cost		
Interest expense on DBO	105.20	83.96
Interest income on plan assets	47.24	36.16
<b>Total net interest cost</b>	<b>57.96</b>	<b>47.80</b>
Net actuarial (gain)/loss recognized in profit/loss		
<b>Expenses recognized in the statement of Profit &amp; Loss</b>	<b>424.44</b>	<b>298.69</b>
<b>5. Recognized in other comprehensive income for the year</b>		
a) Effect of changes in demographic assumptions	-	-
b) Effect of changes in financial assumptions	-	-
c) Effect of experience adjustments	233.04	(4.95)
d) (Return) on plan assets (excluding interest income)	(169.70)	(4.88)
e) Changes in asset ceiling (excluding interest income)	-	-
f) Total remeasurements included in OCI	402.74	(0.07)
Actuarial gain / (loss) for the year on DBO	233.04	(4.95)
Returns above interest cost	(169.70)	(4.88)
Actuarial gain / (loss) for the year on Asset	-	-
Unrecognized actuarial gain/(loss) at the end of the year	-	-
<b>6. Maturity Profile of Defined Benefit Obligation</b>		
1. Within the next 12 months (next annual reporting period)	844.16	597.32
2. Between 1 and 5 years	1,577.43	1,090.66
3. Between 6 and 10 years	459.42	327.51
<b>7. Quantitative sensitivity analysis for significant assumptions is as below</b>		
Impact of the change in discount rate		
Present Value of Obligation at the end of the year		
a. Impact due to increase of 100 Basis Points	2,247.23	1,570.48
b. Impact due to decrease of 100 Basis Points	2,397.93	1,676.39

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)**

(₹ in Lakhs)

Particulars	Gratuity	
	FY 2021-22	FY 2020-21
Impact due to increase in salary		
Present Value of Obligation at the end of the year		
a. Impact due to increase of 1 %	2,385.84	1,668.60
b. Impact due to decrease of 1 %	2,257.22	1,576.85
Attrition Rate		
Present Value of Obligation at the end of the year		
a. Impact due to increase of 1 %	2,309.99	1,615.27
b. Impact due to decrease of 1 %	2,329.97	1,627.93

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.

(₹ in Lakhs)

Sensitivity analysis - DBO end of Period	March 31, 2022	March 31, 2021
1. Discount rate +100 basis points	2,247.23	1,570.48
2. Discount rate -100 basis points	2,397.93	1,676.39
3. Salary Increase Rate +1%	2,385.84	1,668.60
4. Salary Increase Rate -1%	2,257.22	1,576.85
5. Attrition Rate +1%	2,309.99	1,615.27
6. Attrition Rate -1%	2,329.97	1,627.93

(₹ in Lakhs)

Significant Actuarial assumptions	March 31, 2022	March 31, 2021
a) Economic Assumptions		
i. Discounting Rate -current year	6.5%	6.5%
Discounting Rate - Previous Year	6.5%	6.5%
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

Particulars	As at March 31, 2021	As at March 31, 2021	As at March 31, 2021
18	0.000874	43	0.002144
23	0.000936	48	0.003536
28	0.000942	53	0.006174

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

Particulars	As at March 31, 2021	As at March 31, 2021	As at March 31, 2021
33	0.001086	58	0.009651
38	0.001453	60	0.011162

### (C) Defined Term Employee Benefits Leave Obligation

(₹ in Lakhs)

Particulars	Leave Encashment	
	FY 2021-22	FY 2020-21
Present value of unfunded obligation	578.55	395.51
Expenses recognized in statement of Profit and Loss	149.96	113.67
Discount rate (p.a)	6.5%	6.5%
Salary increase rate (p.a)	5%	5%

## 50 RELATED PARTY DISCLOSURES

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

### A. List of Related Parties and Relationships

#### Subsidiaries (The Ownership Directly or Indirectly through subsidiaries)

- 1 MP Highways Private Limited
- 2 PNC Kanpur Highways Limited
- 3 PNC Delhi Industrialinfra Private Limited
- 4 PNC Infra Holdings Limited
- 5 Ferrovial Transrail Solutions Private Limited
- 6 PNC Kanpur Ayodhya Tollways Private Limited
- 7 PNC Raebareilly Highways Private Limited
- 8 PNC Bareilly Nainital Highways Private Limited
- 9 PNC Rajasthan Highways Private Limited
- 10 PNC Bundelkhand Highways Private Limited
- 11 PNC Khajuraho Highways Private Limited
- 12 PNC Chitradurga Highways Private Limited
- 13 PNC Triveni Sangam Highways Private Limited
- 14 PNC Aligarh Highways Private Limited
- 15 PNC Challakere (Karnataka) Highways Private Limited
- 16 PNC Gomti Highways Private Limited
- 17 PNC Unnao Highways Private Limited
- 18 PNC Bithur Kanpur Highways Private Limited
- 19 PNC Meerut Haridwar Highways Private Limited

#### Associate

- 1 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)

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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 Director)
3	Madhavi 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 Director)
9	Anuj Jain (w.e.f February 1, 2022)	(S/o Chakresh Kumar Jain)

### Enterprises over which Key Managerial person are able to exercise significant influence

1	Pradeep Kumar Jain HUF
2	Yogesh Kumar Jain HUF
3	Naveen Kumar Jain HUF
4	M.A. Buildtech Private Limited
5	Taj Infrabuilders Private Limited
6	Subhash International Private Limited
7	Exotica Buildtech Private Limited
8	Shri Mahaveer Infrastructure Private Limited
9	Gional Infratech LLP
10	Royal Megatech Private Limited
11	Ideal Buildtech Private Limited
12	AHVS Infra LLP (w.e.f September 1, 2021)
13	SPIPL Manning Private Limited (w.e.f February 1, 2022)
14	Mahaveer Manning Private Limited (w.e.f February 1, 2022)
15	M.A. Infraprojects Private Limited (w.e.f February 1, 2022)

## B. Transactions with Related Parties

		(₹ in Lakhs)	
S. No.	Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
	<b>Transactions during the Year</b>		
1	<b>Receipt on account of EPC and Other Contract</b>		
	<b>Subsidiaries Companies</b>		
	PNC Kanpur Highways Limited	1,945.86	2,698.86
	PNC Kanpur Ayodhya Tollways Private Limited	5,669.20	5,487.07
	PNC Rajasthan Highways Private Limited	1,138.53	930.45
	PNC Khajuraho Highways Private Limited	10,037.41	30,639.78
	PNC Chitradurga Highways Private Limited	22,179.79	39,378.44
	PNC Bundelkhand Highways Private Limited	22,042.27	29,287.42
	PNC Aligarh Highways Private Limited	11,178.26	38,815.70
	PNC Challakere (Karnataka) Highways Private Limited	27,780.62	8,234.61

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)**

(₹ in Lakhs)

S. No.	Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
	PNC Triveni Sangam Highways Private Limited	47,191.22	36,458.65
	MP Highways Private Limited	270.28	116.31
	PNC Gomti Highways Private Limited	35,272.53	-
	PNC Unnao Highways Private Limited	29,413.94	-
	PNC Bithur Kanpur Highways Private Limited	69,495.35	-
	PNC Meerut Haridwar Highways Private Limited	23,576.84	-
		<b>3,07,192.11</b>	<b>1,92,047.29</b>
<b>2</b>	<b>Payment of Rent/Services</b>		
	<b>Key Managerial Personal (KMP)</b>		
	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
	<b>Relatives of KMP</b>		
	Meena Jain	32.75	32.75
	Madhavi Jain	17.75	17.75
	Renu Jain	17.75	17.75
	Ashita Jain	17.75	17.75
	Anuj Jain	2.00	-
	<b>Enterprises over which Key Managerial person are able to exercise significant influence</b>		
	Pradeep Kumar Jain HUF	18.00	18.00
	Naveen Kumar Jain HUF	15.00	15.00
	Yogesh Kumar Jain HUF	12.00	12.00
	Subhash International Private Limited	71.58	60.64
	Exotica Buildtech Private Limited	18.90	14.40
	Shri Mahaveer Infrastructure Private Limited	4.80	4.80
	M.A. Buildtech Private Limited	3.75	3.75
	Taj Infrabuilders Private Limited	14.44	9.00
	Gional Infratech LLP	60.00	40.00
	Royal Megatech Private Limited	33.50	17.50
	SPIPL Manning Private Limited	5.00	-
	Mahaveer Manning Private Limited	5.00	-
	M.A.Infraprojects Private Limited	8.00	-
	AHVS Infra LLP	8,583.41	-
		<b>8,998.37</b>	<b>338.08</b>
<b>3</b>	<b>Mobilization Advance Received/Security Deposits</b>		
	<b>Subsidiaries Companies</b>		
	PNC Bithur Kanpur Highways Private Limited	10,260.00	9,160.71
	PNC Challakere (Karnataka) Highways Private Limited	5,785.00	5,785.00
	PNC Gomti Highways Private Limited	14,480.36	-
	PNC Meerut Haridwar Highways Private Limited	13,363.57	-
	PNC Unnao Highways Private Limited	16,020.00	-
	<b>Enterprises over which Key Managerial person are able to exercise significant influence</b>		
	Gional Infratech LLP	-	600.00
	Ideal Buildtech Private Limited	50.00	-
		<b>59,958.93</b>	<b>15,545.71</b>
<b>4</b>	<b>Purchase of Investment and Shares Application Money in Equity Share Capital</b>		
	<b>Subsidiaries Companies</b>		
	PNC Infra Holdings Limited	15,401.00	7,334.00

NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(₹ in Lakhs)

S. No.	Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
		<b>15,401.00</b>	<b>7,334.00</b>
<b>5</b>	<b>Loan given</b>		
	<b>Subsidiaries Companies</b>		
	PNC Bundelkhand Highways Private Limited	-	490.00
	PNC Khajuraho Highways Private Limited	1,934.00	1,346.00
	PNC Chitradurga Highways Private Limited	1,700.00	1,300.00
	PNC Triveni Sangam Highways Private Limited	1,372.00	1,862.00
	PNC Aligarh Highways Private Limited	1,274.00	1,783.00
	PNC Gomti Highways Private Limited	-	490.00
	PNC Unnao Highways Private Limited	3,377.00	490.00
	PNC Bithur Kanpur Highways Private Limited	4,261.00	490.00
	PNC Meerut Haridwar Highways Private Limited	466.00	24.00
	PNC Rajasthan Highways Private Limited	2,000.00	-
	PNC Challakere (Karnataka) Highways Private Limited	2,555.00	-
	<b>Associate</b>		
	Ghaziabad Aligarh Expressway Private Limited	4,080.00	114.75
		<b>23,019.00</b>	<b>8,389.75</b>
<b>6</b>	<b>Other Professional, Technical Work Income</b>		
	Subsidiaries Companies		
	Ferrovial Transrail Solutions Private Limited	10.42	-
		<b>10.42</b>	<b>-</b>
<b>7</b>	<b>Interest Expenses</b>		
	<b>Subsidiaries Companies</b>		
	PNC Chitradurga Highways Private Limited	-	64.31
	PNC Bundelkhand Highways Private Limited	-	80.56
	PNC Khajuraho Highways Private Limited	-	43.13
	PNC Triveni Sangam Highways Private Limited	276.41	595.84
	PNC Aligarh Highways Private Limited	-	132.16
	PNC Challakere (Karnataka) Highways Private Limited	313.89	20.21
	PNC Bithur Kanpur Highways Private Limited	547.20	1.19
	PNC Unnao Highways Private Limited	334.82	-
	PNC Gomti Highways Private Limited	352.49	-
	PNC Meerut Haridwar Highways Private Limited	320.93	-
		<b>2,145.73</b>	<b>937.40</b>
<b>8</b>	<b>Interest Income</b>		
	<b>Subsidiaries Companies</b>		
	PNC Aligarh Highways Private Limited	360.18	-
	Enterprises over which Key Managerial person are able to exercise significant influence		
	Gional Infratech LLP	32.00	-
		<b>392.18</b>	<b>-</b>
<b>9</b>	<b>Compensation to Key Managerial Personal*</b>		
	<b>Key Managerial Personal (KMP)</b>		
	Pradeep Kumar Jain	1,200.93	1,111.00
	Chakresh Kumar Jain	1,170.93	1,087.00
	Yogesh Kumar Jain	1,170.93	1,087.00
	Anil Kumar Rao	96.75	171.14
	Talluri Raghupati Rao	76.78	68.68
	Bhupinder Kumar Sawhney	79.58	23.53
	Tapan Jain	25.06	19.99



**NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)**

(₹ in Lakhs)

S. No.	Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
	<b>Director's Sitting fees</b>		
	Chotu Ram Sharma	-	0.80
	Gauri Shankar	1.60	1.70
	Ashok Kumar Gupta	2.00	-
	Kirshna Kumar Jalan	1.10	1.10
	Subhash Chandra Kalia	0.90	-
	Deepika Mittal	1.90	2.00
		<b>3,828.45</b>	<b>3,573.94</b>
<b>10</b>	<b>Relatives of Key Managerial Personal</b>		
	<b>Employee benefit expenses</b>		
	Bijali Rao	16.20	14.58
	Harshvardhan Jain	51.09	28.50
	Ashish Jain	43.80	40.52
		<b>111.09</b>	<b>83.60</b>

\*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, 2022	Year Ended March 31, 2021
<b>1</b>	<b>Balances Outstanding</b>		
	<b>Subsidiaries Companies</b>		
	PNC Rajasthan Highways Private Limited	417.86	135.00
	PNC Delhi Industrialinfra Private Limited	0.73	-
	PNC Bareilly Nainital Highways Private Limited	1.43	0.87
	PNC Raebareli Highways Private Limited	32.99	32.99
	PNC Kanpur Ayodhya Tollways Private Limited	151.72	1,502.46
	MP Highways Private Limited	12.46	47.62
	PNC Kanpur Highways Limited	596.22	219.64
	PNC Bundelkhand Highways Private Limited	11,273.09	5,796.49
	PNC Khajuraho Highways Private Limited	3,661.58	14,186.42
	PNC Aligarh Highways Private Limited	428.68	4,550.60
	PNC Challakere (Karnataka) Highways Private Limited	944.54	8,128.73
	PNC Chitradurga Highways Private Limited	5,323.24	13,848.65
	PNC Gomti Highways Private Limited	20,663.97	-
	PNC Unnao Highways Private Limited	3,220.16	-
	PNC Meerut Haridwar Highways Private Limited	7,447.16	-
	PNC Triveni Sangam Highways Private Limited	11,548.81	1,530.24
	PNC Bithur Kanpur Highways Private Limited	14,768.49	491.01
	<b>Associate</b>		
	Ghaziabad Aligarh Expressway Private Limited	5,508.05	8,892.94
	<b>Relatives of KMP</b>		
	Meena Jain	25.00	25.00
	Madhavi Jain	25.00	25.00
	Renu Jain	25.00	25.00
	Ashita Jain	25.00	25.00
	Anuj Jain	7.00	-
	<b>Enterprises over which Key Managerial person are able to exercise significant influence</b>		
	Subhash International Private Limited	724.23	729.72
	Gional Infratech LLP	628.80	600.00
	Ideal Buildtech Private Limited	50.00	-
	AHVS Infra LLP	285.59	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(₹ in Lakhs)

S. No.	Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>2</b>	<b>Loan Outstanding</b>		
	<b>Subsidiaries Companies</b>		
	PNC Rajasthan Highways Private Limited	4,804.00	3,904.00
	PNC Bareilly Nainital Highways Private Limited	9,650.00	11,412.63
	PNC Bundelkhand Highways Private Limited	5,292.00	5,292.00
	PNC Khajuraho Highways Private Limited	6,480.00	5,346.00
	PNC Aligarh Highways Private Limited	6,419.00	5,145.00
	PNC Challakere (Karnataka) Highways Private Limited	2,947.00	392.00
	PNC Chitradurga Highways Private Limited	6,400.00	4,700.00
	PNC Gomti Highways Private Limited	490.00	490.00
	PNC Unnao Highways Private Limited	3,867.00	490.00
	PNC Meerut Haridwar Highways Private Limited	490.00	24.00
	PNC Triveni Sangam Highways Private Limited	7,009.00	5,637.00
	PNC Bithur Kanpur Highways Private Limited	4,751.00	490.00
	<b>Associate</b>		
	Ghaziabad Aligarh Expressway Private Limited	21,802.00	25,766.56
		<b>1,68,197.79</b>	<b>1,29,882.57</b>
<b>3</b>	<b>Mobilization Advance Payable</b>		
	<b>Subsidiaries Companies</b>		
	PNC Kanpur Ayodhya Tollways Private Limited	172.29	294.51
	PNC Challakere (Karnataka) Highways Private Limited	5,235.65	5,803.69
	PNC Gomti Highways Private Limited	8,797.60	-
	PNC Unnao Highways Private Limited	9,911.22	-
	PNC Meerut Haridwar Highways Private Limited	7,652.41	-
	PNC Triveni Sangam Highways Private Limited	2,945.82	9,917.30
	PNC Bithur Kanpur Highways Private Limited	11,928.25	9,161.82
<b>4</b>	<b>Other Payable</b>		
	<b>Enterprises over which Key Managerial person are able to exercise significant influence</b>		
	Subhash International Private Limited	19.33	-
		<b>46,662.57</b>	<b>25,177.32</b>
<b>5</b>	<b>Corporate Guarantee Given on behalf of**</b>		
	<b>Associate</b>		
	Ghaziabad Aligarh Expressway Private Limited	3,455.07	5,849.24
		<b>3,455.07</b>	<b>5,849.24</b>
<b>6</b>	<b>Capital Commitment for Equity Given on behalf of***</b>		
	<b>Subsidiaries Companies</b>		
	PNC Chitradurga Highways Private Limited	-	2,901.00
	PNC Bundelkhand Highways Private Limited	2,000.00	1,363.00
	PNC Khajuraho Highways Private Limited	-	1,910.00
	PNC Triveni Sangam Highways Private Limited	4,956.00	8,025.00
	PNC Aligarh Highways Private Limited	-	2,591.00
	PNC Challakere (Karnataka) Highways Private Limited	6,015.00	10,200.00
	PNC Bithur Kanpur Highways Private Limited	9,695.00	18,390.00
	PNC Gomti Highways Private Limited	12,982.00	12,982.00
	PNC Unnao Highways Private Limited	7,889.00	14,781.00
	PNC Meerut Haridwar Highways Private Limited	11,834.00	12,300.00
		<b>55,371.00</b>	<b>85,443.00</b>

\*\* For details refer Note 42

\*\*\* For details refer Note 43

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 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.

