



# PNC Infratech Limited

An ISO 9001 : 2015 Certified Company

Ref No: PNC/SE/46/20-21

Date: 08.09.2020

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

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

**Sub: Annual Report of the Company for the financial year ended on March 31, 2020 along with the Notice of 21<sup>st</sup> Annual General Meeting to be held on September 30, 2020**

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the soft copy of the Annual Report for the financial year ended on March 31, 2020 along with the Notice of 21<sup>st</sup> Annual General Meeting to be held on September 30, 2020.

Please take note of the same.

Thanking you,

For PNC Infratech Limited

*Tapar*

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



Encl: as above



Corporate Office : PNC Tower,  
3/22-D, Civil Lines, Bypass Road,  
NH-2, Agra-282002

Tel. : 91-562-4054400 (30 Lines)  
91-562-4070000 (30 Lines)

Fax : 91-562-4070011

Email : ho@pncinfratech.com

Regd. Office : NBCC Plaza, Tower II,  
4th Floor, Pushp Vihar, Sector-V, Saket  
New Delhi--110017 (India)

Tel. : 91-11-29574800 (10 Lines)  
91-11-29566511, 64724122

Fax : +91-11-29563844

Email : delhioffice@pncinfratech.com  
Web. : www.pncinfratech.com  
CIN : L45201DL1999PLC195937



## PNC Infratech Limited

**Registered office:** NBCC Plaza, Tower-II, 4th Floor, Pushp Vihar, Sector-V, Saket, New Delhi-110017  
(CIN -L45201DL1999PLC195937)

**Tel:** (+91 11) 2957 4800 **Fax:** (+91 11) 2956 3844 **E-mail:** complianceofficer@pncinfratech.com **Website:** www.pncinfratech.com

### Notice to Members

Notice is hereby given that the **21<sup>st</sup> Annual General Meeting (AGM)** of the Members of **PNC Infratech Limited** will be held on **Wednesday, September 30, 2020 at 12:00 Noon (IST)** through Video Conferencing ("VC")/ Other Audio- Visual Means ("OAVM") ("hereinafter referred to as "electronic mode") to transact the following business:

#### ORDINARY BUSINESS:

- To receive, consider and adopt –
  - The audited Standalone Financial Statements of the Company for the financial year ended March 31, 2020, along with the report of the Board of Directors and Auditors thereon;
  - The audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2020, along with the report of the Auditors thereon.
- To confirm interim dividend as final dividend for the financial year 2019-20.
- To appoint a Director in place of Mr. Anil Kumar Rao, Whole-Time Director, (DIN: 01224525), who retires by rotation and being eligible, offers himself for re-appointment.

#### SPECIAL BUSINESS –

##### 4. RATIFICATION OF REMUNERATION PAYABLE TO M/s. R K G & ASSOCIATES, COST AUDITORS OF THE COMPANY

To consider and if thought fit, to pass with or without modification(s) the following resolution as **ORDINARY RESOLUTION:**

**"RESOLVED THAT** pursuant to provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) ("the Act"), remuneration of ₹ 50,000/- Per Annum (Rupees Fifty Thousand only) plus applicable taxes thereon and reimbursement of out-of-pocket expenses on actual basis, to M/s. R K G & Associates, Cost Accountants (Firm Registration Number - 000272) who have been appointed by the Board as Cost Auditors of the Company to conduct the audit of cost records of the Company for the financial year ended March 31, 2021 be and is hereby confirmed, ratified and approved.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to take all such steps and to do all such acts, deeds and things as may be necessary, proper and expedient to give effect the above resolution."

##### 5. SPECIAL INCENTIVE TO MR. ANIL KUMAR RAO (DIN: 01224525), WHOLE TIME DIRECTOR

To consider and if thought fit, to pass with or without modification(s), the following resolution as **SPECIAL RESOLUTION:**

**"RESOLVED THAT** pursuant to the provisions of Section 197 and other applicable provisions, if any of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof, for the time being in force) and in terms of recommendation of the Nomination and Remuneration Committee, a sum not exceeding ₹ 91,00,000/- (Rupees Ninety One Lakhs Only) be paid to Mr. Anil Kumar Rao, Whole Time Director in such manner and in all respects as may be directed by the Board of Directors and such payments shall be made as a special incentive for the financial year 2019-20.

**RESOLVED FURTHER THAT,** Mr. Chakresh Kumar Jain or Mr. Yogesh Kumar Jain, Managing Director(s) or Mr. Tapan Jain, Company Secretary of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient for giving effect to this resolution."

By order of the Board of Directors  
**For PNC Infratech Limited**

**Tapan Jain**  
Company Secretary  
M. No. A22603

#### Corporate Office:

PNC Tower, 3/22-D, Civil Lines,  
Agra Delhi Bypass Road, National Highway 2,  
Agra 282 002, India  
Dated: 27 August, 2020  
Place: Agra

#### NOTES

- AGM through VC or OAVM:** In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its Circular No. 20 dated May 5, 2020 read with Circular No. 14 dated April 8, 2020 and Circular No. 17 dated April 13, 2020 (hereinafter collectively referred to as "MCA Circulars") permitted the holding of Annual General Meeting through VC or OAVM without the physical presence of Members at a common venue. In compliance with these MCA Circulars and the relevant provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015, the Annual General Meeting of the Members of the Company is being held through VC/OAVM. Hence, members can attend and participate in the AGM through VC/OAVM only. The deemed venue for the AGM shall be the Registered Office of the Company. The detailed procedure for participation in the meeting through VC/OAVM is as per note no. 14 and available at the company's website [www.pncinftratech.com](http://www.pncinftratech.com).

2. **Explanatory Statement:** The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts concerning each item of special business to be transacted at the Meeting is annexed hereto and forms part of the Notice.
3. **Instruction for Members regarding Proxy(s):** Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Annual General Meeting and hence the Proxy Form, Attendance Slip and Route Map are not annexed to the Notice.
4. **Dispatch of Annual Report through Electronic Mode & Participation in AGM:** In compliance with aforesaid MCA Circulars and SEBI circular, Notice of the Annual General Meeting along with the Annual Report for the financial year 2019-20 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/Depositories in accordance with the aforesaid MCA Circulars and circular issued by SEBI dated May 12, 2020. Members may note that the Notice of Annual General Meeting and Annual Report for the financial year 2019-20 will also be available on the Company's website [www.pncinftratech.com](http://www.pncinftratech.com); websites of the Stock Exchanges i.e. National Stock Exchange of India Ltd and BSE Limited at [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com) respectively. Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.
5. **Instruction for Authorized Representative:** Institutional/ Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc) are required to send a scanned copy (PDF/ JPEG Format) of its Board Resolution or governing body Resolution/Authorisation etc., authorising its representative to attend the Annual General Meeting through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through their registered email address to [deepak@drassociates.org](mailto:deepak@drassociates.org) with copies marked to the Company at [complianceofficer@pncinftratech.com](mailto:complianceofficer@pncinftratech.com) and to its RTA at [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in)
6. **Quorum:** Members attending the meeting through VC/OAVM shall be counted for the purposes of reckoning the quorum under Section 103 of the Companies Act, 2013.
7. **Registrar & Share Transfer Agents and Depository Participant:** Members holding Shares in physical mode are requested to intimate changes in their address, bank details, ECS mandate, nomination, power of attorney, change in name/ address etc. to Link Intime India Private

Limited, Registrar and Share Transfer Agents (RTA) of the Company located at Noble Heights, 1st Floor, Plot NH2, C-1 Block LSC, Near Savitri Market, Janakpuri, New Delhi-110058.

Members holding Shares in electronic mode are requested to send the intimation for change of address, bank details, ECS mandate, nomination, power of attorney, change in name/ address etc. to their respective Depository Participants, any such changes effected by the Depository Participants will automatically reflect in the Company's subsequent records.

8. **Nomination Facility:** Members holding shares in the physical form and desirous of making / changing nomination in respect of their shareholdings in the Company, as permitted under Section 72 of the Companies Act, 2013 and Rules made thereunder, are requested to submit the prescribed Form No. SH-13, as applicable for this purpose to the Company's Registrar and Share Transfer Agents (RTA), Link Intime India Private Limited, who will provide the form on request. In respect of shares held in electronic / demat form, the Members may please contact their respective depository participant.
9. **Book Closure:** Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from Thursday, September 24, 2020 to Wednesday, September 30, 2020 (both days inclusive) for the purpose of AGM.

**Go Green Initiative:**

Members holding shares in physical mode are requested to take the benefits of dematerialization of their shares by approaching to any of the Depository Participants. Members may please also note that pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 and SEBI Circular dated 3 December 2018 w.e.f. 1 April 2019, except in case of transmission or transposition of securities, all requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with any of the Depository.

10. **Consolidation of Multiple Folios:** Members who hold Shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to write to the Company's Registrar and Share Transfer Agents, Link Intime India Private Limited, enclosing their Share Certificates to enable the Company to consolidate their holdings into a single folio.
11. **Mandatory PAN Submission:** The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding Shares in electronic form are, therefore, requested to submit the PAN details to their Depository Participants with whom they are maintaining their demat accounts. Members holding Shares in physical form can submit their PAN details to the Company's Registrar and Share Transfer Agents, Link Intime India Private Limited.
12. **Inspection by Members:** The Register of Directors and Key Managerial Personnel (KMPs) and their shareholding maintained under Section 170 of Companies Act, 2013

and the Register of Contracts or Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 and all other documents referred in the Notice will be available for inspection in electronic mode.

Members desirous of obtaining any relevant information with regard to the accounts of the Company at the Meeting are requested to send their requests to the Company at least 10 (ten days) days before the date of the Meeting, so as to enable the Company to keep the information ready.

- 13. Subsidiary Accounts:** In accordance with the provisions of Section 136 of the Companies Act, 2013, the Company will provide a copy of separate audited financial statements in respect of each of its subsidiary, to any shareholder of the Company on making requisition to the Company Secretary or email at [complianceofficer@pncinftratech.com](mailto:complianceofficer@pncinftratech.com).

A Statement containing the salient features of the financial statement of subsidiaries forms part of the Annual Report of the Company. The audited financial statements will be available for inspection on the website of the Company [www.pncinftratech.com](http://www.pncinftratech.com).

**14. Voting through electronic means (Remote E-Voting or E-Voting):**

- i) In compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, Secretarial Standard-2 on General Meeting and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing the facility of "remote e-voting" and "e-voting" to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has engaged services of Link Intime India Private Limited, Registrar and Transfer Agent.
- ii) The members who have not cast their vote on resolutions through remote e-voting would be given a facility to cast their vote through e-voting during the AGM by clicking the link, <https://instameet.linkintime.co.in>.
- iii) Registration of Email ID and Bank Account details for E- Voting/Remote E Voting:

**a) If E-mail Id is registered:-**

In case the shareholder's email ID is already registered with the Company/its Registrar & Share Transfer Agent "RTA"/Depositories, log in details for e-voting are being sent on the registered email address.

**b) IF E-mail id is not registered:-**

In case the shareholder has not registered his/her/their email address with the Company/its RTA/Depositories the following instructions to be followed:

Kindly log in to the website of our RTA, Link Intime India Private Ltd., [www.linkintime.co.in](http://www.linkintime.co.in) under Investor Services > Email/Bank detail

Registration- fill in the details and upload the required documents and submit. **OR**

**In the case of Shares held in Demat mode:**

The shareholder may please contact the Depository Participant ("DP") and register the email address and bank account details in the demat account as per the process followed and advised by the DP.

- iv) Any person who has acquired the shares and has become a member of the Company after the dispatch of the Notice of the AGM and prior to the Cut-off date i.e. September 23, 2020 shall be entitled to exercise their voting rights electronically i.e. "remote e- voting" as well as "e- voting" by following the procedure mentioned in this part and may obtain the login ID and password by sending request at [e-voting@linkintime.co.in](mailto:e-voting@linkintime.co.in).
- v) The "remote e-voting" will commence on Sunday September 27, 2020 at 9:00 A.M. and ends on September 29, 2020 at 5:00 P.M. During this period, the members of the company holding shares either in physical form or in demat form as on Cut-off date i.e. September 23, 2020 may cast their vote electronically.
- vi) The Members who have casted their vote by "remote e-voting" prior to the AGM may attend the AGM but shall not be entitled to cast their vote again by e-voting in the AGM.

**The instructions for shareholders for remote e-voting are as follows:**

The Members can join the AGM through VC/OAVM mode 15 minutes before and after the schedule time of the commencement of the Meeting. The Facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This does not include large Shareholders (Shareholders holding 2% or more Shareholding), promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

❖ Log-in to e-Voting website of Link Intime India Private Limited (LIPL)

1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>

Those who are first time users of LIPL e-voting platform or holding shares in physical mode have to mandatorily generate their own Password, as under:

❖ Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details: -

**A. User ID:** Enter your User ID

- Shareholders/members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**

- Shareholders/members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
  - Shareholders/members holding shares in **physical form shall provide** Event No + Folio Number registered with the Company
- B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/Company shall use the sequence number provided to you, if applicable.
- C. DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)
- D. Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/ Company.
- Shareholders/members holding shares in **CDSL demat account shall provide either 'C' or 'D', above**
  - Shareholders/members holding shares in **NSDL demat account shall provide 'D', above**
  - Shareholders/members holding shares in **physical form** but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above
    - ❖ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter).
    - ❖ Click "confirm" (Your password is now generated).

NOTE: If Shareholders/members are holding shares in demat form and have registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier event of any company then they can use their existing password to login.

2. Click on 'Login' under '**SHARE HOLDER**' tab.
3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on '**Submit**'.
4. After successful login, you will be able to see the notification for e-voting. Select '**View**' icon.
5. E-voting page will appear.
6. Refer the Resolution description and cast your vote by selecting your desired option '**Favour / Against**' (If you wish to view the entire Resolution details, click on the '**View Resolution**' file link).
7. After selecting the desired option i.e. Favour / Against, click on '**Submit**'. A confirmation box will be displayed. If you wish to confirm your vote, click on '**Yes**', else to change your vote, click on 'No' and accordingly modify your vote.
8. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at

<https://instavote.linkintime.co.in> and register themselves as '**Custodian / Mutual Fund / Corporate Body**'. They are also required to upload a scanned certified true copy of the board resolution / authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body**' login for the Scrutinizer to verify the same.

If you have forgotten the password:

- o Click on '**Login**' under '**SHARE HOLDER**' tab and further Click '**forgot password?**'
  - o Enter **User ID**, select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on '**Submit**'.
- In case shareholders/members is having valid email address, Password will be sent to his / her registered e-mail address.
  - Shareholders/members can set the password of his/ her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
  - The password should contain minimum 8 characters, at least one special character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.
  - It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

For shareholders/members holding shares in physical form, the details can be used only for voting on the resolutions contained in the Notice.

During the voting period, shareholders/members can login any number of time till they have voted on the resolution(s) for a particular "Event".

Shareholders/members holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

In case shareholders/members have any queries regarding e-voting, they may refer the Frequently Asked Questions ('FAQs') and InstaVote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or send an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: Tel: 022 -4918 6000.

**Process and manner for attending the Annual General Meeting through InstaMeet:**

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>
    - ❖ Select the "Company" and 'Event Date' and register with your following details: -
- A. Demat Account No. or Folio No: Enter your 16 digit Demat Account No. or Folio No**
- Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**

- Shareholders/members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**

- Shareholders/ members holding shares in physical form shall provide Folio Number registered with the Company

**B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

**C. Mobile No.:** Enter your mobile number.

**D. Email ID:** Enter your email id, as recorded with your DP/Company.

- Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting)

**Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:**

- Shareholders who would like to speak during the meeting must register their request 3 days in advance with the company mentioning their name, demat account number/folio number, email id, mobile no. on the mail id [complianceofficer@pncinfratech.com](mailto:complianceofficer@pncinfratech.com)
- Shareholders will get confirmation on first cum first basis as per the provisions made by the company.
- Shareholders will receive "speaking serial number" once they mark attendance for the meeting.
- Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
- Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

**Instructions for the software requirements for shareholders/ members who are registered as speakers:**

For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

- Please download and install the Webex application by clicking on the link <https://www.webex.com/downloads.html/>

**Or**

- If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:

**Step 1** Enter your First Name, Last Name and Email ID and click on Join Now

|      |   |
|------|---|
| 1(A) | If you have already installed the Webex application on your device, join the meeting by clicking on Join Now.   |
| 1(B) | If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or <a href="#">Run a temporary application</a> .<br><br>Click on <a href="#">Run a temporary application</a> , an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now. |

**Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:**

Once the electronic voting is activated by the scrutinizer/moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

- On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
- Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
- After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
- Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
- After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
- Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

**Note:** Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or contact on: - Tel: 022-49186175.

❖ **General Guidelines for shareholders:**

- Institutional Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as 'Custodian / Mutual Fund / Corporate Body'.
- They are also required to upload a scanned certified true copy of the board resolution / authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.
- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".
- Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.
- In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions ("FAQs") and Insta vote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or Call us:- Tel : 022 - 49186000.

15. Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on cut-off date i.e. Wednesday, 23rd September 2020 may write to Registrar & Share Transfer Agent of the Company, Link Intime India Private Limited, or send an e-mail at [delhi@linkintime.co.in](mailto:delhi@linkintime.co.in) or [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in)

16. **The shareholders may also contact in case of any grievance connected with e-voting to:**

Tapan Jain  
Company Secretary & Compliance Officer  
Address: PNC Tower, 3/22-D, Civil Lines, Bypass Road, NH-2, Agra-282002  
Email id: [complianceofficer@pncinfratech.com](mailto:complianceofficer@pncinfratech.com)  
Phone No.: 0562-4054400  
Fax No. : 0562-4070011

17. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the

Company as on the cut-off date i.e. Wednesday, 23rd September 2020.

18. The Company has appointed Mr. Deepak Gupta, Company Secretary, Partner of DR Associates (Membership No. FCS 5339; CP No. 4629) as the Scrutinizer who will conduct the voting process in a fair and transparent manner.

19. As per the provisions of Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the voting results are to be submitted to the Stock Exchange(s) within 48 hours of the conclusion of the AGM. The results declared along with Scrutiniser's Report shall be placed on the Company's website [www.pncinfratech.com](http://www.pncinfratech.com); the LIPL's website <https://instavote.linkintime.co.in/>

20. **Information of Directors pursuant to Listing Regulations:**

At the ensuing Meeting of the Company, Mr. Anil Kumar Rao Whole Time Director, retires by rotation pursuant to the provisions of Section 152 of the Companies Act, 2013 ("Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014 and being eligible, seeks re-appointment.

Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 (SS-2), the particulars of the aforesaid Director seeking re-appointment at the AGM are given in **Annexure A**.

**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ("THE ACT")**

As required by Section 102 of the Act, the following Explanatory Statements sets out the material facts relating to the Special Businesses mentioned under **item Nos. 4 to 5** of the accompanying Notice:

**ITEM NO. 4**

The Board of Directors of the Company on recommendation made by Audit Committee, has approved the appointment of M/s. R K G & Associates (Firm Registration Number – 000272), Cost Accountants, Agra as the Cost Auditors of the Company for conducting the audit of the cost records of the Company for the Financial Year 2020-21 with remuneration of ₹ 50,000/- per annum plus taxes, as applicable, and reimbursement of actual out-of-pocket expenses incurred by them in connection with the aforesaid audit.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board, has to be ratified by the members of the Company.

Accordingly, ratification by the members is sought to the remuneration payable to the Cost Auditors for the financial year ending March 31, 2021 by passing an Ordinary Resolution as set out at Item No. 4 of the Notice.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the Ordinary Resolution set out at Item No. 4 of this Notice for approval of the Members.

**ITEM NO. 5**

Mr. Anil Kumar Rao was appointed as Whole Time Director of the Company for a period of five years w.e.f. 01.10.2016. In view of dedicated efforts and contribution made by Mr. Anil Kumar Rao specifically in timely completion and execution of projects, Mr. Anil Kumar Rao deserves to be incentivized by way of special incentive. The Board of Directors, on the recommendation of Nomination and Remuneration Committee, has recommended to paying a special incentive of ₹ 91.00 Lakh, in addition to the remuneration he draws as whole time director of the Company subject to ratification by shareholders.

The Board of Directors based on the recommendation of the Nomination and Remuneration Committee recommends the special resolution set out at item no. 5 of the accompanying notice for the approval by members.

None of the Directors and Key Managerial Personnel/their relatives of the Company except Mr. Anil Kumar Rao are concerned or interested, financially or otherwise in this resolution.

By order of the Board of Directors  
**For PNC Infratech Limited**

**Tapan Jain**  
Company Secretary  
M. No. A22603

**Corporate Office:**

PNC Tower, 3/22-D, Civil Lines,  
Agra Delhi Bypass Road, National Highway 2,  
Agra 282 002, India  
Dated: 27 August, 2020  
Place: Agra

**Annexure A**

**Details of the Directors seeking re-appointment or revision in remuneration at the forthcoming Annual General Meeting  
(In pursuance of Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standard - 2 on General Meetings)**

| <b>Particulars</b>   | <b>Details</b>   |
|--|--|
| Name of the Director   | Mr. Anil Kumar Rao   |
| DIN  | 01224525   |
| Date of Birth  | 10-08-1962   |
| Date of First Appointment  | November 17, 2000  |
| Date of last re-appointment  | October 1, 2016  |
| Qualification and Experience in Specific functional area                                     | He holds a bachelor's degree in civil engineering and a master's degree in engineering. He has over 34 years of experience in the infrastructure industry and allied areas. He also has experience in the execution of runway related, road-related and other infrastructure projects.                                       |
| Terms & Conditions of re-appointment   | As per Company's Nomination and Remuneration (NRC) Policy  |
| Details of remuneration sought to be paid  | 78,19,020  |
| Remuneration last drawn [In ₹ ]  | 78,19,020  |
| Shareholding in the Company<br>(No. of Equity Share of Face Value of ₹ 2/- each)             | 80,500   |
| Relationship with other Directors, Manager and other Key Managerial Personnel of the company | None of Directors and KMP are Relatives  |
| The number of Meetings of the Board attended during the year 2019-20                         | Three  |
| Directorship in other Companies  | 1. MP Highways Private Limited<br>2. PNC Rajasthan Highways Private Limited<br>3. Ferrovia Transrail Solutions Private Limited<br>4. PNC Kanpur Highways Limited<br>5. PNC Challakere (Karnataka) Highways Private Limited<br>6. PNC Chitradurga Highways Private Limited<br>7. PNC Meerut Haridwar Highways Private Limited |
| Membership/ Chairmanship of Committees of other Boards                                       | -  |





**progress**  
**2020**



**prudence**



**perseverance**



**progress**  
2020



**prudence**



**perseverance**



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

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At PNC Infratech, we are on track to emerge as one of the top five infrastructure development companies based out of India. We plan to realize this goal by continuously achieving excellence in all spheres of our business functions, maintaining our track-record for the timely completion of projects, and efficiently adopting advanced technologies into our processes. As we progress in this journey, we are confident that PNC Infratech will derive long-term value for all its stakeholders.

Today, we are already amongst the leading infrastructure construction, development, and management companies in India with extensive presence in roads, highways, expressways, bridges and airport pavements space. Our sustained progress could not have been possible without our perseverance amidst the challenges, technical and financial prudence. Over the years, our demonstrated expertise in the execution of landmark infrastructure projects has enabled us to emerge as one of the prominent players within the industry. Our accomplishment is reflected in our track record, spanning for more than two decades, for successfully delivering projects across geographies.

Our purpose is aligned with the broader objectives of developing world class infrastructure in the country. We intend to construct and develop sustainable and noteworthy infrastructure that drives our growth as well as overall growth of our economy apart from largescale employment generation. Our existing balance sheet and operational strength gives us ample headroom to capture larger opportunities in the sector and grow sustainably.

Our business strategies are aimed at attaining consistency in our performance and upholding our reputation for creating enduring infrastructure assets. We also work determinedly to keep improving our operational efficiencies, continuously strengthen our balance sheet, unfailingly empower our workforce, and dependably create value for our stakeholders.

# CHAIRMAN'S STATEMENT



"At PNC Infratech, our execution and operation capabilities are supported by in-house planning, construction and operations, wholly-owned construction equipment, mining and aggregate crushing facilities and unstrained liquidity."

₹4,878 crore

Our revenue for FY2020

Dear Shareholders,

At the outset, I express my deep concern for the outbreak of pandemic, COVID-19 and its unabated spread across India and the world, causing huge losses not only to the economy but to the lives and livelihoods of people. To address the crisis, the Government of India has come out with wide-ranging relief measures under the Atmanirbhar Bharath Abhiyan and more such measures are expected to mitigate the sufferings and losses holistically. Historically, in such crisis situations, as the underprivileged and marginalised populations being vulnerable are affected more severely, the policy changes and new policies should increasingly be aimed at these sections of the society. Rapid expansion and upgradation of the existing health care infrastructure in the country is another imperative that should be addressed by the governments at both central and state level.

While coming back to our Company, I am happy to present to you the Annual Report of FY2020. The fiscal was another remarkable year for PNC Infratech Limited in terms of its growth and performance. During this period, we were able to record significant growth on the back of our balance sheet strength, project execution capabilities and our ability to meet the

challenges apart from seizing the right opportunities at right times. With our three decades of expertise in the field of infrastructure, we have completed over 66 major infrastructure projects. We are currently executing 20 expressway, highway, and airport runway projects worth over ₹15000 crore on the EPC mode. Our performance is driven by the end-to-end proven execution capabilities that enable us to deliver complex projects within the most demanding timelines.

### FY2020 in perspective

During the year, we were successfully able to deliver on our commitments along with strengthening our order book for sustainable future growth. Though impact of Covid-19 pandemic on the Company's performance in FY2020 was not significant, both construction activities and operations of the Company were majorly disrupted during the last fortnight of financial year. In the pre-lockdown period, we had a robust bidding pipeline of highway projects on both EPC and HAM models, which has not been affected much, even during the pandemic period, till date. During the Q4 of FY2020, we were awarded three new projects including four laning of Unnao-Lalganj section of NH 232 A, Jagdishpur-Faizabad Section of NH-330A, Aligarh-Kanpur section of NH 34. Our unexecuted order book as on 31st March 2020 including these three new HAM projects was over ₹ 13000 crore. At PNC Infratech, we have always strived to maintain healthy balance sheet with sound financials. As a result, the ratings of our Company has always been one of the best in the infrastructure industry, thereby enabling us to sustain our credit cost at competitive levels. I am happy to inform that during the year, the CARE Ratings have reaffirmed our credit ratings at 'Double AA Minus' for Long Term and 'Single A1 Plus' for Short Term Bank Facilities.

### Leveraging on our robust construction capabilities

At PNC Infratech, our execution and operation capabilities are supported by in-house planning, construction and operations, wholly-owned state-of-the-art large fleet of construction equipment, mostly-owned mining and aggregate crushing facilities and unstrained liquidity.



Flyover at Km 550, Chakeri Allahabad Section of NH-2

“As we move ahead, our trust in the growth story of PNC remains intact and we are confident that our capabilities will further provide us with the impetus to explore untapped opportunities.”

Over the years, we have demonstrated and nurtured our robust execution capabilities. Our consistent performance is driven by the core strengths that enable us to successfully deliver the projects within the budgeted costs and demanding timelines. Our proven expertise and time-tested capabilities provide us with the significant control over execution, quality, time and cost of our projects even in the most challenging situations. Throughout our journey, we have invested in modern plants and machinery and have built a large equipment bank, which augments our execution capabilities progressively. During FY2020, our gross block stood over ₹ 1,000 crore, which places us advantageously to execute projects of value over ₹ 7,000 crore with given in-house plant and machinery. Our strong project execution and support teams, with proven expertise, further ensure that we are able to meet our set targets for delivery of challenging projects across the geographies and socio-cultures within the stipulated timelines.

### Financial performance

During FY2020, our standalone revenue stood at ₹ 4,878 crore, showing an increase of 58% as against the previous financial year. The EBITDA for the fiscal was ₹ 764 crore, which showed a growth of 67% as compared to FY2019. Additionally, the EBITDA margin for the year was 15.7% marking an increase of 90 basis points compared to the previous fiscal. The PAT for FY2020 was recorded at ₹ 460 crore, with rise of 42% as against FY2019. As on 31st March 2020, the net working capital days reduced from 97 days in FY2019 to 57 days, for the year under review. The net worth of the Company on a standalone basis was ₹ 2,547 crore at the end of FY2020. Total standalone debt was ₹ 326 crore, which has essentially been availed for equipment finance as such we do not have any working capital loan outstanding as on 31st March 2020. The total cash and bank balance was ₹ 744 crore.

On a consolidated basis, our revenue, EBITDA and PAT stood at ₹ 5602 crore, ₹ 1327 crore, ₹ 552 crore with year-on-year growth of 48%, 32% and 58%, respectively. On consolidated basis, the Company's net worth stood at ₹ 2,554 crores whereas total debt was ₹ 3,515 crore as on 31st March 2020. Our cash and cash equivalents including current investments stood at ₹ 1,254 crore for the year under consideration, which translates into net debt to equity of 1.38 times.

### Outlook in times of the crisis

Construction activities and tolling operations being manpower-intensive, we would continue to ensure that our people at both execution and operation projects are in safe and secure environment. To this end, while scrupulously adhering to the Standard Operating Procedures set forth by the authorities, due precautions are taken across both operation and construction sites including provision of face masks, gloves, sanitizers to workers and employees, staggering of working and food timings, provision of additional washing facilities and following social distancing. Thermal scanners are also provided at all the sites for checking temperature of staff and workers and for physical separation of suspected/sick persons, isolation rooms set-up at all the camp sites.

Although the construction activities have been resumed from the fourth week of April 2020 onwards, the progress remained subdued due to reverse migration of construction workers owing to lockdowns, disruption in the supply chains followed by early onset of monsoon at some of the project locations till the end August 2020. Given the uncertainty of

the contagion, full impact on performance for FY2021 will be dependent on multiple unpredictable developments such as severity, spread, peak, flattening and duration of the pandemic and their effect on socio-economic situation. However, as the company's execution capabilities are backed by all-encompassing in-house competencies and fully owned resources, it is expected that the overall impact would not be significant in FY2021.