### 51 CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company planned towards Corporate Social Responsibility (CSR) activities at least two % of the average net profits of the Company made during the three immediately preceding financial years. The areas for CSR activities are promoting education, healthcare, social welfare, art & culture, empowering women, COVID-19 relief.

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
i) Amount required to be spent by the Company during the year	1,047.80	809.00
ii) Amount of expenditure incurred	1,049.28	810.35
iii) Shortfall at the end of the year	-	-
iv) Nature of CSR activities	Promoting education, healthcare, Social Welfare, art & culture, Empowering Women, COVID-19 relief	

### 52 NON CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Investments in equity instruments*		
In Associate		
2,93,24,000 Equity shares of Ghaziabad Aligarh Expressway Private Limited of ₹ 10/- each	2,932.40	-
Less : Impairment loss on investment (Refer note no 38)	2,856.82	-
	<b>75.58</b>	-

\* Refer note no 57

### 53 LEASES

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>Gross carrying value</b>		
Opening Balance	920.09	995.46
Addition during the year	1,297.24	192.56
Disposal / Adjustments	-	267.93
	<b>2,217.33</b>	<b>920.09</b>
<b>Accumulated Depreciation</b>		
Opening Balance	415.03	266.89
Addition during the year	418.81	148.14
Disposal / Adjustments	-	-
	<b>833.84</b>	<b>415.03</b>
<b>Net Block</b>	<b>1,383.49</b>	<b>505.06</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### Lease Liabilities

Particulars	(₹ in Lakhs)	
	Year Ended March 31, 2022	Year Ended March 31, 2021
Opening Balance	368.68	680.94
Addition during the year	1,297.24	192.56
Disposal / Adjustments	(141.57)	166.74
Payment	397.06	338.08
	<b>1,410.43</b>	<b>368.68</b>

### Maturity Analysis of Lease Liability has been disclosed as follows

Particulars	(₹ in Lakhs)	
	Amount	
0 - 1 year	362.10	
1 - 5 year	859.38	
More than 5 year	188.95	

**54** The Company and S P 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."

**55** The Company and SPML Infra Limited has formed a Joint Venture ( JV ) namely "PNC-SPSCPL JV" (Jointly controlled operation) specifying their division of execution. Various rural water supply projects were awarded to JV by Executive Director, State Water and Sanitation Mission(SWSM).

The JV has further awarded the contract to Joint Venturers in their division of execution as specified in the contract with Executive Director, State Water and Sanitation Mission(SWSM).

The billing to Executive Director, State Water and Sanitation Mission(SWSM) 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.

### **56 OTHER STATUTORY INFORMATION**

- (i) The Company do not have any benami property, and no proceeding has been initiated against the Company for holding any benami property
- (ii) The Company do not have any transactions with companies struck off
- (iii) The Company do not have any charges or satisfaction which is yet to be registered with MCA beyond the statutory period
- (iv) The Company have not traded or invested in crypto currency or virtual currency during the financial year
- (v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries) or
  - b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
  - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
  - b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

- (vii) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)
- (viii) The Company have not declared willful defaulter by any banks, any other financial institution or other lender at any time during the financial year
- (ix) All immovable properties are held in the name of the Company

### 57 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE :

- (i) The Company, along with its wholly owned subsidiary, PNC Infra Holdings Limited and other partners/promoters, on April 1, 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"). This transaction was subject to receipt of applicable regulatory and complying with the conditions precedent, more specifically laid down in the share purchase agreement. During the year, the Company had provided impairment of ₹ 12,972.12 lakhs in other expenses. Now the deal is finally concluded on May 26, 2022 and total consideration has been received.
- (ii) The Company recommended a dividend @ 25 % i.e. ₹ 0.50/- (Fifty Paise) per equity share of ₹ 2/- each for the financial year 2021-22 subject to approval of members in the ensuring annual general meeting
- Except (i) & (ii) There are no event occurring after the Balance sheet date for the financial year 2021-22

58 Previous year figures have been reclassified / regrouped, wherever necessary.

### 59 RATIOS

(₹ in Lakhs)

Sr. No.	Particulars	Year ended			Reason for variation
		March 31, 2022	March 31, 2021	Variation	
1	<b>Current Ratio (times)</b>	2.72	2.16	25.8%	Higher trade receivables and lower trade payables has resulted in higher current ratio
	(Current assets divided by current liabilities)				
2	<b>Debt-Equity Ratio (times)</b>	0.06	0.14	-52.9%	Due to early repayment of Long term borrowings
	(Long-term borrowings, Short-term borrowings and current maturities of long term borrowings divided by total equity)				
3	<b>Debt Service Coverage Ratio (times)</b>	3.04	6.74	-54.8%	Due to early repayment of Long term borrowings
	(Earning before Interest, Tax, Depreciation & Amortization and Exceptional item divided by Interest Expenses on Long term and Short term borrowing during the period together with schedule principal repayment of Long-term borrowings and current maturities of long term borrowings)				
4	<b>Return on Equity Ratio (%)</b>	13.41%	12.44%	7.7%	
	(Profit after Tax divided by Total Equity)				
5	<b>Inventory turnover Ratio (times)</b>	10.71	11.46	-6.5%	
	(Cost of Goods sold divided by Average inventory)				
	Cost of Goods sold = Cost of materials consumed + Contract Paid + Construction expenses				

NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(₹ in Lakhs)

Sr. No.	Particulars	Year ended			Reason for variation
		March 31, 2022	March 31, 2021	Variation	
6	<b>Trade Receivable turnover Ratio (times)</b> (Revenue from operation divided by Average Trade Receivable)	5.97	6.00	-0.4%	
7	<b>Trade Payable turnover Ratio (times)</b> (Purchase divided by Average Creditor)	5.58	4.06	37.6%	During the current period, cost of raw material increased there by value credit purchase of inventories increased
8	<b>Net Capital turnover Ratio (times)</b> (Revenue from operation divided by Average Shareholder fund)	2.02	1.81	11.8%	
9	<b>Net Profit Ratio (%)</b> (Profit after Tax divided by Revenue from operation)	7.10%	7.35%	-3.4%	
10	<b>Return on Capital employed (%)</b> (EBITDA divided by Capital employed (capital employed includes total equity, Long term borrowings and current maturities of long term borrowing)	22.14%	20.46%	8.2%	
11	<b>Return on Investment (%)</b> (Profit after Tax divided by Total Assest)	8.45%	7.45%	13.3%	

As per our report of even date attached

For **NSBP & Co.**

Chartered Accountants

Firm Registration No. 001075N

**Deepak K. Aggarwal**

Partner

Membership No. 095541

Place: New Delhi

Date: May 28, 2022

On behalf of the Board of Directors

**Pradeep Kumar Jain**

Chairman and Managing Director

DIN. - 00086653

Place: Agra

Date: May 28, 2022

**Tapan Jain**

Company Secretary

M. No. A22603

Place: Agra

Date: May 28, 2022

**Chakresh Kumar Jain**

Managing Director

DIN. - 00086768

Place: Agra

Date: May 28, 2022

**Bhupinder Kumar Sawhney**

Chief Financial Officer

Place: Agra

Date: May 28, 2022



# 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** (hereinafter referred to as the 'Holding Company'), its subsidiaries / step down subsidiaries (the Holding Company and its subsidiaries/step down subsidiaries together referred to as "the Group") and its associate, as listed in Annexure-1, which comprise the consolidated balance sheet as at March 31, 2022, and 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 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 and based on the consideration of report of other auditor on separate financial statement of the subsidiaries/step down subsidiaries and associate referred to in the other matters section below, 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 the Indian Accounting Standards prescribed under section 133 of the Act read with the relevant Rules made thereunder, 2015, as amended and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group and associate company as at March 31, 2022 and their consolidated profit, their consolidated total comprehensive income, their consolidated changes in equity and their consolidated cash outflows 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

specified under section 143(10) of the Act (SAs). 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 and its associate 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 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 obtained by us and the audit evidence obtained by the other auditor in terms of their report referred to in Other Matters paragraph below, 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 and in the judgment of the component auditor were of most significance in our audit of the consolidated financial statements of the current year. 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. Key audit matters identified by us and the component auditor (as stated in their respective audit report) are presented below.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of

the Consolidated Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Financial Statements.

## INDEPENDENT AUDITOR'S REPORT (Contd.)

All Key Audit Matter related to holding company describe below:

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><b>1) Revenue Recognition for Construction contracts</b></p> <p>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.</p> <p>Refer Note 2.10 and Note 34 of the consolidated financial statements.</p>	<p>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.</p> <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of company's revenue recognition policies and reviewed compliance in terms of provisions of Ind-AS 115.</li> <li>• Performed assessment that the revenue recognition method applied was appropriate based on the terms of the arrangement and contract;</li> <li>• Obtained an understanding of the revenue recognition processes including documentation maintained and tested key internal controls impacting revenue, on sample basis;</li> <li>• Assessed the reliability of management's estimates by comparing the actual outcome of completed projects with previous estimated timelines;</li> </ul>
<p><b>2) Impairment Assessment of carrying value of equity investment, unsecured loan and trade receivable in Associate.</b></p> <p>(Refer to Note 2.18, 7, 14, 16, 19 and 60 of the financial statement) (Rs. 13,949.51 Lakhs)</p> <p>During the year, company has made the impairment testing for amount recoverable in an associate in the form of investment, unsecured loans and trade receivable.</p> <p>Subsequent to the year end, Company has enter into an agreement for transfer of investment into equity and along with the outstanding unsecure loan and trade receivable to Cube Highways and Infrastructure Pte Ltd. The recoverable value of mentioned asset is lesser than the carrying value of the asset.</p> <p>The deals has already been concluded before adoption of financial statement and the actual value of the impairment provision aggregating to Rs. 13949.51 Lakhs is booked as loss in the consolidated financial statement.</p>	<p><b>Our Audit Procedures included the following:</b></p> <ul style="list-style-type: none"> <li>• Obtained understanding of the process, evaluated the design and tested operating effectiveness of controls in respect of impairment assessment of investments in equity investment.</li> <li>• Held discussions with management regarding appropriate implementation of policy on impairment.</li> <li>• Considering the terms and conditions mentioned in Share purchase agreement entered by the company for disposal of investment in associate.</li> <li>• Verification or reconciliation of the amount realized against the carrying value of the assets in the consolidated financial statement and impairment provision has been made accordingly against investment, unsecured loan and trade receivable.</li> <li>• We have verified the subsequent proceeds of the amount realized form the buyers towards disposal of the investment in associate including trade receivable and unsecured loan.</li> <li>• We observe the necessary documentation relating to the agreement between company and buyer.</li> <li>• Assessed the completeness and accuracy of the disclosures in the financial statements (refer note 2.18, 7, 14, 16, 19 and 60 of the consolidated financial statements).</li> </ul>

## INDEPENDENT AUDITOR'S REPORT (Contd.)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>3) Litigations Matters &amp; Contingent liabilities (as described in note no.43.1 of the consolidated financial statements)</p> <p>The Company is subject to claims and litigations. Major risks identified by the Company in that area relate to claims against the company and taxation matters. The amounts of claims and litigations may be significant and estimates of the amounts of provisions or contingent liabilities are subject to significant management judgment.</p> <p>Due to complexity involved in these litigation matters, management's judgment regarding recognition and measurement of provisions for these legal proceedings is inherently uncertain and might change over time as the outcomes of the legal cases are determined and it has been considered as a key audit matter.</p>	<p>Principal Audit Procedures:</p> <ul style="list-style-type: none"> <li>Assessing the procedures implemented by the company to identify and gather the risks it is exposed to.</li> <li>Discussion with the management on the development in these litigations during the year ended 31st March, 2022.</li> <li>Obtaining an understanding of the risk analysis performed by the company, with the relating supporting documentation and studying written statements from internal / external legal experts, when applicable.</li> <li>Verification that the accounting and / or disclosures as the case may be in the consolidated financial statements is in accordance with the assessment of legal counsel/management.</li> <li>Obtaining representation letter from the management on the assessment of those matters as per SA 580 (revised) - written representations.</li> </ul>

### Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this Auditor's Report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance 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 such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in audit or otherwise appears to be materially misstated.

When we read the other information identified above, if we conclude that there is a material misstatement therein we are required to communicate the matter to those charged with governance.

### Management's Responsibilities for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements 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 and its associate company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended thereof.

The respective Boards of Directors of the companies included in the Group and its associate company are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its associate 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 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 its associate are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intend to liquidate their respective entities or to cease operations, or have no realistic alternative but to do so.

## INDEPENDENT AUDITOR'S REPORT (Contd.)

The respective Boards of Directors of the companies included in the Group and its associate are also responsible for the overseeing their financial reporting process.

### 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 control 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 associate company which are incorporated in India, 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 the 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 ability of the Group and its associate 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 associate 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 statements/ information of the entities or business activities within the Group and its associate of which we are the independent auditors 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 auditors. For the other entity included in the consolidated financial statements, which have been audited by other auditor, such other auditor remains responsible for the direction, supervision and performance of the audit 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 consolidated 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 consolidated financial statements.

We communicate with those charged with governance of the holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors 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

## INDEPENDENT AUDITOR'S REPORT (Contd.)

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.

We also performed procedures in accordance with the Circular issued by the Securities Exchange Board of India under Regulation 33(8) under (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

### Other Matter

- (a) We did not audit the financial statements of nineteen subsidiaries / step down subsidiaries whose financial statements reflect total assets of Rs. 9,03,508.07 lakhs, total revenue of Rs. 3,79,447.80 lakhs, total net profit after tax of Rs. 10,479.04 lakhs, total comprehensive income of Rs. 10,466.06 lakhs and net cash outflow of Rs. 861.33 lakhs for the year ended on March 31, 2022, as considered in the Consolidated financial statements. These financial statements and other information have been audited by other auditors, whose reports have been furnished to us by the management 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 / step down 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 / step down subsidiaries, is based solely on the report of the other auditors.
- (b) We did not audit the financial statement of one associate whose financial statement reflect total assets of Rs. 1,30,652.06 lakhs, total revenue of Rs. 22,550.22 lakhs, total net profit / (losses) after tax of Rs. (33,135.67) lakhs, total comprehensive income / (losses) of Rs. (33,127.71) lakhs and net cash outflow of Rs.85.47 lakhs for the year ended on March 31, 2022. These financial statements and other information have been audited by other auditor, whose reports have been furnished to us by the management 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 associate, is based solely on the report of the such auditor.
- (c) We did not audit the financial statement of three joint operations whose financial statements reflect total assets of Rs. 26,271.65 lakhs, total revenue of Rs. 44,044.51 lakhs, total net profit after tax of Rs. 35.80 lakhs, total comprehensive income of Rs. 35.80 lakhs

and net cash inflow of Rs. 3,129.38 lakhs for the year ended on March 31, 2022. These financial statements and other information have been audited by other auditor, whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of joint operations, is based solely on the report of the other auditor.

- (d) The consolidated financial statements of the Company for the year ended March 31, 2021, were audited by predecessor auditor, S.S Kothari Mehta & Company, who have expressed an unmodified opinion on those consolidated financial statement vide their audit report dated on June 25, 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 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

- 1 As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, based on the consideration of the Order reports issued till date by us and by the respective other auditor as mentioned Other matter paragraph, of companies included in the consolidated financial statements for the year ended 31 March 2022 and covered under the Act, refer Annexure A for details of qualifications and/or adverse remarks given by the respective auditors in the Order reports of such companies.
- 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 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 by the group and its associate so far as it appears from our examination of those books and the report of other auditor;
  - c. The consolidated balance sheet, the consolidated statement of profit and loss (including Other Comprehensive Income, the consolidated statement of cash flows and the consolidated statement of changes in equity dealt with by this



## INDEPENDENT AUDITOR'S REPORT (Contd.)

- Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d. In our opinion, the aforesaid consolidated financial statements comply with the specified under Section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended, thereof;
- e. On the basis of the written representations received from the directors of the Holding Company and its subsidiaries / step down subsidiaries as on March 31, 2022 and taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditor of its subsidiaries / step-down subsidiaries and associate company incorporated in India, none of the directors of the Group and its associate Companies incorporated in India is disqualified as on March 31, 2022 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 over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" which is based on the auditor's reports of the group and its associate incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the group and its associate company internal financial control over financial reporting of those company, for reasons stated therein; and
- g. In our opinion and to the best of our information and according to the explanations given to us and the report of the other auditor the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and
- 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 and based on the consideration of the report of the other auditor on separate financial statements and other financial information of the subsidiaries / step down subsidiaries and associate incorporated in India whose financial statements have been audited under the Act:
- i. The Consolidated financial statement disclosed the impact of pending litigations as at March 31, 2022 on its financial position in its consolidated financial statements –
- Refer Note 43.1 to the Consolidated financial statements;
- ii. The Group and its associate has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries / step down subsidiaries and associate Company incorporated in India during the year ended March 31, 2022.
- iv. (a) The respective managements of the Holding Company and its subsidiaries / step down subsidiaries and associate company incorporated in India whose financial statements have been audited under the Act have represented to us, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiaries / step down subsidiaries and associate company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or subsidiaries / step down subsidiaries and associate company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
- (b) The respective managements of the Holding Company and its subsidiaries / step-down subsidiaries and its associate company incorporated in India whose financial statements have been audited under the Act have represented to us, no funds have been received by the Holding Company or its subsidiaries / step down subsidiaries and associate company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded



**INDEPENDENT AUDITOR'S REPORT (Contd.)**

- in writing or otherwise, that the Holding Company, or any such subsidiaries / step down subsidiaries and associate company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on such audit procedures performed by us and that performed by the auditor of the subsidiaries / step-down subsidiaries and its associate as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditor notice that has caused us or the other auditor to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. As stated in Notes 21 to the consolidated financial statement:
- a) The final dividend proposed in the previous year, declared and paid by the Holding company during the year is in accordance with Section 123 of the Act, as applicable.
- b) The Board of Director of the Holding Company have proposed final dividend for the year, which is subject the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable.