### In conclusion

As we move ahead, we believe that our core strengths, operational efficiencies and inherent resilience will help us to navigate through the crisis without significantly impacting our growth, in terms of both revenue and profitability. We expect a limited shortfall in the performance of the Company in the first half of FY2021, owing to the lockdowns and consequent irreversible contractions. Nonetheless, with a robust order book, major ongoing projects and adequate resources, we are confident of achieving accelerated progress during second half of FY2021, which will not only compensate for the shortfall but also will help in accomplishing brighter performances in the coming years. As we progress, we are confident that our capabilities in the present core sectors, will provide us with the impetus to explore untapped opportunities and sectors, where we find synergies. Please be assured that your unflinching trust in the growth story of PNC Infratech remains intact.

In closing, I would like to express my sincere gratitude to all our stakeholders whose trust and support in our journey have been the driving force behind our consistent growth. I would also like to thank the Board for the valuable guidance, our prized human capital for their continued passion and dedication towards the Company and our bankers, suppliers, vendors, sub-contractors for their committed accompaniment.

We are optimistic that our mindful business strategies will facilitate us to provide sustainable value to our shareholders.

With Regards,

**Pradeep Kumar Jain**  
Chairman

# AT A GLANCE

PNC Infratech is amongst the leading infrastructure construction, development, and management companies in India with vast experience and demonstrated expertise in the major infrastructure projects, including expressway, highways, bridges, flyovers, airport runways, and industrial area development, amongst others. The Company has an established track record of successful execution of projects across diverse sectors and geographies.

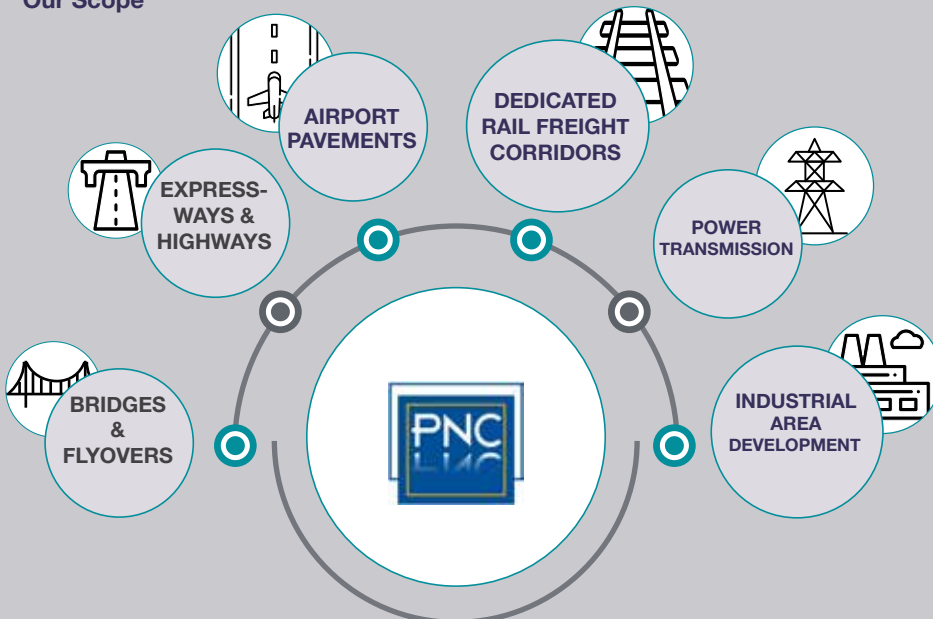


Toll Plaza at Dausa Lalsot

## Our Service Offerings & Formats

- Engineering Procurement & Construction
- Design-Build-Finance Operate-Transfer (DBFOT) - Toll & Annuity
- Operate-Maintain Transfer (OMT)
- Hybrid Annuity Mode (HAM)

## Our Scope



## Our Key Clients



# OUR VISION, MISSION AND GROWTH STRATEGY



## Our Vision Statement

To become among the top and most preferred infrastructure 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 development, construction and management of infrastructure projects by continually achieving excellence in all spheres of activities, maintaining our leadership in timely completion of projects and adopting state-of-the-art and sustainable technologies.

## Our Growth Strategy

Expressways and Highways shall continue to remain the most preferred space for us

We shall continue our focus on EPC contracts as well as increase penetration in HAM projects

Wherever we find synergies, we will diversify and expand into new functional areas

We strive to maintain performance and competitiveness of across our business spheres

Our aim is to develop and maintain strong relationships with our clients and strategic partners

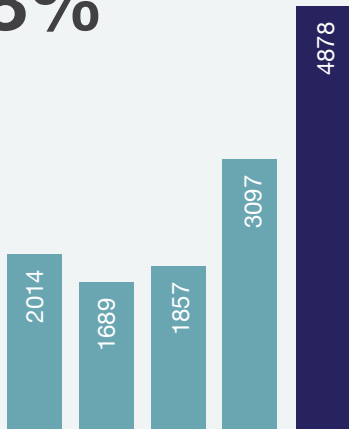
We continuously focus on strengthening our systems and internal processes to ensure efficiency and proficiency

Since inception, we have followed a clear path to achieve the purpose. We intend to emerge as the preferred and reliable partner for our clients when it comes to infrastructure development. Our aim is to successfully deliver high quality projects on time, and contribute towards the advancement of the economy through rapid development of infrastructure.



# FINANCIAL HIGHLIGHTS

↑ **58%**

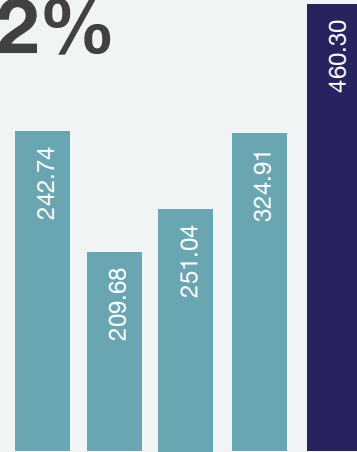


FY16 FY17 FY18 FY19 FY20

REVENUE

(₹ CRORE)

↑ **42%**

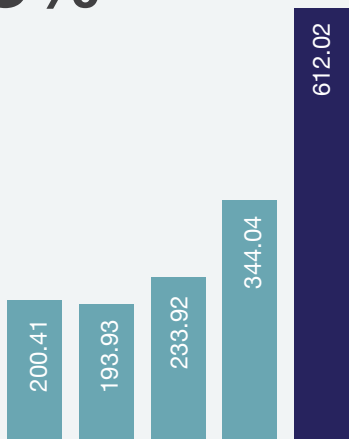


FY16 FY17 FY18 FY19 FY20

PROFIT AFTER TAX

(₹ CRORE)

↑ **78%**

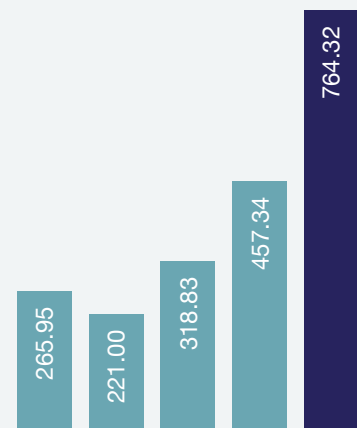


FY16 FY17 FY18 FY19 FY20

PROFIT BEFORE TAX

(₹ CRORE)

↑ **67%**



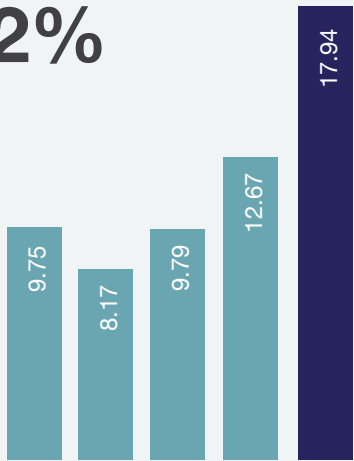
FY16 FY17 FY18 FY19 FY20

EBITDA

(₹ CRORE)



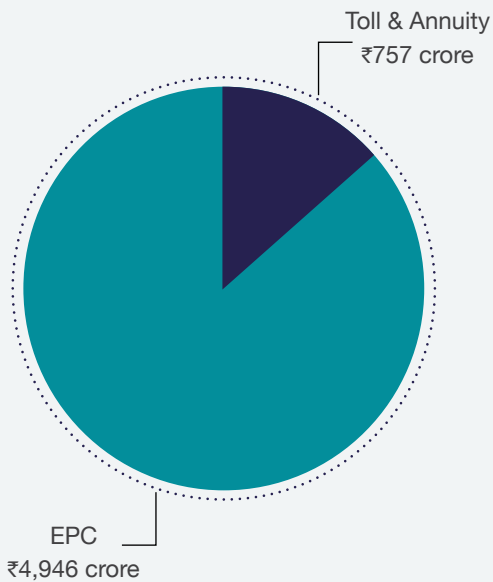
↑ 42%



FY16 FY17 FY18 FY19 FY20

EARNINGS PER SHARE

(₹)



SEGMENT WISE CONSOLIDATED REVENUE

66

SIGNIFICANT  
INFRASTRUCTURE  
PROJECTS DELIVERED

14 STATES

PRESENCE ACROSS  
INDIA

43

ROAD EPC PROJECTS

20

PROJECTS UNDER  
DEVELOPMENT

09

CLIENTS SERVED

₹8,629 CRORE

ORDER BOOK AS OF  
MARCH, 2020

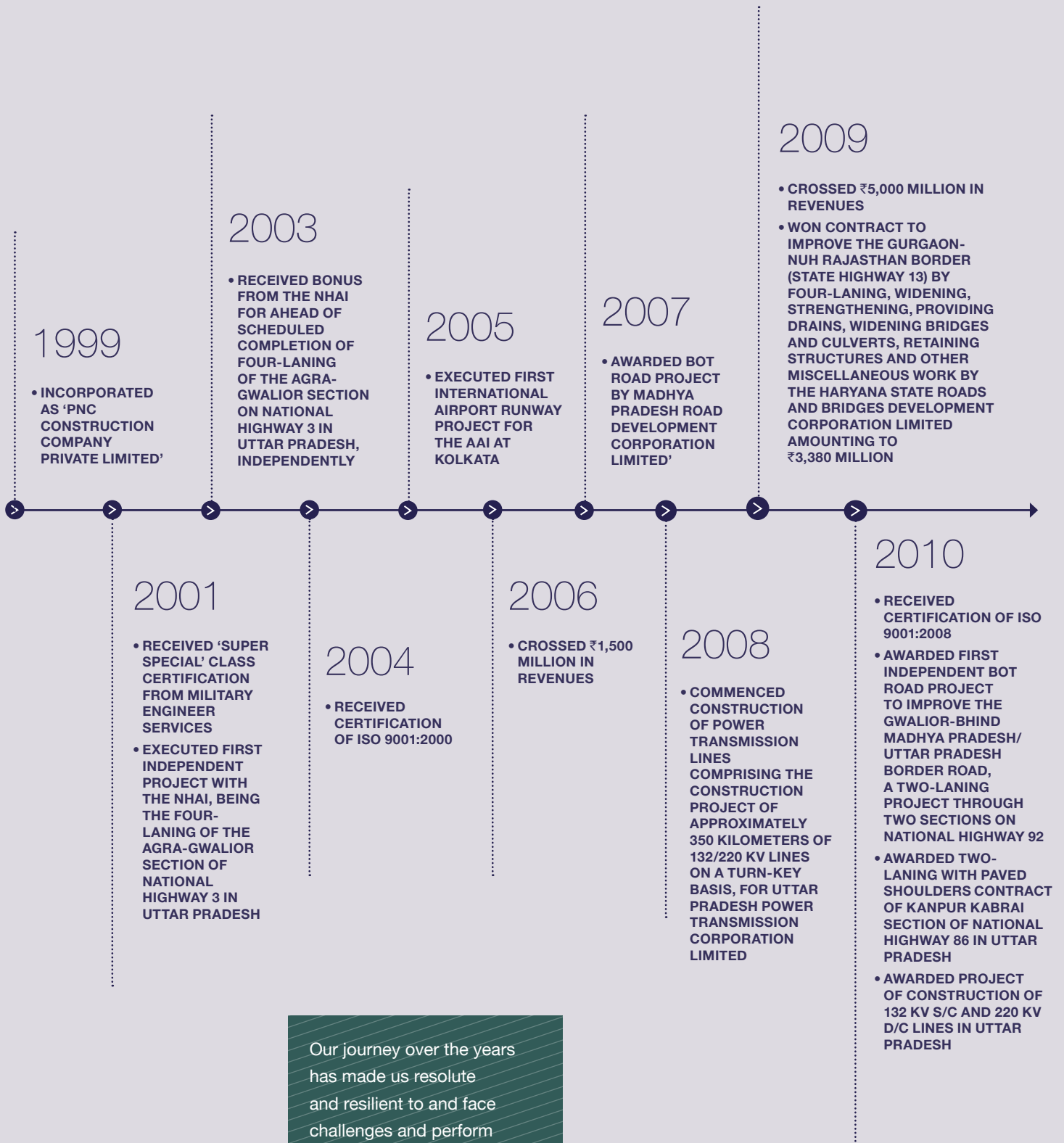
57 DAYS

NET WORKING CAPITAL  
AS OF MARCH, 2020

₹2,547 CRORE

NET WORTH AS OF  
MARCH, 2020

# OUR JOURNEY SO FAR



Our journey over the years has made us resolute and resilient to and face challenges and perform consistently.

## 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

## 2017

- AWARDED FOUR HIGHWAY PROJECTS ON HYBRID ANNUITY MODE (HAM) WITH AN AGGREGATE BID PROJECT COST OF ₹50,350 MILLION AND ONE OF THEM - DAUSA-LALSOT-KAUTHUN SECTION HAM PROJECT ACHIEVED FINANCIAL CLOSURE WELL BEFORE TIME.
- TRAFFIC OPENED ON AGRA-LUCKNOW EXPRESSWAY IN FEBRUARY 2017, ELEVEN MONTHS AHEAD OF SCHEDULE AND ACHIEVED PROVISIONAL COMPLETION IN OCTOBER 2017
- PNC INFRA TECH ASSIGNED "STABLE" OUTLOOK CREDIT RATINGS UPGRADED TO STABLE OUTLOOK FOR PROJECTS SUCH AS MP HIGHWAYS PVT. LTD., AND PNC RAEBARELI HIGHWAYS PVT. LTD.

## 2019

- RECEIVED FINAL COMPLETION CERTIFICATES FOR TWO OF ITS EPC PROJECTS AWARDED BY MORTH (BARABANKI - JARWAL AND SONAULI-GORAKHPUR)
- RECEIVED 'PROVISIONAL COMPLETION CERTIFICATE' "IMPROVEMENT/AUGMENTATION OF 146.4 KM LONG ALIGARH-MORADABAD SECTION OF NH-93 TO TWO LANES WITH PAVED SHOULDERS PROJECT, 73 DAYS AHEAD OF THE SCHEDULED COMPLETION DATE AND ENTITLED FOR EARLY COMPLETION BONUS

## 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

## 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

## 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/ KILOMETER 306/8-9 ON AJMER SARADHANA SECTION
- CONSTRUCTED HAMIRPUR KALPI ROAD (STATE HIGHWAY 91) FOUR-LANE UNDER RAJYA YOJNA SAMANYA, UTTAR PRADESH

## 2014

- EXECUTED A REDEVELOPMENT AND MANAGEMENT PROJECT AT NARELA INDUSTRIAL AHEAD OF SCHEDULE
- AWARDED EPC CONTRACT OF AGRA-LUCKNOW EXPRESSWAY PACKAGE-I FOR ₹16,357.5 MILLION
- ENTERED INTO A COLLABORATIVE MOU WITH POSCO ENGINEERING AND CONSTRUCTION INDIA PRIVATE LIMITED

## 2016

- COMPLETED 166 KM LONG RAEBARELI-JAUNPUR HIGHWAY PROJECT ON BOT-ANNUITY PROJECT MORE THAN 3 MONTHS AHEAD OF SCHEDULE IN FEBRUARY 2016
- COMPLETED FOUR-LANING OF KM 51 TO 61 INCLUDING CHAMBAL BRIDGE) ON DHOLPUR - MORENA SECTION OF NH-3 IN THE STATES OF RAJASTHAN AND MP IN JUNE 2016
- COMPLETED FOUR LANING OF AGRA BYPASS PROJECT CONNECTING KM 176.800 OF NH-2 AND KM 13.03 OF NH-3 IN THE STATE OF UP IN DECEMBER 2016
- AWARDED TWO MAJOR NH PROJECTS ON EPC MODE (I) FOUR LANING OF NAGINA-KASHIPUR SECTION OF NH 74 (II) FOUR LANING OF VARANASI-GORAKHPUR SECTION OF NH-29 (PACKAGE II) FOR AN AGGREGATE CONTRACT PRICE OF ₹20,242 MILLION

## 2018

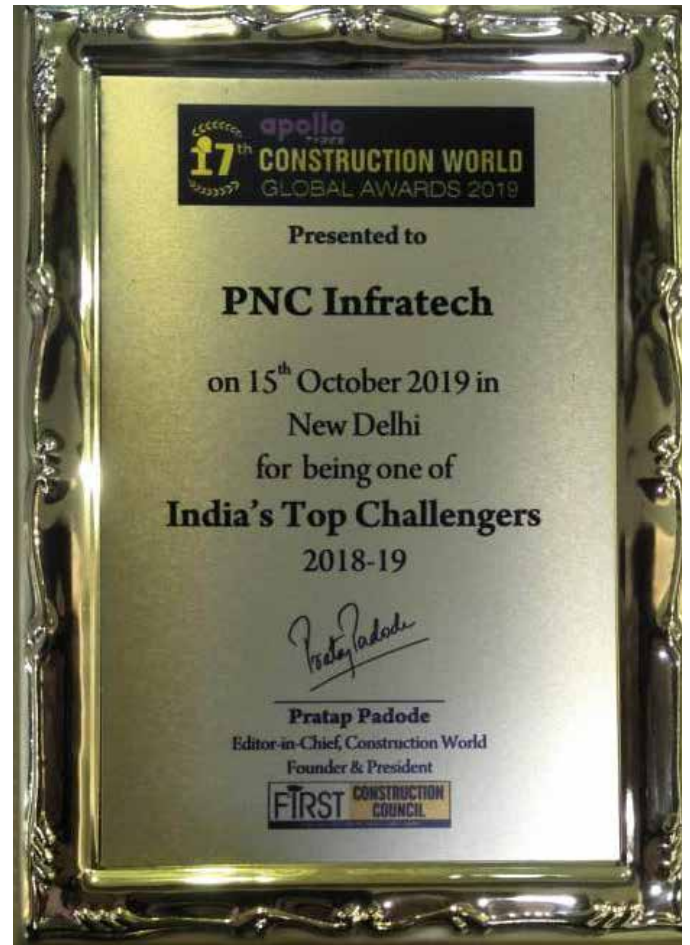
- AWARDED THREE MORE HIGHWAY PROJECTS ON HAM, WITH AN AGGREGATE BID PROJECT COST OF ₹45,130 MILLION TILL JULY 2018
- RECEIVED ₹582.3 MILLION EARLY COMPLETION BONUS FOR AGRA-LUCKNOW EXPRESSWAY PACKAGE IN FEBRUARY 2018 FROM UTTAR PRADESH EXPRESSWAYS INDUSTRIAL DEVELOPMENT AUTHORITY
- AWARDED TWO CONTIGUOUS PACKAGES OF PURVANCHAL EXPRESSWAY PROJECT ON EPC MODE FOR A TOTAL COST OF ₹25,200 MILLION
- RECEIVED ₹337.3 MILLION TOWARDS THE 'BONUS ANNUITY' PNC RAEBARELI HIGHWAYS PRIVATE LTD. IN MAY 2018 FROM NATIONAL HIGHWAYS AUTHORITY OF INDIA
- AWARDED 4TH PACKAGE OF NAGPUR-MUMBAI SIX LANE SUPER COMMUNICATION EXPRESSWAY IN THE STATE OF MAHARASHTRA, ON EPC BASIS FOR A CONTRACT PRICE OF ₹1,999.52 CRORE BY MSRDC

## 2020

- ACHIEVED PROVISIONAL COMPLETION AND COMMERCIAL OPERATION DATE (COD) FOR FOUR LANING / TWO LANING WITH PAVED SHOULDERS OF 83.5 KM LONG DAUSA-LALSOT-KAUTHUN SECTION OF NH-11 A (EXTENSION) IN THE STATE OF RAJASTHAN UNDER NHDP IV, ON HYBRID ANNUITY MODE
- SECURED FOUR NEW HIGHWAY PROJECTS ON HYBRID ANNUITY MODE (HAM), FORM NATIONAL HIGHWAYS AUTHORITY OF INDIA FOR AGGREGATE BID PROJECT COST OF ₹ 6596.0 CRORE
- SECURED TWO NEW HIGHWAY PROJECTS ON EPC MODE FORM NATIONAL HIGHWAYS AUTHORITY OF INDIA FOR AGGREGATE CONTRACT VALUE OF ₹1547.8 CRORE

# OUR AWARDS AND RECOGNITION

Year after year, PNC Infratech has been recognised with awards and accolades by several renowned institutions. This is a testimony to our consistent efforts and sustainable performance.



TO SHARE  
QR CODE

**COVER STORY**

**PNC INFRA TECH**

## “The company’s positive approach has been the biggest contributor to its growth in FY19.”

- **Yogesh Kumar Jain**, Managing Director, PNC Infratech

PNC Infratech is an integrated infrastructure company with expertise in expressways, highways, bridges, flyovers and airport runways and the development of industrial areas across several states in India. The company is currently executing 20 expressway, highway and airport runway projects of over ₹140 billion on EPC model. It is also implementing seven highway projects on HAM at an aggregate of over ₹90 billion. The company has a healthy balance sheet with over ₹21 billion net worth as on March 31, 2019. **Yogesh Kumar Jain, Managing Director, PNC Infratech**, shares more...

**Name one major challenge faced in FY2018-19. How did the company approach the same?**

During FY17 and FY18, although the company had a substantial amount of unexecuted order book and was geared up to commence execution, its hands were virtually tied to move ahead, primarily owing to non-availability of required land and other impediments totally beyond its control and jurisdiction. Given the challenge, the company took proactive measures, adopted multipronged strategies and assumed higher responsibilities than envisaged in the contracts, to support the authorities in expediting the process of land acquisition and removal of encumbrances. These concerted efforts resulted in the declaration of appointed dates and commencement of execution for most awarded projects in the later part of FY18 and FY19, resulting in a quantum jump in both the company’s topline and bottomline in FY19. Revenue, EBITDA and PAT steeply increased by 67 per cent, 43 per cent and 29 per cent in FY19 over FY18 on a standalone (EPC) basis. The consolidated revenue, EBITDA and PAT also grew significantly in FY19.

Also, with rising NPAs, majority of banks and financial institutions refrain from making any fresh commitments of term loans to projects. Amid such challenges, PNC Infratech achieved financial closure for three of its HAM highway development projects for an aggregate cost of ₹45 billion in FY19 ahead of schedule, owing to the company’s consistently healthy balance sheet and credit rating.

**One decision you consider the biggest contributor to the company’s growth in FY2018-19?**

Despite persistent delays in making vacant land available for construction by project proponents, the company was never discouraged and spared no efforts to mobilise resources, including positioning men, machinery and materials with operational readiness to commence execution immediately upon the removal of hindrances without any lead time, and accelerate progress. A positive approach with enduring courage in challenging circumstances has been the biggest contributor to its growth in FY19.

**Name a single factor that you avoided, which could otherwise have impacted the company’s topline and bottomline.**

With EPC in the roads and highways sector being the company’s core strength, we avoided venturing into new sectors where we did not find synergy with our expertise.

**What are your plans for growth in FY2019-20?**

With over ₹120 billion unexecuted order book at the beginning of FY20, well-progressing physical execution across projects, a large fleet of construction plant and machinery, a workforce of more than 9,000 with proven abilities and excellent financial health, the company is poised to scale new heights in terms of overall growth in FY20, both on a standalone (EPC) and consolidated basis. We expect securing certain new project orders during the remaining period of FY20.

| PNC Infratech        | Net Sales | EBITDA | Reported PAT |
|----------------------|-----------|--------|--------------|
| FY19 (₹ Billion)     | 37.74     | 10.07  | 3.51         |
| Growth Over FY18 (%) | 56.52     | 32.8   | 44.3         |

Yogesh Kumar Jain

Construction World | August 2019



# OUR BUSINESS OVERVIEW

## PROJECTS

### AWARDED DURING FY2020

1

“Construction of 31.7 km long Four Lane Bypass connecting NH-56 at km 17.400 and terminating near Behta Village Road under NHDP Phase-VII on EPC mode” namely “Lucknow Ring Road Package I” for a quoted price of ₹1,062.0 crore.

2

Project of 60.22 km long Four Laning of Jagdishpur-Faizabad section of NH 330-A from km 47.800 to 108.020 in the state of Uttar Pradesh under Bharatmala Pariyojna to be executed on Hybrid Annuity Mode for a Bid Project Cost of ₹ 1,530.0 crore.

3

NHAI Project of 60.640 km long Four Laning of Aligarh-Kanpur section of NH 91 from km 373.085 to 433.728 (Package-V from Mitrasen to Kanpur) in the state of Uttar Pradesh under Bharatmala Pariyojna to be executed on Hybrid Annuity Mode for a Bid Project Cost of ₹2,052.0 crore.

4

Project of 70.000 km long Four Laning of Unnao-Lalganj section of NH 232 A from km 0.000 to 70.000 in the state of Uttar Pradesh under NHDP IVB, to be executed on Hybrid Annuity Mode for a Bid Project Cost of ₹1,602.0 crore.

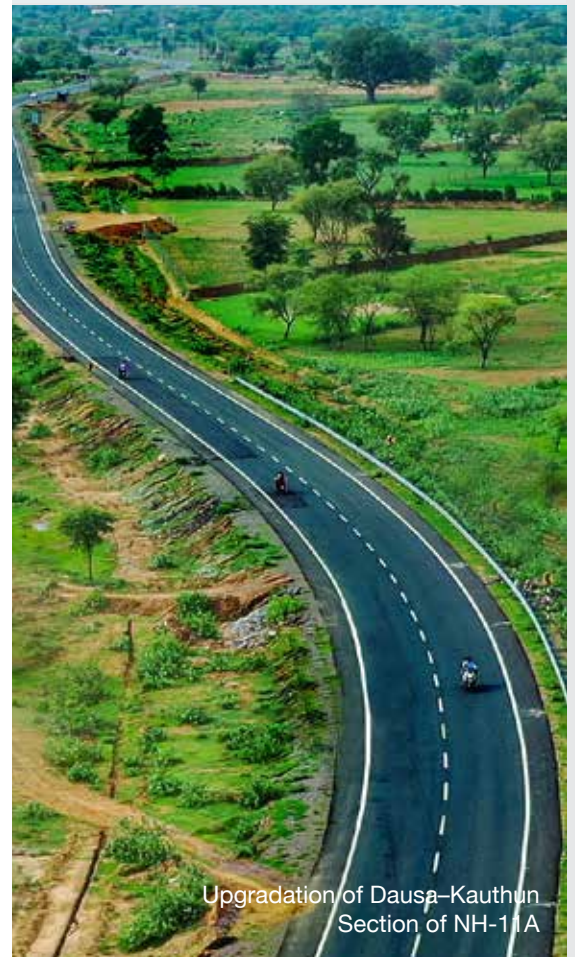


## PROJECTS DELIVERED DURING FY2020

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.

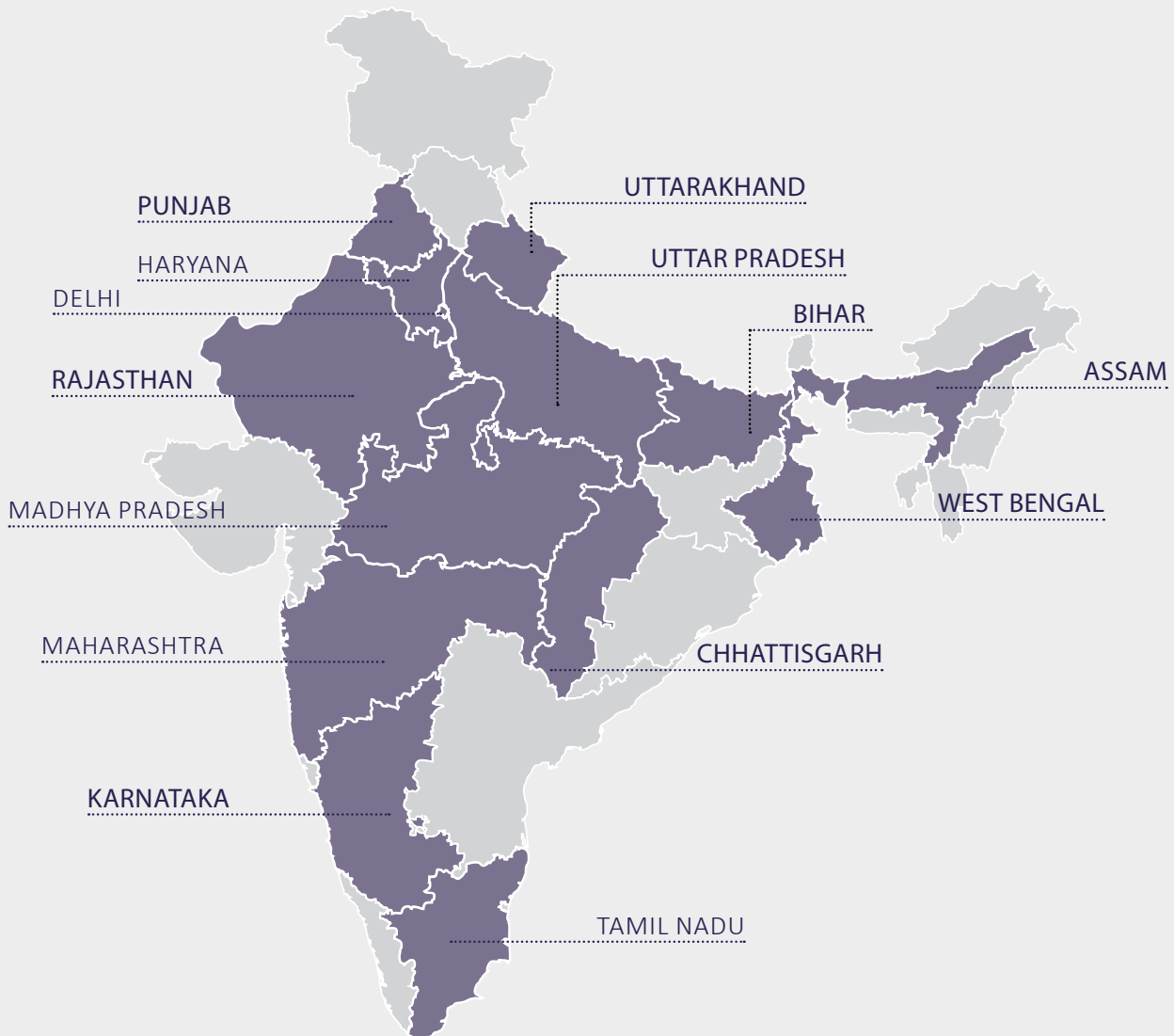


Four Lane Section of Dausa-Kauthun Section of NH-11A



Upgradation of Dausa-Kauthun Section of NH-11A

# AN OVERVIEW OF OUR PROJECT FOOTPRINT







**Major Bridge at Km 205-493, Aligarh Kanpur Pkg II  
Section of NH-91**

We aim to extend our presence in different parts of the country and creating quality infrastructure.