For **NSBP & Co.**

Chartered Accountants  
Firm Registration No. 001075N

**Deepak K. Aggarwal**

Partner

Place: New Delhi  
Date: May 28, 2022

Membership No: 095541  
UDIN:- 22095541AKDFTB5336

## “ANNEXURE A”

### TO THE CONSOLIDATED AUDITOR'S REPORT TO THE MEMBERS OF PNC INFRA TECH LIMITED ON ITS FINANCIAL STATEMENTS DATED MAY 28, 2022.

With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by Holding company and the auditor of the subsidiaries / step down subsidiaries and associate included in the consolidated financial statements of the Holding Company, to which reporting under CARO is applicable, provided to us by the management of the Holding company and based on the identification of matters of Qualification / adverse remarks in their CARO reports by the respective auditor's and provided to us, we report that the auditors of such companies have not reported any qualifications or adverse remarks., except as stated below:

S No	Name	CIN	Holding Company / subsidiaries / step down subsidiaries/ Associate / Joint Venture	Clause number of the CARO report which is qualified or adverse
1	Ghaziabad Aligarh Expressway Private Limited	U70101DL2009PTC197148	Associate Company	3(ix)(a)

For **NSBP & Co.**  
Chartered Accountants  
Firm Registration No. 001075N

**Deepak K. Aggarwal**  
Partner  
Membership No: 095541  
UDIN:- 22095541AKDFTB5336

Place: New Delhi  
Date: May 28, 2022

## “ANNEXURE B”

### TO THE INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PNC INFRA TECH LIMITED ('THE HOLDING COMPANY') ON ITS CONSOLIDATED FINANCIAL STATEMENTS DATED MAY 28, 2022.

#### 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") as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section.

In conjunction with our audit of the consolidated financial statement of **PNC Infratech Limited** as of and for the year ended March 31, 2022. We have audited the Internal Financial Controls over Financial Reporting of **PNC Infratech Limited** (hereinafter referred to as the "Holding Company") and its subsidiaries / step down subsidiaries (the Holding Company and its subsidiaries / step down subsidiaries together referred to as "the Group") and its associate, all incorporated in India, for the year ended on that date.

#### Management's Responsibilities for Internal Financial Controls

The respective Management and Board of Directors of the Holding Company, Subsidiaries / step down subsidiaries and its associate which are incorporated in India are responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the respective companies 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" ("The 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 Group's and its associate internal financial controls over financial reporting 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 Institute of Chartered Accountants of India, as specified 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 over financial reporting 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 over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgement, including the assessment of the risks of material misstatement of the consolidated 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 Group's and its associate internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A Group's and its associate internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A Group's and its associate internal financial control over financial reporting includes those policies and procedures that:

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Group and its associate;
- b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Group and its associate are being made only in accordance with authorizations of management and directors of the respective Holding, subsidiaries / step down subsidiaries and its associate; and
- c) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Group's and its associate assets that could have a material effect on the consolidated financial statements.

**"ANNEXURE B"**

**TO THE INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PNC INFRA TECH LIMITED ('THE HOLDING COMPANY') ON ITS CONSOLIDATED FINANCIAL STATEMENTS DATED MAY 28, 2022. (Contd.)**

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiaries / step down subsidiaries and associate company incorporated in India have maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by the Group and its associate incorporated in India 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 Matter**

Our aforesaid reports under Section 143(3) (i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to, nineteen subsidiaries/step-down subsidiaries and one associate company which are incorporated in India, is based on the corresponding reports of the auditors of such companies, wherever applicable.

Our audit report is not modified in respect of above matters.

For **NSBP & Co.**  
Chartered Accountants  
Firm Registration No. 001075N

**Deepak K. Aggarwal**  
Partner  
Membership No: 095541  
UDIN:- 22095541AKDFTB5336

Place: New Delhi  
Date: May 28, 2022

**ANNEXURE I****LIST OF ENTITIES INCLUDED IN THE STATEMENT****I) Subsidiaries / step down subsidiaries:**

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

11. PNC khajuraho Highways Private Limited
12. PNC Bundelkhand Highways Private Limited
13. PNC Triveni Sangam Highways Private Limited
14. PNC Aligarh Highways Private Limited
15. PNC Challakere (Karnataka) Highways Private Limited
16. PNC Bithur Kanpur Highways Private Limited
17. PNC Gomti Highways Private Limited
18. PNC Unnao Highways Private Limited
19. PNC Meerut Haridwar Highways Private Limited.

**II) Associate:**

1. Ghaziabad Aligarh Expressway Private Limited

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2022

(₹ In Lakh)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>(1) Non - current assets</b>			
(a) Property, plant and equipments	4	57,722.01	65,240.22
(b) Right of use assets	4	1,383.49	505.06
(c) Capital work-in-progress	5	-	341.59
(d) Intangible Assets	6	89,053.66	1,13,949.71
(e) Financial assets			
(i) Investments	7	55.54	4,064.75
(ii) Trade receivables	8	5,18,437.32	4,04,307.34
(iii) Other financial assets	9	8,126.62	12,398.00
(f) Deferred tax asset	10	604.10	4,151.04
(g) Other non - current assets	11	1,00,257.55	71,564.32
<b>Total Non-current assets</b>		<b>7,75,640.29</b>	<b>6,76,522.03</b>
<b>(2) Current assets</b>			
(a) Inventories	12	48,078.96	35,359.49
(b) Financial assets			
(i) Investments	13	42,317.85	53,795.05
(ii) Trade receivables	14	66,575.48	39,278.59
(iii) Cash and cash equivalents	15(i)	52,126.89	84,688.67
(iv) Bank balances other than (iii) above	15(ii)	22,602.81	9,763.39
(v) Loans	16	26,987.00	27,971.56
(vi) Other financial assets	17	7,915.06	5,624.09
(c) Other current assets	18	22,068.23	24,521.95
Total Current assets		2,88,672.28	2,81,002.79
(d) Assets classified as held for sale	19	175.00	-
<b>Total Assets</b>		<b>10,64,487.57</b>	<b>9,57,524.82</b>
<b>Equity and liabilities</b>			
<b>(3) Equity</b>			
(a) Equity share capital	20	5,130.78	5,130.78
(b) Other equity	21	3,57,678.48	3,00,185.23
Equity attributable to owners of the parent Company		3,62,809.26	3,05,316.01
Non-controlling interest		(22.10)	(47.50)
<b>Total Equity</b>		<b>3,62,787.16</b>	<b>3,05,268.51</b>
<b>(4) Liabilities</b>			
<b>Non - current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	22	4,33,659.27	3,73,489.11
(ii) Lease liabilities	23	1,048.33	188.46
(iii) Trade payables	24	11,973.33	41,585.75
(iv) Other financial liabilities	25	33,176.59	25,424.23
(c) Provisions	26	32,711.55	28,021.67
(d) Other non - current liabilities	27	17,608.08	19,992.92
Total Non-current Liabilities		5,30,177.15	4,88,702.14
<b>(5) Current liabilities</b>			
<b>(a) Financial liabilities</b>			
(i) Borrowings	28	44,224.45	45,359.29
(ii) Lease liabilities	29	362.10	180.22
(iii) Trade payables	30		
(a) Total outstanding dues of micro and small enterprises		4,388.59	2,725.33
(b) Total outstanding dues of creditors other than micro and small enterprises		47,038.70	69,884.19
(iv) Other financial liabilities	31	23,764.46	28,551.95
(b) Other current liabilities	32	49,657.65	12,279.57
(c) Provisions	33	2,087.31	4,573.62
<b>Total Current Liabilities</b>		<b>1,71,523.26</b>	<b>1,63,554.17</b>
<b>Total Equity &amp; Liabilities</b>		<b>10,64,487.57</b>	<b>9,57,524.82</b>

The accompanying notes form an integral part of these consolidated financial statements

As per our report of even date attached

For NSBP & Co.

Chartered Accountants

Firm Registration No. 001075N

**Deepak K. Aggarwal**

Partner

Membership No. 095541

Place: New Delhi

Date: May 28, 2022

On behalf of the Board of Directors

**Pradeep Kumar Jain**

Chairman and Managing Director

DIN. - 00086653

Place: Agra

Date: May 28, 2022

**Tapan Jain**

Company Secretary

M. No. A22603

Place: Agra

Date: May 28, 2022

**Chakresh Kumar Jain**

Managing Director

DIN. - 00086768

Place: Agra

Date: May 28, 2022

**Bhupinder Kumar Sawhney**

Chief Financial Officer

Place: Agra

Date: May 28, 2022



# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

AS AT MARCH 31, 2022

(₹ In Lakh)

Particulars	Notes	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>INCOME:</b>			
I Revenue from operations	34	7,20,803.56	5,78,756.85
II Other income	35	8,898.63	10,746.91
<b>III Total Income (I+II)</b>		<b>7,29,702.19</b>	<b>5,89,503.76</b>
<b>IV Expenses:</b>			
Cost of material consumed	36	3,19,274.89	2,24,403.71
Employee benefit expenses	37	37,865.81	30,728.24
Finance costs	38	42,532.23	42,606.71
Depreciation and amortization expenses	39	39,019.50	36,324.63
Other expenses	40	2,10,215.50	1,81,452.58
<b>Total Expenses (IV)</b>		<b>6,48,907.93</b>	<b>5,15,515.87</b>
<b>V Profit before tax &amp; Exceptional items (III-IV)</b>		<b>80,794.26</b>	<b>73,987.89</b>
VI Exceptional items	61	(185.00)	-
<b>VII Profit before tax (V+VI)</b>		<b>80,609.26</b>	<b>73,987.89</b>
<b>VIII Tax expense:</b>			
Current Tax	41	19,340.16	23,321.74
Mat credit entitlement		(27.88)	-
Tax for earlier years		(409.43)	(76.70)
Deferred tax charge/(credit)	10	3,663.44	1,479.29
<b>Total Tax (VIII)</b>		<b>22,566.28</b>	<b>24,724.33</b>
<b>IX Profit after tax for the year (VII-VIII)</b>		<b>58,042.98</b>	<b>49,263.56</b>
X Add: Share in profit of associate		-	426.69
<b>XI Profit for the year after share of profit in associate (IX+X)</b>		<b>58,042.98</b>	<b>49,690.25</b>
<b>Profit for the year attributable to:</b>			
- Owners of the parent		58,017.58	49,737.75
- Non- controlling interest		25.40	(47.50)
<b>XII Other Comprehensive Income</b>			
(i) Items that will not be reclassified to profit or loss			
- Actuarial gain/(loss) on defined benefit plans		(453.27)	(33.21)
(ii) Income tax relating to above items		114.15	10.16
<b>XIII Total Comprehensive Income for the year XIII (XI+XII)</b>		<b>57,703.86</b>	<b>49,667.20</b>
<b>Other comprehensive income for the year attributable to:</b>			
- Owners of the parent		(339.24)	(23.18)
- Non-controlling Interest		0.12	0.13
<b>Total comprehensive income for the year attributable to:</b>			
- Owners of the parent		57,678.35	49,714.57
- Non-controlling Interest		25.52	(47.37)
Earnings per equity share of ₹ 2/- each	42		
<b>Basic (in ₹)</b>		<b>22.63</b>	<b>19.37</b>
<b>Diluted (in ₹)</b>		<b>22.63</b>	<b>19.37</b>

The accompanying notes form an integral part of these consolidated financial statements

As per our report of even date attached

For **NSBP & Co.**

Chartered Accountants

Firm Registration No. 001075N

**Deepak K. Aggarwal**

Partner

Membership No. 095541

Place: New Delhi

Date: May 28, 2022

On behalf of the Board of Directors

**Pradeep Kumar Jain**

Chairman and Managing Director

DIN. - 00086653

Place: Agra

Date: May 28, 2022

**Tapan Jain**

Company Secretary

M. No. A22603

Place: Agra

Date: May 28, 2022

**Chakresh Kumar Jain**

Managing Director

DIN. - 00086768

Place: Agra

Date: May 28, 2022

**Bhupinder Kumar Sawhney**

Chief Financial Officer

Place: Agra

Date: May 28, 2022

## CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2022

(₹ In lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>I (A) CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>Net Profit before tax and exceptional items</b>	<b>80,794.26</b>	<b>73,987.89</b>
<b>Adjustments to reconcile Profit before tax to net cash flows:</b>		
Depreciation and amortization expenses	39,019.50	36,324.63
Finance cost	42,532.23	42,606.71
Interest income	(2,297.55)	(3,307.74)
Loss/(Profit) on sale of investments(net)	(3,488.03)	(4,210.76)
Loss/(Profit) on sale of property, plant and equipments (net)	(33.70)	4.66
Loss/(Gain) on fair valuation of Investments (net)	318.95	(32.64)
Loss/ (Gain) on foreign exchange fluctuations (net)	(40.00)	18.01
Impairment allowance	13,949.51	-
Allowance for expected credit loss	698.77	546.62
Non-cash items	25.68	5.62
Other non-operating income	(3,398.29)	(3,195.78)
<b>Operating Profit Before Working Capital Changes</b>	<b>1,68,081.33</b>	<b>1,42,747.23</b>
<b>Adjustments for changes in Working Capital :</b>		
(Increase)/Decrease in inventories	(12,719.47)	(8,630.55)
(Increase)/Decrease in trade receivables	(1,44,599.62)	(83,264.52)
(Increase)/Decrease in other assets	(33,292.63)	(18,594.84)
(Increase)/Decrease in other financial assets	1,980.40	1,755.45
Increase/(Decrease) in trade payables	(51,493.42)	3,190.88
Increase/(Decrease) in other liabilities and provisions	41,248.45	(31,055.65)
Increase/(Decrease) in other financial liabilities	4,006.63	36,058.65
<b>Cash Generated From Operating activities</b>	<b>(26,788.33)</b>	<b>42,206.66</b>
Direct taxes paid	(22,884.42)	(23,245.04)
<b>Cash Generated from operating activities</b>	<b>(49,672.75)</b>	<b>18,961.62</b>
Exceptional items	(185.00)	-
<b>Cash Generated from operating activities after exceptional Items</b>	<b>(49,857.75)</b>	<b>18,961.62</b>
<b>Net cash generated from/(used in) operating activities (A)</b>	<b>(49,857.75)</b>	<b>18,961.62</b>
<b>(B) Cash flow from investing activities:</b>		
Purchase of property, plant & equipments (including capital work in progress)	(8,101.19)	(18,812.10)
Proceeds from property, plant & equipments	2,086.55	425.59
Sale of investments	76,716.49	1,54,314.52
Purchase of Investments	(62,070.20)	(1,63,065.09)
Bank balances not considered as cash & cash equivalents	(12,839.42)	(2,281.94)
Other non-operating income	3,398.29	3,195.78
Loans (given)/realised	984.56	(2,319.77)
Interest income	2,297.55	3,307.74
<b>Net cash generated from/(used in) investing activities (B)</b>	<b>2,472.64</b>	<b>(25,235.27)</b>
<b>(C) CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from long term borrowings	1,02,376.31	74,549.21
Repayment of long term borrowings	(43,341.00)	(25,273.03)
Finance cost paid	(42,532.23)	(42,606.71)
Lease payment including interest	(397.06)	(338.08)
Dividend paid	(1,282.70)	-
<b>Net cash generated from/(used in) financing activities</b>	<b>14,823.33</b>	<b>6,331.39</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>(32,561.78)</b>	<b>57.74</b>
<b>Opening cash &amp; cash equivalents</b>	<b>84,688.67</b>	<b>84,630.93</b>
<b>Closing Cash and cash equivalents</b>	<b>52,126.89</b>	<b>84,688.67</b>

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(₹ In lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>II Cash &amp; Cash equivalents included in Cash Flow Statement comprise of following (Refer note no. 15(i))</b>		
Current account	37,701.70	30,698.48
Fixed deposits	14,140.78	53,778.19
Cash on hand	284.41	212.00
<b>Total</b>	<b>52,126.89</b>	<b>84,688.67</b>

### CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Particulars	As at April 1, 2021	Cash Flow	Non Cash Changes	As at March 31, 2022
Non current borrowings (including current maturities of non-current borrowings)	4,16,830.10	59,035.31	611.69	4,76,477.11
Lease liabilities	368.68	(397.06)	1,438.81	1,410.44

Particulars	As at April 1, 2020	Cash Flow	Non Cash Changes	As at March 31, 2021
Non current borrowings (including current maturities of non-current borrowings)	3,49,874.85	49,276.18	17,679.07	4,16,830.10
Lease liabilities	680.94	(338.08)	25.82	368.68

- (i) Figures in bracket indicate cash outflow.
- (ii) The above cash-flow statement has been prepared under the "Indirect method" as set out in "Ind AS-7 Statement of cash flows" specified u/s 133 of the Companies act, 2013.
- (iii) Previous year figures have been regrouped and recasted wherever necessary to conform to the current year classification.

The accompanying notes form an integral part of these consolidated financial statements

As per our report of even date attached

For **NSBP & Co.**  
Chartered Accountants  
Firm Registration No. 001075N

**Deepak K. Aggarwal**  
Partner  
Membership No. 095541

Place: New Delhi  
Date: May 28, 2022

**On behalf of the Board of Directors**

**Pradeep Kumar Jain**  
Chairman and Managing Director  
DIN. - 00086653  
Place: Agra  
Date: May 28, 2022

**Tapan Jain**  
Company Secretary  
M. No. A22603  
Place: Agra  
Date: May 28, 2022

**Chakresh Kumar Jain**  
Managing Director  
DIN. - 00086768  
Place: Agra  
Date: May 28, 2022

**Bhupinder Kumar Sawhney**  
Chief Financial Officer  
Place: Agra  
Date: May 28, 2022

## STATEMENT OF CONSOLIDATED CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2022

### A. EQUITY SHARE CAPITAL

(₹ In lakhs)

Equity shares of ₹ 2 each issued , subscribed & fully paid up	No. of Shares	Amount
Balance as at April 1, 2020	25,65,39,165	5,130.78
Changes in equity share capital during FY 2020-21	-	-
Balance as at March 31, 2021	25,65,39,165	5,130.78
Changes in equity share capital during FY 2021-22	-	-
<b>Balance as at March 31, 2022</b>	<b>25,65,39,165</b>	<b>5,130.78</b>

### B. OTHER EQUITY

(₹ In lakhs)

Particulars	Reserves & Surplus			Non-Controlling Interest	Total
	Securities premium	General Reserve	Retained earnings		
<b>Restated Balance as at April 1, 2020</b>	<b>59,016.04</b>	<b>128.96</b>	<b>1,91,150.20</b>	<b>-</b>	<b>2,50,295.20</b>
Profit for the year	-	-	49,737.75	-	49,737.75
Addition during the year	2.14	-	-	(47.50)	(45.36)
Other comprehensive Income					
- Remeasurement of defined benefit obligation (net of taxes)	-	-	(23.05)	-	(23.05)
<b>Total comprehensive income for the year</b>	<b>2.14</b>	<b>-</b>	<b>49,714.70</b>	<b>(47.50)</b>	<b>49,669.34</b>
<b>Transactions with owners in the capacity of owners</b>					
Dividend paid	-	-	-	-	-
Dividend distribution tax	-	-	-	-	-
Adjustment during the year	-	-	3.48	-	3.48
Arising on account of consolidation	-	-	169.71	-	169.71
<b>Balance as at March 31, 2021</b>	<b>59,018.18</b>	<b>128.96</b>	<b>2,41,038.08</b>	<b>(47.50)</b>	<b>3,00,137.72</b>
Profit for the year	-	-	58,017.58	-	58,017.58
Addition during the year	3.75	-	-	25.40	29.15
Other Comprehensive Income					
- Remeasurement of defined benefit obligation (net of taxes)	-	-	(339.12)	-	(339.12)
<b>Total comprehensive income for the year</b>	<b>3.75</b>	<b>-</b>	<b>57,678.46</b>	<b>25.40</b>	<b>57,707.61</b>
<b>Transactions with owners in the capacity of owners</b>					
Dividend paid	-	-	(1,282.70)	-	(1,282.70)
Dividend distribution tax	-	-	-	-	-
Adjustment during the year	-	-	-	-	-
Arising on account of consolidation	-	-	1,093.74	-	1,093.74
<b>Balance as at March 31, 2022</b>	<b>59,021.93</b>	<b>128.96</b>	<b>2,98,527.59</b>	<b>(22.10)</b>	<b>3,57,656.37</b>

## STATEMENT OF CONSOLIDATED CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

For description of the purposes of each reserve within equity, refer note 21 of consolidated financial statements

The accompanying notes form an integral part of these consolidated financial statements

As per our report of even date attached

For **NSBP & Co.**

Chartered Accountants

Firm Registration No. 001075N

**Deepak K. Aggarwal**

Partner

Membership No. 095541

Place: New Delhi

Date: May 28, 2022

**On behalf of the Board of Directors**

**Pradeep Kumar Jain**

Chairman and Managing Director

DIN. - 00086653

Place: Agra

Date: May 28, 2022

**Tapan Jain**

Company Secretary

M. No. A22603

Place: Agra

Date: May 28, 2022

**Chakresh Kumar Jain**

Managing Director

DIN. - 00086768

Place: Agra

Date: May 28, 2022

**Bhupinder Kumar Sawhney**

Chief Financial Officer

Place: Agra

Date: May 28, 2022

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2022

### 1 GROUP OVERVIEW:

PNC Infratech Limited (The Group) was incorporated on August 9, 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, Andhra Pradesh, Rajasthan, Gujarat, Uttar Pradesh, Uttarakhand, Delhi 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 May 28, 2022.

### 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 1, 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 (INR) 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 March 31, 2022.

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.

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



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

year ended on March 31, 2022.

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.

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.

- (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.

### 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 money) 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 1st April, 2015, measured as per the 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 2.5. Intangible assets

The group recognises 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
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 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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 recognizing 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, 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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.

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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 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.

### 2.15. 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.

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).



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 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.

### 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.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 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 liabilities

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.

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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 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 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 THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

4 PROPERTY, PLANT & EQUIPMENTS

Year ended March 31, 2022

Particulars	Property, Plant & Equipments							Right-of-use Assets			
	Freehold Land	Buildings	Property, plant & equipments	Furniture & fixtures	Vehicles	Office equipment	Computers	Temporary Constructions	Total Property, Plant & Equipments	Right-of-use Assets	Total Right of use Assets
<b>Gross carrying value</b>											
At April 1, 2021	504.93	611.15	1,02,568.00	510.22	4,282.31	1,242.45	786.41	1,690.20	1,12,195.67	920.09	920.09
Addition during the year	-	-	4,912.45	78.45	1,092.93	278.59	227.45	-	6,589.86	1,297.24	1,297.24
Disposal / Adjustments	109.19	-	5,572.97	0.81	213.24	6.46	5.76	-	5,908.42	-	-
<b>As at March 31, 2022</b>	<b>395.74</b>	<b>611.15</b>	<b>1,01,907.48</b>	<b>587.87</b>	<b>5,162.01</b>	<b>1,514.58</b>	<b>1,008.09</b>	<b>1,690.20</b>	<b>1,12,877.12</b>	<b>2,217.33</b>	<b>2,217.33</b>
<b>Accumulated Depreciation/ Amortization</b>											
At April 1, 2021	-	117.41	41,987.06	205.96	1,555.56	711.49	688.78	1,689.20	46,955.47	415.03	415.03
For the year	-	20.24	11,135.30	57.12	533.18	185.03	124.34	-	12,055.22	418.81	418.81
Disposal / Adjustments	-	-	3,710.82	0.16	136.50	4.75	3.34	-	3,855.56	-	-
<b>As at March 31, 2022</b>	<b>-</b>	<b>137.65</b>	<b>49,411.55</b>	<b>262.92</b>	<b>1,952.24</b>	<b>891.77</b>	<b>809.79</b>	<b>1,689.20</b>	<b>55,155.11</b>	<b>833.84</b>	<b>833.84</b>
<b>Net carrying value as at March 31, 2022</b>	<b>395.74</b>	<b>473.50</b>	<b>52,495.94</b>	<b>324.94</b>	<b>3,209.78</b>	<b>622.81</b>	<b>198.31</b>	<b>0.99</b>	<b>57,722.01</b>	<b>1,383.49</b>	<b>1,383.49</b>

(₹ in Lakhs)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)**

Year ended March 31, 2021

Particulars	Property, Plant & Equipments							Right-of-use Assets			
	Freehold Land	Buildings	Property, plant & equipments	Furniture & fixtures	Vehicles	Office equipment	Computers	Temporary Constructions	Total Property, Plant & Equipments	Right-of-use Assets	Total Right of use Assets
<b>Gross carrying value</b>											
At April 1, 2020	504.93	611.15	86,031.79	440.81	3,758.89	1,141.52	648.03	1,689.99	94,827.11	995.46	995.46
Addition during the year	-	-	16,949.99	69.44	643.04	103.15	139.10	0.21	17,904.93	192.56	192.56
Disposal / Adjustments	-	-	413.78	0.03	119.61	2.22	0.72	-	536.36	267.93	267.93
<b>As at March 31, 2021</b>	<b>504.93</b>	<b>611.15</b>	<b>1,02,568.00</b>	<b>510.22</b>	<b>4,282.31</b>	<b>1,242.45</b>	<b>786.41</b>	<b>1,690.20</b>	<b>1,12,195.68</b>	<b>920.09</b>	<b>920.09</b>
<b>Accumulated Depreciation/ Amortization</b>											
At April 1, 2020	-	97.83	32,218.60	157.21	1,154.93	553.42	583.56	1,681.66	36,447.21	266.89	266.89
Addition during the year	-	19.59	10,142.49	48.75	469.28	159.80	105.90	7.55	10,953.36	148.14	148.14
Disposal / Adjustments	-	-	374.04	0.01	68.65	1.73	0.68	-	445.11	-	-
<b>As at March 31, 2021</b>	<b>-</b>	<b>117.41</b>	<b>41,987.06</b>	<b>205.96</b>	<b>1,555.56</b>	<b>711.49</b>	<b>688.78</b>	<b>1,689.20</b>	<b>46,955.46</b>	<b>415.03</b>	<b>415.03</b>
<b>Net carrying value as at March 31, 2021</b>	<b>504.93</b>	<b>493.74</b>	<b>60,580.94</b>	<b>304.27</b>	<b>2,726.76</b>	<b>530.96</b>	<b>97.63</b>	<b>0.99</b>	<b>65,240.22</b>	<b>505.06</b>	<b>505.06</b>

**Notes:**

- (i) Property, plant and equipments hypothecated/ pledged as security except project assets. (Refer note 22 & 28)
- (ii) Refer note 45 for disclosure of contractual commitment for the acquisition of property, plant & equipments.
- (iii) Right of use assets includes land and building under operating lease in pursuance of Ind AS 116.
- (iv) The group has not revalued its property, plant & equipments during the year

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

5 CAPITAL WORK IN PROGRESS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Cost	341.59	5,912.38
Addition during the year	1,392.09	-
Capitalized/Adjustments during the year	(1,733.68)	(5,570.79)
<b>Total</b>	<b>-</b>	<b>341.59</b>

Capital work in progress ageing schedule is as follows:

(₹ in Lakhs)

CWIP Ageing	Period	As at March 31, 2022	As at March 31, 2021
Projects in progress	Less than 1 year	-	341.59
	1-2 years	-	-
	2-3 years	-	-
	More than 3 years	-	-
Projects temporarily suspended	Less than 1 year	-	-
	1-2 years	-	-
	2-3 years	-	-
	More than 3 years	-	-
<b>Total</b>		<b>-</b>	<b>341.59</b>

There is no Capital-work-in progress whose completion is overdue or has exceeded its cost compared to its original plan.

6 INTANGIBLE ASSETS

Year ended March 31, 2022

(₹ in Lakhs)

Particulars	Computer software (bought out)	Mining Lease	Concession Rights	Goodwill on Consolidation	Total
<b>Gross carrying value</b>					
At April 1, 2021	511.80	33.53	2,37,748.88	1,078.72	2,39,372.94
Addition during the year	34.54	-	-	1,097.48	1,132.02
Disposals/Adjustments	-	-	-	-	-
<b>As at March 31, 2022</b>	<b>546.34</b>	<b>33.53</b>	<b>2,37,748.88</b>	<b>2,176.21</b>	<b>2,40,504.96</b>
<b>Accumulated amortization</b>					
At April 1, 2021	311.47	8.89	1,25,102.87	-	1,25,423.23
For the year	75.82	3.35	25,948.89	-	26,028.06
Disposals/Adjustments	-	-	-	-	-
<b>As at March 31, 2022</b>	<b>387.29</b>	<b>12.24</b>	<b>1,51,051.76</b>	<b>-</b>	<b>1,51,451.29</b>
<b>Net carrying value as at March 31, 2022</b>	<b>159.06</b>	<b>21.29</b>	<b>86,697.12</b>	<b>2,176.21</b>	<b>89,053.67</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

Year ended March 31, 2021

(₹ in Lakhs)

Particulars	Computer software (bought out)	Mining Lease	Concession Rights	Goodwill on Consolidation	Total
<b>Gross carrying value</b>					
At April 1, 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
<b>As at March 31, 2021</b>	<b>511.80</b>	<b>33.53</b>	<b>2,37,748.88</b>	<b>1,078.72</b>	<b>2,39,372.94</b>
Accumulated amortization					
At April 1, 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
<b>As at March 31, 2021</b>	<b>311.47</b>	<b>8.89</b>	<b>1,25,102.87</b>	<b>-</b>	<b>1,25,423.23</b>
<b>Net carrying value as at March 31, 2021</b>	<b>200.33</b>	<b>24.64</b>	<b>1,12,646.02</b>	<b>1,078.72</b>	<b>1,13,949.71</b>

The group has not revalued its intangible assets during the year.

### 7 INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Investment in equity instruments:</b>		
<b>(i) Associates (Unquoted)</b>		
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	4,009.21	3,582.52
Add/(Less)- Profit/Loss of associate	-	426.69
(Less)- Impairment loss on investments (Refer note 40)	(3,834.21)	-
(Less)- Investments classified as held for sale (Refer note 55)	(175.00)	-
Closing carrying value	-	4,009.21
<b>(ii) Others (Unquoted)</b>		
5,55,370 equity shares (Previous Year 555,370) of Indian Highways Management Company limited of ₹ 10/- each ( Face value ₹ 10/- each)	55.54	55.54
<b>Total</b>	<b>55.54</b>	<b>4,064.75</b>

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate book value of unquoted investments	4,064.75	4,064.75
Less : Aggregate amount of impairment in value of investment (Refer note 40)	(3,834.21)	-
Less : Investments classified as held for sale (Refer note 55)	(175.00)	-
<b>Total</b>	<b>55.54</b>	<b>4,064.75</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Ghaziabad Aligarh Expressway Private Limited* (Equity shares of ₹ 10/- each)	1,49,55,240	1,49,55,240

\*Refer note 60

### 8 TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Considered good-unsecured	5,18,437.32	4,04,307.34
<b>Total</b>	<b>5,18,437.32</b>	<b>4,04,307.34</b>
Trade receivables		
Considered good-secured	-	-
Considered good-unsecured	5,18,437.32	4,04,307.34
Which have increase in credit risk	-	-

### 9 OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Security deposits</b>		
(a) Held with related parties*	1,453.03	1,424.23
(b) Held with others	-	85.21
<b>Terms deposits (having maturity of more than 12 months)**</b>		
- Term deposits as margin money for bank guarantees	192.26	65.06
- Earnest money deposits (in the form of term deposits, NSC etc.)	302.13	302.13
<b>Others</b>		
- Retention & withheld		
(a) Held with departments	6,179.20	10,521.37
<b>Total</b>	<b>8,126.62</b>	<b>12,398.00</b>

\* For details refer note 47

\*\* For details refer note 15(ii)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 10 OTHER NON-CURRENT ASSETS

#### 10.1 The balance comprises temporary differences attributable to:

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Deferred Tax Assets/(Liabilities)</b>		
Difference in value of property, plant & equipments	10,673.59	6,225.99
Retention assets	-	428.15
Retention liabilities	(445.44)	(607.41)
Deferred retention liabilities	428.77	590.46
Deferred retention assets	-	(428.15)
Gratuity & leave encashment	564.17	515.00
Trade receivables	(22,927.26)	(23,390.99)
Borrowings	93.05	(23.40)
Investments	(32.88)	(64.18)
Preliminary & pre-operative expenses	-	0.47
Major maintenance	8,270.71	7,025.52
Trade payables	3,013.69	12,109.77
Lease liability	354.98	128.83
Mutual funds	-	(8.49)
Mat credit entitlement	610.71	1,649.46
<b>Net deferred tax assets/(liabilities)</b>	<b>604.10</b>	<b>4,151.04</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

5 CAPITAL WORK IN PROGRESS

(₹ in Lakhs)

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
<b>At April 1, 2020</b>	<b>18,470.33</b>	<b>3,770.86</b>	<b>(80.76)</b>	<b>710.75</b>	<b>395.61</b>	<b>4.38</b>	<b>6,192.33</b>	<b>(401.69)</b>	<b>(325.22)</b>	<b>(55.63)</b>	<b>11,865.99</b>	<b>237.95</b>	<b>(24,921.76)</b>	<b>(26.76)</b>	-	<b>15,836.37</b>
(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)
<b>At March 31, 2021</b>	<b>12,109.77</b>	<b>6,225.99</b>	<b>428.15</b>	<b>590.46</b>	<b>515.00</b>	<b>0.47</b>	<b>7,025.52</b>	<b>(607.41)</b>	<b>(64.18)</b>	<b>(428.15)</b>	<b>1,649.46</b>	<b>128.83</b>	<b>(23,390.99)</b>	<b>(23.40)</b>	<b>(8.49)</b>	<b>4,151.04</b>
(Charged)/credited:-																
- to profit & loss	(9,096.08)	4,447.60	(428.15)	(161.69)	(64.99)	(0.47)	1,245.19	161.97	31.30	428.15	(1,041.10)	226.15	463.73	116.45	8.49	(3,663.44)
- to Other comprehensive income	-	-	-	-	114.15	-	-	-	-	-	-	-	-	-	-	114.15
- to Mat credit availability/utilization	-	-	-	-	-	-	-	-	-	-	2.35	-	-	-	-	2.35
<b>At March 31, 2022</b>	<b>3,013.69</b>	<b>10,673.59</b>	-	<b>428.77</b>	<b>564.17</b>	-	<b>8,270.71</b>	<b>(445.44)</b>	<b>(32.88)</b>	-	<b>610.71</b>	<b>354.98</b>	<b>(22,927.26)</b>	<b>93.05</b>	-	<b>604.10</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 11 OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advances other than capital advances		
Balance with statutory authorities	4,803.82	4,904.55
Others		
Advance tax & tax deducted at source (Net)*	15,815.80	10,359.99
GST Input, GST TDS & GST on advance	78,162.17	54,113.43
Tax & duty deposited under protest	108.11	117.76
Mobilization advance to sub-contractors	1,367.65	869.45
Deferred retention money	-	1,199.13
<b>Total</b>	<b>1,00,257.55</b>	<b>71,564.32</b>

\* 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, 2022	As at March 31, 2021
Raw materials (construction Material)	42,516.74	29,987.13
Raw material in transit	1.30	-
Stores and spares	5,560.92	5,372.36
<b>Total</b>	<b>48,078.96</b>	<b>35,359.49</b>

Inventories are hypothecated against secured borrowing of the Company (Refer note 22 & 28)

The Company follows suitable provisioning norms for written down the value of Inventory towards slow moving, non-moving and surplus Inventories.