## PNC in focus

# Moving towards market leadership

PNC Infratech is an Indian infrastructure construction, development and management company that caters to the infrastructure needs of different industries across the country. With a demonstrated history of over three decades, we have delivered high-quality projects in the diverse geographies of India, mostly within demanding timelines.

Over the years, we have created an established track record of successfully executing and delivering landmark infrastructure projects, including highways, bridges, flyovers, power transmission lines, airport runways, and development of industrial areas amongst other infrastructure activities. Our comprehensive solutions encompass different models of project execution such as Engineering Procurement and Construction (EPC) services on a fixed-sum turnkey basis as well as on an item rate basis for various infrastructure projects. As of today, we have executed 43 major infrastructure projects on an EPC basis, acquiring experience, particularly in the timely execution of EPC contracts. We also execute projects on Build-Operate-Transfer (BOT) and Design-Build-Finance-Operate-Transfer (DBFOT) models. In 2013, we further forayed into the Operate, Maintain and Transfer (OMT) model to enhance our service portfolio.

While we execute the majority of our projects independently, we also regularly explore collaborated business opportunities through joint ventures and consortiums with other infrastructure and construction companies. This

enables us to meet specific eligibility requirements of large and significant projects successfully. Out of the 43 major infrastructure projects on an EPC basis executed by our Company since incorporation, over 90% of infrastructure projects have been executed independently by us.

We have extended our presence and reach across the length and breadth of the country. We have executed major projects in various states of India covering Rajasthan, Punjab, Haryana, Uttarakhand, Uttar Pradesh, Delhi, Bihar, West Bengal, Assam, Madhya Pradesh, Maharashtra, Karnataka and Tamil Nadu. Going forward, we aim to have meaningful presence in every part of the country and contribute towards the overall development of the infrastructure.

Our consistent performance is a result of our efficient human capital and advanced fleet of equipment, together with our engineering skills and capabilities. We identify them as our core strengths that enable us to implement a wide variety of construction projects that involve varying degrees of complexity.





66

Major infrastructure delivered

We aim to extend our footprints in every part of the country and contribute towards the overall development of the infrastructure.

Interchange connecting Dausa –Kauthun Section of NH-11A with NH 21



At Grade Junction on Four Laning Two Dausa-Kauthun Section of NH-11A

## PNC in focus

# Our key growth drivers

At PNC, we have created and nurtured a lasting reputation of being a Company that continuously delivers projects reliably within a stipulated timeline. Behind our consistent performance are the essential growth drivers that help us to keep growing our customer base and strengthening our balance sheet.

### Project Management Expertise

Over several years, we have maintained an excellent track record of executing large construction projects particularly in the roads and highways, and airport runways sectors. We have been able to mobilise resources including equipment, raw material and human resources to our project sites at short notice, as we own a large equipment bank house. Our operations are supported by an experienced workforce that ensures timely execution of our projects amid challenging conditions.

### Diversified Portfolio and Order Book

We have a diversified business portfolio that enables us to cater to the infrastructure requirements of different sectors. This diversified portfolio further encourages us to explore new opportunities in multiple areas such as roads, airports, power transmission and distribution, and industrial area infrastructure, amongst others. Additionally, it further strengthens our expertise and order book. As on 31st March 2020, our order book stands at over ₹ 8,600 crore with a pipeline of large promising projects.

### Financial Performance and Credit Profile

At PNC, we strive to achieve consistency in our financial performance while also ensuring that we have a healthy credit profile. During FY2020, our revenue increased by 58% as against the previous financial year. Additionally, we recorded 67% growth in EBITDA as compared to FY2019. Furthermore, the CARE Ratings have reaffirmed our credit ratings at 'Double AA Minus' for Long Term and 'Single A1 Plus' for Short Term Bank Facilities. Our steady growth is a result of our prudent procurement process and efficient project execution expertise and our wise bidding strategy for projects with decent margins.

### In-house capabilities and Management Team

Over the years, we have developed in-house design and engineering capabilities. We also have a large fleet of sophisticated construction equipment, that allows us to provide end-to-end solutions for our projects. We have a well-qualified engineering and design team, with skills in various fields, including civil, structural, electrical, mechanical and instrumentation. Our in-house design and engineering team gives us control of the entire process of a project. On the top of this is our management team with a notable experience in the construction industry and has been responsible for our strong growth and operations.

### Pre-qualification Credentials and Client Relationships

In our 21 years of business, we have nurtured lasting relationships with our clients. We believe that our experience, expertise and a solid track-record, together with our strong relationships with the industry bodies enable us to maintain such established relationships with our valued clients. Furthermore, our pre-qualification credentials advantageously place us to meet the requirements of the central, state and local governmental authorities for the majority of its infrastructure projects.

### Sound Environment, Social and Governance (ESG) Culture

At PNC, we understand the importance of a sound governance in the success of the organisation. Therefore, we always ensure that we are in compliance with the requirements of all the regulatory authorities. Our corporate governance framework is based on an effective Board with equal number of Independent Directors. Furthermore, we also ensure that our business activities align with the best interests of the communities that surround us. We also monitor that our operations have the minimum negative impact on the environment.

# MANAGEMENT DISCUSSION AND ANALYSIS

Under the cloud of the COVID-19 pandemic, the Government of India has announced fiscal and monetary stimulus packages and various relief measures under the 'Atmanirbhar Bharat' Abhiyan to mitigate the adverse impact of the crisis and revive the economy.

## GLOBAL ECONOMY OUTLOOK

Since March 2020, the global economy has experienced unprecedented disruption due to the outbreak of the COVID-19 pandemic.

The IMF in its report released in mid of April 2020 has termed the prevalent lockdown as "Great Lockdown". The IMF has projected that the impact on the global economy due to the current Great Lockdown would be far more severe than the Great Depression or the Global Financial Crisis that was experienced a decade ago. It has further estimated a decline of 3% for the Global Economy in 2020 before bouncing to a growth of 5.8% in 2021-22. The current COVID-19 crisis is a combination of the health crisis, socio-economic turbulence, livelihood crisis coupled with lower demand and growth.

As a group, the advanced economies are likely to see a steeper decline of 7.8% in 2020 with the US economy projected to decline by 5.9%, and the Euro Zone's GDP is projected to decrease by 7.5%. The Developing and Emerging group of economies are expected to fall at a lower rate of around 2%. However, the GDP of China and India are estimated to have a growth of 1.2% and 1.9% respectively for 2020, which is a positive indication amid the overall bleak situation, with fingers crossed.

## Indian Economy Outlook

Due to the COVID-19 pandemic, the Indian Government imposed a nationwide lockdown from March 25, 2020. The shutdown disrupted the economic activity across all sectors, including the loss of livelihoods and jobs for a significant chunk of the population. Although India was able to manage the spread of virus initially, the spread has been increased resulting in several positive cases grew exponentially from June 2020. Nevertheless, the recovery rate has also started to show an encouraging sign of improvement from mid-August 2020. However, the COVID-19 pandemic has disturbed the socio-economic activities, unfolding an unprecedented economic crisis. The widespread loss of income across the sections of society has caused a significant drop in demand. To revive the economy, the Government of India has announced fiscal and monetary stimulus packages and various relief measures under the 'Atmanirbhar Bharat' Abhiyan to mitigate the impact. In its World Economic Outlook, the IMF slashed the growth forecast for the Indian economy, projecting a GDP growth of 1.9% in FY2021 from 5.8% in its January 2020 estimates, thereby indicating a rebound only in FY2022. On the domestic front, the rating agency ICRA expects the economy to slow down in FY2021. It has projected the growth range between -1% to 1% for the full year post a de-growth of

15-20% in first and second quarters as most of the economic activities particularly construction, mining sectors are expected to be affected during the monsoon period in the second quarter also.

## National Infrastructure Pipeline

National Infrastructure Pipeline (NIP) is a first-of-its-kind exercise to provide world-class infrastructure across sectors and geographies to catalyse economic growth and improve the quality of life. The task force on NIP submitted its final report for the fiscal years 2019-25 to the Union Finance Minister Mrs Nirmala Sitharaman on April 29, 2020. The report stated infrastructure development as an enabler for growth and aims to improve project preparation and attract investments (both domestic and foreign) in the infrastructure space. The report further states that infrastructure development will be a critical growth engine for achieving the target of becoming a US\$ 5 trillion economy by FY2025. It will primarily be vital for the success of the 'Make in India' programme as manufacturing competitiveness effectually depends on infrastructure.





A minor bridge on Dausa-Kauthun Section of NH-11A

₹ 111 LAKH CRORE

INVESTMENTS PROJECTED BETWEEN FY2020-25 IN THE INFRASTRUCTURE SECTOR

18%

OF THE TARGETED INVESTMENT IS EXPECTED TO BE MADE IN THE ROAD SECTOR BETWEEN FY2020-25

Infrastructure creation leads to higher labour absorption, boosts employment and leads to income generation in the economy, which further spurs domestic demand. Improved infrastructure capacities also create efficiency gains through enhanced logistics and networks, which would enhance the competitiveness of the economy. Furthermore, a rise in the investments in the sector will be significant in ensuring that India recovers from the adverse effects of the COVID-19 crisis at the earliest.

To draw up the NIP report, a bottom-up approach was adopted wherein all the projects (Greenfield or Brownfield), under implementation or conceptualisation) costing greater than ₹ 100 crore per project were sought to be captured. The final report of the Task Force on NIP projected investments to the tune of ₹ 111 lakh crore during the financial year 2020-25. The final report mentioned that 18% of the targeted investment is expected to be made in the road sector. The NIP envisages doubling Infrastructure spend from ~5% of nominal GDP to ~10% over FY21-

23. The Centre (39%) and states (40%) are expected to have an almost equal share in implementing the NIP in India, followed by the private sector (21%).

In addition, the financial sector reforms to attract foreign and private capital into infrastructure are also imperative for the success of NIP. Setting up Development Financial Institutions for the infrastructure sector, encouraging Green Finance, sale of land and non-operational PSU assets, ToT Monetisation, accelerating monetisation of infrastructure assets through InVIT/ RelTs, and deepening Corporate Bond markets including those of Municipal Bonds, enabling appropriate user charges levy through multi-sectoral regulators and defining a long term financial landscape are some of the other key reforms envisaged in the NIP report to enable investments into infrastructure.

Taking note of the scarcity of long-term capital for infrastructure, the Task Force also recommended regulatory revamp to enable significant participation of FPIs and FDI in Infrastructure Debt Funds (IDFs), Development Finance

Institutions (DFIs) and securitisation markets in consultation with the RBI and the Securities and Exchange Board of India (SEBI). DFIs free up banks' exposure limits to lend to operational assets and further recycle capital in the form of down-selling exposure to bond investors and patient capital, such as pension funds and insurance companies. Large DFIs exposures are only in Power and Railways sector.

The growth of the said infrastructure is also contingent on effective monitoring and evaluation of the NIP progress across all implementation levels, and against pre-defined performance standards. The Task Force also suggested setting up three Committees for monitoring, implementation and funding of infrastructure projects.

The Government revenue may be impacted due to the COVID-19-linked slowdown. However, despite potential revenue shortfall, the central Government could increase near-term borrowings to support infrastructure spends. The thrust will be on rolling out nearly 6,500 projects of the National Infrastructure Pipeline. In certain areas

# MANAGEMENT DISCUSSION AND ANALYSIS

**1,820** PROJECTS

EXPECTED TO BE IMPLEMENTED  
IN 2020-25

**59** LAKH

Total road network in India

like roads and highways, with significant investment already in place, there could be an early thrust on spends.

## Roads Sector

India has the second-largest road network globally. Roads can be classified into national highways, expressways, state highways, major district roads and rural roads. The total road network in India is 59 lakh km of which, national highways and expressways comprised 132,500 km and state highways 156,694 km. Major district roads and rural roads accounted for the remaining 56 lakh km. There is just 15% (~17,150km) private sector participation in National Highways.

Private sector participation in the roads sector declined towards the end of the Twelfth Five Year Plan owing to land acquisition and utility clearance hurdles, prolonged dispute resolution mechanism, poor project preparation resulting in the frequent change of scope and aggressive bidding by developers. The rate of construction of national highways has more than doubled from 12 km/day to 30km/day since FY2015. The increase in the average daily construction rate of national highways can be attributed to the introduction of comparatively de-risked models (for the private sector) such as EPC and HAM, besides policy reforms such as the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, and for facilitating timely land acquisition, amongst others.

## Vision 2025 as laid out by National Infrastructure Pipeline

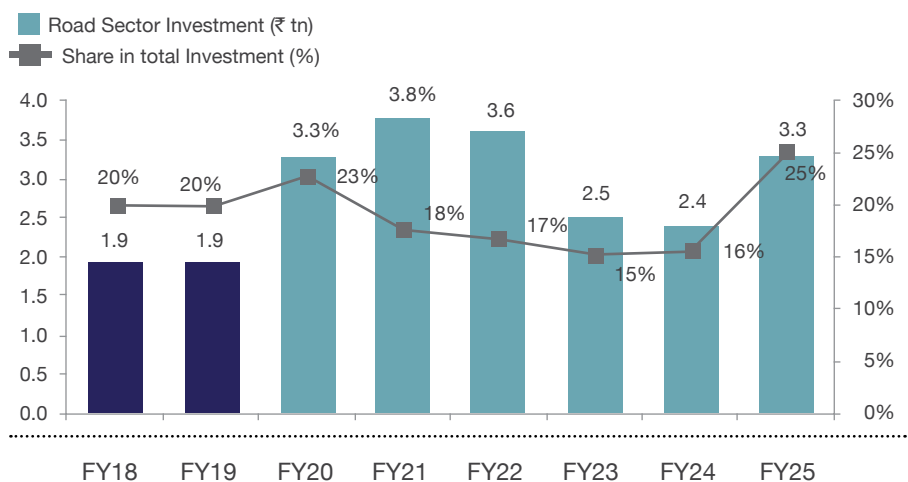
About 1,820 projects have been identified to be implemented in 2020-25. The total Capex for these projects by the Centre is estimated at ₹ 13.8 tonne over fiscals 2020 to 2025. It includes the development of overall 60,000 km of national highways including 2,500 km of expressways, 9,000 km of economic corridors, 2,000 km of coastal and port connectivity, bypasses for 45 towns and enhanced connectivity for 100 tourist destinations by 2024. These projects include the construction of new expressways such as Delhi-Mumbai Expressway, Bengaluru-Chennai Expressway, etc. Several projects being implemented include four laning/ two laning or widening of existing highways. It also aims for a significantly higher share of the private sector in national highways.

The NIP also aims for higher penetration of asset monetisation options, such as InvITs, ToT, securitisation of the portfolio with an objective to achieve ₹ 1 lakh crore through asset monetisation by 2024. As such, asset ownership will tilt in favour of asset aggregators/private equity players.

## Reform imperatives in Roads Sector proposed by NIP

Appended below, are few of the reform measures suggested by the Task Force on National Infrastructure Pipeline in its final report to attract more private investment in the sector:

## Capex Plan FY20-25



Source: NIP Report of the Task Force



# 293.99

MILLION  
AIR PASSENGER TRAFFIC IN  
INDIA IN FY2020

## Key reforms to attract private sector:

1. Ensuring better contract enforceability and robust dispute resolution mechanism,
2. Upfront procurement of key approvals /clearances, and availability of required land
3. Asset monetisation, which, in turn, can be used to finance more greenfield assets.

## Increased investment in technology:

Investing in technology is essential to improving and enforcing safety conditions. FASTAG/RFID-related technologies at more lanes of toll plazas shall enable in reducing waiting time and cash leakages. Real-time geo-tagged Road Accident Data Management Systems should be integrated with police databases with an aim to reduce fatalities.

**Enhancing the 'ease-of-doing infrastructure':** Project delays and consequent disputes have been amongst the major causes. Hence, 90% of contiguous land needs to be acquired along with project clearances before awarding projects. Therefore, a system by which such clearances can be fast-tracked through standardised design documents may be considered.

## Asset recycling for improving efficiency and mobilising resources:

There is a need to increase use financing options introduced in the last few years, such as InvITs and TOT. IRDAI should revisit the prescribed cap of 5% for insurance companies' investment in a single InvIT and should also come out with clear guidelines allowing insurance companies to invest in debt securities issued by InvITs, in line with traditional companies. Also, the reform that helps improve investor participation in the TOT model should be brought.

Over the years, India has become the third-largest domestic civil aviation market in the world with an immense potential to grow further.



**Enabling NHAH to raise long-term money:** It is critical for NHAH to meet its financing needs from a broader investor base at competitive rates and for longer tenures compared with conventional bank borrowings. It is imperative for NHAH to explore mechanisms to raise more low-cost funds at tenures matching the long life of its road projects, possibly through more tax-free bonds. NHAH can seek participation from LIC & EPFO. Having an escrow arrangement for servicing such financing along with NHAH tapping into tools for monetisation of highways through the InvIT, and TOT route, amongst others will also help attract more long-term funds to refinance its existing short-to-medium term debt.

## Airport Sector

India has seen massive growth in the airport sector with investments from both the Government and private sector. The country has become the third-largest domestic civil aviation market in the world and has immense potential to grow further. In FY2019, passenger traffic at Indian airports stood at 344.70 million from 308.75 million in FY2018. During FY2020 (till January 2020), air passenger traffic

stood at 293.99 million. International and domestic cargo grew at a CAGR of 9% and 10%, respectively over FY2014-2019.

Capacity utilisation across the six key airports remained high. In fiscal 2019, capacity utilisation at Hyderabad and Bengaluru airports was more than 100% while for Chennai, Kolkata, Delhi and Mumbai airports, capacity utilisation was ranging between 84% and 98%. The airport capacity at Delhi is expected to increase passenger capacity as follows: 110 million by 2023, 56 million at Bengaluru by 2022 and 36 million at Hyderabad by 2024. To address the capacity constraints, two steps have been taken to upgrade the airports by adding new runways and new terminal buildings at Delhi, Bengaluru and Hyderabad. Besides, Jewar will come up as the second airport in Delhi, and Navi Mumbai Airport will be commissioned by 2023.

## Vision as laid out by National Infrastructure Pipeline

NIP envisages to enable 500 million domestic ticketings by 2027 and 200 million international ticketing by 2027. It aims to increase cargo volumes to

# MANAGEMENT DISCUSSION AND ANALYSIS

₹ 700+ CRORE

PNC'S INVESTMENT IN  
EQUIPMENTS SINCE 2016

14 STATES

OUR GEOGRAPHICAL REACH

10 million tonnes by 2027. It proposes airports owned by the AAI to be developed on PPPs and ensure all tier-II and most tier-III cities are well-connected with fully functional airports – with affordable fares and world-class facilities

## COMPANY OVERVIEW

### An integrated business model with in-house capabilities

Our Company has, over past 20 years, established efficient project management processes and execution capabilities in sectors such as roads and highways, bridges and airport runways and has emerged as one of leading highway development, construction and management companies in the country. Our Company has financial and technical qualifications to bid for a single project up to a ticket size of more than ₹ 4,000 crore individually. Our Company has invested more than ₹ 700 crore since FY2016, thus owning a fleet of construction equipment and machinery (gross block of over ₹ 1,000 crore), which gives it the capability to execute projects worth ₹ 7,000 to 8,000 crore. Apart from owning equipment bank, our Company

also owns and leases quarries which provide us with better control on raw material sourcing. Since FY2016, our Company added over 3,000 employees, taking its total employee strength to over 7,300 employees. In-house design, engineering, development, construction, operation and management, strong technical team coupled with large equipment bank has enabled our Company to undertake timely completion of projects, without compromising on the quality and profitability. Our robust execution track record, timely completion capabilities, long term relations with the stakeholders and wide geographical presence have been the strong pillars of our growth story.

### Multi-state presence with a cluster-based approach

As we have our corporate presence and base in North India, the majority of our projects are located in the northern part of the country, and we have a strong presence in Delhi and NCR regions. Our reach also extends in the states of Uttar Pradesh, Rajasthan, Haryana, Punjab, Maharashtra, Madhya Pradesh and Uttarakhand. In terms of project

execution, we have executed 66 major infrastructure projects spread across 14 states, of which 43 are road EPC projects, 20 airport projects, railway track construction, power transmission and industrial area redevelopment project one each. We also have a portfolio of development projects on PPP mode which includes 6 BOT projects and 1 OMT project comprising both toll & annuity assets, and 11 HAM projects spread across various states.

Our Company follows a cluster-based approach for execution and currently have more than 2/3rd of our total order book comprises projects in the state of Uttar Pradesh. Moreover, our Company is undertaking participation in multiple packages of large projects like the Purvanchal Expressway, Aligarh-Kanpur in the state. This location advantage results in optimum utilisation of resources kicking in operating leverage and the resultant better margins. It also allows our Company to bid for projects at competitive rates and still extract decent margins. Given the fact that there are large number of road projects to be awarded in the state of UP, this location advantage is likely to favour our Company.

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

Over the past two decades, the Company has worked with several State Governments and Central Government authorities. We have been able to build successful, healthy and long-term relations with our clients which includes Central, State and Local Government authorities like NHAI, MoRTH, Airports Authority of India, Military Engineering Services, Delhi State Industrial and Infrastructure Development Corporation Limited, Haryana State Roads and Bridges Development Corporation



At Grade Junction on Four Laning Two Dausa-Kauthun Section of NH-11A

₹2,547 CRORE  
OUR NET WORTH AS OF FY2020

Limited, Madhya Pradesh Road Development Corporation Limited, Uttar Pradesh State Highways Authority, Uttar Pradesh Expressways Industrial Development Authority, State PWDs, and Dedicated Freight Corridor Corporation of India Limited, amongst others. Over the years, the Company has been able to successfully execute several infrastructure projects in number of states, which has helped us build strong client relations and also helped us mitigate risk to our business model and efficiently manage our working capital cycle.

### Low leverage and asset monetisation to aid in the funding of future projects

Our company has consolidated net debt to equity ratio of 1.38 as of FY2020 end. We will be financing equity investment in HAM projects through our own cash generation and monetisation of its BOT and HAM projects. The Company propose to divest its entire 35% stake in Aligarh-Ghaziabad project to any interested strategic investor. The divestment will also reduce process of exposure for lenders resulting in enough liquidity for funding of future projects for our Company. Furthermore, PNC Infratech is also looking to monetise its other HAM projects at right time at right price. With problems of financial closure and fundraising across the industry, our strong balance sheet position, strong credit profile and brand image have helped us stay ahead of the curve and overcome these challenges easily.

During FY2020, the Company was able to successfully execute several infrastructure projects across various states, which has helped us to build strong client relations and mitigate risk to our business model and efficiently manage our working capital cycle.

### Robust Orderbook to drive future growth

In FY2020, our Company has bagged projects worth ₹6,246 crore, which has resulted in the expansion of order book and provides strong revenue visibility. Our Company reported an order book over ₹ 8,600 crore as on March 31 2020 which does not include recently secured projects. We do not expect any delay in getting financial closure and appointed dates for the recently won projects, so they are likely to contribute to revenue in FY2021 itself.

### Financial Overview

The Company is one of the few players in the road space in India that have had consistent OCF/FCF (post interest expense) over FY2014-2019 in the roads space. The Company has negligible net interest expense as a percentage of EBITDA, thus having significant distributable cash flow. Additionally, the Company has been able to maintain a consistent OCF/FCF pattern, as it has stuck to its core expertise and focused on domestic markets and avoided unrelated diversification as well as aggressive growth campaign.

The Standalone Revenue for FY2020 stood at ₹ 4,878 crore, which is higher by 58% compared to FY2019 revenue of ₹ 3,097 crore.

EBITDA for FY2020 is ₹ 764 crore as against ₹ 457 crore for FY2019, which is higher by 67%.

Profit After Tax for FY2020 is ₹ 460 crore as against ₹ 324 crore, which is higher by 42% compared to FY2019.

The Company's net worth as on March 31, 2020 on a standalone basis is ₹ 2,547 crore whereas total debt is ₹ 327 crore. Our Company has one of the best

leverage indicators in the construction industry with net debt:equity ratio of 0.13 times in FY2020 as compared to 0.18 times in FY2019.

The interest coverage ratio for FY2020 is 4.4 times as compared to 6.4 times for FY2019.

The current ratio, which indicates the Company's ability to pay short term obligations, has remained strong at 2.4 times for FY2020 as compared to 2.1 times for FY2019.

During the year, the CARE Ratings Limited has reaffirmed its rating to AA- (Double A Minus) for the Long Term Facilities and A1+ (A One plus) for the Short Term bank facilities of the Company.

The Net Working Capital Days have also been lean at 57 days as of March 31, 2020, as compared to 97 days as on March 31 2019.

On a consolidated basis, the Revenue for FY2020 stood at ₹ 5,603 crore, which is higher by 47% compared to FY2019 revenue of ₹ 3,774 crore. In terms of segment contribution, EPC segment contributes approximately 86% whereas the Toll/Annuity Income contributes 14% for FY 2019-20. The Toll / Annuity Income for FY2020 grew by 6% to ₹ 757 crore as compared to ₹ 717 crore for FY2019.

The Consolidated EBITDA for FY2020 is ₹ 1,327 crore as against ₹ 1,007 crore for FY2019, which is higher by 32%.

The Consolidated Profit After Tax for FY2020 is ₹ 543 crore as against ₹ 351 crore, which is higher by 55% compared to FY2019. Whereas, the Consolidated Profit After Tax, Minority Interest and Share in Profit/Loss of Associate for FY2020 is ₹ 550 crore as compared to ₹ 351 crore in FY 2019.

# MANAGEMENT DISCUSSION AND ANALYSIS

# 1.38x

Net Debt to Equity for FY2020

# 42%

INCREASE IN PAT IN FY2020

The Company's net worth as on March 31, 2020, on a consolidated basis, is ₹ 2,554 crore whereas total debt is ₹ 3,515 crore. The Net Debt to Equity on a consolidated basis comes at 1.38x.

## Outlook

As we look ahead, the overall operating environment remains highly uncertain. The full impact of the COVID-19 pandemic on businesses will be contingent on many unpredictable future developments, including the length and severity of the pandemic-led crisis, potential additional government measures and the timely availability of labour, and raw materials amongst others. However, the priority projects such as road and airport where the traffic is higher, are likely to be taken up first. Also, places where there was less migration of labourers, can be taken up as soon as the lockdown is lifted.

The rating agency ICRA has stated that revenues and order flows will be significantly impacted in Q1 FY2021 due to the COVID-19 crisis. However, as the impact of the virus subsides and activities slowly resume towards normalcy, strong order flow under the

aegis of the National Infrastructure Pipeline, focus on infrastructure, and lower execution impediments should help in revival of the sector. The infrastructure industry is likely to normalise by Q3 FY2021, subject to the containment of the spread. Due to the COVID-19 led disruption, revenue impact for the infrastructure sector for FY2021 is estimated at 15-20%, with H1 FY2021 revenue being severely impacted. Also, order inflow will be affected in Q1 FY2021 but is expected to pace up post Q2 FY2021 once the situation normalises. According to ICRA, the operating margins of the listed companies in the infrastructure space, which had remained steady at around 14-15% in the last two years are estimated to be impacted for FY2021. Also, NHAI's plans for monetising road assets through TOT model or raising funds through launching an InvIT are likely to be pushed back by a couple of quarters.

In the last couple of years, curbs on mining, demonetisation, the slowdown in the economy, implementation of

GST harmed toll collections. Now, with the constrained movement of the traffic due to the lockdown is likely to push the segment in negative territory. Though in such an event, force majeure clause is applicable, there is uncertainty over its implementation and outcome. According to rating agency CRISIL, road traffic is likely to reduce by 16.5% in FY21, leading to a 13% decline in toll revenue. Recovery in freight traffic after the lockdown ends could be steeper. Improvement in passenger traffic will take time given that business and work-related essential travel will resume first, followed by leisure and tourism travel. Over fiscals 2019-2024, CRISIL expects toll collections and remittance, from ongoing and new projects, logging a healthier CAGR of about 11%-12%.

## RISKS & MITIGATION

### Competition Risk

The market is highly competitive, and we compete against a range of regional, national and multinational companies. The extent of competition varies according to geographic area and project type. The competition may also place downward pressure on contract prices, thus affecting our operating margins.

### Mitigation

Given the two-decade robust track record in engineering and construction space, the Company's target is to bid for larger projects up to a ticket size of ₹ 4,000 crore individually, since the competition intensity is lesser for such projects. The Company tries to stay ahead of the competition by providing the design, engineering, planning, management and project execution skills required to complete complex projects in a safe, timely and cost-efficient manner. Our focus on



Dausa-Kauthun Section of NH-11A, A recently Completed HAM Project

PNC Infratech has one of the best credit ratings in the industry and enjoys a lower rate of interest and better terms on various loans for financing our construction equipment, term debt for projects and working capital facilities.

executing the awarded projects before the scheduled completion dates and within the budgeted cost helps us to earn bonus wherever there is such provision. We avoid projects below a minimum profitability threshold, which enables us to sustain our operating margins. With the Government's focus to promote infrastructure development, especially on roads and highways construction, we are well-placed to explore new opportunities and enhance our project portfolio.