#### 12.1: Bifurcation of Raw Material under broad heads:

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Raw material</b>		
Bitumen	671.74	1,032.96
Cement	989.85	1,402.50
Steel	11,854.28	8,678.55
Stone, Grit and Sand	15,740.95	12,071.09
High speed diesel and Fuel oil	1,447.29	1,391.95
Others	11,812.63	5,410.08
<b>Total</b>	<b>42,516.74</b>	<b>29,987.13</b>

### 13 INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Investment In mutual funds	42,317.85	53,795.05
<b>Total</b>	<b>42,317.85</b>	<b>53,795.05</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Aggregate book value of quoted investments	42,317.85	53,795.05
Aggregate market value of quoted investments	42,317.85	53,795.05
Aggregate book value of unquoted investments	-	-
Aggregate amount of impairment in value of investments	-	-
<b>Total</b>	<b>42,317.85</b>	<b>53,795.05</b>

**14 TRADE RECEIVABLES**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Considered good-secured</b>	-	-
<b>Considered good-unsecured</b>		
- Related parties*	5,508.05	8,892.94
- Others	62,312.81	30,932.27
<b>Less: Allowance for expected credit loss</b>	<b>(1,245.38)</b>	<b>(546.62)</b>
	<b>66,575.48</b>	<b>39,278.59</b>
<b>Trade receivables which have significant increase in Credit Risk</b>	-	-
<b>Trade receivables-credit impaired**</b>	<b>3,172.74</b>	-
<b>Less: Allowance for doubtful debts</b>	<b>(3,172.74)</b>	-
<b>Total</b>	<b>66,575.48</b>	<b>39,278.59</b>

\* For details refer note 47

\*\* For details refer note 60

**Movement in the expected credit loss allowance:**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	546.62	-
Add: Provision for expected credit Loss (Refer note 40)	698.76	546.62
Add: Impairment loss recognized during the year (Refer note 40)	3,172.74	-
<b>Balance at the end of the year</b>	<b>4,418.12</b>	<b>546.62</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### Trade receivables ageing schedule as at March 31, 2022:

(₹ in Lakhs)

Particulars	Outstanding for the following period from the due date of payment					Total
	Less than 6 Months	6 Months - 1 Year	1-2 Year	2-3 Year	More than 3 Years	
<b>Undisputed trade receivables</b>						
- considered good	54,971.09	1,448.08	1,190.21	2,138.09	8,073.39	67,820.86
- which have significant increase in credit risk	-	-	-	-	-	-
- credit impaired	-	-	-	-	3,172.74	3,172.74
<b>Disputed Trade Receivables</b>						
- considered good	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-
	<b>54,971.09</b>	<b>1,448.08</b>	<b>1,190.21</b>	<b>2,138.09</b>	<b>11,246.13</b>	<b>70,993.60</b>
Less : Allowance for credit loss						(4,418.12)
<b>Total Trade receivables</b>						<b>66,575.48</b>

Amount becomes due when bill is raised to the customer

### Trade receivables ageing schedule as at March 31, 2021:

(₹ in Lakhs)

Particulars	Outstanding for the following period from the due date of payment					Total
	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	
<b>Undisputed Trade receivables</b>						
- considered good	24,201.79	766.21	1,714.87	10.73	13,131.61	39,825.21
- which have significant increase in credit risk	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-
<b>Disputed Trade Receivables</b>						
- considered good	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-
	<b>24,201.79</b>	<b>766.21</b>	<b>1,714.87</b>	<b>10.73</b>	<b>13,131.61</b>	<b>39,825.21</b>
Less : Allowance for credit loss						(546.62)
<b>Total Trade receivables</b>						<b>39,278.59</b>

Amount becomes due when bill is raised to the customer

Trade receivables are hypothecated against secured borrowings of the group (Refer note 22 &amp; 28)

For information on Financial risk management objective &amp; policies refer note 52.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

15

15 (i) Cash & Cash Equivalents

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	284.41	212.00
Balances with bank:		
Bank accounts	37,701.70	30,698.48
Fixed deposits (with maturity less than 3 months)	14,140.78	53,778.19
<b>Total</b>	<b>52,126.89</b>	<b>84,688.67</b>

15 (ii) Other Bank Balances

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Fixed Deposits</b>		
<b>(with maturity less than 3 months maturity)</b>		
Fixed deposits as margin money for bank guarantee	1,978.67	1,349.32
Earnest money deposits (in the form of term deposits, NSC etc.)	3,247.73	171.99
<b>(with maturity more than 3 months but up to 12 months)</b>		
Fixed deposits as margin money for bank guarantee	6,811.02	6,486.39
Earnest money deposits (in the form of term deposits, NSC etc.)	47.14	44.56
Fixed Deposits	10,517.00	1,710.00
	<b>22,601.56</b>	<b>9,762.26</b>
<b>Current Account</b>		
Earmarked balances-unclaimed dividend	1.25	1.13
<b>Total</b>	<b>22,602.81</b>	<b>9,763.39</b>

15(ii)(a) Details of FDR kept as security

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Fixed deposits as margin money on bank guarantee</b>		
Under lien in favour of banks as margin deposits for letter of credit and Bank guarantees	8,981.95	7,900.77
Earnest money (in form of term deposits ) deposits in favour of customers	3,597.00	518.68
Fixed deposits	10,517.00	1,710.00
Add: Interest accrued but not due on margin money & earnest money deposits	230.00	229.24
Less: Interest accrued but not due on margin money & earnest money deposits	(230.00)	(229.24)
<b>Total deposits</b>	<b>23,095.95</b>	<b>10,129.45</b>
<b>Deposits having more than 12 months maturity from reporting date</b>		
Fixed deposits	192.26	65.06
Earnest money deposits	302.13	302.13
<b>Total non-current deposits</b>	<b>494.39</b>	<b>367.19</b>
<b>Total current deposits</b>	<b>22,601.56</b>	<b>9,762.26</b>

\* The Company has given non-interest bearing unsecured loan to its associate for financial assistance.

\* For details Refer note 47 & 60

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 16 LOANS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good unless otherwise stated		
Loans		
Related parties*	26,987.00	27,971.56
<b>Total</b>	<b>26,987.00</b>	<b>27,971.56</b>
Loans and advances considered good-secured	-	-
Loans and advances considered good-unsecured	26,987.00	27,971.56
Loans and advances which have increase in credit risk	-	-
Loan receivable-credit impaired	7,757.56	815.00
Less- Allowance for credit impairment	(7,757.56)	(815.00)
<b>Total</b>	<b>26,987.00</b>	<b>27,971.56</b>

\* The Company has given non-interest bearing unsecured loan to its associate for financial assistance.

\* For details Refer note 47 & 60

(₹ in Lakhs)

Movement in the Expected Credit Loss allowance	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	815.00	815.00
Add: Impairment loss recognize during the year (Refer note 40)	6,942.56	-
<b>Balance at the end of the year</b>	<b>7,757.56</b>	<b>815.00</b>

(₹ in Lakhs)

Type of Borrower	As at March 31, 2022		As at March 31, 2021	
	Loan Outstanding	% to Total Loan	Loan Outstanding	% to Total Loan
Promoters	-	-	-	-
Directors	-	-	-	-
KMPs	-	-	-	-
<b>Related Parties</b>				
<b>Associates</b>				
Ghaziabad Aligarh Expressway Private Limited	21,802.00	78.42%	25,766.56	89.51%
Joint-operation				
PNC-SPSCPL(JV)	-	-	20.00	0.07%
<b>Other Related parties</b>				
Shekhar Resorts Limited	3,000.00	10.79%	-	-
NCJ Infrastructure Private Limited	3,000.00	10.79%	3,000.00	10.42%
<b>Total</b>	<b>27,802.00</b>	<b>100.00%</b>	<b>28,786.56</b>	<b>100.00%</b>

### 17 OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Retentions & Security Deposits		
With departments	7,260.26	5,242.26
Others	0.05	0.05
Others		
Interest accrued but not due on margin money, earnest money deposits & FDR	654.75	381.78
<b>Total</b>	<b>7,915.06</b>	<b>5,624.09</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

18 OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good unless otherwise stated		
Balances with statutory authorities	6,012.07	7,547.27
Advances to suppliers/Contractors		
Considered good - unsecured	11,607.19	12,432.70
Other receivables		
Mobilization advance to sub-contractors	1,367.65	849.56
Other advances	3,081.32	3,414.84
Preliminary expenses	-	277.58
<b>Total</b>	<b>22,068.23</b>	<b>24,521.95</b>

19 ASSETS CLASSIFIED AS HELD FOR SALE

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Investment in Associate*</b>		
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)	4,009.21	-
Less- Impairment loss on investments	(3,834.21)	-
<b>Total</b>	<b>175.00</b>	<b>-</b>

\*Refer note 55

20 SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Authorized</b>		
Equity Shares of ₹ 2/- each		
27,50,00,000 (Previous year 27,50,00,000)	5,500.00	5,500.00
	<b>5,500.00</b>	<b>5,500.00</b>
<b>Issued ,Subscribed &amp; Fully Paid up*</b>		
Equity Shares of ₹ 2/- each		
25,65,39,165 (Previous year 25,65,39,165)	5,130.78	5,130.78
<b>Total</b>	<b>5,130.78</b>	<b>5,130.78</b>

\* Refer Statement of changes in equity

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

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
	Nos.	Nos.
Opening	25,65,39,165	25,65,39,165
Change during the year	-	-
<b>Closing</b>	<b>25,65,39,165</b>	<b>25,65,39,165</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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

(₹ in Lakhs)

Type of Borrower	As at March 31, 2022		As at March 31, 2021	
	No of Shares	% Holdings	No of Shares	% Holdings
NCJ Infrastructure Private Limited	2,47,65,000	9.65	2,47,65,000	9.65
HDFC Mutual Fund	2,23,09,699	8.70	2,26,24,395	8.82
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

As per records of the Group, including its register of shareholders/members and other declarations received from the shareholders regarding beneficial interest, the above shareholding represents both legal & beneficial ownership of shares.

### C Shares held by promoters at the end of the year

(₹ in Lakhs)

Type of Borrower	As at March 31, 2022				As at March 31, 2021			
	No of Shares	Change during the year	% Holdings	% Change during the year	No of Shares	Change during the year	% Holdings	% Change during the year
Pradeep Kumar Jain	1,53,49,500	-	5.98	-	1,53,49,500	-	5.98	-
Naveen Kumar Jain	1,80,96,000	-	7.05	-	1,80,96,000	-	7.05	-
Chakresh Kumar Jain	25,14,000	-	0.98	-	25,14,000	-	0.98	-
Yogesh Kumar Jain	1,67,94,000	-	6.55	-	1,67,94,000	-	6.55	-
Meena Jain	74,26,500	-	2.89	-	74,26,500	-	2.89	-
Ashita Jain	78,73,500	-	3.07	-	78,73,500	-	3.07	-
Madhavi Jain	1,79,98,500	-	7.02	-	1,79,98,500	-	7.02	-
Vaibhav Jain	1,16,71,500	-	4.55	-	1,16,71,500	-	4.55	-
Pradeep Kumar Jain HUF	52,50,000	-	2.05	-	52,50,000	-	2.05	-
Naveen Kumar Jain HUF	1,500	-	0.00	-	1,500	-	0.00	-
Chakresh Kumar Jain HUF	92,56,500	-	3.61	-	92,56,500	-	3.61	-
Yogesh Kumar Jain HUF	51,01,500	-	1.99	-	51,01,500	-	1.99	-
Abhinandan Jain	17,43,000	-	0.68	-	17,43,000	-	0.68	-
NCJ Infrastructure Private Limited	2,47,65,000	-	9.65	-	2,47,65,000	-	9.65	-

### 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 restrictions as per investments 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 bought back during immediately preceding five years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

21 OTHER EQUITY

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Securities premium*</b>		
Opening balance	59,018.18	59,016.04
Change during the year	3.74	2.14
Closing balance	59,021.92	59,018.18
<b>General Reserve*</b>		
Opening balance	128.96	128.96
Change during the year	-	-
Closing Balance	128.96	128.96
<b>Retained Earnings*</b>		
Balance as at the beginning of the year	2,41,038.09	1,91,150.20
(+) Net Profit for the year	58,017.58	49,737.75
<b>Item of other comprehensive income directly booked in retained earnings</b>		
- Remeasurement profit/(loss) of defined benefit obligation (net of taxes)	(339.12)	(23.05)
(-) Final dividend paid on equity shares	(1,282.70)	-
(+) Adjustment during the year	-	3.48
(+) Arising on account of consolidation	1,093.75	169.71
Closing balance	2,98,527.60	2,41,038.09
<b>Total</b>	<b>3,57,678.48</b>	<b>3,00,185.23</b>

\* Refer Statement of changes in Equity

**Dividend distribution made and proposed**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>(a) Dividend paid on equity shares</b>		
Final dividend for the year ended March 31, 2021 of ₹ 0.5 per equity share of ₹ 2/- each	1,282.70	-
<b>Total</b>	<b>1,282.70</b>	<b>-</b>
<b>(b) Dividend proposed on equity shares*</b>		
Final dividend for the year ended March 31, 2022 of ₹ 0.5 per equity share of ₹ 2/- each	1,282.70	-
Final dividend for the year ended March 31, 2021 of ₹ 0.5 per equity share of ₹ 2/- each	-	1,282.70
<b>Total</b>	<b>1,282.70</b>	<b>1,282.70</b>

\*Proposed dividend on equity shares is subject to the approval at the annual general meeting and was not recognized as a liability as at end of the financial year

**Description of nature and purposes of each reserve**

**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 group.

**Retained Earnings**

It comprises group's undistributed profit after taxes.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 22 BORROWINGS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Secured</b>		
Term loans -from banks (For maturity pattern refer details below)	4,45,507.83	4,14,464.35
Term loans -from NBFCs (For maturity pattern refer details below)	919.28	2,365.76
Non-convertible debentures	30,050.00	-
<b>Less: Current maturities of long-term debt</b>		
Term loans -from banks (For maturity pattern refer details below)	(40,472.27)	(41,911.76)
Term loans -from NBFCs (For maturity pattern refer details below)	(843.06)	(1,429.24)
Non-convertible debentures	(1,502.50)	-
<b>Total</b>	<b>4,33,659.27</b>	<b>3,73,489.11</b>

#### (1) Specific conditions for term loan:

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 instalments 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 144 unequal monthly instalments 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 instalments commencing from July 2017. The loan is repayable in 25 structured ballooning half yearly instalments 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 instalments 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 instalments 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 instalments 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 structured half yearly instalments commencing after 7 months from date of Scheduled completion date .

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)**

Subsidiary Name	Other Conditions	Repayment Schedule
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 instalments 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 structured half yearly instalments 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 structured half yearly instalments commencing after 7 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 structured half yearly instalments commencing after 7 months from date of Scheduled completion date .
PNC Meerut Haridwar Highways (P) Limited	Pledge of equity shares held by the sponsor aggregating to 1.47%	The loan is repayable in 27 structured half yearly instalments 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 instalments commencing after 7 months from Scheduled completion date.
PNC Challakere (Karnataka) Highways (P) Limited	Pledge of equity shares held by the sponsor aggregating to 51%	The loan is repayable in 27 structured half yearly instalments 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 instalments commencing after 6 months and 15 days from Scheduled completion date.

**Loans are repayable as under:**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Payable within one year	42,817.83	43,341.00
Payable between one to three years	1,02,190.55	70,217.72
Payable after three years	3,31,468.72	3,03,271.39
<b>Total</b>	<b>4,76,477.10</b>	<b>4,16,830.11</b>

**(2) Common Conditions for term loan:-**

- (i) The above loans are secured by way of hypothecation of asset financed out of said loans.
- (ii) The above loans are repayable in monthly instalments over the period of loan.
- (iii) Figures in brackets represent previous year figures.
- (iv) A first mortgage and charge on all the borrowers immovable properties both present and future save and except the project assets.
- (v) A first charge by way of hypothecation of the borrower movable, including current and non current assets save and except the project assets.
- (vi) A first charge on borrowers receivables save and except the project assets.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

- (vii) A first charge over all the bank accounts of the borrower, the escrow account, sub accounts, major maintenance account debt service reserve account.
- (viii) A first charge on all the intangible assets excluding the project assets
  - (ix) A first charge by way of assignment or otherwise creation of security interest in all the rights, title, interests, benefits, claims and demands.
- (x) The above loans carry Interest rates ranging from 6.25% to 9.55%.
- (xi) Term loans raised during the year have been used for the same purpose for which it was drawn.