### Capital-intensive Business Risk

Infrastructure space is a highly capital-intensive sector having long time horizons and requires high capital investments in assets which have a larger component of debt funding. Availability of sufficient funds is critical for the bidding of projects, particularly fund-based projects such as BOT-toll, HAM and TOT mode.

### Mitigation

Many companies in the infrastructure space in India have been facing difficulties in achieving financial closure of the projects. However, PNC Infratech has one of the best credit ratings in the industry and enjoys a lower rate of interest and better terms on various loans for financing our construction equipment, term debt for projects and working capital facilities. Our ability to optimise the working capital cycle and timely execution of projects play a crucial role in securing the profitability of the projects undertaken by us. Also, we own a large fleet of construction equipment and machinery, enabling us to pool the equipment for various projects which are in the same geographical vicinity. Our Company has a healthy balance sheet, and we strive to maintain low leverage by keeping our debt-equity ratio low. This is done by utilising our internal accruals in a



Flyover at Km 550, Chakeri Allahabd Section of NH-2

prudent manner which has enabled us to maintain better profitability from project execution and growth in toll revenues.

Proceeds from the proposed divestment of stake in the Ghaziabad-Aligarh project, receipt of the arbitration award, bonus on early completion of projects and internal accruals would help fund equity requirement for new projects. Management is also evaluating monetisation of the ongoing HAM projects at an opportune time.

### Traffic growth risk in BOT projects

With the COVID-19 pandemic necessitating the nationwide lockdown and the resultant imposition of restrictions on inter- and intra-state traffic to only essential services, toll collections from build-operate-transfer (BOT) highway projects decrease sharply in the near term. In BOT-toll projects, revenue stream has an inherent risk of traffic not growing on the project roads and toll rates not increasing as estimated in the projections at the time of bidding.

### Mitigation

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

We undertake detailed and realistic traffic forecasts, prepared with adequate sensitivity testing (risk analysis) and due diligence before bidding for any prospective project. Also, we conduct a stress test, which assesses the projects for various scenarios and helps us to put a reasonably accurate bid for a given project. To avoid significant maintenance costs and keep the road ride worthy for users, the Company regularly undertakes preventive repairs and maintenance of the road during its operational phase. Also, as part of our risk mitigation strategy for our development business, we continue to diversify our project portfolio by having

# MANAGEMENT DISCUSSION AND ANALYSIS

Our Company focuses on developing excellent leaders and providing an inclusive workplace in which people can flourish, and everyone can contribute.

an optimum mix of BOT-Toll, BOT Annuity, OMT and HAM projects.

## Input Cost Risk

The mobilisation of cement and steel has been inadequate due to disruptions in manufacturing during the lockdown period as well as difficulty in plying them across states and districts.

The principal products that we use in our business include structural steel, cement, bitumen, concrete, metal beam, cable and various electrical and mechanical components. The availability and prices of these products may vary significantly due to multiple factors including demand, producer capacity, market conditions and specific material shortages. Any unexpected increase in the input costs will have a direct impact on margins.

## Mitigation

The Government has assured that the manufacturing of key raw materials will be kick-started post the relaxation in lockdown conditions. We expect the normalcy to return in the procurement of these products.

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

## Labour Risk

People are the most valuable asset in the construction business. The success of our business is dependent upon our ability to hire, retain, and utilise qualified personnel, including engineers, designers, corporate management

professionals and labourers who have the required experience and expertise at a reasonable cost. The market for these and other personnel is competitive. Loss of the services of, or failure to recruit, qualified technical and management personnel and labourers to execute the projects could limit our ability to complete existing projects and compete for new projects successfully.

The COVID-19 pandemic led lockdown has resulted in the departure of migrant labourers to their home states, and the increase in risk aversion could result in a labour shortage in the first quarter. Bringing back migrant labourers has historically been a big challenge. Thus, the return of the migrant labourers will be gradual.

## Mitigation

About 2/3rd of Company's projects in the state of Uttar Pradesh and these projects employ labour from within or the surrounding state. Also, many migrant labourers who have returned from other states have Uttar Pradesh as their domicile state. Therefore, our projects in Uttar Pradesh could be an opportunity for these labourers to garner work within their native place subject to matching of their skillsets.

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

Adoption of open-door policy by the Company helps us to reduce the hierarchical strain in the organisation and foster an entrepreneurial working style. Our remuneration policy is based on a structured process of evaluating



Interchange connecting Dausa –Kauthun Section of NH-11A with NH 21.

# 7,300+

EMPLOYEE STRENGTH AS OF FY2020

and reviewing each employee's performance and potential and is at par with the best industry standards. We always believe in sharing our milestones and achievements with our employees, and we share the early completion bonus received for the projects with the concerned project staff.

### Human Resource Management

As of March 31, 2020, the total employee strength of the Company was over 7,300 employees. The management continually focuses on skill development of professionals and managers within the Company as we believe employees are the building pillars for the future growth of the Company. Our team of home-grown professionals, with specific domain knowledge, has helped us stay ahead of the curve. The Company also ensures that the employees are motivated to carry out their responsibility with utmost responsibility through moral support and financial rewards.

### Internal Control Systems

The Company has adequate internal control systems that are commensurate with the size and nature of its business which ensures that all the assets are acquired economically. The systems are safeguarded, protected against loss from unauthorised use or disposition, and all transactions are authorised, recorded and reported correctly. Well-documented policies supplement the internal control system, guidelines and procedures and reviews carried out by the Company's internal audit department. Audits of various departments are conducted as per the annual audit plan through internal auditors, who submit reports to the management and the Audit Committee of the Board from time to time. The views of the statutory

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



auditors and ISO auditors are also considered to ascertain the adequacy and efficacy of the internal control system and measures. The project sites of the Company are covered through extensive CCTV surveillance system and SAP ERP system. All these measures are continuously reviewed by the management and as and when necessary and required improvements are made.

### Cautionary Statement

In this annual report, we have made several forward-looking statements and disclosed information to enable investors to know our growth prospects and take informed investment decisions. This report and other statements, written and oral, that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. Forward-looking statements are based on certain assumptions and expectations of future events. The achievement of such results is subject to risks, uncertainties, unpredictability and even less than assumptions. Market data and information gathered

from various published and unpublished reports and sources, their accuracy, reliability and completeness cannot be assured. We do not undertake to make any announcement in case any of changed economic scenarios, industry developments and the forward-looking statements become materially incorrect in future or update any development and forward looking statements made from time to time by or on behalf of the Company.

# DIRECTORS' REPORT

## TO THE MEMBERS,

On behalf of the Board of Directors, it is our pleasure to present the 21<sup>st</sup> Annual Report on the business and operations of your Company together with the Audited Financial Statement of **PNC Infratech Limited** ("the Company" or "PNCIL") for the financial year ended March 31, 2020.

## 1. Results of our Operations

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

₹ in Lakhs (except EPS)

| Particulars                                      | Standalone Results For the year ended as at |                | Consolidated Results For the year ended as at |                |
|--|---|----------------|---|----------------|
|  | March 31, 2020                              | March 31, 2019 | March 31, 2020                                | March 31, 2019 |
| Revenue from Operations                          | 487793.05                                   | 309687.31      | 560257.36                                     | 377435.83      |
| Total Expenses                                   | 435439.14                                   | 279586.84      | 506542.23                                     | 346199.88      |
| Add/(Less): Share in profit/(loss) of Associates | --  | -              | 648.78  | 69.93          |
| Profit/(Loss) before tax & prior period expenses | 61202.29                                    | 34404.26       | 71926.83                                      | 35967.42       |
| Prior period expense (Net)/Exceptional Item      | --  | -              | --  | -              |
| Profit/(Loss) Before Tax                         | 61202.29                                    | 34404.26       | 71926.83                                      | 35967.42       |
| Tax Expense (Net)                                | 15172.13                                    | 1913.04        | 16938.35                                      | 830.99         |
| Profit / (Loss) After Tax                        | 46030.16                                    | 32491.22       | 54988.48                                      | 35136.43       |
| Earnings Per Share (Basic & Diluted)             | 17.94                                       | 12.67          | 21.43   | 13.70          |

## 2. Financial Performance

On a standalone basis, revenue of the Company for FY20 is ₹ 487793.05 Lakhs as compared to ₹ 309687.31 Lakhs in FY19. The Operating Profit (i.e. Earnings before Interest, Tax, Depreciation and Amortization) for FY20 is ₹ 76431.69 Lakhs as compared to ₹ 45734.21 Lakhs in FY19. The Profit before Tax for FY20 is ₹ 61202.29 Lakhs as compared to ₹ 34404.26 Lakhs in FY19. The Profit after Tax for FY20 is ₹ 46030.16 Lakhs as compared to ₹ 32491.22 Lakhs in FY19.

The Consolidated Revenue of the Company for FY20 is ₹ 560257.36 Lakhs as compared to ₹ 377435.83 Lakhs in FY19. The Consolidated Operating Profit (i.e. Earnings before Interest, Tax, Depreciation and Amortization) for FY20 is ₹ 132718.37 Lakhs as compared to ₹ 100680.54 Lakhs in FY19. The Consolidated Profit before Tax for FY20 is ₹ 71926.83 Lakhs as compared to ₹ 35967.42 Lakhs in FY19. The Consolidated Profit after Tax, Minority Interest and Share in Profit / Loss of Associate for FY20 is ₹ 54988.48 Lakhs as compared to ₹ 35136.43 Lakhs in FY19.

## 3. Global health pandemic from COVID-19

As only 10 days of construction activities have severely been affected in the month of March 2020 due to the outbreak of COVID-19 pandemic and imposition of lockdowns, the performance of the Company including standalone revenues have not been significantly impacted on this account, during the Financial Year 2019-20. However, as the lockdowns, consequent restrictions, suspension of works and disruptions in the supply chains continued in April 2020 and beyond, the construction operations are adversely affected and could not be restored to the normal levels till date, even though works at majority of the project sites resumed gradually as permitted by the local administrative authorities, from end of third week of April 2020 onwards.

As the prevalent slowing down of the economic growth and uncertainty is expected to continue further as the situation unfolds, the management will continue to monitor the socio-economic conditions closely, to take necessary measures, going forward.

Due to the outbreak of COVID-19 pandemic and imposition of lockdown followed by suspension user fee collection (tolling) operations BOT-Toll and OMT project of Company, there has been significant decline in the traffic revenues from 22 March 2020 onwards, which resulted in marginal reduction in operational revenue during the Financial Year 2019-20. Even though post resumption of tolling operations from 20 April 2020 the commercial traffic is progressively ramping-up, in view of the prevalent uncertainty future assessment about the operational performance of the Company in FY 2021 cannot be made at this point of time. However, the management will continue to monitor the socio-economic conditions closely, to take necessary measures, going forward.



#### 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/become L1 for the following projects:

Construction of 31.7 km long Four Lane Bypass connecting NH-56 at km 17.400 and terminating near Behta Village Road under NHDP Phase-VII on EPC mode" namely "Lucknow Ring Road Package I" for a quoted price of ₹ 1062.0 crore.

Project of 60.22 km long Four Laning of Jagdishpur-Faizabad section of NH 330-A from km 47.800 to 108.020 in the state of Uttar Pradesh under Bharatmala Pariyojna to be executed on Hybrid Annuity Mode for a Bid Project Cost of ₹ 1530.0 crore.

NHAI Project of 60.640 km long Four Laning of Aligarh-Kanpur section of NH 91 from km 373.085 to 433.728 (Package-V from Mitrasen to Kanpur) in the state of Uttar Pradesh under Bharatmala Pariyojna to be executed on Hybrid Annuity Mode for a Bid Project Cost of ₹ 2052.0 crore.

Project of 70.000 km long Four Laning of Unnao-Lalganj section of NH 232 A from km 0.000 to 70.000 in the state of Uttar Pradesh under NHDP IVB, to be executed on Hybrid Annuity Mode for a Bid Project Cost of ₹ 1602.0 crore.

Project"53.95 km long Four-laning of Meerut - Nazibabad section of NH-119 (New NH-34) from design chainage Km 11+500 (Meerut) to 39.250 (Behsuma) and from km 79.500 (Bijnor) to 105.700 (Jalalabad)" in the state of Uttar Pradesh under Bharatmala Pariyojana on Hybrid Annuity Mode (HAM) for ₹ 1412.0 crore.

In financial year 2019-20, Company has been awarded with projects over ₹ 6246 crore and expect to receive more contracts in the current financial year.

The total outstanding contract value pending execution was ₹ 8629 crore as on March 31, 2020.

The Company is presently executing the following major projects:

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

| HIGHWAYS        |                 |   |
|-----------------|-----------------|---|
| Sr.             | Category        | Name of the Project   |
| 15              | Highways        | 6-laning of <b>Chakeri to Allahabad</b> Section of NH-2 from km.483.687 to km.628.753 (Design Length-145.066 km) in the State of Uttar Pradesh under NHDP Phase-V on Hybrid Annuity Mode.   |
| 16              | Highways        | Four laning of <b>Aligarh-Kanpur</b> Section from km.186.000 (Design Chainage km.195.733) to km.229.000 (Design Chainage km.240.897) [Package-II from Bhadwas-Kalyanpur] of NH-91 in the State of Uttar Pradesh on Hybrid Annuity mode under Bharatmala Pariyojana. |
| 17              | 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 Pariyojana in the State of Karnataka.   |
| AIRPORT RUNWAYS |                 |   |
| 18              | Airport Runways | Resurfacing/strengthening of Runway at <b>AF station Kanpur</b> .   |

## 5. Dividend

Keeping in the view of the Company's performance, the Board of Directors have declared interim dividends of 25% i.e. ₹ 0.50 per equity shares of ₹ 2/- each, on 25,65,39,165 no. of equity shares, amounting to ₹ 1282.70 Lakhs during the financial year 2019-20. The total payout is ₹ 1546.42 Lakhs (inclusive of Corporate Dividend Tax of ₹ 263.72 Lakhs).

The Board of Directors have not recommended declaration of further dividend. Accordingly, this dividend is considered as total dividend for the year.

## 6. Transfer To Reserves

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

## 7. Subsidiaries, Joint Ventures And Associate Companies

The Company has two direct subsidiary, Sixteen step-down subsidiaries and one associate company as on March 31, 2020. There are no joint ventures of the Company. In accordance with Sec 129(3) of the Companies Act, 2013 (Act), the consolidated financial statements ('CFS') of the Company forms part of this Annual Report. Also, a statement containing the salient features of the financial statement of the subsidiaries and associates in prescribed format AOC-1 is provided as an Annexure to the CFS.

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

- The Company was declared the L1 (lowest) bidder for a NHAI Project of 70.000 km long Four Laning of **Unnao-Lalganj Section** of NH 232 A from km 0.000 to 70.000 in the state of Uttar Pradesh under NHDP IVB, to be executed on Hybrid Annuity Mode for a Bid Project Cost of ₹ 1602.0 crore. To implement the said Project, 'PNC Unnao Highways Private Limited, a Special Purpose Vehicle was incorporated on March 20, 2020 by the Company. **'PNC Unnao Highways Private Limited'** is the newly incorporated step – down subsidiary of PNCIL.

- The Company was declared L1 (lowest) bidder for the Four laning of **Jagdishpur - Faizabad Section** from km 47.930 (Design Chainage km 47.800) to km 107.680 (Design Chainage km 108.020) of NH-330A in the State of Uttar Pradesh on Hybrid Annuity Mode under Bharatmala Pariyojana for a Bid Project Cost of ₹ 1530.0 crore. To implement the said Project, **'PNC Gomti Highways Private Limited,** a Special Purpose Vehicle was incorporated on March 20, 2020 by the Company. 'PNC Gomti Highways Private Limited' is the newly incorporated step – down subsidiary of PNCIL.

Furhter, Hospet Bellary Highways Private Limited (CIN: U45400UP2012PTC048390) is under process of Strike off and ceased to be a subsidiary of the company.

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

As per Listing Regualtions, Two Subsidiaries namely PNC Infra Holdings Limited and PNC Triveni Sangam Highways Private Limited are the Unlisted Material Subsidiaries of the Company for Financial Year ended on March 31, 2020. Company's Policy on Material Subsidiaries is placed on the website of the Company at <https://www.pncinftratech.com/pdfs/policy-for-determining-material-subsidiaries-pnc-inftratech-limited.pdf>.

## 8. Directors' Responsibility Statement

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

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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.

## 9. 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.

## 10. Risk Management

The Company recognizes that risk is an integral part of business and is committed to manage the risk in a proactive and efficient manner. The Company has constituted Risk Management Committee of Directors to monitor various risks, examine risk management policies & practices and initiate action for mitigation of risk arising in the operations. To facilitate this, the Company had put in place Risk Management Policy. The Policy provides for a risk management framework to identify and assess risk such as operational, strategic, resources, security, industry, regulatory & compliance and other risk and put in place

an adequate risk management infrastructure capable of addressing these risks. The Board periodically reviews the risk, if any, and ensures to take steps for its mitigation.

## 11. Contracts And Arrangements With Related Parties

During the financial year 2019-20, the Company has entered into transactions with related parties as defined under Section 2(76) of the Companies Act, 2013 read with the Companies (Specification of Definitions Details) Rules, 2014, which were in the ordinary course of business and on arm's length basis and in accordance with the provisions of the Companies Act, 2013, rules issued there under and in compliance of the Related Party Policy of the Company and in accordance with Regulation 23 of the SEBI Listing Regulations. During the financial year 2019-20, 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.pncinftratech.com/pdfs/policy-on-materiality-and-dealing-with-relatedparty-transactions-pnc-inftratech-limited.pdf>

## 12. Corporate Social Responsibility (CSR)

The Company continues to believe in operating and growing its business in a socially responsible way. This belief forms the core of the CSR policy of the Company that drives it to focus on holistic development of its host community and immediate social and environmental surroundings qualitatively. Hence in accordance with the requirements of Section 135 of the Companies Act, 2013, the Company has constituted a Corporate Social Responsibility Committee ("CSR Committee"). The composition and terms of reference of the CSR Committee are provided in Corporate Governance Report. The Company has framed Corporate Social Responsibility policy which is available on link at <https://www.pncinftratech.com/pdfs/pnc-csr-policy.pdf> Annual Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been appended as "Annexure I" to this report.

## 13. Internal Financial Control

The Company has an internal financial control system commensurate with the size and scale of its operations and the same has been operating effectively. The Internal Auditor evaluates the efficacy and adequacy of internal control system, accounting procedures and policies adopted by the Company for efficient conduct of its

business, adherence to Company's policies, safeguarding of Company's assets, prevention and detection of frauds and errors and timely preparation of reliable financial information etc. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations, if any and corrective actions thereon are presented to the Audit Committee of the Board.

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

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

#### 14. Directors And Key Managerial Personnel

Mr. Anil Kumar Rao (DIN- 01224525) Whole-Time Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting pursuant to the provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association of the Company, and being eligible has offered himself for re-appointment. Your Directors recommend his re-appointment.

On August 10, 2019, Mr. Talluri Raghupati Rao (DIN-01207205) on the recommendation of Nomination and Remuneration Committee, appointed by the Board as an Additional Executive Director on the Board of the Company and further designated as Whole time Director by the members in the Annual General Meeting . He is already working as Executive Vice President (Infrastructure) of the Company. He has over 35 years of experience in planning, engineering consultancy, development, management and implementation of infrastructure projects including airports, highways, ports, urban transport, urban infrastructure and tourism. He joined the Company on May 9, 2014. Prior to joining the Company, he worked with SREI Infrastructure Finance Limited as a Senior Vice President;with IL&FS Infrastructure Development Corporation as Vice President; with RITES, a Government of India enterprise, as a Deputy General Manager; and with Hyderabad Information Technology Venture Enterprises Limited, Hyderabad as its Chief Executive Officer. He takes care and oversees overall business development activities of our Company.

The required details of directors seeking re-appointments under Regulation 36 of SEBI Listing Regulations read with Secretarial Standard 2 will be provided in the Notice convening 21st Annual General Meeting of the Company.

As on March 31, 2020 Mr. Pradeep Kumar Jain, Mr. Yogesh Kumar Jain, Managing Directors, Mr. Chakresh Kumar Jain, Managing Director & Chief Financial Officer, Mr. Anil Kumar Rao, Mr. Talluri Raghupati Rao, Whole-Time Directors and Mr. Tapan Jain, Company Secretary are the Key Managerial Personnel of the Company in accordance with the provisions of sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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

#### 15. Declaration By Independent Directors

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

#### 16. Board Evaluation And Remuneration Policy

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

The composition, and terms of reference along with attendance details of the Nomination and Remuneration Committee are provided in Corporate Governance Report. The Nomination and Remuneration Policy of the Company is attached herewith marked as "**Annexure -II**" and also placed on its website at web link:

<https://www.pncinfratech.com/pdfs/nomination-and-remuneration-policy-pnc-infratech-limited.pdf>

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

## 17. Familiarization Programme For Independent Directors –

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

## 18. 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.

## 19. 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, 2020 stood at ₹ 51,30,78,330/-

## 20. Auditors And Auditors' Report

### Statutory Auditors

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

### Auditor's Report

The Auditors' have issued an unmodified Report for the year ended 31st March 2020 which is self explanatory hence, do not call for any comments from the Management under Section 134 of the Companies Act, 2013.

## Cost Auditors

The Board had appointed M/s. R K G & Associates, Cost Accountants, as Cost Auditors for conducting the audit of cost records of the Company for the financial year 2019-20 and necessary application for their appointment was filed by the Company with the Ministry of Corporate Affairs. The said Auditors have conducted the audit of Cost records for the year ended 31st March 2020 and have submitted their report, which is self explanatory and do not call for any further comments.

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

The Board has also appointed M/s. R K G & Associates, Cost Accountants, as Cost Auditors to conduct Cost Audit for the financial year 2020-21 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 2019-20. The Secretarial Audit Report for the financial year ended on March 31, 2020 is annexed herewith marked as "Annexure-III" to this Report. There are no qualifications or adverse remark in their Report.

The Board has also appointed M/s. DR Associates, Company Secretaries, as Secretarial Auditors to conduct Secretarial Audit for the financial year 2020-21.

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

## 21. Management Discussion & Analysis

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

## 22. Disclosures

### Audit Committee

The Audit Committee of the Board of Directors of the Company is duly constituted in accordance with the provisions of Sections 177 of the Act read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2013 and Regulation 18 of SEBI Listing Regulations which consists of the following Members namely Mrs.

Deepika Mittal, Independent Director (Chairman), Mr. C R Sharma, Independent Director and Mr. Ashok Kumar Gupta, Independent Director as other members. The scope, their attendance and terms of reference of Audit Committee is mentioned in the Corporate Governance Report. All the recommendations made by the Audit Committee were accepted by the Board.

### **Vigil Mechanism**

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

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

### **Meetings of the Board**

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

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

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

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

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

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

### **Extract of Annual Return**

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

### **Particulars of Employees and Related Disclosures**

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

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

### **Business Responsibility Report (BRR)**

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

### **Dividend Distribution Policy**

SEBI Listing Regulations also mandates for top 500 listed entities based on market capitalization calculated as on March 31 of every financial year to formulate a dividend distribution policy ('the policy'). In Compliance of the same, the policy determining the distribution parameters of dividend to its shareholders was adopted by the Board in their meeting held on December 07, 2016. The Policy is enclosed as an Annexure - IX to the Board's Report and is also available on the Company's website at <https://www.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 amounts of Dividends to be furnished through Form No. IEPF 2 each year and to be uploaded on Company's Website, on the website of IEPF Authority. The amount of Dividend or any other such amount as referred in sub-section 2 of section 125 of the Act, which

is unpaid or unclaimed for the financial year under review is mentioned in the Corporate Governance Report of the Company which forms part of this Annual Report.

### Cost Records

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

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

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

## 23. General

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

- a) Details relating to deposits covered under Chapter V of the Act;
- b) Change in the nature of business;
- c) Voluntary revision of Financial Statements or Board's Report;
- d) Material change affecting the financial position of the Company;
- e) Issue of equity shares with differential rights as to dividend, voting or otherwise;
- f) No director is in receipt of commission from the Company and Neither the Managing Director nor the Whole-time Directors of the Company received any remuneration or commission from any of its subsidiaries Companies;
- g) No significant or material orders were passed by the Regulators or Courts or Tribunals which impacts the going concern status and Company's operations in future;
- h) There was no instance of reporting of fraud to the Audit Committee and of Directors;
- i) There was no instance of any Employee Stock Options, Equity Share with differential voting rights as to dividend, voting or otherwise.
- j) The Company has complied with Secretarial Standards issued by the institute of Company Secretaries of India on meeting of Board of Directors and General Meetings.

## 24. Acknowledgement

Your Directors would like to acknowledge and place on record their sincere appreciation to all stakeholders, banks and financial institutions, clients, vendors, Intermediaries associated with IPO of the Company, for their co-operation and continued support for the growth of the Company. The Directors also wish to acknowledge the assistance received from various regulatory bodies, NHAI, MPRDC, UPSHA, HSRDC, MES, DSIIDC, UPEIDA, Ministry of Corporate Affairs, BSE Limited, National Stock Exchange of India Limited, Securities and Exchange Board of India and other Central and State Government agencies and thank them for the same and look forward to their continued support.

The Directors regret the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

The Directors appreciate and value the contribution made by every member of the PNC family.

**For and on behalf of the Board of Directors**

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

**Place: Agra**  
**Date: 24<sup>th</sup> June, 2020**

**ANNEXURE I TO THE DIRECTORS' REPORT:****ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES****1. A brief outline of the company's CSR Policy, including overview of the projects or programmes proposed to be undertaken and reference to the web-link to the CSR Policy and projects or programmes**

The key philosophy of CSR initiatives of the Company is to actively contribute to the social and economic development of the community in which, we operate. In alignment with vision of the company, PNC, through its CSR initiatives, will continue to enhance value creation in the society and in the community in which it operates, through its services, conduct & initiatives, so as to promote sustained growth & economic development for the society and community, in fulfilment of its role as a Socially Responsible Corporate, with environmental concern. The CSR Policy may be accessed on the Company's website at the link: <http://www.pncinftratech.com>.

The Company has identified focus areas of engagement which are as under:

- (i) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swachh Bharat Kosh setup by the Central Government for the promotion of sanitation and making available safe drinking water;
- (ii) Promoting educating, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- (iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- (iv) Ensuing environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund setup by the Central Government for rejuvenation of river Ganga;
- (v) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- (vi) Measures for the benefit of armed forces veterans, war widows and their dependents;
- (vii) Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- (viii) Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- (ix) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- (x) Rural development projects;
- (xi) Slum area development;  
Explanation- slum area shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.
- (xii) Such other activity as may be notified by Govt. from time to time.

**2. The Composition of the CSR Committee :**

| Sl. No. | Name of the Member        | Position |
|---------|---------------------------|----------|
| 1       | Shri. Chakresh Kumar Jain | Chairman |
| 2       | Shri. Anil Kumar Rao      | Member   |
| 3       | Shri. Ashok Kumar Gupta   | Member   |



### 3. Average Net Profit of the company for last 3 financial years

(₹ In Cr)

| Financial Year | as computed under Section 198 of the Companies Act, 2013 |
|----------------|--|
| 2016-17        | 193.92   |
| 2017-18        | 233.92   |
| 2018-19        | 344.04   |

Average Net Profit: ₹ 257.29 Cr

### 4. Prescribed CSR expenditure (2% of the amount as in item no. 3 above):

The Company is required to spend ₹ 5.14 Cr

Details of CSR activities/projects undertaken during the year:

- (a) Total amount spend for the financial year 2019-20 of ₹ 5.37 Cr  
 (b) Amount un-spent - Nil  
 (c) Manner in which the amount spent during financial year is detailed below:

| 1       | 2   | 3   | 4   | 5   | 6  | 7  | 8   |
|---------|---|---|---|---|--|--|---|
| Sr. No. | CSR project/ activity identified  | Sector in which the Project is covered  | Projects/ Programmes<br>1.Local area/ others-<br>2.specify the state / district<br>(Name of the District/s, State/s where project/ programme was undertaken | Amount outlay (budget) project/ programme wise (₹.) | Amount spent on the project/ programme (₹.)<br>Sub-heads:<br>1.Direct expenditure on project/ programme,<br>2.Overheads: | Cumulative spend upto to the reporting period (Amount in ₹.) | Amount spent: Direct / through implementing agency* |
| 1.      | Promoting Healthcare, Poverty and Malnutrition, Eradicating Hunger and making available safe drinking water | Facilities of Healthcare, available safe drinking water and food  | Uttar Pradesh, Rajasthan & Madhya Pradesh   | 15242412.00   | 15242412.00  | 15242412.00  | Direct  |
| 2.      | Ensuing Environmental Sustainability, ecological balance  | Environmental   | Uttar Pradesh & Maharashtra   | 175870.00   | 175870.00  | 15418282.00  | Direct  |
| 3.      | Promoting special education   | Enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects | Uttar Pradesh, Rajasthan & Madhya Pradesh   | 28336284.89   | 28336284.89  | 43754566.89  | Direct  |

| 1       | 2  | 3                                      | 4   | 5   | 6  | 7   | 8   |
|---------|--|--|---|---|--|---|---|
| Sr. No. | CSR project/ activity identified   | Sector in which the Project is covered | Projects/ Programmes<br>1.Local area/ others-<br>2.specify the state / district<br>(Name of the District/s, State/s where project/ programme was undertaken | Amount outlay (budget) project/ programme wise (₹.) | Amount spent on the project/ programme (₹.)<br>Sub-heads:<br>1.Direct expenditure on project/ programme,<br>2.Overheads: | Cumulative spend upto to the reporting period<br>(Amount in ₹.) | Amount spent: Direct / through implementing agency* |
| 4.      | Promoting gender equality  | Empowering Women                       | Uttar Pradesh   | 131216.81   | 131216.81  | 43885783.70   | Direct  |
| 5.      | Donation towards various schools and colleges for promotion of Education             | Promoting Education                    | Uttar Pradesh<br>Rajasthan & Madhya Pradesh   | 7351180   | 7351180  | 51236963.70   | Direct  |
| 6.      | Promotion of cultural and religious heritage of the Country                          | Promoting Art & Culture                | Uttar Pradesh   | 1000000   | 1000000  | 52236963.7  | Direct  |
| 7.      | Training to youths for awareness & promotion of rural sports                         | Training to promote rural sports       | Uttar Pradesh<br>Rajasthan & Madhya Pradesh   | 1000000   | 1000000  | 53236963.7  | Direct  |
| 8.      | Disaster management, including relief, rehabilitation and reconstruction activities. | Central Government Relief Fund         | Maharashtra   | 500000  | 500000   | 53736963.7  | Direct  |

**5. Reason for not spending 2% of average net profit for CSR Activity for the financial year 2019-20: NA**

**6. Responsibility statement of the CSR Committee**

We hereby confirm that the implementation and monitoring of CSR Policy, is in compliance with Company's CSR objectives (i.e. CSR Vision and CSR Mission) and CSR Policy of the Company. Also, Company will make every Endeavour to utilize its CSR expenditure during the current year.