### (3) Non-convertible debentures:

#### (A) Nature of security -

- (i) First charge on all the Company's immovable assets (save and except project assets), if any , both present and future.
- (ii) First charge on all the Company's tangible moveable assets, including moveable Plant & machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other moveable assets (save and except project assets), if any , both present and future.
- (iii) First charge over all the banks accounts of the Company, the Escrow account , sub accounts
- (iv) First charge over all intangible assets including but not limited to goodwill, rights undertaking and uncalled capital present and future excluding the project assets. Further, a charge on uncalled capital shall be subject to the provisions of the concession agreement.
- (v) Assignment by way of Security in the rights, title and interest of the Company's related to the project from all contracts, insurances, licenses, in to and under all project agreement (including the Concession Agreement) to which the Company is Party to, including contractor guarantees, liquidated damages and all other contracts relating to project, provided such charge shall be limited to and to arise to the extent provided under substitution Agreement.
- (vi) Pledge of 51% of the issued, paid up and voting Equity share capital of the Company held by promoter or any other person till the final settlement date, provided that any enforcement of the pledge over share shall be subject to the terms of the Concession Agreement.

#### (B) Redemption

- (i) The Company agrees and undertakes to redeem the debentures in semi-annual structured principal instalments, maturity profile is as follows--

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Redeemable within one year	1,502.50	-
Redeemable between one to three years	4,116.85	-
Redeemable after three years	24,430.65	-
<b>Total</b>	<b>30,050.00</b>	<b>-</b>

### 23 LEASE LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Lease liabilities*	1,048.33	188.46
<b>Total</b>	<b>1,048.33</b>	<b>188.46</b>

\* For details refer note 56

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 24 TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro & small enterprises* (Refer note 24.1)	-	-
Total outstanding dues of creditors other than micro & small enterprises	11,973.33	41,585.75
<b>Total</b>	<b>11,973.33</b>	<b>41,585.75</b>

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

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
- 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.	-	-

### 25 OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Retention from contractors/suppliers	33,129.52	25,377.17
Security received from contractor/suppliers	47.06	47.06
<b>Total</b>	<b>33,176.59</b>	<b>25,424.23</b>

### 26 PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Provision for employee benefits*</b>		
Provision for gratuity (funded)	1,597.63	662.31
Provision for gratuity (unfunded)	30.26	16.04
Provision for leave liability (unfunded)	459.77	322.08
<b>Other Provisions</b>		
Provision for major maintenance**	30,623.90	27,021.24
<b>Total</b>	<b>32,711.55</b>	<b>28,021.67</b>

\*For details refer note 49

\*\*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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 26.1: Movement of provision for major maintenance

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Carrying amount at the beginning of the year	27,021.24	23,816.67
Additional provision made during the year	3,602.66	3,204.57
Amount used during the year	-	-
Amount reversed during the year	-	-
<b>Carrying amount at the end of the year</b>	<b>30,623.90</b>	<b>27,021.24</b>

### 27 OTHER NON CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance from customers	15,805.09	18,303.20
Deferred retentions	1,803.00	1,689.72
<b>Total</b>	<b>17,608.08</b>	<b>19,992.92</b>

### 28 BORROWINGS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Secured</b>		
<b>A. Current maturities of long-term debt*</b>		
Term loan from banks	40,472.27	41,911.76
Term loan from NBFCs	843.06	1,429.24
Non-convertible debentures	1,502.50	-
<b>B. Working capital loans</b>		
From bank	-	-
Unsecured		
Loan repayable on demand from related parties**	1,406.61	2,018.29
<b>Total</b>	<b>44,224.45</b>	<b>45,359.29</b>

\*For details refer note 22

\*\*For details refer note 47

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

Particulars	Particulars of security/guarantee
Loan repayable on demand from banks-	Cash credit facilities and working capital demand loans from consortium of banks are secured by:
Working capital loans	(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 (except hypothecated to Banks and NBFCs)
	(iii) Equitable mortgage of 6 properties (Land & Buildings) as per joint deed of Hypothecation belonging to the Directors, group Company and relatives of directors.
	(iv) Corporate guarantee of Taj Infrabuilders Private Limited.
	(v) Personal guarantee of promoters and relatives of directors.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

29 LEASE LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Lease liabilities*	362.10	180.22
<b>Total</b>	<b>362.10</b>	<b>180.22</b>

\* For details refer Note 56

30 TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro & small enterprises (Refer note 30.1)	4,388.59	2,725.33
Total outstanding dues of creditors other than micro & small enterprises	47,038.70	69,884.19
<b>Total</b>	<b>51,427.29</b>	<b>72,609.52</b>

30.1 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, 2022	As at March 31, 2021
- Principal amount due to suppliers	4,388.59	2,725.33
- 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	-	-

Trade Payables ageing schedule for the year ended March 31, 2022

(₹ in Lakhs)

Particulars	Outstanding for following period from the due date of payment				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
MSME	4,387.90	0.41	-	0.28	4,388.59
Others	37,145.90	4,763.68	2,986.39	2,142.73	47,038.70
Disputed dues - MSME	-	-	-	-	-
Disputed dues - others	-	-	-	-	-
<b>Total Trade Payables</b>	<b>41,533.80</b>	<b>4,764.09</b>	<b>2,986.39</b>	<b>2,143.01</b>	<b>51,427.29</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### Trade Payables ageing schedule for the year ended March 31, 2021

Particulars	Outstanding for following period from the due date of payment				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
MSME	2,725.33	-	-	-	2,725.33
Others	57,516.06	7,269.07	1,757.93	3,341.13	69,884.19
Disputed dues - MSME	-	-	-	-	-
Disputed dues - others	-	-	-	-	-
<b>Total Trade Payables</b>	<b>60,241.39</b>	<b>7,269.07</b>	<b>1,757.93</b>	<b>3,341.13</b>	<b>72,609.52</b>

(₹ in Lakhs)

### 31 OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Capital creditors*	114.60	3,110.84
Due to employees	3,889.40	3,632.03
Retention money payable	15,725.93	15,101.02
Unpaid dividend	1.25	1.13
Expenses payable	4,033.28	6,706.93
<b>Total</b>	<b>23,764.46</b>	<b>28,551.95</b>

(₹ in Lakhs)

\*There are no dues payable to parties to the extent of information received by Company under the Micro, small & medium Enterprises Development Act, 2006.

### 32 OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Advance received from contract customers & others	47,730.45	9,204.71
Statutory dues	1,927.19	3,074.86
<b>Total</b>	<b>49,657.65</b>	<b>12,279.57</b>

(₹ in Lakhs)

### 33 PROVISIONS

Particulars	As at March 31, 2022	As at March 31, 2021
Employee benefits*		
Provision for gratuity (funded)	69.52	429.72
Provision for gratuity (unfunded)	4.33	4.33
Provision for leave liability (unfunded)	180.38	123.38
Others		
Provision for income tax	1,833.09	4,016.19
<b>Total</b>	<b>2,087.31</b>	<b>4,573.62</b>

(₹ in Lakhs)

\* For details refer note 49

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 34 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>Sale of product</b>		
Contract revenue*	6,12,935.67	4,86,695.79
Toll collection	72,580.55	61,319.31
<b>Other operating revenues</b>		
(a) Sale of material and others	714.36	75.92
(b) Sale of scrap material	18.34	36.17
(c) Interest on service concession receivables	34,554.64	30,629.66
<b>Total</b>	<b>7,20,803.56</b>	<b>5,78,756.85</b>

\*including bonus received for early completion of the project amounting of ₹ 8,268.48 lakhs (Previous year ₹ Nil).

#### Bifurcation of Contract revenue is as under:

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Contract revenue		
Road	6,02,126.13	4,86,086.67
Airport runways	-	609.12
Water projects	10,809.55	-
<b>Total</b>	<b>6,12,935.67</b>	<b>4,86,695.79</b>

### 35 OTHER INCOME

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Interest income:		
From bank	1,602.56	1,801.19
From others	521.23	1,412.24
Profit/(loss) on disposal of property, plant & equipments (net)	33.70	-
Profit/(loss) on fair valuation of investments (net)	(318.95)	32.64
Profit/(loss) on redemption of mutual funds (net)	3,488.03	4,210.76
Unwinding of interest income on financial instruments	2,140.24	1,620.02
Other non-operating income*	1,431.82	1,670.07
<b>Total</b>	<b>8,898.63</b>	<b>10,746.91</b>

\*During the FY 2021-22 interest income on Income tax refund of ₹ 152.82 lakhs (Previous year interest income on Income tax refund of ₹ 1,366.83 lakhs)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 36 COST OF MATERIAL CONSUMED

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Raw material	3,19,274.89	2,24,403.71
<b>Total</b>	<b>3,19,274.89</b>	<b>2,24,403.71</b>

### 37 EMPLOYEE BENEFIT EXPENSES

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Salaries, wages & bonus	36,984.34	29,969.84
Gratuity expenses (Refer note 49)	494.52	355.90
Contributions to - provident fund & other funds	201.36	268.44
Workmen & staff welfare expenses	185.58	134.06
<b>Total</b>	<b>37,865.81</b>	<b>30,728.24</b>

### 38 FINANCE COST

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>(a) Interest cost on:</b>		
Borrowings	36,459.08	33,997.75
<b>(b) Others:</b>		
Unwinding of financial liabilities	4,517.34	6,943.49
<b>(c) Other borrowing costs</b>		
Loan processing charges	135.23	115.57
Guarantee charges	1,220.98	1,356.04
Others	199.60	193.86
<b>Total</b>	<b>42,532.23</b>	<b>42,606.71</b>

### 39 DEPRECIATION AND AMORTIZATION EXPENSES

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>Depreciation on:</b>		
Property, plant and equipments	12,055.22	11,101.53
<b>Amortization on:</b>		
Intangible assets	26,028.06	24,915.80
Right-of-use assets	418.81	148.14
Deferred retention assets	517.41	159.16
<b>Total</b>	<b>39,019.50</b>	<b>36,324.63</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

40 OTHER EXPENSES

(₹ in Lakhs)		
Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Consumption of stores & spares*	10,435.06	7,580.52
Power & fuel	2,305.81	1,608.65
Contract paid incl. construction cost	1,18,552.08	1,26,125.03
Hire charges of machineries	6,299.67	3,149.29
Other construction expenses	10,761.24	6,469.79
Rent	889.69	779.10
Insurance	2,069.06	1,460.94
Repairs to buildings	93.48	136.90
Travelling and conveyance	563.46	242.97
Postage & telephone	23.81	22.78
Legal & professional expenses	1,894.01	1,761.65
Rates and taxes**	24,021.49	24,433.05
Printing & stationery	8.54	7.79
Auditor's remuneration		
Audit fees	38.42	35.16
Certification fees	5.00	-
For reimbursement of expenses	1.81	1.63
Advertisement expenses	3.08	6.08
Tender & survey expenses	104.63	236.95
Hire charges of vehicles	85.34	127.96
Director's sitting fees	7.50	5.60
Allowance for expected credit loss	698.77	546.62
Impairment loss on associate		
Impairment loss on trade receivables (Refer note 14)	3,172.74	-
Impairment loss on unsecured loan (Refer note 16)	6,942.56	-
Impairment loss on investments (Refer note 55)	3,834.21	-
Loss on disposal of property, plant & equipments (net)	-	4.66
Expenses written off	21.94	-
Corporate social responsibility (Refer note 54)	1,307.28	947.85
Miscellaneous and general expenses***	3,407.17	2,557.04
Major maintenance cost	3,602.66	3,204.57
Concession fees	9,064.97	-
<b>Total</b>	<b>2,10,215.50</b>	<b>1,81,452.58</b>

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

\*\* Includes GST expenses of ₹ 18,634.73 lakhs (Previous year ₹ 20,656.73 lakhs)

\*\*\*Includes foreign exchange gain of ₹ 40.00 lakhs (Previous year foreign exchange Loss ₹ 18.01 lakhs)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 41 TAX EXPENSE

#### A. Income Tax Expense

(₹ in Lakhs)		
Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>(a) Current tax</b>		
Current tax on profit for the year	19,312.28	23,321.74
Adjustments for current tax of earlier years	(409.43)	(76.70)
<b>Total Current tax expense</b>	<b>18,902.84</b>	<b>23,245.04</b>
<b>(b) Deferred tax</b>		
Relation to origination of temporary Differences	2,622.35	1,479.29
Adjustments of Tax relating to earlier years		
- Remeasurement of deferred tax on a/c of new tax regime	1,041.09	-
<b>Total Deferred Tax Expense</b>	<b>3,663.44</b>	<b>1,479.29</b>
<b>Total Income tax Expense</b>	<b>22,566.28</b>	<b>24,724.33</b>

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

(₹ in Lakhs)		
Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Profit before tax	80,609.26	73,987.89
Applicable tax rate	25.168%	34.944%
<b>Computed tax expense</b>	<b>20,287.74</b>	<b>25,854.33</b>
<b>Tax Adjustments for earlier years</b>		
Tax for earlier years	(1,450.52)	(76.70)
Adjustments of tax relating to earlier years		
- Remeasurement of deferred tax on a/c of new tax regime	1,041.09	-
<b>Others:</b>		
Tax at lower rates on subsidiary	(43.34)	-
Income Tax Exempt under Tax Holiday	(3,372.04)	(2,888.54)
Expenses not allowed for tax purposes	1,203.37	280.20
Income Tax on Profit on Sale of Mutual Fund	223.33	61.23
Tax Effect due to Carried forward of Losses & Preliminary Expenses	-	14.52
Minimum Alternative tax credit	1,013.21	-
Deferred tax	3,663.44	1,479.29
<b>Income Tax expense charged to profit &amp; loss</b>	<b>22,566.28</b>	<b>24,724.33</b>

### 42 EARNING PER EQUITY SHARE

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

(₹ in Lakhs)		
Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
(a) Profit/(loss) available to equity shareholders (₹ in lakhs)	58,042.98	49,690.25
(b) Weighted average number of equity shares outstanding	25,65,39,165	25,65,39,165
(c) Nominal value per share (In ₹)	2.00	2.00
<b>Basic &amp; diluted earning per share (In ₹) (a/b)</b>	<b>22.63</b>	<b>19.37</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 43 CONTINGENT LIABILITIES & ASSETS

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>Claims against the Parent Company not acknowledged as debts</b>		
Disputed demand of Income Tax A.Y. 2010-11 (disputed demand of Income tax includes, net of advance tax & TDS under verification, adjusted from demand of ₹ 3,351.00 lakhs 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	1,883.61	3,330.85
Disputed demand of Service Tax for which Company preferred appeal	206.97	199.86
Disputed demand of Entry Tax for which Company preferred appeal	38.00	35.75
Others (including motor accident, labour & civil matters)	84.93	60.08
(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	14,527.00
Others		
- Letter of credit outstanding	10,624.00	2,011.26

#### 43.2 Contingent Assets

The status of various project claims in arbitration is as under:

- (a) The Parent Company had initiated arbitral proceedings against the Uttar Pradesh Public Works Department (UP PWD) for compensation of ₹ 851.31 lakhs (previous year ₹ 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.
- (b) The Parent Company had initiated arbitral proceedings against the HSRDC for compensation of ₹ 3,091.00 lakhs (previous year ₹ 3,091.00 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.
- (c) 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 (previous year ₹ 61,876.10 lakhs) including interest in the said arbitration against NHAI. The arbitration proceedings have since been concluded, an award of ₹ 51,100.00 lakhs (previous year ₹ nil) have been awarded in Company's favour.
- (d) 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 September 9, 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 (previous year ₹ 38,925 lakhs) including interest in the said arbitration against NHAI. The arbitration proceedings are underway.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 44 GUARANTEES

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
(i) Bank Guarantees - Executed in favour of National Highways Authority of India and others	2,98,762.10	2,14,866.04
(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)*"	3,455.07	5,849.24

\* Refer Note 47

### 45 COMMITMENTS

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	50.31	183.54
(b) Capital Commitment for Equity and others (Net of Investment)		
PNC Chitradurga Highways Private Limited	-	2,901.00
PNC Bundelkhand Highways Private Limited	2,000.00	1,363.00
PNC Khajuraho Highways Private Limited	-	1,910.00
PNC Triveni Sangam Highways Private Limited	4,956.00	8,025.00
PNC Aligarh Highways Private Limited	-	2,591.00
PNC Challakere Highways Private Limited	6,015.00	10,200.00
PNC Bithur Kanpur Highways Private Limited	9,695.00	18,390.00
PNC Gomti Highways Private Limited	12,982.00	12,982.00
PNC Meerut Haridwar Highways Private Limited	11,834.00	12,300.00
PNC Unnao Highways Private Limited	7,889.00	14,781.00

### 46 DISCLOSURE PURSUANT TO INDIAN ACCOUNTING STANDARD-115 "REVENUE FROM CONTRACT WITH CUSTOMERS

Particulars	Year Ended March 31, 2021
(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	₹ 4,43,585.93 (In lakhs)
(i) Closing Trade receivables	₹ 5,85,012.80 (In lakhs)
(j) Contract Assets	Nil
(k) Contract Liabilities	Nil

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 47 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

##### Associate

- 1 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 Key Managerial Personnel

- |    |                                     |  |
|----|-------------------------------------|--|
| 1  | Meena Jain                          | (W/o Pradeep Kumar Jain)                     |
| 2  | Renu Jain                           | (W/o Naveen Kumar Jain)                      |
| 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  | Sakshi Jain                         | (D/o Yogesh Kumar Jain)                      |
| 9  | Anuj Jain (w.e.f. February 1, 2022) | (S/o Chakresh Kumar Jain)                    |
| 10 | Vaibhav Jain                        | (S/o Naveen Kumar Jain)                      |
| 11 | Naveen Kumar Jain                   | (Brother of Chairman and Managing Directors) |