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

**Place: Agra**

**Date:24<sup>th</sup> June, 2020**

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

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

# ANNEXURE II TO THE DIRECTORS' REPORT

## NOMINATION AND REMUNERATION POLICY

### 1. Preamble

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

### 2. Purpose

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

### 3. Applicability

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

### 4. Objectives

This policy is framed with the following objectives:

- I. To ensure that the constitution of the Board should have optimum combination of directors in pursuance of the Companies Act, 2013 and LODR.
- II. To set criteria for determining qualifications, positive attributes and independence of a director, and remuneration of the Executives.
- III. To evaluate the performance of members of the Board and provide necessary report to the Board for further evaluation.
- IV. To attract, retain and motivate the Senior Management including its Key Managerial Personnel, evaluation of their performance and provide necessary report to the Board for further evaluation.
- V. To ensure that the interests of Board members & Executives are aligned with the business strategy and risk tolerance, objectives, values and long-term interests of the company and will be consistent with the "pay-for-performance" principle.

- VI. To recommend the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- VII. To promote and develop a high performance workforce in line with the Company strategy.
- VIII. To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Director (Executive & Non- Executive/ Independent/Nominee) and persons who may be appointed in Senior Management, Key Managerial Personnel and determine their remuneration.
- IX. To enable the Company to provide a well-balanced and performance-related compensation package, taking into account shareholder interests, industry standards and relevant Indian corporate regulations

### 5. Definition

- I. "Act" means Companies Act, 2013 and rules framed thereunder as amended from time to time.
- II. "Board of Directors" or Board, in relation to the company, means the collective body of the Directors of the Company.
- III. "Committee" means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- IV. "Company" means "PNC Infratech Limited".
- V. "Managerial Personnel" means Managerial Personnel or Persons, appointed under section 196 and other applicable provisions of the Companies Act, 2013.
- VI. "Policy" or "This policy" means Nomination and Remuneration Policy.
- VII. "Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income Tax Act, 1961.
- VIII. "Independent Director" means a Director referred to in Section 149 (6) of the Companies Act, 2013.
- IX. "Key Managerial Personnel" (KMP) means
  - a. The Chief Executive Officer or the Managing Director or the Manager and in their absence the Whole Time Director;
  - b. The Company Secretary; and
  - c. The Chief Financial Officer
- X. "Senior Management" shall mean officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager,

in case they are not part of the board and shall specifically include company secretary and chief financial officer.

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

## 6. POLICY

### 6.1 CONSTITUTION OF NOMINATION AND REMUNERATION COMMITTEE:

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

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

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

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

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

- a) The Committee shall identify and ascertain the integrity, qualification appropriate skills, characteristics and experience of the person for appointment as Managerial Personnel, Director or KMP or Senior Management and recommend to the Board for his /her appointment. The objective is to have a Board with diverse background and experience in business, government, academics, technology and in areas that are relevant for the Company's operations.
- b) A person should possess the highest personal and professional ethics, integrity and values. They should be able to balance the legitimate interest and concerns of all the Company's stakeholders in arriving at decisions, rather than advancing the interests of a particular constituency.
- c) Committee shall verify whether the candidate being assessed for holding the position of a Director has been allotted a Director Identification Number (DIN) and whether

the candidate has submitted e-form DIR-3-KYC to the Central Government within stipulated timelines.

- d) Committee shall review whether that the candidate possesses more than one DIN and in such cases, require the candidate to surrender the additional DIN.
- e) The Committee shall verify the maximum number of directorships, including any alternate directorships held by the candidate as per the provisions of Companies Act, 2013 and continue to verify this even after appointment as a Director. Further, as prescribed by the SEBI Listing Regulations, any person shall not be a director in more than 8 (eight) listed entities with effect from April 01, 2019 and in not more than 7 (seven) listed entities with effect from April 01, 2020. Further a person shall not serve as an independent director in more than 7 (seven) listed entities with effect from April 01, 2019. Further, any person who is serving as a whole time director / managing director in any listed entity shall serve as an independent director in not more than 3 (three) listed entities. For determining the number of listed entities on which a person is a director / independent director, the Committee shall consider only those whose equity shares are listed on a stock exchange.
- f) No person shall be appointed or continue as an alternate director for an independent director of a listed entity.
- g) While filling up the positions for Managing Director, Whole Time Directors or Independent Directors, the specific qualifications as prescribed under Companies Act, 2013 along with SEBI Listing Regulations shall be taken into account.
- h) The Committee shall not appoint any person or continue the directorship of any person as a non-executive director who has attained the age of 75 (seventy five) years unless a special resolution of Members is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.
  - i) [The Committee shall ensure that the Chairperson of the Board shall-
    - (a) be a non-executive Director;
    - (b) not be related to the Managing Director or the Chief Executive Officer as per the definition of the term "relative" defined under the Companies Act, 2013]\*
 

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

Further, the Committee shall identify and maintain the names of Directors who possess the prescribed skills/ expertise/competence w.e.f April 01, 2020.

### 6.3 Term /Tenure

#### a. Managerial Personnel:

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

#### b. Independent Director:

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

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

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

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

The Committee shall review whether to extend or continue the term of appointment of the Independent

Directors (IDs), on the basis of the report of performance evaluation of IDs.

### 6.4 Retirement

Any Director other than the Independent Director shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company, subject to compliance of the provisions of the Companies Act, 2013 and LODR Regulations.

### 6.5 Remuneration of Managerial Personnel, KMP and Senior Management:

a. The level and composition of remuneration to Managerial Personnel, KMP & Senior Management should be reasonable

and sufficient to attract, retain and motivate directors of the quality required to run the Company. The Remuneration / Compensation / Profit linked Incentive etc. to Managerial Personnel, KMP and Senior Management will be determined by the Committee and recommended to the Board for their approval. The Remuneration / Compensation / Profit Linked Incentive etc. to be paid for Managerial Personnel shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

- b. The remuneration and commission to be paid to Managerial Personnel shall be as per the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force and as per LODR Regulations.
- c. Managerial Personnel, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.
- d. If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Personnel in accordance with the provisions of Schedule V of the Companies Act, 2013.
- e. If any Managerial Personnel draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company.
- f. Increments if declared to the existing remuneration / compensation structure shall be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managerial Personnel.
- g. Where any insurance is taken by the Company on behalf of its Managerial Personnel, KMP and Senior Management for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.
- h. The fees or compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if-
  - (i) the annual remuneration payable to such executive director exceeds ₹ 5 crore or 2.5 per cent of the net profits of the listed entity, whichever is higher; or
  - (ii) where there is more than one such director, the aggregate annual remuneration to such directors

exceeds 5 per cent of the net profits of the listed entity:

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

## 6.6 Remuneration to Non-Executive / Independent Directors:

### a. Remuneration / Profit Linked Commission:

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

### b. Sitting Fees:

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

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

Remuneration /profit linked Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1%/3%/5% of the net profits of the Company respectively or in pursuance of Section 197 of the Companies Act, 2013.

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

### d. Stock Options:

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

## 6.7 Familiarization program for Independent Directors:

- a) The Company shall familiarize the Independent Directors with the company, their roles, rights, responsibilities in the

Company, nature of the industry in which the Company operates, business model of the company, etc., through various programs.

- b) The details of such familiarization programs shall be disclosed on the Company's website and a web link thereto shall also be given in the Annual Report.

## 6.8 Monitoring, Evaluation and Removal:

### I. Evaluation:

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

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

### II. Removal:

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

### 7. Amendment to the Policy:

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

### 8. Disclosure:

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

# ANNEXURE

## Framework for Performance Evaluation of Independent Directors and the Board

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

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

1. Once a year, the Board will conduct a self-evaluation. It is the responsibility of the Chairman of the Board, supported by the Company Secretary of the Company, to organize the evaluation process and act on its outcome;
2. The Committee shall formulate evaluation criteria for the Board and the Independent Directors which shall be broadly based on:
  - 2.1 Knowledge to perform the role;
  - 2.2 Time and level of participation;
  - 2.3 Performance of duties and level of oversight; and
  - 2.4 Professional conduct and independence.
3. The Board / Independent Directors shall be asked to complete the evaluation forms and submit the same to the Chairman.
4. In terms of Section 134 of the Act, the Board's Report should include a statement indicating a manner in which the Board has done formal annual evaluation of its own performance, performance of Committees and individual Directors of the Company.
5. The evaluation of independent directors shall be done by the entire board of directors which shall include -
  - (a) Performance of the directors; and
  - (b) Fulfillment of the independence criteria as specified in LODR regulations and their independence from the management:  
Provided that in the above evaluation, the directors who are subject to evaluation shall not participate.

## ANNEXURE III TO THE DIRECTORS' REPORT

## Form No. MR-3

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

## SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March 2020

The Members,

**PNC Infratech Limited**

NBCC Plaza, Tower II, 4th Floor, Pushp Vihar,  
Sector V, Saket, New Delhi- 110 017

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

Based on our verification of the Company's books, papers, minute books, statutory registers, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board Processes and Compliance Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

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

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records, we believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of the financial records and books of accounts of the Company.
4. Where ever required, we have obtained the management representation about the Compliances of the laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of the corporate and other applicable laws, rules and regulations, standards is the responsibility of the Management; Our examination was limited to the verification of the procedures on test basis.



6. We have not verified the compliance under various State laws specifically applicable to the Company and relied on the Management Representation Letter.
7. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

#### 1. Legal Proceedings against the Company

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

#### 2. Late Filing of E-forms:

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

We report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the

composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

2. Adequate notices are given to all directors for the Board Meetings and accordingly, agenda and detailed notes on agenda were sent to all directors, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful Participation at the meeting.
3. Majority decisions are carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.
4. There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, Rules, Regulations and Guidelines.

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

**For DR Associates  
Company Secretaries**

**Suchitta Koley  
Partner  
CP No.: 714**

**Place: New Delhi  
Date: 24<sup>th</sup> June, 2020**

# ANNEXURE IV TO THE DIRECTORS' REPORT

## VIGIL MECHANISM / WHISTLE BLOWER POLICY

### PREAMBLE

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

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

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

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

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

### POLICY

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

### POLICY OBJECTIVES

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

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards, the Company encourages its employees, who have genuine concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.

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

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

### DEFINITIONS

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

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

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

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

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

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

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

### SCOPE OF THE POLICY

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

1. Breach of the Company's Code of Conduct
2. Breach of Business Integrity and Ethics
3. Breach of terms and conditions of employment and rules thereof
4. Intentional Financial irregularities, including fraud, or suspected fraud
5. Deliberate violation of laws/regulations
6. Gross or Willful Negligence causing substantial and specific danger to health, safety and environment
7. Manipulation of company data/records
8. Pilferation of confidential/propriety information

9. Gross Wastage/misappropriation of Company funds/assets
10. Misuse or abuse of Authority
11. And other matter or activity of which the interest of Companies is affected and formally reported by whistle Blower.
12. Leak of unpublished price sensitive information

## ELIGIBILITY

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

## PROCEDURE

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

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

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

The contact details of the Vigilance Officer are as under:-  
 \*Designation: Company Secretary & Compliance Officer  
 PNC Infratech Limited  
 3/22D, Civil Lines, Agra-Delhi Bypass Road,  
 NH-2, Agra-282002  
 E-mail: complianceofficer@pncinfratech.com

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

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

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

## INVESTIGATION

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

an outside agency before referring the matter to the Audit Committee of the Company.

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

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

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

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

## DECISION AND REPORTING

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

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

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

A complainant who makes false allegations of unethical & improper practices or about alleged wrongful conduct of the Subject to the Vigilance Officer or the Audit Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

## CONFIDENTIALITY

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

## PROTECTION

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

The Whistle Blower may report any violation of the above clause to the Chairman of the Audit Committee, who shall investigate

into the same and recommend appropriate disciplinary action against anyone responsible.

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

### DISQUALIFICATIONS

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

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

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

### ACCESS TO CHAIRMAN OF THE AUDIT COMMITTEE

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

### COMMUNICATION

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

### RETENTION OF DOCUMENTS

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

### AMENDMENT

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

\*Note: This policy has been modified pursuant to Board Resolution passed in the Meeting of Board of Directors held on 24.05.2017 and 13.02.2019 respectively.

# ANNEXURE V 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 31st March, 2020

**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 VI TO THE BOARDS' REPORT

## Form No. MGT- 9

## EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2020

Of

## PNC INFRA TECH LIMITED

[Pursuant to Section 92(1) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

## I. REGISTRATION AND OTHER DETAILS:

| S.No. | Particular   | Details   |
|-------|--|---|
| 1     | CIN  | L45201DL1999PLC195937   |
| 2     | Registration Date  | 09/08/1999  |
| 3     | Name of the Company  | PNC Infratech Limited   |
| 4     | Category / Sub-Category of the Company   | Public Company limited by Shares  |
| 5     | Address of the Registered Office and contact details                           | NBCC Plaza, Tower II, IV Floor, Pushp Vihar, Sector 5, Saket, New Delhi-110017<br>Tel : +(91) - (562) - 4070000<br>E-mail ID - complianceofficer@pncinfratech.com<br>Website - http://www.pncinfratech.com/   |
| 6     | Whether listed company   | Yes   |
| 7     | Name, Address and contact details of Registrar & Transfer Agents (RTA), if any | Link Intime India Private Limited<br>Noble Heights, 1st floor, Plot No NH-2, C-1 Block, LSC,<br>Near Savitri Market, Janakpuri, New Delhi - 110058<br>Tel No : +91 011-41410592, 93, 94<br>E-mail id : delhi@linkintime.co.in<br>Website : www.linkintime.co.in |

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

| S. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
|--------|--|----------------------------------|------------------------------------|
| 1      | Roads  | 42101                            | 99.55%                             |

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

| S.No. | Name and Address of the company   | CIN                   | Holding/ Subsidiary/ Associate | % of Shares held | Applicable Section |
|-------|---|-----------------------|--------------------------------|------------------|--------------------|
| 1     | MP Highways Private Limited<br>Cabin No.5, NBCC Plaza, Tower-II, 4th Floor, Pushp Vihar, Saket, New Delhi-17              | U45201DL2010PTC211187 | Subsidiary                     | 100*             | 2(87)(ii)          |
| 2     | PNC Infra Holdings Limited<br>Cabin No.5, NBCC Plaza, Tower-II, 4th Floor, Pushp Vihar, Saket, New Delhi-17               | U45400DL2011PLC212473 | Subsidiary                     | 100              | 2(87)(ii)          |
| 3     | PNC Kanpur Highways Limited<br>Cabin No.5, NBCC Plaza, Tower-II, 4th Floor, Pushp Vihar, Saket, New Delhi-17              | U45400DL2011PLC212392 | Subsidiary                     | 100*             | 2(87)(ii)          |
| 4     | PNC Delhi Industrialinfra Private Limited<br>Cabin No.4 NBCC Plaza, Tower-II, 4th Floor, Pushp Vihar, Saket, New Delhi-17 | U45200DL2011PTC222046 | Subsidiary                     | 100*             | 2(87)(ii)          |

| S.No. | Name and Address of the company  | CIN                    | Holding/<br>Subsidiary/<br>Associate | % of Shares<br>held | Applicable<br>Section |
|-------|--|------------------------|--------------------------------------|---------------------|-----------------------|
| 5     | PNC Bareilly Nainital Highways Private Limited<br>Cabin No.4, NBCC Plaza, Tower-II, 4th Floor, Pushp Vihar, Saket, New Delhi-17              | U45400DL2011PTC222043  | Subsidiary                           | 100*                | 2(87)(ii)             |
| 6     | PNC Raebareli Highways Private Limited<br>Cabin No.4, NBCC Plaza, Tower-II, 4th Floor, Pushp Vihar, Saket, New Delhi-17                      | U45400DL2012PTC241184  | Subsidiary                           | 100*                | 2(87)(ii)             |
| 7     | PNC Kanpur Ayodhya Tollways Private Limited<br>Cabin No.5, NBCC Plaza, Tower-II, 4th Floor, Pushp Vihar, Saket, New Delhi-17                 | U45400DL2013PTC248507  | Subsidiary                           | 100*                | 2(87)(ii)             |
| 8     | Hospet Bellary Highways Private Limited**<br>CS 8-10, 6th Floor, Tower A, The Corenthum, A-41, Sector-62, NOIDA-201301 (U.P.)                | U45400UP2012PTC048390  | Subsidiary                           | 65*                 | 2(87)(ii)             |
| 9     | Ferrovia Transrail Solutions Private Limited<br>14th Floor, Antariksh Bhavan, 22, Kasturba Gandhi Marg, New Delhi - 110001                   | U45300DL 2012PTC239645 | Subsidiary                           | 51                  | 2(87)(ii)             |
| 10    | PNC Rajasthan Highways Private Limited<br>Cabin No. 5, NBCC Plaza, Tower II, 4th Floor, Pushp Vihar, Sector V, Saket New Delhi - 110017      | U45203DL2016PTC304751  | Subsidiary                           | 100*                | 2(87)(ii)             |
| 11    | PNC Chitradurga Highways Private Limited<br>Cabin No. 5, NBCC Plaza, Tower II, 4th Floor, Pushp Vihar, Sector V, Saket New Delhi - 110017    | U45500DL2017PTC316429  | Subsidiary                           | 100*                | 2(87)(ii)             |
| 12    | PNC Bundelkhand Highways Private Limited<br>Cabin No. 5, NBCC Plaza, Tower II, 4th Floor, Pushp Vihar, Sector V, Saket New Delhi - 110017    | U45309DL2017PTC316515  | Subsidiary                           | 100*                | 2(87)(ii)             |
| 13    | PNC Khajuraho Highways Private Limited<br>Cabin No. 5, NBCC Plaza, Tower II, 4th Floor, Pushp Vihar, Sector V, Saket New Delhi - 110017      | U45500DL2017PTC316427  | Subsidiary                           | 100*                | 2(87)(ii)             |
| 14    | PNC Triveni Sangam Highways Private Limited<br>Cabin No. 5, NBCC Plaza, Tower II, 4th Floor, Pushp Vihar, Sector V, Saket New Delhi - 110017 | U45203DL2017PTC327676  | Subsidiary                           | 100*                | 2(87)(ii)             |
| 15    | PNC Aligarh Highways Private Limited<br>Cabin No. 3, NBCC Plaza. Tower II, 4th Floor Sector V, Saket New Delhi 110097                        | U45203DL2018PTC332395  | Subsidiary                           | 100*                | 2(87)(ii)             |

| S.No. | Name and Address of the company  | CIN                   | Holding/<br>Subsidiary/<br>Associate | % of Shares held | Applicable Section |
|-------|--|-----------------------|--------------------------------------|------------------|--------------------|
| 16    | PNC Challakere (Karnataka) Highways Private Limited<br>Cabin No. 3, NBCC Plaza, Tower II, 4th Floor, Pushp Vihar, Sector-V, Saket New Delhi 110017 | U45400DL2018PTC336256 | Subsidiary                           | 100*             | 2(87)(ii)          |
| 17    | PNC Unnao Highways Private Limited<br>D-51 Kamla Nagar Agra UP 282005  | U45200UP2020PTC128020 | Subsidiary                           | 100*             | 2(87)(ii)          |
| 18    | PNC Gomti Highways Private Limited<br>D-51 Kamla Nagar Agra UP 282005  | U45209UP2020PTC128041 | Subsidiary                           | 100*             | 2(87)(ii)          |
| 19    | Ghaziabad Aligarh Expressway Private Limited<br>Office No. 102, First Floor, Sagar Plaza Distt. Cen Laxmi Nagar East Delhi-110092                  | U70101DL2009PTC197148 | Associate                            | 35*              | 2(6)               |

\* Holds directly and indirectly through its wholly owned subsidiary PNC Infra Holdings Limited.

\*\* Hospet Bellary Highways Private Limited (CIN: U45400UP2012PTC048390) is under process of Strike off.

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### (i) Category-wise Share Holding

| Category of shareholder (II)  | Number of Shares held at the beginning of the year |          |                  |                   | Number of Shares held at the end of the year |          |                  |                   | % Change during the year |
|---|--|----------|------------------|-------------------|--|----------|------------------|-------------------|--------------------------|
|   | Demat  | Physical | Total            | % of Total Shares | Demat  | Physical | Total            | % of Total Shares |                          |
| <b>Promoter and Promoter Group</b>  |  |          |                  |                   |  |          |                  |                   |                          |
| <b>Indian</b>   |  |          |                  |                   |  |          |                  |                   |                          |
| Individuals/ Hindu Undivided Family   | 119076000  | 0        | 119076000        | 46.42             | 119076000                                    | 0        | 119076000        | 46.42             | 0                        |
| Central Government/ State Government(s)                                     | 0  | 0        | 0                | 0                 | 0  | 0        | 0                | 0                 | 0                        |
| Bodies Corporate  | 24765000   | 0        | 24765000         | 9.65              | 24765000                                     | 0        | 24765000         | 9.65              | 0                        |
| Financial Institutions/ Banks   | 0  | 0        | 0                | 0                 | 0  | 0        | 0                | 0                 | 0                        |
| Any Other (specify)   | 0  | 0        | 0                | 0                 | 0  | 0        | 0                | 0                 | 0                        |
| <b>Sub-Total (A)(1)</b>   | <b>143841000</b>                                   | <b>0</b> | <b>143841000</b> | <b>56.07</b>      | <b>143841000</b>                             | <b>0</b> | <b>143841000</b> | <b>56.07</b>      | <b>0</b>                 |
| <b>Foreign</b>  |  |          |                  |                   |  |          |                  |                   |                          |
| Individuals (Non-Resident Individuals/ Foreign Individuals)                 | 0  | 0        | 0                | 0                 | 0  | 0        | 0                | 0                 | 0                        |
| Bodies Corporate  | 0  | 0        | 0                | 0                 | 0  | 0        | 0                | 0                 | 0                        |
| Banks/ Financial Institutions   | 0  | 0        | 0                | 0                 | 0  | 0        | 0                | 0                 | 0                        |
| Any Other (specify)   | 0  | 0        | 0                | 0                 | 0  | 0        | 0                | 0                 | 0                        |
| <b>Sub-Total (A)(2)</b>   | <b>0</b>   | <b>0</b> | <b>0</b>         | <b>0</b>          | <b>0</b>                                     | <b>0</b> | <b>0</b>         | <b>0</b>          | <b>0</b>                 |
| <b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b> | <b>143841000</b>                                   | <b>0</b> | <b>143841000</b> | <b>56.07</b>      | <b>143841000</b>                             | <b>0</b> | <b>143841000</b> | <b>56.07</b>      | <b>0</b>                 |



| Category of shareholder (II)  | Number of Shares held at the beginning of the year |          |                 |                   | Number of Shares held at the end of the year |          |                 |                   | % Change during the year |
|---|--|----------|-----------------|-------------------|--|----------|-----------------|-------------------|--------------------------|
|   | Demat  | Physical | Total           | % of Total Shares | Demat  | Physical | Total           | % of Total Shares |                          |
| <b>Public shareholding</b>  |  |          |                 |                   |  |          |                 |                   |                          |
| <b>Institutions</b>   |  |          |                 |                   |  |          |                 |                   |                          |
| Mutual Funds/UTI  | 54663371   | 0        | 54663371        | 21.31             | 56213013                                     | 0        | 56213013        | 21.92             | 0.61                     |
| <b>Venture Capital Funds</b>  | 0  | 0        | 0               | 0                 | 0  | 0        | 0               | 0                 | 0                        |
| <b>Alternate Investment Funds</b>   | 1532835  | 0        | 1532835         | 0.60              | 1925784                                      | 0        | 1925784         | 0.75              | 0.15                     |
| <b>Foreign Venture Capital Investors</b>  | 0  | 0        | 0               | 0                 | 0  | 0        | 0               | 0                 | 0                        |
| Foreign Portfolio Investors   | 16247540   | 0        | 16247540        | 6.33              | 16350606                                     | 0        | 16350606        | 6.37              | 0.04                     |
| Financial Institutions/ Banks   | 107224   | 0        | 107224          | 0.04              | 90165  | 0        | 90165           | 0.03              | -0.01                    |
| <b>Insurance Companies</b>  | 0  | 0        | 0               | 0                 | 2847841                                      | 0        | 2847841         | 1.11              | 1.11                     |
| <b>Provident Funds/ Pension Funds</b>   | 0  | 0        | 0               | 0                 | 0  | 0        | 0               | 0                 | 0                        |
| Any Other (specify)   | 0  | 0        | 0               | 0                 | 0  | 0        | 0               | 0                 | 0                        |
| <b>Sub-Total (B)(1)</b>   | <b>72550970</b>                                    | <b>0</b> | <b>72550970</b> | <b>28.28</b>      | <b>77427409</b>                              | <b>0</b> | <b>77427409</b> | <b>30.18</b>      | <b>1.90</b>              |
| <b>Non-institutions</b>   |  |          |                 |                   |  |          |                 |                   |                          |
| Individuals -   |  |          |                 |                   |  |          |                 |                   |                          |
| i. Individual shareholders holding nominal share capital up to ₹ 1 lakhs.         | 6579514  | 5        | 6579519         | 2.56              | 5827555                                      | 5        | 5827560         | 2.27              | -0.29                    |
| ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakhs. | 434443   | 0        | 434443          | 0.17              | 327416                                       | 0        | 327416          | 0.13              | -0.03                    |
| NBFCs registered with RBI   | 579  | 0        | 579             | 0.01              | 0  | 0        | 0               | 0.00              | -0.01                    |
| Employee Trust  | 0  | 0        | 0               | 0                 | 0  | 0        | 0               | 0                 | 0                        |
| Overseas Depositories (Holding DRs)   | 0  | 0        | 0               | 0                 | 0  | 0        | 0               | 0                 | 0                        |
| <b>Any Other (specify)</b>  |  |          |                 |                   |  |          |                 |                   |                          |
| Trust   | 0  | 0        | 0               | 0                 | 712  | 0        | 712             | 0.01              | 0.01                     |
| Hindu Undivided Family  | 303019   | 0        | 303019          | 0.12              | 258927                                       | 0        | 258927          | 0.10              | -0.02                    |
| Non Resident Indians (Non Repeat)   | 103586   | 0        | 103586          | 0.04              | 184798                                       | 0        | 184798          | 0.07              | 0.03                     |
| Non Resident Indians (Repeat)   | 394516   | 0        | 394516          | 0.15              | 413914                                       | 0        | 413914          | 0.16              | 0.01                     |
| Clearing Member   | 399591   | 0        | 399591          | 0.15              | 112299                                       | 0        | 112299          | 0.04              | -0.11                    |
| Bodies Corporate  | 31931942   | 0        | 31931942        | 12.45             | 28145130                                     | 0        | 28145130        | 10.97             | -1.48                    |

| Category of shareholder (II)   | Number of Shares held at the beginning of the year |          |                  |                   | Number of Shares held at the end of the year |          |                  |                   | % Change during the year |
|--|--|----------|------------------|-------------------|--|----------|------------------|-------------------|--------------------------|
|  | Demat  | Physical | Total            | % of Total Shares | Demat  | Physical | Total            | % of Total Shares |                          |
| <b>Sub-Total (B)(2)</b>  | <b>40147190</b>                                    | <b>5</b> | <b>40147195</b>  | <b>15.65</b>      | <b>35270751</b>                              | <b>5</b> | <b>35270756</b>  | <b>13.75</b>      | <b>-1.90</b>             |
| <b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>                              | <b>112698160</b>                                   | <b>5</b> | <b>112698165</b> | <b>43.93</b>      | <b>112698160</b>                             | <b>5</b> | <b>112698165</b> | <b>43.93</b>      | <b>0</b>                 |
| <b>TOTAL (A)+(B)</b>   | <b>256539160</b>                                   | <b>5</b> | <b>256539165</b> | <b>100</b>        | <b>256539160</b>                             | <b>5</b> | <b>256539165</b> | <b>100</b>        | <b>0</b>                 |
| Shares held by Custodians and against which Depository Receipts have been issued | 0  | 0        | 0                | 0                 | 0  | 0        | 0                | 0                 | 0                        |
| <b>GRAND TOTAL (A)+(B)+(C)</b>   | <b>256539160</b>                                   | <b>5</b> | <b>256539165</b> | <b>100</b>        | <b>256539160</b>                             | <b>5</b> | <b>256539165</b> | <b>100</b>        | <b>0</b>                 |