##### Enterprises over which key managerial person are able to exercise significant influence

- 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
- 8 Ideal Buildtech Private Limited
- 9 AHVS Infra LLP (w.e.f. September 1, 2021)
- 10 SPIPL Manning Private Limited (w.e.f. February 1, 2022)
- 11 Mahaveer Manning Private Limited (w.e.f. February 1, 2022)
- 12 M.A. Infraprojects Private Limited (w.e.f. February 1, 2022)
- 13 Shekhar Resorts Limited
- 14 BF Infrastructure Limited
- 15 NCJ Infrastructure Private Limited
- 16 Pradeep Kumar Jain HUF
- 17 Yogesh Kumar Jain HUF
- 18 Naveen Kumar Jain HUF

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)**

**B. The following transactions were carried out with the related parties in the ordinary course of business:**

(₹ in Lakhs)

S. No.	Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>1</b>	<b>Payment of Rent/Services</b>		
	<b>Key Managerial Personnel (KMP)</b>		
	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
	<b>Relatives of Key managerial personnel</b>		
	Meena Jain	32.75	32.75
	Madhvi Jain	17.75	17.75
	Renu Jain	17.75	17.75
	Ashita Jain	17.75	17.75
	Anuj Jain	2.00	-
	<b>Enterprises over which key managerial person are able to exercise significant influence</b>		
	Subhash International Private Limited	71.58	60.64
	Exotica Buildtech Private Limited	18.90	14.40
	Shri Mahaveer Infrastructure Private Limited	4.80	4.80
	MA Buildtech Private Limited	3.75	3.75
	Taj Infra Builders Private Limited	14.44	9.00
	Gional Infratech LLP	60.00	40.00
	Royal Megatech Private Limited	33.50	17.50
	SPIPL Manning Private Limited	5.00	-
	Mahaveer Manning Private Limited	5.00	-
	M.A. Infraprojects Private Limited	8.00	-
	BF Infrastructure Limited	-	24.58
	AHVS Infra LLP	8,583.41	-
	Pradeep Kumar Jain HUF	18.00	18.00
	Naveen Kumar Jain HUF	15.00	15.00
	Yogesh Kumar Jain HUF	12.00	12.00
	<b>Total</b>	<b>8,998.37</b>	<b>362.66</b>
<b>2</b>	<b>Mobilization Advance/Security Deposits Received</b>		
	Other Related parties		
	Gional Infratech LLP	-	600.00
	Ideal Buildtech Private Limited	50.00	-
		<b>50.00</b>	<b>600.00</b>
<b>3</b>	<b>Sale/ Purchase of Investments/ Loan and Share Application Money in Equity Share Capital</b>		
	Associate Company		
	Ghaziabad Aligarh Expressway Private Limited	4,080.00	114.75
	Enterprises over which key managerial person are able to exercise significant influence		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(₹ in Lakhs)

S. No.	Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
	NCJ Infrastructure Private Limited	3,000.00	3,000.00
	Shekhar Resorts Limited	3,000.00	-
	<b>Total</b>	<b>10,080.00</b>	<b>3,114.75</b>
<b>4</b>	<b>Interest Income</b>		
	Enterprises over which key managerial person are able to exercise significant influence		
	Gional Infratech LLP	32.00	-
	<b>Total</b>	<b>32.00</b>	<b>-</b>
<b>5</b>	<b>Compensation to Key Managerial Personnel*</b>		
<b>(i)</b>	<b>Key managerial personnel (KMP)</b>		
	Pradeep Kumar Jain	1,200.93	1,111.00
	Chakresh Kumar Jain	1,170.93	1,087.00
	Yogesh Kumar Jain	1,170.93	1,087.00
	Anil Kumar Rao	96.75	171.14
	Talluri Raghupati Rao	76.78	68.68
	Bhupinder Kumar Sawhney	79.58	23.53
	Tapan Jain	25.06	19.99
	Directors' sitting fee		
	Chotu Ram Sharma	-	0.80
	Gauri Shankar	1.60	1.70
	Ashok Kumar Gupta	2.00	-
	Kirshna Kumar Jalan	1.10	1.10
	Subhash Chandra Kalia	0.90	-
	Deepika Mittal	1.90	2.00
	<b>Total</b>	<b>3,828.45</b>	<b>3,573.94</b>
<b>(ii)</b>	<b>Relatives of Key managerial personnel (KMP)</b>		
	Bijali Rao	16.20	14.58
	Harshvardhan Jain	51.09	28.50
	Sakshi Jain	23.42	22.80
	Anuj Jain	29.19	28.50
	Vaibhav Jain	29.19	28.50
	Talluri Bharatha	11.81	-
	Apoorva Rao	4.68	-
	Ashish Jain	43.80	40.52
	<b>Total</b>	<b>209.38</b>	<b>163.40</b>

\*Actuarial valuation for the gratuity has been done for Company as a whole, so segregation for the same has not been done.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### C Balances Outstanding at year end

(₹ in Lakhs)

S. No.	Particulars	As at March 31, 2022	As at March 31, 2021
<b>1</b>	<b>Balances outstanding</b>		
	Associate Company		
	Ghaziabad Aligarh Expressway Private Limited (net of credit impaired)	5,508.05	8,892.94
	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
	Anuj Jain	7.00	-
	Enterprises over which key managerial person are able to exercise significant influence		
	Subhash International Private Limited	724.23	729.72
	Gional Infratech LLP	628.80	600.00
	Ideal Buildtech Private Limited	50.00	-
	AHVS Infra LLP	285.59	-
	<b>Total</b>	<b>7,303.67</b>	<b>10,322.66</b>
<b>2</b>	<b>Loan outstanding</b>		
	Associate Company		
	Ghaziabad Aligarh Expressway Private Limited	21,802.00	25,766.56
	Enterprises over which key managerial person are able to exercise significant influence		
	NCJ Infrastructure Private Limited	3,000.00	3,000.00
	Shekhar Resorts Limited	3,000.00	-
	<b>Total</b>	<b>27,802.00</b>	<b>28,766.56</b>
<b>3</b>	<b>Amount Payable</b>		
	Enterprises over which key managerial person are able to exercise significant influence		
	Subhash international Private Limited	19.33	-
	BF Infrastructure Limited	1,406.61	2,018.29
	<b>Total</b>	<b>1,425.94</b>	<b>2,018.29</b>
<b>4</b>	<b>Corporate Guarantee Given on behalf of**</b>		
	Associate Company		
	Ghaziabad Aligarh Expressway Private Limited	3,455.07	5,849.24
	<b>Total</b>	<b>3,455.07</b>	<b>5,849.24</b>

\*\* Refer note 44

### (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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)**

**48 THE GROUP COMPRISES FOLLOWING ENTITIES:**

**(A) Subsidiaries/Step-down subsidiaries**

The group's subsidiaries/step down at March 31, 2022 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.

(₹ in Lakhs)

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, 2022	March 31, 2021	March 31, 2022	March 31, 2021	
		%	%	%	%	
Subsidiaries-						
Ferrovia Transrail Solutions Private Limited	India	51	51	49	49	Infrastructure development
PNC Infra Holdings Limited	India	100	100	-	-	Infrastructure development
PNC Bareilly Nainital Highways Private Limited	India	100	100	-	-	BOT Project
Step-down subsidiaries-						
PNC Raebareli Highways Private Limited	India	100	100	-	-	Annuity Project
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 Khajuraho 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	India	100	100	-	-	HAM Project
PNC Gomti Highways Private Limited	India	100	100	-	-	HAM Project
PNC Meerut Haridwar Highways Private Limited	India	100	100	-	-	HAM Project
PNC Unnao Highways Private Limited	India	100	100	-	-	HAM Project



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### (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)

Summarized balance sheet	Ferrovia Transrail Solutions Private Limited	
	March 31, 2022	March 31, 2021
Current assets	1,216.96	1,761.03
Current liabilities	(1,411.01)	(2,023.17)
Net Current assets	(194.05)	(262.14)
Non-current assets	51.32	67.34
Non-current liabilities	(1.95)	(1.96)
Net Non-current assets	49.37	65.38
<b>Net assets</b>	<b>(144.68)</b>	<b>(196.76)</b>

(₹ in Lakhs)

Summarized statement of profit and loss	Ferrovia Transrail Solutions Private Limited	
	March 31, 2022	March 31, 2021
Revenue	192.27	-
Profit for the year	51.84	(96.94)
Other comprehensive income	0.23	0.26
<b>Total comprehensive income</b>	<b>52.07</b>	<b>(96.68)</b>
Profit allocated to NCI	25.51	(47.37)
Dividends paid to NCI	-	-

(₹ in Lakhs)

Summarized cash flows	Ferrovia Transrail Solutions Private Limited	
	March 31, 2022	March 31, 2021
Cash flows from operating activities	639.06	(387.91)
Cash flows from investing activities	-	-
Cash flows from financing activities	(611.80)	387.12
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>27.26</b>	<b>(0.79)</b>

### C Interest in Associates\*

Set out below are associates of the group as at March 31, 2022 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.

(₹ in Lakhs)

Name of entity	Place of business/ country of incorporation	Ownership interest held by the group		Principal activities
		March 31, 2022	March 31, 2021	
		%	%	
Ghaziabad Aligarh Expressway Private Limited	India	35	35	Infrastructure development

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(₹ in Lakhs)

Summarized balance sheet	Ghaziabad Aligarh Expressway Private Limited	
	March 31, 2022	March 31, 2021
	Current assets	1,198.39
Current liabilities	(76,417.15)	(87,096.04)
<b>Net Current assets</b>	<b>(75,218.76)</b>	<b>(85,820.27)</b>
Non-current assets	1,29,453.67	1,75,650.12
Non-current liabilities	(55,334.74)	(79,019.80)
<b>Net Non-current assets</b>	<b>74,118.93</b>	<b>96,630.32</b>
<b>Net assets</b>	<b>(1,099.83)</b>	<b>10,810.05</b>

(₹ in Lakhs)

Summarized statement of profit and loss	Ghaziabad Aligarh Expressway Private Limited	
	March 31, 2022	March 31, 2021
	Revenue	22,550.22
Profit for the year	(33,135.67)	1,219.11
Other comprehensive income	7.96	41.02
<b>Total comprehensive income</b>	<b>(33,127.71)</b>	<b>1,260.13</b>

\*Refer Note 55

**49 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 ₹ 695.88 lakhs (previous year ₹ 624.34 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, 2022 is ₹ 1,698.92 lakhs (Previous year ₹ 1,112.12 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 2021-22		FY 2020-21	
	Funded	Unfunded	Funded	Unfunded
<b>1. Change in Present Value of Obligation</b>				
Present value of obligation at the beginning of the year	1,828.39	20.38	1,441.92	15.01
Acquisition cost				
Interest cost	118.62	1.32	93.00	0.98
Current service cost	418.39	10.68	277.64	7.67
Benefits paid	(6.86)	-	-	-

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)**

(₹ in Lakhs)

Particulars	Gratuity			
	FY 2021-22		FY 2020-21	
	Funded	Unfunded	Funded	Unfunded
Actuarial gain/(loss) on obligation	-	-	-	-
a) Effect of changes in demographic assumptions	-	-	-	-
b) Effect of changes in financial assumptions	-	-	-	-
c) Effect of experience adjustments	245.71	2.21	15.82	(3.29)
<b>Present value of obligation at end of the year</b>	<b>2,604.25</b>	<b>34.59</b>	<b>1,828.39</b>	<b>20.38</b>
Current Obligation	24.43	7.47	387.47	4.33
Non Current Obligation	2,579.82	27.12	1,076.69	16.05
<b>2. Change in Fair Value of Plan Assets</b>				
Fair value of plan assets at the beginning of the year	736.63	-	562.79	-
Actual return on plan assets				
Interest Income	54.49	-	42.23	-
Contributions	331.04	-	138.88	-
Benefits paid	(6.86)	-	-	-
Actuarial gain/(loss) on plan assets	(175.38)	-	(7.27)	-
<b>Fair value of plan assets at the end of the year</b>	<b>939.92</b>	<b>-</b>	<b>736.63</b>	<b>-</b>
<b>3. Amount to be recognized in Balance Sheet</b>				
Present value of obligation as at end of the year	2,604.25	34.59	1,828.38	20.38
Fair value of plan assets as at the end of the year	(939.92)	-	(736.64)	-
Funded Status	1,664.33	34.59	101.49	20.38
<b>Net Asset/(liability) recognized in Balance Sheet</b>	<b>(1,664.33)</b>	<b>(34.59)</b>	<b>(1,091.74)</b>	<b>(20.38)</b>
<b>4. Expenses recognized in the statement of profit &amp; loss.</b>				
Current service cost	418.39	10.68	288.75	7.67
Net Interest cost	(6.86)	-	-	-
Interest Expense on DBO	118.62	1.32	93.00	0.98
Interest (income) on plan assets	54.49	-	42.23	-
<b>Total Net Interest Cost</b>	<b>64.13</b>	<b>1.32</b>	<b>58.50</b>	<b>0.98</b>
Net actuarial (gain)/loss recognized in profit/loss	-	-	-	-
<b>Expenses recognized in the statement of Profit &amp; Loss</b>	<b>482.52</b>	<b>12.00</b>	<b>347.25</b>	<b>8.65</b>
<b>5. recognized in other comprehensive income for the year</b>				
a) Effect of changes in demographic assumptions	-	-	-	-
b) Effect of changes in financial assumptions	-	-	-	-
c) Effect of experience adjustments	245.71	2.21	15.82	(3.29)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(₹ in Lakhs)

Particulars	Gratuity			
	FY 2021-22		FY 2020-21	
	Funded	Unfunded	Funded	Unfunded
d) (Return) on plan assets (excluding interest income)	(175.38)	-	(7.27)	-
e) Changes in asset ceiling (excluding interest income)	-	-	-	-
f) Total remeasurements included in OCI	421.09	2.21	23.09	(3.29)
Actuarial gain / (loss) for the year on DBO	245.71	2.21	15.82	(3.29)
Returns above interest cost	(175.38)	-	(7.27)	-
Actuarial gain / (loss) for the year on Asset	-	-	-	-
Unrecognized actuarial gain / (loss) at the end of the year	-	-	-	-
<b>6. Maturity Profile of Defined Benefit Obligation</b>				
1. Within the next 12 months (next annual reporting period)	893.45	17.28	597.32	10.95
2. Between 2 and 5 years	1,627.49	17.62	1,090.66	8.50
3. Between 6 and 10 years	480.93	6.87	327.51	3.41
<b>7. Quantitative sensitivity analysis for significant assumptions is as below</b>				
Impact of the change in discount rate				
Present Value of Obligation at the end of the year				
a. Impact due to increase of 100 Basis Points	2,522.72	33.47	1,770.77	19.70
b. Impact due to decrease of 100 Basis Points	2,691.49	35.79	1,890.08	21.08
Impact of the change in salary increase				
Present Value of Obligation at the end of the year				
a. Impact due to increase of 1 %	2,678.06	35.62	1,881.31	20.99
b. Impact due to decrease of 1 %	2,533.83	33.60	1,777.94	19.78
Attrition Rate				
Present Value of Obligation at the end of the year				
a. Impact due to increase of 1 %	2,593.70	34.48	1,821.63	20.29
b. Impact due to decrease of 1 %	2,614.68	34.70	1,835.07	20.45

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.

**(ii) 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

Particulars	March 31, 2022	March 31, 2021
a) Economic Assumptions		
i. Discounting Rate -current year	6.50%	6.50%
Discounting Rate - Previous Year	6.50%	6.50%
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

(₹ in Lakhs)

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)

Summarized balance sheet	Leave Obligation	
	FY 2021-22	FY 2020-21
Present Value of unfunded obligation (₹ In lakhs)	640.14	445.46
Expenses recognized in Statement of Profit and Loss (₹ In lakhs)	167.48	129.80
Discount rate (p.a)	6.50%	6.50%
Salary escalation rate (p.a)	5%	5%

## 50 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 predominantly 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.
- Details of business segment information is given below:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(₹ in Lakhs)

Summarized balance sheet	Leave Obligation	
	FY 2021-22	FY 2020-21
<b>Segment Revenue</b>		
Contract	6,13,668.37	4,86,807.88
Toll Annuity	1,07,135.19	91,948.97
<b>Total</b>	<b>7,20,803.56</b>	<b>5,78,756.85</b>
Less: Inter-segment revenue	-	-
<b>Net revenue from operations</b>	<b>7,20,803.56</b>	<b>5,78,756.85</b>
<b>Segment Results</b>		
Contract	60,307.69	50,202.30
Toll Annuity	53,935.17	55,259.85
<b>Total</b>	<b>1,14,242.86</b>	<b>1,05,462.15</b>
Less: Other unallocable expenditure	(42,532.23)	(42,606.70)
Add: Unallocable other income	8,898.63	11,132.44
<b>Profit before tax and non-controlling interests</b>	<b>80,609.26</b>	<b>73,987.89</b>
<b>Segment Assets</b>		
Contract	3,04,535.66	3,08,097.08
Toll and Annuity	7,59,951.92	6,49,427.74
Unallocated	-	-
<b>Total</b>	<b>10,64,487.58</b>	<b>9,57,524.82</b>
<b>Segment Liabilities</b>		
Contract	1,50,128.62	1,71,655.46
Toll and Annuity	5,51,571.79	4,80,600.84
Unallocated	-	-
<b>Total</b>	<b>7,01,700.41</b>	<b>6,52,256.30</b>

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 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.