**(ii) Shareholding of Promoters**

| S. No.                | Shareholder's Name             | Shareholding at the beginning of the year |                                  |   | Share holding at the end of the year |                                  |   | % change in share holding during the year |
|-----------------------|--------------------------------|---|----------------------------------|---|--------------------------------------|----------------------------------|---|---|
|                       |                                | No. of Shares                             | % of total Shares of the company | % of Shares Pledged/ encumbered to total shares | No. of Shares                        | % of total Shares of the company | % of Shares Pledged/ encumbered to total shares |   |
| <b>Prom</b>           |                                |   |                                  |   |                                      |                                  |   |   |
| 1                     | Pradeep Kumar Jain             | 15349500                                  | 5.99                             | 0.00  | 15349500                             | 5.99                             | 0.00  | 0.00                                      |
| 2                     | Naveen Kumar Jain              | 18096000                                  | 7.05                             | 0.00  | 18096000                             | 7.05                             | 0.00  | 0.00                                      |
| 3                     | Chakresh Kumar Jain            | 2514000                                   | 0.98                             | 0.00  | 2514000                              | 0.98                             | 0.00  | 0.00                                      |
| 4                     | Yogesh Kumar Jain              | 16794000                                  | 6.54                             | 0.00  | 16794000                             | 6.54                             | 0.00  | 0.00                                      |
| <b>Promoter Group</b> |                                |   |                                  |   |                                      |                                  |   |   |
| 5                     | Shri Pradeep Kumar Jain (HUF)  | 5250000                                   | 2.05                             | 0.00  | 5250000                              | 2.05                             | 0.00  | 0.00                                      |
| 6                     | Shri Naveen Kumar Jain (HUF)   | 1500                                      | 0.00                             | 0.00  | 1500                                 | 0.00                             | 0.00  | 0.00                                      |
| 7                     | Shri Chakresh Kumar Jain (HUF) | 9256500                                   | 3.60                             | 0.00  | 9256500                              | 3.60                             | 0.00  | 0.00                                      |
| 8                     | Shri Yogesh Kumar Jain (HUF)   | 5101500                                   | 1.99                             | 0.00  | 5101500                              | 1.99                             | 0.00  | 0.00                                      |
| 9                     | Smt. Madhavi Jain              | 17998500                                  | 7.02                             | 0.00  | 17998500                             | 7.02                             | 0.00  | 0.00                                      |
| 10                    | Smt. Ashita Jain               | 7873500                                   | 3.07                             | 0.00  | 7873500                              | 3.07                             | 0.00  | 0.00                                      |
| 11                    | Smt. Meena Jain                | 7426500                                   | 2.89                             | 0.00  | 7426500                              | 2.89                             | 0.00  | 0.00                                      |
| 12                    | Shri Abhinandan Jain           | 1743000                                   | 0.68                             | 0.00  | 1743000                              | 0.68                             | 0.00  | 0.00                                      |
| 13                    | Shri Vaibhav Jain              | 11671500                                  | 4.55                             | 0.00  | 11671500                             | 4.55                             | 0.00  | 0.00                                      |
| 14                    | NCJ Infrastructure Pvt. Ltd    | 24765000                                  | 9.65                             | 0.00  | 24765000                             | 9.65                             | 0.00  | 0.00                                      |

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

| Sl. No.   | PARTICULARS | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|-----------|-------------|---|----------------------------------|---|----------------------------------|
|           |             | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
| No Change |             |   |                                  |   |                                  |

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

| Sl. No | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year-2019 |                                  | Transaction during the year |               | Cumulative Shareholding at the end of the year-2020 |                                  |
|--------|-------------------------------------|--|----------------------------------|-----------------------------|---------------|---|----------------------------------|
|        |                                     | No. of shares                                  | % of total shares of the company | Date of Transaction         | No. of Shares | No. of shares                                       | % of total shares of the company |
| 1      | CN Infrabuild                       | 25534008                                       | 9.95                             |                             |               | 25534008  | 9.95                             |
|        | At the End of the Year              |  |                                  |                             |               | 25534008  | 9.95                             |
| 2      | HDFC Small Cap Fund                 | 14971550                                       | 5.8360                           |                             |               | 14971550  | 5.8360                           |
|        | Transfer                            |  |                                  | 19/04/2019                  | 89652         | 15061202  | 5.8709                           |
|        | Transfer                            |  |                                  | 26/04/2019                  | 132000        | 15193202  | 5.9224                           |
|        | Transfer                            |  |                                  | 03/05/2019                  | 8000          | 15201202  | 5.9255                           |
|        | Transfer                            |  |                                  | 24/05/2019                  | 38100         | 15239302  | 5.9403                           |
|        | Transfer                            |  |                                  | 31/05/2019                  | 500000        | 15739302  | 6.1352                           |
|        | Transfer                            |  |                                  | 07/06/2019                  | 230100        | 15969402  | 6.2249                           |
|        | Transfer                            |  |                                  | 21/06/2019                  | 500000        | 16469402  | 6.4198                           |
|        | Transfer                            |  |                                  | 29/06/2019                  | (15000)       | 16454402  | 6.4140                           |
|        | Transfer                            |  |                                  | 05/07/2019                  | (95000)       | 16359402  | 6.3770                           |
|        | Transfer                            |  |                                  | 09/08/2019                  | 63650         | 16423052  | 6.4018                           |
|        | Transfer                            |  |                                  | 30/08/2019                  | 409000        | 16832052  | 6.5612                           |
|        | Transfer                            |  |                                  | 27/09/2019                  | 15000         | 16847052  | 6.5670                           |
|        | Transfer                            |  |                                  | 11/10/2019                  | 189000        | 17036052  | 6.6407                           |
|        | Transfer                            |  |                                  | 18/10/2019                  | 200000        | 17236052  | 6.7187                           |
|        | Transfer                            |  |                                  | 22/11/2019                  | 700000        | 17936052  | 6.9915                           |
|        | Transfer                            |  |                                  | 29/11/2019                  | 860000        | 18796052  | 7.3268                           |
|        | Transfer                            |  |                                  | 06/12/2019                  | 185000        | 18981052  | 7.3989                           |
|        | Transfer                            |  |                                  | 28/02/2020                  | 100000        | 19081052  | 7.4379                           |
|        | Transfer                            |  |                                  | 20/03/2020                  | 500000        | 19581052  | 7.6328                           |
|        | Transfer                            |  |                                  | 31/03/2020                  | 256754        | 19837806  | 7.7329                           |
|        | At the End of the Year              |  |                                  |                             |               | 19837806  | 7.7329                           |
| 3      | ICICI Prudential Equity & Debt Fund | 12562893                                       | 4.8971                           |                             |               | 12562893  | 4.8971                           |
|        | Transfer                            |  |                                  | 10/05/2019                  | (43147)       | 12519746  | 4.8802                           |
|        | Transfer                            |  |                                  | 17/05/2019                  | 88            | 12519834  | 4.8803                           |
|        | Transfer                            |  |                                  | 24/05/2019                  | 44            | 12519878  | 4.8803                           |
|        | Transfer                            |  |                                  | 31/05/2019                  | (381855)      | 12138023  | 4.7315                           |
|        | Transfer                            |  |                                  | 07/06/2019                  | 32395         | 12170418  | 4.7441                           |
|        | Transfer                            |  |                                  | 14/06/2019                  | 16385         | 12186803  | 4.7505                           |
|        | Transfer                            |  |                                  | 21/06/2019                  | (42064)       | 12144739  | 4.7341                           |
|        | Transfer                            |  |                                  | 05/07/2019                  | (256061)      | 11888678  | 4.6343                           |
|        | Transfer                            |  |                                  | 12/07/2019                  | (3394)        | 11885284  | 4.6329                           |
|        | Transfer                            |  |                                  | 19/07/2019                  | 33407         | 11918691  | 4.6460                           |
|        | Transfer                            |  |                                  | 26/07/2019                  | 25045         | 11943736  | 4.6557                           |
|        | Transfer                            |  |                                  | 09/08/2019                  | (102256)      | 11841480  | 4.6159                           |
|        | Transfer                            |  |                                  | 16/08/2019                  | (78602)       | 11762878  | 4.5852                           |

| Sl. No | For Each of the Top 10 Shareholders  | Shareholding at the beginning of the year-2019 |                                  | Transaction during the year |               | Cumulative Shareholding at the end of the year-2020 |                                  |
|--------|--|--|----------------------------------|-----------------------------|---------------|---|----------------------------------|
|        |  | No. of shares                                  | % of total shares of the company | Date of Transaction         | No. of Shares | No. of shares                                       | % of total shares of the company |
|        | Transfer   |  |                                  | 23/08/2019                  | (10182)       | 11752696  | 4.5812                           |
|        | Transfer   |  |                                  | 30/08/2019                  | 1035581       | 12788277  | 4.9849                           |
|        | Transfer   |  |                                  | 06/09/2019                  | (66441)       | 12721836  | 4.9590                           |
|        | Transfer   |  |                                  | 13/09/2019                  | (27052)       | 12694784  | 4.9485                           |
|        | Transfer   |  |                                  | 20/09/2019                  | (30735)       | 12664049  | 4.9365                           |
|        | Transfer   |  |                                  | 27/09/2019                  | (230537)      | 12433512  | 4.8466                           |
|        | Transfer   |  |                                  | 30/09/2019                  | 44            | 12433556  | 4.8467                           |
|        | Transfer   |  |                                  | 04/10/2019                  | (307)         | 12433249  | 4.8465                           |
|        | Transfer   |  |                                  | 11/10/2019                  | (4004)        | 12429245  | 4.8450                           |
|        | Transfer   |  |                                  | 18/10/2019                  | 130357        | 12559602  | 4.8958                           |
|        | Transfer   |  |                                  | 25/10/2019                  | 44            | 12559646  | 4.8958                           |
|        | Transfer   |  |                                  | 01/11/2019                  | 1             | 12559647  | 4.8958                           |
|        | Transfer   |  |                                  | 15/11/2019                  | (198856)      | 12360791  | 4.8183                           |
|        | Transfer   |  |                                  | 22/11/2019                  | (83261)       | 12277530  | 4.7858                           |
|        | Transfer   |  |                                  | 29/11/2019                  | (180066)      | 12097464  | 4.7156                           |
|        | Transfer   |  |                                  | 06/12/2019                  | (166885)      | 11930579  | 4.6506                           |
|        | Transfer   |  |                                  | 13/12/2019                  | (7464)        | 11923115  | 4.6477                           |
|        | Transfer   |  |                                  | 20/12/2019                  | (134364)      | 11788751  | 4.5953                           |
|        | Transfer   |  |                                  | 27/12/2019                  | (36925)       | 11751826  | 4.5809                           |
|        | Transfer   |  |                                  | 31/12/2019                  | (20423)       | 11731403  | 4.5729                           |
|        | Transfer   |  |                                  | 10/01/2020                  | 34776         | 11766179  | 4.5865                           |
|        | Transfer   |  |                                  | 17/01/2020                  | 112300        | 11878479  | 4.6303                           |
|        | Transfer   |  |                                  | 24/01/2020                  | 110077        | 11988556  | 4.6732                           |
|        | Transfer   |  |                                  | 31/01/2020                  | 24553         | 12013109  | 4.6828                           |
|        | Transfer   |  |                                  | 07/02/2020                  | (75895)       | 11937214  | 4.6532                           |
|        | Transfer   |  |                                  | 14/02/2020                  | (16559)       | 11920655  | 4.6467                           |
|        | Transfer   |  |                                  | 21/02/2020                  | (89573)       | 11831082  | 4.6118                           |
|        | Transfer   |  |                                  | 06/03/2020                  | 107915        | 11938997  | 4.6539                           |
|        | Transfer   |  |                                  | 13/03/2020                  | 73134         | 12012131  | 4.6824                           |
|        | Transfer   |  |                                  | 20/03/2020                  | 368396        | 12380527  | 4.8260                           |
|        | Transfer   |  |                                  | 27/03/2020                  | 230088        | 12610615  | 4.9157                           |
|        | Transfer   |  |                                  | 31/03/2020                  | 44            | 12610659  | 4.9157                           |
|        | At the End of the Year   |  |                                  |                             |               | 12610659  | 4.9157                           |
| 4      | Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Small Cap Fund | 7352070  | 2.8659                           |                             |               | 7352070   | 2.8659                           |
|        |  |  |                                  | 10/05/2019                  | 44000         | 7396070   | 2.8830                           |
|        |  |  |                                  | 17/05/2019                  | 44000         | 7440070   | 2.9002                           |
|        |  |  |                                  | 24/05/2019                  | (300000)      | 7140070   | 2.7832                           |
|        |  |  |                                  | 14/06/2019                  | 25000         | 7165070   | 2.7930                           |
|        |  |  |                                  | 21/06/2019                  | (18800)       | 7146270   | 2.7856                           |
|        |  |  |                                  | 29/06/2019                  | (100000)      | 7046270   | 2.7467                           |
|        |  |  |                                  | 05/07/2019                  | (6300)        | 7039970   | 2.7442                           |
|        |  |  |                                  | 19/07/2019                  | 25000         | 7064970   | 2.7540                           |
|        |  |  |                                  | 09/08/2019                  | 10626         | 7075596   | 2.7581                           |
|        |  |  |                                  | 27/09/2019                  | (100000)      | 6975596   | 2.7191                           |
|        |  |  |                                  | 04/10/2019                  | 34374         | 7009970   | 2.7325                           |
|        |  |  |                                  | 11/10/2019                  | 41800         | 7051770   | 2.7488                           |

| Sl. No | For Each of the Top 10 Shareholders  | Shareholding at the beginning of the year-2019 |                                  | Transaction during the year |               | Cumulative Shareholding at the end of the year-2020 |                                  |
|--------|--|--|----------------------------------|-----------------------------|---------------|---|----------------------------------|
|        |  | No. of shares                                  | % of total shares of the company | Date of Transaction         | No. of Shares | No. of shares                                       | % of total shares of the company |
|        |  |  |                                  | 18/10/2019                  | 58200         | 7109970   | 2.7715                           |
|        |  |  |                                  | 25/10/2019                  | 25000         | 7134970   | 2.7812                           |
|        |  |  |                                  | 08/11/2019                  | 11700         | 7146670   | 2.7858                           |
|        |  |  |                                  | 15/11/2019                  | 25000         | 7171670   | 2.7955                           |
|        |  |  |                                  | 22/11/2019                  | (55736)       | 7115934   | 2.7738                           |
|        |  |  |                                  | 29/11/2019                  | (614568)      | 6501366   | 2.5343                           |
|        |  |  |                                  | 06/12/2019                  | 31871         | 6533237   | 2.5467                           |
|        |  |  |                                  | 27/12/2019                  | (20000)       | 6513237   | 2.5389                           |
|        |  |  |                                  | 31/12/2019                  | 25000         | 6538237   | 2.5486                           |
|        |  |  |                                  | 17/01/2020                  | (80000)       | 6458237   | 2.5174                           |
|        |  |  |                                  | 31/01/2020                  | (676301)      | 5781936   | 2.2538                           |
|        |  |  |                                  | 07/02/2020                  | 62705         | 5844641   | 2.2783                           |
|        |  |  |                                  | 20/03/2020                  | 21200         | 5865841   | 2.2865                           |
|        | At The End Of The Year   |  |                                  |                             |               | 5865841   | 2.2865                           |
| 5      | Goldman Sachs India Limited  | 5228747  | 2.0382                           |                             |               | 5228747   | 2.0382                           |
|        |  |  |                                  | 23/08/2019                  | (160814)      | 5067933   | 1.9755                           |
|        |  |  |                                  | 30/08/2019                  | (404099)      | 4663834   | 1.8180                           |
|        |  |  |                                  | 13/12/2019                  | (60538)       | 4603296   | 1.7944                           |
|        |  |  |                                  | 20/12/2019                  | (104611)      | 4498685   | 1.7536                           |
|        |  |  |                                  | 28/02/2020                  | (79392)       | 4419293   | 1.7227                           |
|        |  |  |                                  | 06/03/2020                  | (56037)       | 4363256   | 1.7008                           |
|        |  |  |                                  | 13/03/2020                  | (169206)      | 4194050   | 1.6349                           |
|        |  |  |                                  | 20/03/2020                  | (166964)      | 4027086   | 1.5698                           |
|        | At The End Of The Year   |  |                                  |                             |               | 4027086   | 1.5698                           |
| 6      | India Midcap (Mauritius) Ltd.  | 3739205  | 1.4576                           |                             |               | 3739205   | 1.4576                           |
|        | At The End Of The Year   |  |                                  |                             |               | 3739205   | 1.4576                           |
| 7      | Axis Mutual Fund Trustee Limited A/C<br>Axis Mutual Fund A/C<br>Axis Small Cap Fund* | 0  | 0.0000                           |                             |               | 0   | 0.0000                           |
|        |  |  |                                  | 30/08/2019                  | 99089         | 99089   | 0.0386                           |
|        |  |  |                                  | 06/03/2020                  | 200000        | 299089  | 0.1166                           |
|        |  |  |                                  | 13/03/2020                  | 100000        | 399089  | 0.1556                           |
|        |  |  |                                  | 20/03/2020                  | 1682753       | 2081842   | 0.8115                           |
|        |  |  |                                  | 27/03/2020                  | 770765        | 2852607   | 1.1120                           |
|        | At The End Of The Year   |  |                                  |                             |               | 2852607   | 1.1120                           |
| 8      | Kotak Emerging Equity Scheme   | 1945973  | 0.7585                           |                             |               | 1945973   | 0.7585                           |
|        |  |  |                                  | 31/05/2019                  | 300000        | 2245973   | 0.8755                           |
|        |  |  |                                  | 18/10/2019                  | 570000        | 2815973   | 1.0977                           |
|        | At The End Of The Year   |  |                                  |                             |               | 2815973   | 1.0977                           |
| 9      | Invesco Trustee Private Limited-<br>A/C Invesco India Smallcap Fund                  | 1392347  | 0.5427                           |                             |               | 1392347   | 0.5427                           |
|        |  |  |                                  | 05/04/2019                  | 11858         | 1404205   | 0.5474                           |
|        |  |  |                                  | 03/05/2019                  | 62452         | 1466657   | 0.5717                           |

| Sl. No | For Each of the Top 10 Shareholders        | Shareholding at the beginning of the year-2019 |                                  | Transaction during the year |               | Cumulative Shareholding at the end of the year-2020 |                                  |
|--------|--|--|----------------------------------|-----------------------------|---------------|---|----------------------------------|
|        |  | No. of shares                                  | % of total shares of the company | Date of Transaction         | No. of Shares | No. of shares                                       | % of total shares of the company |
|        |  |  |                                  | 17/05/2019                  | 11639         | 1478296   | 0.5762                           |
|        |  |  |                                  | 24/05/2019                  | 99224         | 1577520   | 0.6149                           |
|        |  |  |                                  | 31/05/2019                  | (49732)       | 1527788   | 0.5955                           |
|        |  |  |                                  | 14/06/2019                  | 85268         | 1613056   | 0.6288                           |
|        |  |  |                                  | 19/07/2019                  | 84020         | 1697076   | 0.6615                           |
|        |  |  |                                  | 26/07/2019                  | 24583         | 1721659   | 0.6711                           |
|        |  |  |                                  | 02/08/2019                  | 120784        | 1842443   | 0.7182                           |
|        |  |  |                                  | 09/08/2019                  | 94249         | 1936692   | 0.7549                           |
|        |  |  |                                  | 06/09/2019                  | 194529        | 2131221   | 0.8308                           |
|        |  |  |                                  | 11/10/2019                  | 74536         | 2205757   | 0.8598                           |
|        |  |  |                                  | 08/11/2019                  | (46561)       | 2159196   | 0.8417                           |
|        |  |  |                                  | 22/11/2019                  | 6397          | 2165593   | 0.8442                           |
|        |  |  |                                  | 29/11/2019                  | 41019         | 2206612   | 0.8601                           |
|        |  |  |                                  | 20/12/2019                  | 65087         | 2271699   | 0.8855                           |
|        |  |  |                                  | 31/01/2020                  | 25628         | 2297327   | 0.8955                           |
|        |  |  |                                  | 06/03/2020                  | 49238         | 2346565   | 0.9147                           |
|        |  |  |                                  | 13/03/2020                  | 133326        | 2479891   | 0.9667                           |
|        |  |  |                                  | 20/03/2020                  | 100461        | 2580352   | 1.0058                           |
|        |  |  |                                  | 31/03/2020                  | 99346         | 2679698   | 1.0446                           |
|        | At The End Of The Year                     |  |                                  |                             |               | 2679698   | 1.0446                           |
| 10     | Kotak Mahindra Life Insurance Company Ltd. | 3201337  | 1.2479                           |                             |               | 3201337   | 1.2479                           |
|        |  |  |                                  | 07/06/2019                  | (26468)       | 3174869   | 1.2376                           |
|        |  |  |                                  | 14/06/2019                  | (1281)        | 3173588   | 1.2371                           |
|        |  |  |                                  | 05/07/2019                  | (672)         | 3172916   | 1.2368                           |
|        |  |  |                                  | 23/08/2019                  | (598)         | 3172318   | 1.2366                           |
|        |  |  |                                  | 30/08/2019                  | (206933)      | 2965385   | 1.1559                           |
|        |  |  |                                  | 06/09/2019                  | (70311)       | 2895074   | 1.1285                           |
|        |  |  |                                  | 13/09/2019                  | (102534)      | 2792540   | 1.0885                           |
|        |  |  |                                  | 20/09/2019                  | (498)         | 2792042   | 1.0883                           |
|        |  |  |                                  | 27/09/2019                  | (2529)        | 2789513   | 1.0874                           |
|        |  |  |                                  | 18/10/2019                  | 177147        | 2966660   | 1.1564                           |
|        |  |  |                                  | 08/11/2019                  | (21769)       | 2944891   | 1.1479                           |
|        |  |  |                                  | 22/11/2019                  | (103348)      | 2841543   | 1.1076                           |
|        |  |  |                                  | 29/11/2019                  | (124537)      | 2717006   | 1.0591                           |
|        |  |  |                                  | 06/12/2019                  | (87323)       | 2629683   | 1.0251                           |
|        |  |  |                                  | 13/12/2019                  | (133)         | 2629550   | 1.0250                           |
|        |  |  |                                  | 20/12/2019                  | (1280)        | 2628270   | 1.0245                           |
|        |  |  |                                  | 31/12/2019                  | (555)         | 2627715   | 1.0243                           |
|        |  |  |                                  | 10/01/2020                  | (285)         | 2627430   | 1.0242                           |
|        |  |  |                                  | 17/01/2020                  | 65748         | 2893178   | 1.1278                           |
|        |  |  |                                  | 24/01/2020                  | (3280)        | 2889898   | 1.1265                           |
|        |  |  |                                  | 21/02/2020                  | (29591)       | 2860307   | 1.1150                           |
|        |  |  |                                  | 06/03/2020                  | 58617         | 2918924   | 1.1378                           |
|        |  |  |                                  | 27/03/2020                  | (378719)      | 2540205   | 0.9902                           |
|        | At The End Of The Year                     |  |                                  |                             |               | 2540205   | 0.9902                           |

| Sl. No | For Each of the Top 10 Shareholders                             | Shareholding at the beginning of the year-2019 |                                  | Transaction during the year |               | Cumulative Shareholding at the end of the year-2020 |                                  |
|--------|---|--|----------------------------------|-----------------------------|---------------|---|----------------------------------|
|        |   | No. of shares                                  | % of total shares of the company | Date of Transaction         | No. of Shares | No. of shares                                       | % of total shares of the company |
| 11     | IDFC Infrastructure Fund  | 2763014  | 1.0770                           |                             |               | 2763014   | 1.0770                           |
|        |   |  |                                  | 07/06/2019                  | (55634)       | 2707380   | 1.0553                           |
|        |   |  |                                  | 14/06/2019                  | (31380)       | 2676000   | 1.0431                           |
|        |   |  |                                  | 12/07/2019                  | (1306)        | 2674694   | 1.0426                           |
|        |   |  |                                  | 29/11/2019                  | (28694)       | 2646000   | 1.0314                           |
|        |   |  |                                  | 27/09/2020                  | (20000)       | 2626000   | 1.0236                           |
|        |   |  |                                  | 15/11/2019                  | (10000)       | 2616000   | 1.0197                           |
|        |   |  |                                  | 22/11/2019                  | (16511)       | 2599489   | 1.0133                           |
|        |   |  |                                  | 29/11/2019                  | (33489)       | 2566000   | 1.0002                           |
|        |   |  |                                  | 28/02/2019                  | (44899)       | 2521101   | 0.9827                           |
|        |   |  |                                  | 03/03/2020                  | 7463          | 2528564   | 0.9856                           |
|        |   |  |                                  | 13/03/2020                  | (117463)      | 2411101   | 0.9399                           |
|        | At The End Of The Year  |  |                                  |                             |               | 2411101   | 0.9399                           |
| 12     | SBI Infrastructure Fund   | 3447316  | 1.3438                           |                             |               | 3447316   | 1.3438                           |
|        |   |  |                                  | 07/06/2019                  | (50000)       | 3397316   | 1.3243                           |
|        |   |  |                                  | 23/08/2019                  | (25000)       | 3372316   | 1.3145                           |
|        |   |  |                                  | 18/10/2019                  | (226000)      | 3146316   | 1.2264                           |
|        |   |  |                                  | 01/11/2019                  | (110033)      | 3036283   | 1.1836                           |
|        |   |  |                                  | 08/11/2019                  | (109967)      | 2926316   | 1.1407                           |
|        |   |  |                                  | 20/12/2019                  | (96712)       | 2829604   | 1.1030                           |
|        |   |  |                                  | 31/12/2019                  | (208060)      | 2621544   | 1.0219                           |
|        |   |  |                                  | 03/01/2020                  | (184000)      | 2437544   | 0.9502                           |
|        |   |  |                                  | 10/01/2020                  | (194823)      | 2242721   | 0.8742                           |
|        |   |  |                                  | 17/01/2020                  | (1099867)     | 1142854   | 0.4455                           |
|        |   |  |                                  | 24/01/2020                  | (303854)      | 839000  | 0.3270                           |
|        |   |  |                                  | 31/01/2020                  | (190000)      | 649000  | 0.2530                           |
|        |   |  |                                  | 28/02/2020                  | (100000)      | 549000  | 0.2140                           |
|        | At The End Of The Year  |  |                                  |                             |               | 549000  | 0.2140                           |
| 13     | Sundaram Mutual Fund A/C Sundaram Infrastructure Advantage Fund | 2507788  | 0.9775                           |                             |               | 2507788   | 0.9775                           |
|        |   |  |                                  | 23/08/2019                  | (121707)      | 2386081   | 0.9301                           |
|        |   |  |                                  | 30/08/2019                  | (975727)      | 1410354   | 0.5498                           |
|        |   |  |                                  | 06/09/2019                  | (40585)       | 1369769   | 0.5339                           |
|        |   |  |                                  | 13/09/2019                  | (62014)       | 1307755   | 0.5098                           |
|        |   |  |                                  | 20/09/2019                  | (197686)      | 1110069   | 0.4327                           |
|        |   |  |                                  | 27/09/2019                  | (2231)        | 1107838   | 0.4318                           |
|        |   |  |                                  | 30/09/2019                  | (30501)       | 1077337   | 0.4200                           |
|        |   |  |                                  | 04/10/2019                  | (107435)      | 969902  | 0.3781                           |
|        |   |  |                                  | 11/10/2019                  | (97378)       | 872524  | 0.3401                           |
|        |   |  |                                  | 18/10/2019                  | (415129)      | 457395  | 0.1783                           |
|        |   |  |                                  | 06/12/2019                  | (26675)       | 430720  | 0.1679                           |
|        |   |  |                                  | 13/12/2019                  | (139215)      | 291505  | 0.1136                           |
|        | At The End Of The Year  |  |                                  |                             |               | 291505  | 0.1136                           |

\* Not in the list of top 10 shareholders as on 01-04-2019. The same has been reflected above since the shareholder was one of the top 10 shareholders as on 31-03-2020.

**(v). Shareholding of Directors and Key Managerial Personnel:**

| Sl. No. | For Each of the Directors and KMP            | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------|--|---|----------------------------------|---|----------------------------------|
|         |  | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
| 1.      | <b>Mr. Pradeep Kumar Jain</b>                |   |                                  |   |                                  |
|         | At the beginning of the year                 | 15349500                                  | 5.99                             | 15349500                                | 5.99                             |
|         | Changes during the year                      |   |                                  |   |                                  |
|         | At the end of the year                       | 15349500                                  | 5.99                             | 15349500                                | 5.99                             |
| 2.      | <b>Mr. Chakresh Kumar Jain</b>               |   |                                  |   |                                  |
|         | At the beginning of the year                 | 2514000                                   | 0.98                             | 2514000                                 | 0.98                             |
|         | Changes during the year                      |   |                                  |   |                                  |
|         | At the end of the year                       | 2514000                                   | 0.98                             | 2514000                                 | 0.98                             |
| 3.      | <b>Mr. Yogesh Kumar Jain</b>                 |   |                                  |   |                                  |
|         | At the beginning of the year                 | 16794000                                  | 6.54                             | 16794000                                | 6.54                             |
|         | Changes during the year                      |   |                                  |   |                                  |
|         | At the end of the year                       | 16794000                                  | 6.54                             | 16794000                                | 6.54                             |
| 4.      | <b>Mr. Anil Kumar Rao</b>                    |   |                                  |   |                                  |
|         | At the beginning of the year                 | 80500                                     | 0.03                             | 80500                                   | 0.03                             |
|         | Changes during the year                      |   |                                  |   |                                  |
|         | At the end of the year                       | 80500                                     | 0.03                             | 80500                                   | 0.03                             |
| 5.      | <b>Mr. C. R. Sharma</b>                      |   |                                  |   |                                  |
|         | At the beginning of the year                 | 4500                                      |                                  | 4500                                    | -                                |
|         | Changes during the year                      |   |                                  |   |                                  |
|         | At the end of the year                       | 4500                                      | -                                | 4500                                    | -                                |
| 6.      | <b>Mr. Gauri Shankar</b>                     |   |                                  |   |                                  |
|         | At the beginning of the year                 | -   | -                                | -                                       | -                                |
|         | Changes during the year                      |   |                                  |   |                                  |
|         | At the end of the year                       | -   | -                                | -                                       | -                                |
| 7.      | <b>Mr. Ashok Kumar Gupta</b>                 |   |                                  |   |                                  |
|         | At the beginning of the year                 | -   | -                                | -                                       | -                                |
|         | Changes during the year                      |   |                                  |   |                                  |
|         | At the end of the year                       | -   | -                                | -                                       | -                                |
| 8.      | <b>Mr. Krishan Kumar Jalan</b>               |   |                                  |   |                                  |
|         | At the beginning of the year                 | -   | -                                | -                                       | -                                |
|         | Changes during the year                      |   |                                  |   |                                  |
|         | At the end of the year                       | -   | -                                | -                                       | -                                |
| 9.      | <b>Mrs. Deepika Mittal</b>                   |   |                                  |   |                                  |
|         | At the beginning of the year                 | -   | -                                | -                                       | -                                |
|         | Changes during the year                      |   |                                  |   |                                  |
|         | At the end of the year                       | -   | -                                | -                                       | -                                |
| 10.     | <b>Mr. Talluri Raghupati Rao<sup>#</sup></b> |   |                                  |   |                                  |
|         | At the beginning of the year                 | 4000                                      | -                                | 4000                                    | -                                |
|         | Changes during the year                      | 2000                                      | -                                | 6000                                    | -                                |
|         | At the end of the year                       | 6000                                      | -                                | 6000                                    | -                                |
| 11.     | <b>Mr. Tapan Jain</b>                        |   |                                  |   |                                  |
|         | At the beginning of the year                 | -   | -                                | -                                       | -                                |
|         | Changes during the year                      |   |                                  |   |                                  |
|         | At the end of the year                       | -   | -                                | -                                       | -                                |

# During the year under review, Mr. Talluri Raghupati Rao has appointed as a whole time Director w.e.f. Aug 10, 2019.



**(v). INDEBTEDNES****Indebtedness of the Company including interest outstanding/accrued but not due for payment**

₹ in Lakhs

| Particulars  | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| <b>Indebtedness at the beginning of the financial year</b> |                                  |                 |          |                    |
| i) Principal Amount  | 37473.41                         | -               | -        | 37473.41           |
| ii) Interest due but not paid                              | -                                | -               | -        | -                  |
| iii) Interest accrued but not due                          | -                                | -               | -        | -                  |
| <b>Total (i+ii+iii)</b>                                    | <b>37473.41</b>                  | <b>-</b>        | <b>-</b> | <b>37473.41</b>    |
| <b>Change in Indebtedness during the financial year</b>    |                                  |                 |          |                    |
| • Addition   | 6349.75                          | -               | -        | 6349.75            |
| • Reduction  | (11166.35)                       | -               | -        | (11166.35)         |
| <b>Net Change</b>  | <b>(4816.60)</b>                 | <b>-</b>        | <b>-</b> | <b>(4816.60)</b>   |
| <b>Indebtedness at the end of the financial year</b>       |                                  |                 |          |                    |
| i) Principal Amount  | 32656.81                         | -               | -        | 32656.81           |
| ii) Interest due but not paid                              | -                                | -               | -        | -                  |
| iii) Interest accrued but not due                          | -                                | -               | -        | -                  |
| <b>Total (i+ii+iii)</b>                                    | <b>32656.81</b>                  | <b>-</b>        | <b>-</b> | <b>32656.81</b>    |

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

₹ in Lakhs

| Sl. No | Particulars of Remuneration   | Name of MD/WTD/Manager |  |                   |                |                        | Total Amount   |
|--------|---|------------------------|--|-------------------|----------------|------------------------|----------------|
|        |   | Pradeep Kumar Jain     | Chakresh Kumar Jain  | Yogesh Kumar Jain | Anil Kumar Rao | Talluri Raghupati Rao* |                |
| 1      | Gross salary  | 258.00                 | 234.00   | 234.00            | 78.19          | 43.05                  | 847.24         |
|        | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | Nil                    | Nil  | Nil               | Nil            | Nil                    | Nil            |
|        | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | Nil                    | Nil  | Nil               | Nil            | Nil                    | Nil            |
|        | (c) Profits in lieu of salary under   | Nil                    | Nil  | Nil               | Nil            | Nil                    | Nil            |
| 2      | Stock Option  | Nil                    | Nil  | Nil               | Nil            | Nil                    | Nil            |
| 3      | Sweat Equity  | Nil                    | Nil  | Nil               | Nil            | Nil                    | Nil            |
| 4      | Commission - 5 % of annual net profit   | 551.26                 | 551.26   | 551.26            | Nil            | Nil                    | 1653.78        |
| 5      | Others  | Nil                    | Nil  | Nil               | Nil            | Nil                    | Nil            |
|        | <b>Total (A)</b>  | <b>809.26</b>          | <b>785.26</b>  | <b>785.26</b>     | <b>78.19</b>   | <b>43.05</b>           | <b>2501.02</b> |
|        | Ceiling as per the Act  |                        | 10% of the profits calculated under section 198 of the Companies Act, 2013 |                   |                |                        |                |

\* Mr. Talluri Raghupati Rao was appointed as a Whole Time Director w.e.f. August 10, 2019.

**B. Remuneration to other Directors:**

₹ in Lakhs

| Sl. No | Particulars of Remuneration                    | Name of Directors  |             |                |               |             | Total Amount   |
|--------|--|--|-------------|----------------|---------------|-------------|----------------|
|        |  | C.R. Sharma  | A.K. Gupta  | Deepika Mittal | Gauri Shankar | K.K. Jalan  |                |
| 1.     | Independent Directors                          |  |             |                |               |             |                |
|        | • Fee for attending board / committee meetings | 1.40   | 2.00        | 2.20           | 1.00          | 1.10        | 7.70           |
|        | • Commission                                   |  |             |                |               |             |                |
|        | • Others, please specify                       |  |             |                |               |             |                |
|        | <b>Total (1)</b>                               | <b>1.40</b>  | <b>2.00</b> | <b>2.20</b>    | <b>1.00</b>   | <b>1.10</b> | <b>7.70</b>    |
| 2.     | Other Non-Executive Directors                  |  |             |                |               |             |                |
|        | • Fee for attending board / committee meetings | N.A.   | N.A.        | N.A.           | N.A.          | N.A.        | Nil            |
|        | • Commission                                   |  |             |                |               |             |                |
|        | • Others, please specify                       |  |             |                |               |             |                |
|        | <b>Total (2)</b>                               |  |             |                |               |             |                |
|        | <b>Total (B)=(1+2)</b>                         | <b>1.40</b>  | <b>2.00</b> | <b>2.20</b>    | <b>1.00</b>   | <b>N.A.</b> | <b>7.70</b>    |
|        | <b>Total Managerial Remuneration (A+B)</b>     |  |             |                |               |             | <b>2508.72</b> |
|        | Overall Ceiling as per the Act                 | 1 % of the profits calculated under section 198 of the Companies Act, 2013 |             |                |               |             |                |

**B. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER/WTD**

₹ in Lakhs

| Sl. No | Particulars of Remuneration   | Key Managerial Personnel           |                                |              |
|--------|---|------------------------------------|--------------------------------|--------------|
|        |   | Mr. Tapan Jain [Company Secretary] | Mr. Chakresh Kumar Jain, [CFO] | Total Amount |
| 1      | Gross salary  | 17.64                              | -----                          | 17.64        |
|        | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 |                                    |                                |              |
|        | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             |                                    |                                |              |
|        | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              |                                    |                                |              |
| 2      | Stock Option  | -                                  | -                              | -            |
| 3      | Sweat Equity  | -                                  | -                              | -            |
| 4      | Commission<br>- as % of profit<br>- others, specify...                              | -                                  | -                              | -            |
| 5      | Others, please specify  | -                                  | -                              | -            |
|        | <b>Total</b>  | <b>17.64</b>                       | <b>-----</b>                   | <b>17.64</b> |

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

₹ in Lakhs

| Type                                | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD/ NCLT/COURT] | Appeal made, if any (give Details) |
|-------------------------------------|------------------------------|-------------------|---|----------------------------|------------------------------------|
| <b>A.COMPANY</b>                    |                              |                   |   |                            |                                    |
| Penalty                             |                              |                   |   |                            |                                    |
| Punishment                          |                              |                   |   |                            |                                    |
| Compounding                         |                              |                   |   |                            |                                    |
| <b>B. DIRECTORS</b>                 |                              |                   |   |                            |                                    |
| Penalty                             |                              |                   | <b>Nil</b>  |                            |                                    |
| Punishment                          |                              |                   |   |                            |                                    |
| Compounding                         |                              |                   |   |                            |                                    |
| <b>C. OTHER OFFICERS IN DEFAULT</b> |                              |                   |   |                            |                                    |
| Penalty                             |                              |                   |   |                            |                                    |
| Punishment                          |                              |                   |   |                            |                                    |
| Compounding                         |                              |                   |   |                            |                                    |

## ANNEXURE VII: PARTICULARS OF EMPLOYEE

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

## Remuneration paid to Whole-time Directors and Key Managerial Personnel

| S. No. | Name of the Employee      | Designation/Nature of Duties   | Remuneration for FY 19-20 (₹ in lakhs) | % increase in remuneration in FY 19-20 | Ratio of Remuneration of each Director to median remuneration of employees |
|--------|---------------------------|--------------------------------|--|--|--|
| 1      | Mr. Pradeep Kumar Jain    | Chairman and Managing Director | 258.00                                 | 10.26                                  | 122.85   |
| 2      | Mr. Chakresh Kumar Jain   | Managing Director and CFO      | 234.00                                 | 11.42                                  | 111.43   |
| 3      | Mr. Yogesh Kumar Jain     | Managing Director              | 234.00                                 | 11.42                                  | 111.43   |
| 4      | Mr. Anil Kumar Rao        | Whole Time Director            | 78.19                                  | 07.33                                  | 37.23  |
| 5      | Mr. Talluri Raghupati Rao | Whole Time Director            | 43.05                                  | N.A                                    | 20.05  |
| 6      | Mr. Tapan Jain            | Company Secretary              | 17.64                                  | 25.64                                  | 8.40   |

## 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 12.90%

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

The Company has 7310 permanent employees as on March 31, 2020.

## 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 23.40%. 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 lakh rupees or more p.a. or 8.5 lakh p.m. for financial year 2019 -20.

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

For and on behalf of Board of Directors of  
PNC Infratech Limited

(Pradeep Kumar Jain)  
Chairman & Managing Director  
DIN: 00086653

Place: Agra

Date: June 24, 2020

# ANNEXURE –VIII BUSINESS RESPONSIBILITY REPORT

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

| S.No.  | Particulars   | Details  |        |                     |                     |   |                                  |       |
|--------|---|--|--------|---------------------|---------------------|---|----------------------------------|-------|
| 1.     | Corporate Identity Number (CIN) of the Company  | L45201DL1999PLC195937  |        |                     |                     |   |                                  |       |
| 2.     | Name of the Company   | PNC Infratech Limited  |        |                     |                     |   |                                  |       |
| 3.     | Registered address  | NBCC Plaza, Tower II, 4th Floor, Pushp Vihar, Sector 5, New Delhi - 110017   |        |                     |                     |   |                                  |       |
| 4.     | Website   | www.pncinfratech.com   |        |                     |                     |   |                                  |       |
| 5.     | E-mail id   | complianceofficer@pncinfratech.com   |        |                     |                     |   |                                  |       |
| 6.     | Financial year reported   | 2019-20  |        |                     |                     |   |                                  |       |
| 7.     | Sector(s) that the Company is engaged in (industrial activity code-wise)<br>The Company is engaged in the following industrial activities:  | <table border="1"> <thead> <tr> <th>S. No.</th> <th>Industrial Activity</th> <th>Activity code (NIC)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Construction of Roads &amp; Highways</td> <td>42101</td> </tr> </tbody> </table>            | S. No. | Industrial Activity | Activity code (NIC) | 1 | Construction of Roads & Highways | 42101 |
| S. No. | Industrial Activity   | Activity code (NIC)  |        |                     |                     |   |                                  |       |
| 1      | Construction of Roads & Highways  | 42101  |        |                     |                     |   |                                  |       |
| 8.     | List three key products/services that the Company manufactures/provides (as in balance sheet)<br><b>The three main services of PNC Infratech Limited are:</b><br>1) Construction of Roads, Highways Expressways and Bridges.<br>2) Construction of Airport Runways and allied pavements.<br>3) Construction of projects in other infra sectors including Power Transmission Lines, Industrial Area Development. |  |        |                     |                     |   |                                  |       |
| 9.     | Total number of locations where business activity is undertaken by the Company -  |  |        |                     |                     |   |                                  |       |
|        | (a)   | Number of International Locations (Provide details of major 5): NIL  |        |                     |                     |   |                                  |       |
|        | (b)   | Number of National Locations:<br>The Company has its ongoing projects located in following states :<br>(a) Uttar Pradesh<br>(b) Madhya Pradesh<br>(c) Rajasthan<br>(d) Uttarakhand<br>(e) Bihar<br>(f) Delhi<br>(g) Karnataka<br>(h) Maharashtra |        |                     |                     |   |                                  |       |
| 10.    | Markets served by the Company Local/State/National/International:   | National   |        |                     |                     |   |                                  |       |

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

| S.No. | Particulars   | Details  |
|-------|---|--|
| 1.    | Paid up Capital (INR in Lakhs)  | 5130.78  |
| 2.    | Total Turnover (INR in Lakhs)   | 487793.05  |
| 3.    | Total Profit After Taxes (INR in Lakhs)   | 46030.16   |
| 4.    | Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit After Tax (%) | 2.09% (Calculated as % on average net profit of Last three Financial Year) |
| 5.    | List of activities in which expenditure has been incurred:                                    | Please Refer Annexure - I to the Board's Report                            |

## SECTION C: OTHER DETAILS

| S.No. | Particulars  | Details   |
|-------|--|---|
| 1.    | Does the Company have any Subsidiary Company/ Companies?   | Yes, the Company has 02 direct subsidiary & 16 step-down subsidiary companies as on March 31, 2020. |
| 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/CFO              |
| b. | Details of the BR head:   |                     |                                    |
|    | <b>No.</b>  | <b>Particulars</b>  | <b>Details</b>                     |
|    | 1   | DIN (if applicable) | 00086768                           |
|    | 2   | Name                | Mr. Chakresh Kumar Jain            |
|    | 3   | Designation         | Managing Director & CFO            |
|    | 4   | Telephone number    | 0562-4054400                       |
|    | 5   | e-mail id           | complianceofficer@pncinfratech.com |

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

#### (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.

| No. | Questions   | P1  | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|-----|---|---|----|----|----|----|----|----|----|----|
| 1.  | Do you have a policy/ policies for  | Y   | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 2.  | Has the policy being formulated in consultation with the relevant stakeholders?   | Y   | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 3.  | Does the policy conform to any national / international standards? If yes, specify?   | The policies conform to the principles laid down in the 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 being approved by the Board? <b>Yes</b><br>Has it been signed by MD/ owner/ CEO/ appropriate Board Director? <b>Appropriate Board Director</b> | 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  | NA |
| 6.  | Indicate the link for the policy to be viewed online?   | www.pncinftratech.com   |    |    |    |    |    |    |    |    |
| 7.  | Has the policy been formally communicated to all relevant internal and external stakeholders?   | Y   | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 8.  | Does the company have in-house structure to implement the policy/ policies  | Y   | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 9.  | Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?    | Y   | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |
| 10. | Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?                                    | Y   | Y  | Y  | Y  | Y  | Y  | Y  | Y  | Y  |

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

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

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

| No. | Questions   | P1             | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|-----|---|----------------|----|----|----|----|----|----|----|----|
| 1.  | The company has not understood the Principles   | Not Applicable |    |    |    |    |    |    |    |    |
| 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.pncinftratech.com |  |  |  |  |  |  |  |  |

## 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?**

The Company considers Corporate Governance as an integral part of good management. The Company has a Code of Business Conduct and a vigil mechanism that are approved by the Board of Directors. These are applicable to all Board Members and employees of the Company and all its subsidiaries, and an annual affirmation is taken from the designated employees.

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 2019-20.

### Principle 2

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

The Company is engaged in building of roads, highways, expressways, airport runways and also in power transmission 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 these agreements which includes the following:

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

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

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

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

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

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

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

The Company believes in efficient & sustainable use of materials by eliminating wastage, recycling/reusing the material without compromising the safety and quality standards as specified under the concession/contract agreements. The Company endeavours to construct such sustainable projects which are environmental friendly by incorporating various conservation measures, deployment of fuel efficient plants and machineries & use of green technologies. Further, our sourcing strategy is focused on procuring raw material and labour for our construction activity locally minimizing the transportation.

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

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

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

**4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

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



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

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

**Principle 3**

|   |   |      |
|---|---|------|
| 1 | Please indicate the Total number of permanent employees   | 7310 |
| 2 | Please indicate the Total number of employees hired on temporary/contractual/casual basis.      | 1617 |
| 3 | Please indicate the Number of permanent women employees (in the group)                          | 06   |
| 4 | Please indicate the Number of permanent employees with disabilities                             | No   |
| 5 | Do you have an employee association that is recognized by management                            | No   |
| 6 | What percentage of your permanent employees is members of this recognized employee association? | No   |

**7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

| No. | Category  | No of complaints filed during the financial year | No of complaints pending as on end of the financial year |
|-----|---|--|--|
| a.  | Child labour / forced labour / involuntary labour | NIL  | N/A  |
| b.  | Sexual harassment                                 | NIL  | N/A  |
| c.  | Discriminatory employment                         | NIL  | N/A  |

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

|    |  |      |
|----|--|------|
| a. | Permanent Employees                    | 92%  |
| b. | Permanent Women Employees              | 100% |
| c. | Casual/Temporary/Contractual Employees | 95%  |
| d. | Employees with Disabilities            | Nil  |

**Principle 4**

**1. Has the company mapped its internal and external stakeholders? Yes/No**

Yes, the company has an established a systematic process of stakeholder mapping. The internal stakeholders for the company comprise the employees, management, consultants, etc. whereas the external stakeholder groups range from suppliers, customers, business partners, regulatory agencies to local communities around its sites of operations.

**2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.**

Yes; the Company gives preference in employment of the vulnerable and marginalized stakeholders live in the vicinity of project sites and also provides training to them in constrictions activities so that their skills and employability enhances.

**3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

As part of CSR activities, to encourage education among women the company provides financial support to girl students of economically weaker section located in and around Agra. Last one years company distributed more than 250 such scholarships. The company as a part of its CSR activities also provides financial support for medical treatment to the economically weaker section of society, works for Women Empowerment, provides facilities for reducing inequalities faced by socially and economically backward groups.

For details of projects undertaken during the FY 2019-20, please refer the 'Annual Report on CSR Activities' attached to Directors Report.

**Principle 5**

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

The Company follows the philosophy to always ensure protecting the human rights of all the employees of the group whether subsidiary, joint venture or otherwise, suppliers, contractors, its directors and other stake holders.

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

The Company has not received any stakeholders' complaints in the past financial year.

### Principle 6

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

The policy related to principle 6 is applicable to all the units of PNC Group, its sub-contractors and its employees.

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

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

- 3. Does the company identify and assess potential environmental risks? Y/N**

Yes, the Company suitably identify and assess the potential environmental risks before the execution of the project as per concession/contract agreements.

- 4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

No, the Company does not have any project related to Clean Development Mechanism (CDM).

- 5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

No, the Company has not undertaken any other initiatives on clean technology, energy efficiency and renewable energy etc. However, the company always strive to use and deploy energy efficient plants, machinery and equipment in its construction activities.

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

Yes. We effectively adhere to the norms laid down as laid down by Central Pollution Control Board / State Pollution Control Boards for generation and disposal of waste and minimizing and mitigating the emissions of smoke and dust.

- 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.**

NIL

### 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 :

- National Highways Builders Federation
- Federation of Indian Chamber of Commerce
- 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 2019-20, please refer the 'Annual Report on CSR Activities' attached as to Directors Report.

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

The Company undertakes these initiatives through charitable trusts & societies viz. Shri Digamber Jain Sanrakshani Sabha Trust, Pradnyamati Education & Rural Development Centre, Ayodhya Nyas, Shree 1008 Parshvnath Digamber, Pt. Deendayal Upadaya Janmbhumi Smarak and Shri Ratan Lal Kanwar Lal Patni Foundation.

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

No specific impact assessment has been done. However, based on the feedback received from the beneficiaries, we understand there have been certain positive impacts.

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

During the year under review the Company had contributed ₹ 5.37 crore to various community development and, health development programmers, promoting education and slump area development projects as part of its CSR initiatives.

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

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

**Principle 9**

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

NIL

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

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

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

There are no such pending cases against the Company in any court of law.

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

No. Not applicable since the Company is engaged in execution of projects awarded by various Govt. authorities.

# ANNEXURE –IX DIVIDEND DISTRIBUTION POLICY

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

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

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

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

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

## Category of Dividends

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

### Final Dividend

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

### Process for approval of Payment of Final Dividend:-

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

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

### Interim Dividend:

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

### Process for approval of Payment of Interim Dividend:-

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

### Declaration of Dividend

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

#### i) Current financial year's profit:

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

#### ii) The profits for any previous financial year(s):

- a) after providing for depreciation in accordance with law;
- b) remaining undistributed; or

#### iii) out of i) & ii) both.

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

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

Factors to be considered while declaring Dividend

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained in business. The Board of Directors will endeavor to take a decision with an

objective to enhance shareholders wealth. However, the decision regarding pay-out is subject to several factors and hence, any optimal policy in this regard may be far from obvious.

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

#### External Factors:-

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

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

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

#### Internal Factors:-

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

- i) Profits earned during the year;
- ii) Present & future Capital investments & working capital requirements of the business;
- iii) Brand/ Business Acquisitions;
- iv) Expansion/ Modernization of existing business;
- v) Additional investments in subsidiaries/associates of the Company;

- vi) Fresh investments into external business;
- vii) Any other factor as deemed fit by the Board.

#### Dividend Range

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

#### Review

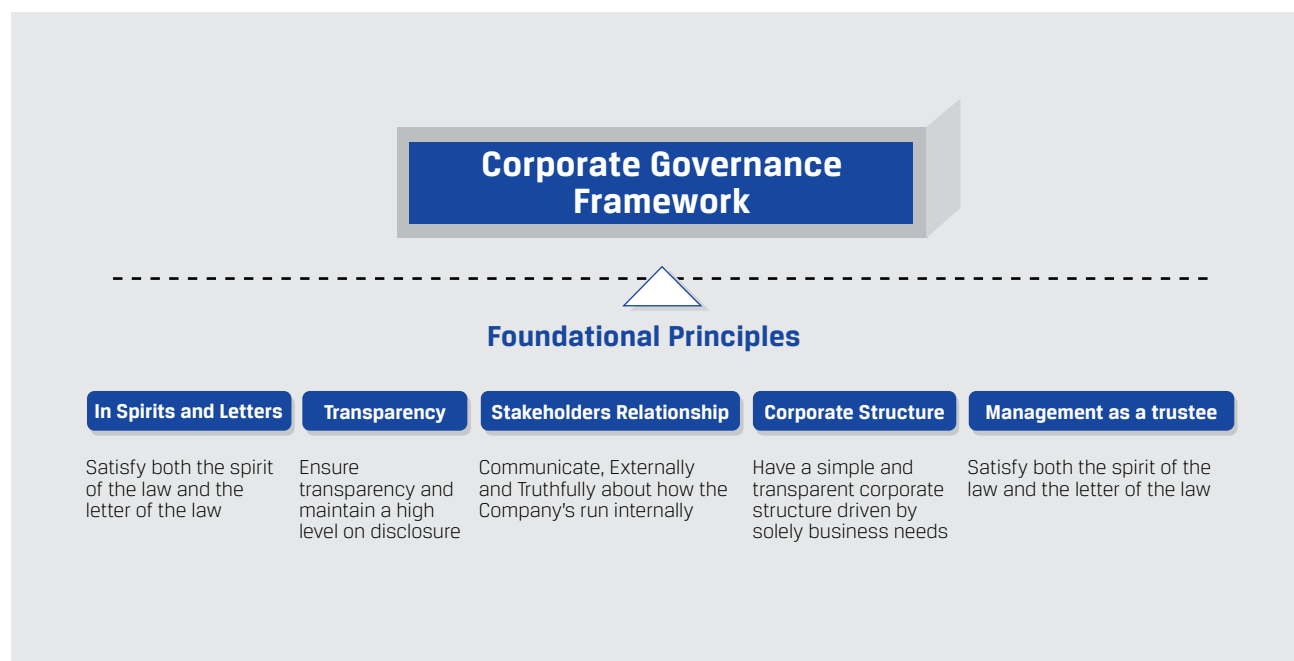
This Policy will be reviewed periodically by the Board.

# REPORT ON CORPORATE GOVERNANCE

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

## Company's Philosophy

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



***"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 2019-20.

## 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 fifty percent of the Board should consist of Independent Directors if the chairman of the company is an executive director.

As on 31st March, 2020, your Company board comprised of ten Directors, consisting of five Executive Directors; five Non-Executive Directors (including one woman director). The Board periodically evaluates the need for change in its size and composition, if required any pursuant to the Companies Act, 2013 and SEBI Listing Regulations.

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

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

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

### b) Role of Board of Directors

Your Company Board comprises qualified directors who bring in the required skills, competence and expertise that allow them to make effective contributions to the board and its committees. The primary role of the Board is that of trusteeship to protect and enhance shareholders value through strategic direction to the company. As trustees, the board has fiduciary responsibility to ensure that the Company has clear goals aligned to shareholders value and its growth. The Board exercise its duty with care, skill and diligence and exercises independent judgement. It sets strategic goals and seeks accountability for their

fulfilment. It also directs and exercises appropriate control to ensure that *the Company is managed in a manner that fulfils stakeholders' aspirations and social expectations.*

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

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

In compliance of the Companies Act, 2013, none of the Directors on the Board hold directorships in more than ten Public Companies. Necessary disclosures regarding Committee positions in other Public Companies as on March 31, 2020 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 31st March, 2020 is as under:-

| Name of Director            | Category                     | No. of shares held | No. of Board meeting attended | Last AGM attended | Directorship held in other Indian Companies | Other Committee positions held in Indian Public Limited Companies |           |
|-----------------------------|------------------------------|--------------------|-------------------------------|-------------------|---|---|-----------|
|                             |                              |                    |                               |                   |   | As Chairman   | As Member |
| Shri Pradeep Kumar Jain     | Chairman & Managing Director | 1,53,49,500        | Five                          | Yes               | Four  | None  | None      |
| Shri Chakresh Kumar Jain    | Managing Director            | 25,14,000          | Five                          | Yes               | Six   | None  | One       |
| Shri Yogesh Kumar Jain      | Managing Director            | 1,67,94,000        | Six                           | Yes               | Seven                                       | None  | One       |
| Shri Anil Kumar Rao         | Whole Time Director          | 80,500             | Three                         | No                | Six   | None  | None      |
| Shri Talluri Raghupati Rao* | Whole Time Director          | 6000               | Three                         | Yes               | Nine  | None  | None      |
| Shri C. R. Sharma           | Independent Director         | NIL                | Three                         | Yes               | One   | One   | Two       |
| Shri Ashok Kumar Gupta      | Independent Director         | NIL                | Five                          | Yes               | None  | One   | One       |
| Smt. Deepika Mittal         | Independent Director         | NIL                | Five                          | Yes               | One   | One   | None      |
| Shri Gauri Shankar          | Independent Director         | NIL                | Four                          | Yes               | Three                                       | None  | Three     |
| Shri Krishan Kumar Jalan    | Independent Director         | NIL                | Five                          | Yes               | Four  | One   | Two       |

\* Shri Talluri Raghupati Rao appointed as the whole time director of the company w.e.f. August 10, 2019.

**Notes:**

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

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

| S. No. | Name of the Directors       | Name of the Listed Company where the person is director | Category of Directorship     |
|--------|-----------------------------|---|------------------------------|
| 1      | Shri Pradeep Kumar Jain     | PNC Infratech Limited                                   | Chairman & Managing Director |
| 2      | Shri Chakresh Kumar Jain    | PNC Infratech Limited                                   | Managing Director            |
| 3      | Shri Yogesh Kumar Jain      | PNC Infratech Limited                                   | Managing Director            |
| 4      | Shri Anil Kumar Rao         | PNC Infratech Limited                                   | Whole Time Director          |
| 5      | Shri Talluri Raghupati Rao* | PNC Infratech Limited                                   | Whole Time Director          |
| 6      | Shri C. R. Sharma           | PNC Infratech Limited                                   | Independent Director         |
|        |                             | Sterling Tools Limited                                  | Independent Director         |
| 7      | Shri Ashok Kumar Gupta      | PNC Infratech Limited                                   | Independent Director         |
| 8      | Smt. Deepika Mittal         | PNC Infratech Limited                                   | Independent Director         |
| 9      | Shri Gauri Shankar          | PNC Infratech Limited                                   | Independent Director         |
|        |                             | Paisalo Digital Limited                                 | Independent Director         |
| 10     | Shri Krishan Kumar Jalan    | PNC Infratech Limited                                   | Independent Director         |
|        |                             | Minda Industries 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, Shri 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 six times i.e. May 04, 2019, May 24, 2019, August 10, 2019, November 14, 2019, February 05, 2020 and March 09, 2020. The maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days.

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                |
|-----------------------------|---------------|--------------|-----------------|-------------------|-------------------|----------------|--------------------|
|                             | May 04, 2019  | May 24, 2019 | August 10, 2019 | November 14, 2019 | February 05, 2020 | March 09, 2020 | September 30, 2019 |
| Shri Pradeep Kumar Jain     | X             | ✓            | ✓               | ✓                 | ✓                 | ✓              | ✓                  |
| Shri Chakresh Kumar Jain    | ✓             | ✓            | ✓               | X                 | ✓                 | ✓              | ✓                  |
| Shri Yogesh Kumar Jain      | ✓             | ✓            | ✓               | ✓                 | ✓                 | ✓              | ✓                  |
| Shri Anil Kumar Rao         | ✓             | X            | X               | ✓                 | X                 | ✓              | X                  |
| Shri Talluri Raghupati Rao* | NA            | NA           | NA              | ✓                 | ✓                 | ✓              | ✓                  |
| Shri C. R. Sharma           | X             | ✓            | ✓               | X                 | ✓                 | X              | ✓                  |
| Shri Ashok Kumar Gupta      | X             | ✓            | ✓               | ✓                 | ✓                 | ✓              | ✓                  |
| Smt. Deepika Mittal         | X             | ✓            | ✓               | ✓                 | ✓                 | ✓              | ✓                  |
| Shri Gauri Shankar          | ✓             | ✓            | X               | ✓                 | ✓                 | X              | ✓                  |
| Shri Krishan Kumar Jalan    | ✓             | ✓            | ✓               | X                 | ✓                 | ✓              | ✓                  |

##### Note:

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

\* Shri. Talluri Raghupati Rao appointed as the whole time director of the company w.e.f August 10, 2019.