51 FAIR VALUE MEASUREMENT

Financial instruments by category

(₹ in Lakhs)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Amortized Cost	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI
<b>Financial Assets</b>						
Investments in equity instruments (Refer note 7)	55.54	-	-	55.54	-	-
Investments in mutual funds (Refer note 13)	-	42,317.85	-	-	53,795.05	-
Investments in associate (Refer note 7)	-	-	-	-	4,009.21	-
Trade receivables (Refer note 8 & 14)	5,85,012.80	-	-	4,43,585.93	-	-



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)**

(₹ in Lakhs)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Amortized Cost	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI
Cash and bank balances (Refer note 15)	74,729.70	-	-	94,452.06	-	-
Loans (Refer note 16)	26,987.00	-	-	27,971.56	-	-
Other financial assets (Refer note 9 & 17)	16,041.68	-	-	18,022.09	-	-
<b>Total Financial Assets</b>	<b>7,02,826.73</b>	<b>42,317.85</b>	<b>-</b>	<b>5,84,087.18</b>	<b>57,804.26</b>	<b>-</b>
<b>Financial Liabilities</b>						
Borrowings (Refer note 22 & 28)	31,456.61	4,46,427.11	-	2,018.29	4,16,830.11	-
Lease liabilities (Refer note 23 & 29)	-	1,410.44	-	-	368.68	-
Trade payables (Refer note 24 & 30)	51,427.29	11,973.33	-	72,609.52	41,585.75	-
Other financial liabilities (Refer note 25 & 31)	23,811.52	33,129.52	-	28,599.01	25,377.17	-
<b>Total Financial Liabilities</b>	<b>1,06,695.43</b>	<b>4,92,940.39</b>	<b>-</b>	<b>1,03,226.82</b>	<b>4,84,161.72</b>	<b>-</b>

**(i) Fair Value Hierarchy**

This section explains the judgements 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 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, 2022			As at March 31, 2021		
	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)
<b>(A) Financial Assets and Liabilities measured at fair value through profit and loss or other comprehensive income</b>						
- Investment in mutual funds (Refer note 13)	42,317.85	-	-	53,795.05	-	-
<b>Total</b>	<b>42,317.85</b>	<b>-</b>	<b>-</b>	<b>53,795.05</b>	<b>-</b>	<b>-</b>
Financial Assets and Liabilities measured at amortized cost for which fair values are disclosed						

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(₹ in Lakhs)

Particulars	As at March 31, 2022			As at March 31, 2021		
	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)
<b>(i) Financial Assets</b>						
- Trade receivables (Refer note 8)	-	5,18,437.32	-	-	4,04,307.34	-
- Retentions & security deposits (Refer note 9)	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>5,18,437.32</b>	<b>-</b>	<b>-</b>	<b>4,04,307.34</b>	<b>-</b>
<b>(ii) Financial Liabilities</b>						
- Borrowings (Refer note 22 & 28)	-	4,46,427.11	-	-	4,16,830.11	-
- Retentions (Refer note 25)	-	-	33,129.52	-	-	25,377.17
- Other financial liabilities (Refer note 25)	-	47.06	-	-	47.06	-
<b>Total</b>	<b>-</b>	<b>4,46,474.17</b>	<b>33,129.52</b>	<b>-</b>	<b>4,16,877.18</b>	<b>25,377.17</b>

**(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 amortized 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.

**52 FINANCIAL RISK MANAGEMENT OBJECTIVES & POLICIES**

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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### (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 .

(i) The exposure of group borrowings to interest rate changes at the end of the year are as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Variable rate borrowings	4,54,898.77	3,76,906.38
Fixed rate borrowings	22,984.95	41,942.02
<b>Total borrowings*</b>	<b>4,77,883.72</b>	<b>4,18,848.40</b>

\* Refer note 22 & 28

(ii) As at the end of year, the Group had the following variable rate borrowings.

(₹ in Lakhs)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Term Loan	7.14%	4,54,898.77	95.19%	9.37%	3,76,906.38	89.99%
<b>Net exposure to cash flow interest rate risk</b>		<b>4,54,898.77</b>			<b>3,76,906.38</b>	

(iii) Sensitivity

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

(₹ in Lakhs)

Summarized balance sheet	Ferrovia Transrail Solutions Private Limited		Ferrovia Transrail Solutions Private Limited	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
₹	+50	+50	(2,274.49)	(1,884.53)
₹	- 50	- 50	2,274.49	1,884.53

### (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 year are as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade payables		
- Exposure of Euros (in ₹)	-	1,921.73

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)**

**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 2021-22		FY 2020-21	
	5% increase	5% decrease	5% increase	5% decrease
Euros (in ₹)	-	-	(96.09)	96.09

**(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
<b>As at March 31, 2022</b>					
Gross Carrying Amount (Refer note 14)	70,993.61	54,971.09	2,254.48	13,768.04	70,993.61
Allowance for Credit Loss (in ₹)	(4,418.12)	-	-	-	(4,418.12)
<b>Carrying Amount (net of impairment)</b>	<b>66,575.48</b>	<b>54,971.09</b>	<b>2,254.48</b>	<b>13,768.04</b>	<b>66,575.48</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(₹ in Lakhs)

Ageing	Carrying Value	0-180 days	More than 181 days and Less than 365 days	More than 365 days	Total
<b>As at March 31, 2021</b>					
Gross Carrying Amount (Refer note 14)	39,825.21	24,201.79	8,580.00	7,043.42	39,825.21
Expected Credit Loss (in ₹)	(546.62)	-	-	-	(546.62)
<b>Carrying Amount (net of impairment)</b>	<b>39,278.59</b>	<b>24,201.79</b>	<b>8,580.00</b>	<b>7,043.42</b>	<b>39,278.59</b>

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 analyzed. In case of probability of non collection, default rate is 100%.

### 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, 2022	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 22 & 28)	4,77,883.72	1,406.61	42,817.83	1,02,190.55	3,31,468.72	4,77,883.72
Trade payables (Refer note 30)	51,427.29	-	41,533.80	7,750.48	2,143.01	51,427.29
Other Liabilities (Refer note 23, 25, 29 & 31)	58,351.48	-	24,126.56	34,224.92	-	58,351.48
<b>Total</b>	<b>5,87,662.49</b>	<b>1,406.61</b>	<b>1,08,478.20</b>	<b>1,44,165.95</b>	<b>3,33,611.73</b>	<b>5,87,662.50</b>

(₹ 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 22 & 28)	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 30)	72,609.52	-	60,241.39	9,027.00	3,341.13	72,609.52
Other Liabilities (Refer note 23, 25, 29 & 31)	54,344.86	-	28,732.17	25,612.69	-	54,344.86
<b>Total</b>	<b>5,45,802.78</b>	<b>2,018.29</b>	<b>1,32,314.56</b>	<b>1,04,857.41</b>	<b>3,06,612.52</b>	<b>5,45,802.78</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### Financing arrangements

The group had access to the following undrawn borrowing facilities at the end of the year:

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Cash credit	1,00,000.00	1,00,000.00
Bank guarantee	1,90,613.90	2,83,122.71
<b>Total</b>	<b>2,90,613.90</b>	<b>3,83,122.71</b>

## 53 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.

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Debt (Refer note 22 & 28)	4,77,883.72	4,18,848.40
Cash & bank balances {Refer note 15(i) & 15(ii)}	74,729.70	94,452.06
Net debt	4,03,154.02	3,24,396.34
Total equity (Refer note 20 & 21)	3,62,809.26	3,05,316.01
<b>Net debt to equity ratio (Gearing Ratio)</b>	<b>1.11</b>	<b>1.06</b>

#### 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.

## 54 CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Group planned towards Corporate Social Responsibility (CSR) activities at least two % of the average net profits of the Company made during the three immediately preceding financial years. The areas for CSR activities are promoting education, healthcare, social welfare, art & culture, empowering women, COVID-19 relief.

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
(i) Amount required to be spent by the group during the year	1,302.81	940.10
(ii) Amount of expenditure incurred	1,307.28	947.85
(iii) Shortfall at the end of the year	-	-
(iv) Nature of CSR activities	Promoting education, healthcare, Social Welfare, art & culture, Empowering Women, COVID-19 relief	



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 55 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Investments in equity instruments using Equity method		
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 as on 01/04/2021	4,009.21	
Less : Impairment Loss on Investments	(3,834.21)	-
	<b>175.00</b>	<b>-</b>

The Holding Company, along with its wholly owned subsidiary, PNC Infra Holdings Limited and other partners/promoters, on April 1, 2021, 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 Holding Company) in Ghaziabad Aligarh Expressway Private Limited, an "Associate" of the Company to Cube Highways and Infrastructure Private Limited ("Cube Highways"). This transaction was subject to applicable regulatory requirements and complying with the conditions precedent, more specifically laid down in the Share Purchase Agreement. During the year, the Group had provided impairment loss of ₹ 13,949.51 lakhs in other expenses. Now the deal is finally concluded on May 26, 2022 and total consideration has been received.

### 56 LEASES

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>Gross carrying value</b>		
<b>Opening Balance</b>	920.09	995.46
Addition during the year	1,297.24	192.56
Disposal / Adjustments	-	267.93
<b>Total (A)</b>	<b>2,217.33</b>	<b>920.09</b>
<b>Accumulated depreciation</b>		
<b>Opening Balance</b>	415.03	266.89
Addition during the year	418.81	148.14
Disposal / Adjustments	-	-
<b>Total (B)</b>	<b>833.84</b>	<b>415.03</b>
<b>Net Block (A-B)</b>	<b>1,383.49</b>	<b>505.06</b>

### Lease liabilities

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Opening Balance	368.68	680.94
Addition during the year	1,297.24	192.56
Disposal / Adjustments	(141.57)	166.74
Payment made	397.06	338.08
	<b>1,410.43</b>	<b>368.68</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### Maturity Analysis of Lease Liability has been disclosed as follows

Particulars	(₹ in Lakhs)	
	Year Ended March 31, 2022	Year Ended March 31, 2021
0 - 1 Year	362.10	180.22
1 - 5 Years	859.38	132.34
More than 5 Years	188.95	56.12

**57** Parent Company 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.

**58** Parent Company and SPML Infra Limited has formed a Joint Venture ( JV) namely "PNC-SPSCPL JV" (Jointly controlled operation) specifying their division of execution. Various rural water supply projects were awarded to JV by Executive Director, State Water and Sanitation Mission(SWSM).

The JV has further awarded the contract to Joint Venturers in their division of execution as specified in the contract with Executive Director, State Water and Sanitation Mission(SWSM).

The billing to Executive Director, State Water and Sanitation Mission(SWSM) 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.

### **59 OTHER STATUTORY INFORMATION:**

- (i) The Group do not have any benami property, and no proceeding has been initiated against the Company for holding any benami property.
- (ii) The Group do not have any transactions with companies struck off.
- (iii) The Group do not have any charges or satisfaction which is yet to be registered with MCA beyond the statutory period.
- (iv) The Company have not traded or invested in crypto currency or virtual currency during the financial year
- (v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries) or
  - b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vi) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that it shall:
  - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
  - b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- (vii) The Group has not entered into any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961
- (viii) The Group has not been declared wilful defaulter by any banks, any other financial institution or other lender at any time during the financial year.
- (ix) All immovable properties are held in the name of the Group.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 60 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE :

- (i) The Holding Company, along with its wholly owned subsidiary, PNC Infra Holdings Limited and other partners/promoters, on April 1, 2021, 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 Holding Company) in Ghaziabad Aligarh Expressway Private Limited, an "Associate" of the Company to Cube Highways and Infrastructure Private Limited ("Cube Highways"). This transaction was subject to applicable regulatory requirements and complying with the conditions precedent, more specifically laid down in the Share Purchase Agreement. During the 3rd quarter, the Group had provided impairment loss of ₹ 13,949.51 lakhs in other expenses. Now the deal is finally concluded on May 26, 2022 and total consideration has been received.
- (ii) The Parent Company recommended a dividend @ 25 % i.e. ₹. 0.50 (Fifty Paise) per equity share of ₹ 2/- each for the financial year 2021-22 subject to approval of members in the ensuing Annual General Meeting.

Except (i) & (ii) There are no events occurring after the Balance Sheet date for the financial year 2021-22.

61 Exceptional item during the year includes writing off advances of bf infrastructure limited of ₹ 185.00 Lakhs.

62 Figures pertaining to Subsidiary Companies have been reclassified wherever necessary to bring them in line with the Parent Company's Financial Statements.

63 Previous year figures have been reclassified / regrouped, wherever necessary.

As per our report of even date attached

For **NSBP & Co.**

Chartered Accountants

Firm Registration No. 001075N

**Deepak K. Aggarwal**

Partner

Membership No. 095541

Place: New Delhi

Date: May 28, 2022

**On behalf of the Board of Directors**

**Pradeep Kumar Jain**

Chairman and Managing Director

DIN. - 00086653

Place: Agra

Date: May 28, 2022

**Tapan Jain**

Company Secretary

M. No. A22603

Place: Agra

Date: May 28, 2022

**Chakresh Kumar Jain**

Managing Director

DIN. - 00086768

Place: Agra

Date: May 28, 2022

**Bhupinder Kumar Sawhney**

Chief Financial Officer

Place: Agra

Date: May 28, 2022

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	(₹ in Lakhs)																			
	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 Chitradurga 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 Challakere (Karnataka) Highways Private Limited	PNC Unnao Highways Private Limited	PNC Gomti Highways Private Limited	PNC Kanpur Highways Private Limited	PNC Meerut 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	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	
Date since when subsidiary was acquired	08.12.2010	January 12, 2011	January 10, 2011	July 07, 2011	July 07, 2011	August 28, 2012	February 19, 2013	July 31, 2012	August 22, 2016	April 20, 2017	April 21, 2017	April 20, 2017	December 27, 2017	April 12, 2018	July 06, 2018	March 20, 2020	March 20, 2020	June 15, 2020	July 12, 2020	
Reporting Currency	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
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.	N.A.
Share Capital	7,830.00	17,316.48	6,750.00	3,500.00	7,460.00	13,960.00	5.00	1.00	2,643.00	4,302.00	5,508.00	3,930.00	7,296.00	6,681.00	3,068.00	4,025.00	510.00	4,944.00	510.00	
Reserves & Surplus	(2658.01)	65,208.53	3,501.99	10,693.52	(11,288.27)	14,182.43	16,290.64	(145.68)	716.08	960.57	(931.45)	2,114.95	(1956.18)	(565.6)	276.63	(113.78)	-66.71	(289.96)	(94.69)	
Total Assets	18,146.49	85,627.28	26,891.84	19,291.96	54,913.63	93,165.75	30,201.74	1,268.27	39,009.34	75,100.24	77,826.66	72,733.68	90,487.35	62,914.55	24,048.53	26,270.01	31,482.70	60,205.27	17,022.75	
Total Liabilities	12,974.50	2.27	16,639.85	5,098.44	58,741.90	65,023.32	13,906.10	1,412.96	35,650.26	69,837.67	73,250.11	66,688.73	85,147.53	56,799.15	20,703.90	22,358.79	31,039.41	55,551.23	16,607.44	
Investments	3,084.39	82,421.99	7,497.55	4,508.06	1,773.68	11,763.50	1,860.56	0.00	3,086.53	1,514.21	510.48	70.94	1,989.10	2,001.02	754.78	0.00	1,101.48	801.49	0.10	
Turnover	5,057.80	0.00	10,904.96	2,603.50	5,051.91	8,675.01	43,982.86	192.26	3,175.49	24,306.16	22,819.31	13,089.38	50,663.60	8,623.15	26,975.13	29,413.94	34,616.82	65,719.67	23,576.84	
Profit/(Loss) before Tax	220.81	(3826.82)	(1077.14)	1,093.06	(320.07)	3,155.90	14,941.85	51.85	167.05	(91.06)	203.90	1,131.93	(746.04)	143.39	201.96	(113.45)	(66.71)	(289.96)	(94.69)	
Provision for Taxation	(113.87)	0.47	(351.41)	71.91	(24.73)	505.41	4,480.88	0.01	8.48	(204.08)	0.00	(272.2)	33.78	23.93	47.83	0.33	0.00	0.00	0.00	
Profit/(Loss) after Tax	334.68	(3827.29)	(725.73)	1,021.16	(295.34)	2,650.48	10,460.97	51.84	158.57	113.02	203.90	1,404.13	(779.82)	119.45	154.13	(113.78)	(66.71)	(289.96)	(94.69)	
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*)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.51	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	

\* Holds directly and indirectly through its wholly owned subsidiary PNC Infra Holdings Limited

Notes:

- Names of Subsidiaries which are yet to commence operations- Nil
- Names of Subsidiaries which have been liquidated or sold during the year- Nil

For and on behalf of the Board of Directors

Pradeep Kumar Jain  
Chairman and Managing Director  
DIN: 00086653

Chakresh Kumar Jain  
Managing Director  
DIN: 00086768

Tapan Jain  
Company Secretary  
M.No: A22603

Bhupinder Kumar Sawhney  
Chief Financial Officer

Place: Agra  
Date: May 28, 2022

# 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. NSBP & Company**

Chartered Accountants

325, Third Floor, U.S. Complex, Opp. Apollo Hospital, 120,  
Mathura Road, Sarita Vihar, New Delhi-110076

### Bankers

**Bank of Baroda**

**Canara Bank**

**Central Bank of India**

**Punjab National Bank**

**Union Bank of India**

**ICICI Bank Limited**

**Axis Bank Limited**

**Indian Bank**

**State Bank of India**

**IndusInd Bank**

### Registrar and Transfer Agent

#### **Link Intime India Pvt. Ltd**

Noble Heights 1<sup>st</sup> 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, 4<sup>th</sup> Floor, Pushp Vihar,  
Sector-5 (Saket), New Delhi-110017, India,  
Website: [www.pncinfratech.com](http://www.pncinfratech.com)



**PNC INFRA TECH LIMITED**

[www.pncinfratech.com](http://www.pncinfratech.com)

CIN No.: L45201DL1999PLC195937