#### 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, 2020 is given as follows:

| Name of the Director     | Number of Equity Shares |
|--------------------------|-------------------------|
| Shri C R Sharma          | Nil                     |
| Shri. Ashok Kumar Gupta  | Nil                     |
| Smt. Deepika Mittal      | Nil                     |
| Shri Gauri Shankar       | Nil                     |
| Shri Krishan Kumar Jalan | Nil                     |

**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 2019-20, the Independent Directors have been updated on the strategy, operations of the Company performance, developments in the Company and the Company's performance.

Presentations are made regularly to the Board / NRC / Audit Committee (AC) (minutes of AC, NRC, SRC and CSR Committee are circulated to the Board), where Directors get an opportunity to interact with senior managers. Presentations, inter alia, cover business strategies, management structure, policies, management development and succession planning, quarterly and annual results, budgets, review of Internal Audit, risk management framework, operations of subsidiaries and associates, etc. Independent Directors have the freedom to interact with the Company's Management. Interactions happen during Board / Committee meetings, when senior Company personnel are asked to make presentations about performance of their Independent Company (IC) / operational sites, to the Board.

The details of such familiarisation programmes are disclosed on the Company's website at [www.pncinfratech.com](http://www.pncinfratech.com) and can be accessed through web link:

<https://www.pncinfratech.com/pdfs/familiarization-program-independent-directors.pdf>

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

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

- 1. Industry Knowledge/Experience-** Expertise in civil work, planning, designing, construction, maintenance & overseeing of assigned projects of roads, highways, airports, bridges etc. Liaising with government authorities and adhering to the guidelines created by the government, local bodies for planning, creating and maintaining the infrastructure. Tendering the projects and hire workers/contractor as per the project requirement.
- 2. Machines, Equipment & Technical-** Understanding the project requirements and accordingly finalize the required machines and equipment by keeping in mind the latest technology trends. Discussions with different Equipment Suppliers and to finalize the vendor, dealing with purchase dept., procurement of different types of equipment along with their spare parts, its quality check, and transportation to the respective erection sites. Timely inspection and audit of sites working.
- 3. Accounting and Finance-** Understand financial statements i.e. balance sheet, profit and loss account, and statement of cash flows, financials ratio, accounts, banking knowledge. Possess the required experience and expertise in finance and accounting being a chief financial officer and chief executive officer of the company. Management of the finance function of an enterprise, resulting in proficiency in complex financial management, capital allocation and financial reporting processes. Maintaining appropriate relationship with the statutory auditors, secretarial auditors, internal auditor and cost auditor of the company. Work for maximizing the interest of shareholders/stakeholders of the company.
- 4. Board Services and Corporate Governance -** Maintaining the effective board of the company as per required laws & bylaws with the assigned responsibilities and accountabilities with the timely overview. Formation of committees and assigned them with the role and responsibilities of reviewing the financials of the company, maintaining a sound internal control system, policy for the directors and senior executives analyzing the risk for the company etc. To keep check on the compliance of all the corporate governance practices of the company.
- 5. Project Management -** Planning the assigned budget, experience of project's designing, cost and time control, project progressing. Ensure fully utilization

of resources with zero wastage policy. Forecast deviation and ensure timely completion of assigned projects.

6. **Management Marketing and business Strategy** - Managing all the running sites, toll operation working, toll collection overview, head office management, supervising business operations and marketing.
7. **Administration** - Skills that are required for success in administration working, such as communicating,

computing, organizing, planning, scheduling, or staffing at sites and head office of the company.

8. **Leadership** - Extended leadership experience for a significant enterprise, resulting in a practical understanding of organisations, processes, strategic planning, and risk management. Demonstrated strength in developing talent, and maintain inter personal relationship by displaying high integrity and ethical standard.

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 | Leadership |
| Shri Pradeep Kumar Jain    | ✓                              | ✓                              | ✓                   | ✓                                    | ✓                  | ✓   | ✓              | ✓          |
| Shri Chakresh Kumar Jain   | ✓                              | ✓                              | ✓                   | ✓                                    | ✓                  | ✓   | ✓              | ✓          |
| Shri Yogesh Kumar Jain     | ✓                              | ✓                              | ✓                   | ✓                                    | ✓                  | ✓   | ✓              | ✓          |
| Shri Anil Kumar Rao        | ✓                              | ✓                              | ✓                   | ✓                                    | ✓                  | ✓   | ✓              | ✓          |
| Shri Talluri Raghupati Rao | ✓                              | ✓                              | ✓                   | ✓                                    | ✓                  | ✓   | ✓              | ✓          |
| Shri C.R. Sharma           | ✓                              | ✓                              | ✓                   | ✓                                    | ✓                  | ✓   | ✓              | ✓          |
| Shri Ashok Kumar Gupta     | ✓                              | ✓                              | ✓                   | ✓                                    | ✓                  | ✓   | ✓              | ✓          |
| Smt. Deepika Mittal        | ✓                              | ✓                              | ✓                   | ✓                                    | ✓                  | ✓   | ✓              | ✓          |
| Shri Gauri Shankar         | ✓                              | ✓                              | ✓                   | ✓                                    | ✓                  | ✓   | ✓              | ✓          |
| Shri Krishan Kumar Jalan   | ✓                              | ✓                              | ✓                   | ✓                                    | ✓                  | ✓   | ✓              | ✓          |

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

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

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

#### j) **Detailed reasons for the resignation of an independent director**

SEBI (LODR) (Amendment) Regulations, 2015 requires the detailed reason for the resignation of an independent

director. Before this amendment, Company is required to report detailed reasons for the resignation to only Registrar of Companies in terms of proviso to sec 168(1) of the Companies Act, 2013. Your Company started to follow the practice to record the detailed reason of the director who resigns before the expiry of his tenure along with a confirmation by such director that there are no other material reasons other than those provided. Hence, during the financial year 2019-20 under the review none of the independent director resigned from the board panel of the company.
































#### k) **Independent Director databank registration**

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

## 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.

### Board and Committee Composition as on March 31, 2020

| Name                       | Board   | Audit Committee   | Nomination and Remuneration Committee   | Stakeholders Relationship Committee   | Corporate Social Responsibility (CSR) Committee                                     | Project Management committee  | Banking cum Investment Committee  | Risk Management Committee   |
|----------------------------|---|---|---|---|---|---|---|---|
| Shri Pradeep Kumar Jain    |    |   |   |   |   |   |  |   |
| Shri Chakresh Kumar Jain   |    |   |   |    |    |   |  |    |
| Shri Yogesh Kumar Jain     |    |   |   |    |   |    |  |   |
| Shri Anil Kumar Rao        |    |   |   |   |    |    |   |   |
| Shri Talluri Raghupati Rao |  |   |   |   |   |  |   |   |
| Shri C. R. Sharma          |  |  |  |   |   |   |   |   |
| Shri Ashok Kumar Gupta     |  |  |  |  |  |   |   |   |
| Smt. Deepika Mittal        |  |  |  |   |   |   |   |  |
| Shri Gauri Shankar         |  |   |   |   |   |   |   |  |
| Shri Krishan Kumar Jalan   |  |   |   |   |   |   |   |   |

  Chairperson   Member

### A) AUDIT COMMITTEE

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

The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on September 30, 2019 to answer the members' queries.

The Audit Committee met six times during the financial year i.e. May 04, 2019, May 24, 2019, August 10, 2019, November 14, 2019, February 05, 2020 and March 09, 2020.

The composition of the Audit Committee, no. of meetings and the attendance of its members as on March 31, 2020 are detailed below:

| Name of Members        | Category                               | Status   | Audit Committee Meeting Number |   |   |   |   |   | Held during the Tenure | Attended | % of Attendance |
|------------------------|--|----------|--------------------------------|---|---|---|---|---|------------------------|----------|-----------------|
|                        |  |          | 1                              | 2 | 3 | 4 | 5 | 6 |                        |          |                 |
| Smt. Deepika Mittal    | Non-Executive and Independent Director | Chairman | P                              | P | P | P | P | P | 6                      | 6        | 100%            |
| Shri C. R. Sharma      | Non-Executive and Independent Director | Member   | A                              | P | P | A | P | A | 6                      | 3        | 50%             |
| Shri Ashok Kumar Gupta | Non-Executive and Independent Director | Member   | P                              | P | P | P | P | P | 6                      | 6        | 100%            |

-P stands for present/attended the meeting.

-A stands for absent for the meeting.

The Minutes of the meeting of the Audit Committee are circulated to all the Members of the Board for noting.

#### Terms of reference

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

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

#### B) Nomination and Remuneration Committee

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

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 2019-20, Nomination and Remuneration Committee met four times on May 24, 2019, August 10, 2019, September 30, 2019 and on February 05, 2020.

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

| Name of Members         | Category                               | Status   | Nomination & Remuneration Committee Meeting Number |   |   |   | Held during the Tenure | Attended | % of Attendance |
|-------------------------|--|----------|--|---|---|---|------------------------|----------|-----------------|
|                         |  |          | 1  | 2 | 3 | 4 |                        |          |                 |
| Shri Ashok Kumar. Gupta | Non-Executive and Independent Director | Chairman | P  | P | P | P | 4                      | 4        | 100%            |
| Shri C. R. Sharma       | Non-Executive and Independent Director | Member   | P  | P | P | P | 4                      | 4        | 100%            |
| Smt. Deepika Mittal     | Non-Executive and Independent Director | Member   | P  | P | P | P | 4                      | 4        | 100%            |

**Terms of Reference for the Nomination and Remuneration Committee:**

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

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

**Performance Evaluation and Independent Directors Meeting**

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the annual performance evaluation of the Board of Directors, the Committees of the Board and every Director individually for the Financial Year 2019-20 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 <http://www.pncinfratech.com/pdfs/nomination-and-remuneration-policy-pnc-infratech-limited.pdf>.

**C) Stakeholders Relationship Committee**

In terms of Reg. 20 of SEBI Listing Regulations, and Section 178 of the Companies Act, 2013, the Board of Directors of your Company has constituted this Committee comprising one Non-Executive and Independent Director and two Executive Directors. The Company Secretary is the Secretary to the Committee.

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

During the Financial Year 2019-20, Stakeholders Relationship Committee met once on May 08, 2019.

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

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

**Terms of Reference for the Stakeholders Relationship Committee:**

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

- 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.

During the financial year 2019-20, no queries/complaints were received by the Company from members/investors, which have been redressed / resolved to date, satisfactorily as shown below:

#### Details of investor queries/complaints/request received and attended during financial year 2019-20

| 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 / Rematerialisation of Shares             | 0       | 0        | 0        | 0       |
| Others  | 0       | 0        | 0        | 0       |

#### Name and designation of Compliance Officer:

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

#### D) Corporate Social Responsibility Committee:

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

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

During the Financial Year 2019-20, Corporate Social Responsibility Committee met once on May 08, 2019.

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

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

The Scope and Responsibility of the CSR Committee are:

- To formulate a strong and effective Corporate Social Responsibility Policy.
- To recommend the activities to be undertaken, as per Sch. VII of the Companies Act, 2013, as and when amended from time to time.
- To recommend the amount of expenditure.
- To Monitor the Corporate Social Responsibility Policy and the expenditure.
- To take steps for formation of any Trust/Society/Company for charitable purpose and get the same registered for the purpose of complying CSR provisions.

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

#### E) Project Management Committee:

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

During the Financial Year 2019-20, Project Management Committee met ten times on May 06, 2019, June 11, 2019, July 23, 2019, August 12, 2019, October 05, 2019, October 21, 2019, November 09, 2019, December 16, 2019, January 08, 2020 and February 10, 2020. The attendance of each member of the Committee is given below

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

**F) Banking cum Investment Committee:**

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

During the Financial Year 2019-20, Banking cum Investment Committee met 8 times on April 10, 2019, June 07, 2019, August 14, 2019, November 15, 2019, January 03, 2020 and February 14, 2020, March 09, 2020 and March 21, 2020;

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

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

**G) Risk Management Committee:-**

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

The Risk Management Committee met once during the financial year i.e. March 21, 2020.

The composition of the Risk Management Committee and the attendance of its members as on March 31, 2020 are detailed below:

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

The Scope and Responsibility of the Risk Management Committee are:

- To assist the board in fulfilling its responsibilities with regard to the identification, evaluation and mitigation of operational, strategic and environmental risks.



- To monitor and approve the risk policies and associated practices of the company.
- Review and approve risk disclosure statement in public documents or disclosure.

### III. Remuneration to Directors

#### i. Pecuniary Relationships of the Non-Executive Directors

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

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

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

#### Remuneration to Non-Executive, Independent Directors paid as on 31st March 2020

[In ₹]

| Director                 | All elements of remuneration packages of the Directors |                           |                        |                 |
|--------------------------|--|---------------------------|------------------------|-----------------|
|                          | Sitting fees (Board)                                   | Sitting fees (Committees) | Other benefits, if any | Total           |
| Shri C. R. Sharma        | 60,000   | 80,000                    | -                      | 1,40,000        |
| Shri Ashok Kumar Gupta   | 80,000   | 1,20,000                  | -                      | 2,00,000        |
| Smt. Deepika Mittal      | 1,00,000   | 1,20,000                  | -                      | 2,20,000        |
| Shri Gauri Shankar       | 80,000   | 20,000                    | -                      | 1,00,000        |
| Shri Krishan Kumar Jalan | 1,00,000   | 10,000                    | -                      | 1,10,000        |
| <b>Total</b>             | <b>4,20,000</b>  | <b>3,50,000</b>           |                        | <b>7,70,000</b> |

#### Details of remuneration to Executive Directors for the Financial Year ended 31st March 2020

In ₹

| Director                   | All elements of remuneration packages of the Directors |                                    |                                      |                     |                         |                                 |
|----------------------------|--|------------------------------------|--------------------------------------|---------------------|-------------------------|---------------------------------|
|                            | Salary and allowances                                  | Contribution to PF and other funds | Commission (5% of annual net profit) | Total               | Term of Appointment     | Notice Period & Severance Fees# |
| Shri Pradeep Kumar Jain    | 2,27,04,000  | 30,96,000                          | 5,51,26,000                          | 8,09,26,000         | 01.10.2016-30.09.2021   |                                 |
| Shri Chakresh Kumar Jain   | 2,05,92,000  | 28,08,000                          | 5,51,26,000                          | 7,85,26,000         | 01.10.2016-30.09.2021   |                                 |
| Shri Yogesh Kumar Jain     | 2,05,92,000  | 28,08,000                          | 5,51,26,000                          | 7,85,26,000         | 01.10.2016-30.09.2021   |                                 |
| Shri Anil Kumar Rao        | 78,19,020  | -                                  | -                                    | 78,19,020           | 01.10.2016-30.09.2021   |                                 |
| Shri Talluri Raghupati Rao | 43,04,930  | -                                  | -                                    | 43,04,930           | 10.08.2019 - 09.08.2024 |                                 |
| <b>Total</b>               |  |                                    |                                      | <b>25,01,01,950</b> |                         |                                 |

Remuneration is within limits specified under section 197 of the Companies Act, 2013 which was recommended by Nomination & Remuneration Committee and approved by Board of Directors.

# Service Contracts Notice and Severance Fees as at 31st March 2020, the Board comprised of 10 members including 5 Executive Directors and 5 Non-Executive-Independent Directors. The Executive Directors are the employees of the Company and are subject to service conditions as per the Company's Policy. There is no separate provision for payment of severance fees. However, Independent Directors are subject to a reasonable notice period but are not eligible for severance fees.

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

## 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  |
|------------|--|--------------------|------------|--|
| 2018-19    | Auditorium Iskcon Complex, Hare Krishna Hill, Sant Nagar, Main Road, East of Kailash, New Delhi-110065 | September 30, 2019 | 11:00 A.M. | Revision in the Remuneration of Mr. Pradeep Kumar Jain (DIN:00086653), Chairman and Managing Director of the Company;<br>Revision in the Remuneration of Mr. Chakresh Kumar Jain (DIN:00086768), Managing Director of the Company;<br>Revision in the Remuneration of Mr. Yogesh Kumar Jain (DIN:00086811), Managing Director of the Company;<br>Revision in the Remuneration Of Mr. Anil Kumar Rao (DIN: 01224525), Whole Time Director of the Company,<br>Re-Appointment of Mr. Ashok Kumar Gupta (DIN: 02808356) as an Independent Director for a second term of five consecutive years;<br>Re-Appointment Of Mr. C R Sharma (DIN: 00522678) as an Independent Director for a second term of five consecutive years;<br>Re-Appointment Of Mrs. Deepika Mittal (Din: 06966373) as an independent director for a second term of five consecutive years; |
| 2017-18    | Auditorium Iskcon Complex, Hare Krishna Hill, Sant Nagar, Main Road, East of Kailash, New Delhi-110065 | September 29, 2018 | 11:30 A.M. | Enhance The Borrowing Powers of the Company;<br>Enhance the Power of Board to Mortgage, Hypothecate, Pledge, Creation of Charge;<br>Approve continuation of Mr. C.R. Sharma (Din: 00522678) as a Non- Executive Independent Director of the Company  |
| 2016-17    | Auditorium Iskcon Complex, Hare Krishna Hill, Sant Nagar, Main Road, East of Kailash, New Delhi-110065 | September 29, 2017 | 11:00 A.M. | Special Incentive to Mr. Anil Kumar Rao, Whole Time Director;<br>Enhance The Borrowing Powers of the Company;<br>Enhance the Power of Board to Mortgage, Hypothecate, Pledge, Creation of Charge   |

### Resolution passed through Postal ballot

No postal ballot for any special resolution was conducted during the financial year 2019-20. 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

In accordance with Regulation 46 of the SEBI Listing Regulations, the Company has maintained a functional website at [www.pncinftratech.com](http://www.pncinftratech.com) containing information about the Company viz., details of its business, financial information, shareholding pattern, compliance with corporate governance, details of the policies approved by the Company, contact information of the designated official of the Company, who is responsible for assisting and handling investor grievances etc. The contents of the said website are updated from time to time.

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

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

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

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

## V. General Shareholders Information

|       |   |   |
|-------|---|---|
| i)    | Annual General Meeting:   |   |
| a.    | Date  | 30th September, 2020  |
| b.    | Time  | 12:00 Noon  |
| c.    | Venue   | NBCC Plaza, Tower II, 4th Floor, Pushp Vihar, Sector 5, New Delhi-110017  |
| ii)   | Financial year  | 1st April to 31st March   |
|       | During the financial year under review, the Board Meetings for approval of quarterly and annual financial results were held on the following dates: |   |
|       | 1st Quarter Results   | August 10, 2019   |
|       | 2nd Quarter Results   | November 14, 2019   |
|       | 3rd Quarter Results   | February 05, 2020   |
|       | 4th Quarter & Annual Results  | June 24, 2020   |
|       | The tentative dates of the Board Meetings for consideration of financial results for the year ending March 31, 2021 are as follows:                 |   |
|       | 1st Quarter Results   | August 14, 2020   |
|       | 2nd Quarter Results   | November 14, 2020   |
|       | 3rd Quarter Results   | February 14, 2021   |
|       | 4th Quarter & Annual Results  | End of May, 2021  |
| iii)  | Dividend payment date:  | N.A.  |
| iv)   | Book Closure Date   | 24th September 2020 to 30th September 2020  |
| v)    | Listing on stock exchanges & payment of listing fees  | 1. National Stock Exchange of India Limited<br>Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai-400 051<br>2. BSE Limited<br>Floor 25, P.J. Towers, Dalal Street, Mumbai-400 001                                   |
|       |   | Your Company has paid the annual listing fee for the financial year 2020-21 to both the Exchanges   |
| vi)   | Stock Code  | BSE 539150<br>NSE PNCINFRA  |
| vii)  | ISIN No. for NSDL / CDSL  | ISIN-INE195J01029<br>(Old ISIN - INE195J01011)<br>Your Company has paid the annual custodial fee for the financial year 2019-20 to NSDL and CDSL  |
| viii) | Corporate Identification Number   | L4520IDL1999PLC195937   |
| ix)   | Share Transfer System   | Your Company has appointed Registrar and Shareholder Transfer Agents for all activities in relation to both physical and electronic share transfer facility.  |
| x)    | Registrar and Share Transfer Agents   | Link Intime India Private Limited<br>C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083<br>Branch off: - Noble Heights, 1st Floor, Plot NH2, C-1 Block LSC, Near Savitri Market, Janakpuri, New Delhi- 110058.   |
| xi)   | Electronic Clearing Service (ECS)   | Link Intime India Private Limited<br>C-101, 247 Park, L.B.S. Marg,<br>Vikhroli (West), Mumbai - 400 083<br>Branch off: - Noble Heights, 1st Floor, Plot NH2, C-1 Block LSC, Near Savitri Market, Janakpuri, New Delhi- 110058 |
| xii)  | Investor Complaints to be addressed to  | Registrar and Share Transfer Agents<br>or to the Company at the address mentioned below.  |

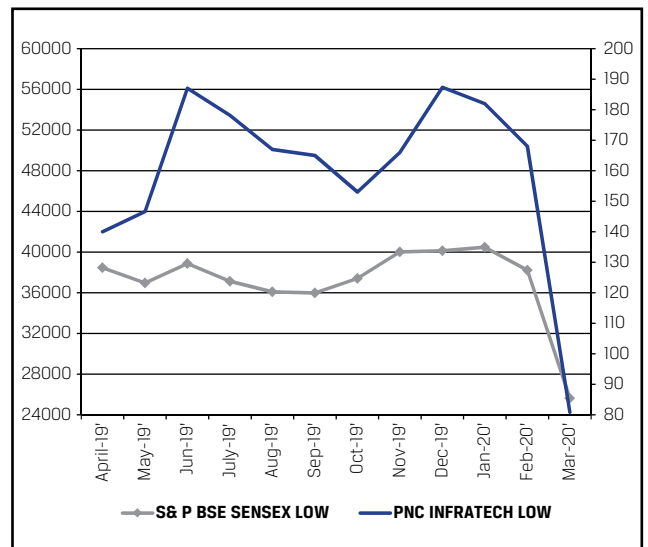
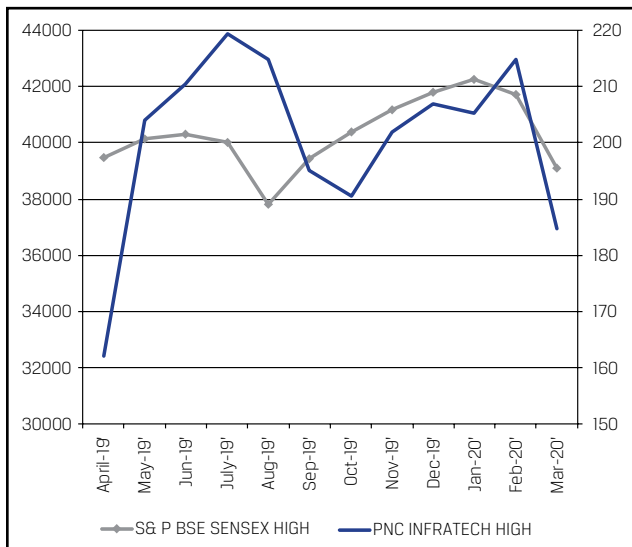
### Suspension of Trading

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 2019-20 are as follows

| Month  | BSE      |         |              | NSE      |         |              |
|--------|----------|---------|--------------|----------|---------|--------------|
|        | High (₹) | Low (₹) | Volume (No.) | High (₹) | Low (₹) | Volume (No.) |
| Apr-19 | 162.00   | 140.00  | 1,96,097     | 162.65   | 145.30  | 14,65,865    |
| May-19 | 204.00   | 146.60  | 3,67,487     | 205.00   | 147.45  | 54,83,026    |
| Jun-19 | 210.55   | 187.05  | 1,97,695     | 211.20   | 187.40  | 42,05,430    |
| Jul-19 | 219.40   | 178.15  | 2,55,349     | 219.40   | 172.95  | 57,14,905    |
| Aug-19 | 214.85   | 167.00  | 1,61,460     | 209.80   | 166.70  | 54,15,373    |
| Sep-19 | 195.15   | 165.00  | 87,168       | 195.05   | 164.85  | 21,60,845    |
| Oct-19 | 190.60   | 153.00  | 77,575       | 191.20   | 158.45  | 45,50,639    |
| Nov-19 | 201.95   | 166.00  | 2,37,371     | 202.00   | 165.00  | 71,61,971    |
| Dec-19 | 207.00   | 187.35  | 1,32,258     | 206.55   | 186.85  | 39,63,569    |
| Jan-20 | 205.30   | 182.00  | 2,74,863     | 207.00   | 188.40  | 71,87,731    |
| Feb-20 | 214.75   | 168.00  | 3,94,869     | 214.85   | 167.50  | 67,58,750    |
| Mar-20 | 184.80   | 80.85   | 1,89,138     | 184.70   | 80.00   | 82,18,492    |



### Distribution of Shareholding as on March 31, 2020

| Sr. No. | Category      | No. of Shares    | Total Shares(%) | No. of Shareholders | Total Shareholders (%) |
|---------|---------------|------------------|-----------------|---------------------|------------------------|
| 1       | 1 to 500      | 2531235          | 0.9867          | 23734               | 89.2289                |
| 2       | 501 to 1000   | 1190873          | 0.4642          | 1600                | 6.0153                 |
| 3       | 1001 to 2000  | 924268           | 0.3603          | 627                 | 2.3572                 |
| 4       | 2001 to 3000  | 482253           | 0.1880          | 191                 | 0.7181                 |
| 5       | 3001 to 4000  | 299506           | 0.1167          | 84                  | 0.3158                 |
| 6       | 4001 to 5000  | 368303           | 0.1436          | 78                  | 0.2932                 |
| 7       | 5001 to 10000 | 738300           | 0.2878          | 101                 | 0.3797                 |
| 8       | 10001 & above | 250004427        | 97.4527         | 184                 | 0.6918                 |
|         | <b>Total</b>  | <b>256539165</b> | <b>100</b>      | <b>26599</b>        | <b>100</b>             |

### Pattern of Shareholding as on 31st March, 2020

| Category  | As on March 31, 2020 |               | As on March 31, 2019 |               |
|---|----------------------|---------------|----------------------|---------------|
|   | No. of Shares        | %age          | No. of Shares        | %age          |
| Promoter and Promoter Group and Directors and Relatives                         | 143927500            | 56.10         | 143926000            | 56.09         |
| Foreign Institutional Investors/ FPIs Corporation                               | 18276390             | 7.13          | 17780375             | 6.93          |
| Public Financial Institutions/ State Financial Corporation/ Insurance Companies | -                    | -             | -                    | -             |
| Mutual Funds (Indian) and UTI   | 56213013             | 21.91         | 54663371             | 21.30         |
| Nationalized and other Banks  | 90165                | 0.04          | 107224               | 0.04          |
| NRI/OCBs  | 598712               | 0.23          | 498102               | 0.19          |
| Public  | 37433385             | 14.59         | 39564093             | 15.42         |
| <b>TOTAL</b>  | <b>256539165</b>     | <b>100.00</b> | <b>256539165</b>     | <b>100.00</b> |

### Dematerialisation of shares and Liquidity

As on March 31, 2020, 25,65,39,160 equity shares representing 100% of the total equity share capital of your Company, were held in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited. The break-up of equity shares held in Physical and Dematerialised form as on March 31, 2020, is given below:

| S.No. | Particulars                           | No. of Share        | Percentage (%) |
|-------|---------------------------------------|---------------------|----------------|
| 1     | Held in dematerialised form with CDSL | 5,46,64,978         | 21.31          |
| 2     | Held in dematerialised form with NSDL | 20,18,74,182        | 78.69          |
| 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 the Company in dematerialized form in accordance with provisions of the Depositories Act 1996 and regulations made there under.

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

#### Address for Members' Correspondence;

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

#### (a) Registered Office:

Name of Co. PNC Infratech Limited  
 Address: NBCC Plaza, Tower II, 4th Floor, Pushp Vihar, Sector V, Saket, New Delhi-17  
 Tel. No. & Fax No. 011-29574800 & 011-29563844  
 Email:- complianceofficer@pncinfratech.com  
 Website: www.pncinfratech.com

**(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 2019-20, there was no revision in credit ratings reaffirmed by the Company. List of credit rating obtained by the company for its equity shares are given below:

| Facilities                 | Amount (₹ Crore)   | Rating   | Rating Action |
|----------------------------|--|--|---------------|
| Long Term Bank facilities  | 1,700 (enhanced from 1,050)  | CARE AA-; Stable (Double A Minus; Outlook: Stable) | Reaffirmed    |
| Short Term Bank facilities | 5,000 (enhanced from 3,350)  | CARE A1+ (A One plus)                              | Reaffirmed    |
| <b>Total</b>               | <b>6,700</b><br><b>Rupees Six Thousand and</b><br><b>Seven Hundred crore only)</b> |  |               |

**VI. Other Disclosures**

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

As per the provisions of the Companies Act, 2013, Shri. Anil Kumar Rao (DIN: 01224525), whole time Director will retire at the ensuing AGM and being eligible, seeks re-appointment. The Board, based on its evaluation, has recommended his appointment. Your Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of Independence as prescribed under the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI Listing Regulations. Detailed profile of the Directors who are seeking appointment reappointment at the ensuing Annual General Meeting of the Company is given under the Explanatory Statement to the Notice which is forming part of the Annual Report of the Company.

**b) Related Party Transactions**

Details of materially significant related party transactions i.e. transactions of the Company of material in nature with its promoters, the Directors or the management, their subsidiaries or relatives, etc. are presented in the Note No. 43 to the Financial Statements. All details on the financial and commercial transactions, where Directors may have a potential interest, are provided to the Board. The interested Directors neither participate in the discussion, nor vote on such matters. During the financial year 2019-20, there were no material related party transactions entered by the Company that may have a potential conflict with the interests of the Company.

Your Company has formulated a Policy on Related Party Transactions, which has been uploaded and can be viewed on the Company's website <https://www.pncinfratech.com/pdfs/policy-on-materiality-and-dealing-with-relatedparty-transactions-pnc-infratech-limited.pdf>

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

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

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

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

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

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

**e) Compliance with mandatory requirements**

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

**Non- mandatory requirements**

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

**i. Board**

Since your Company did not have a Non-Executive Chairman during the financial year 2019-20, hence, the requirement of maintaining a Chairman's Office was not applicable to the Company.

**ii. Shareholder Rights**

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

**iii. Audit qualifications**

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

**iv. Reporting of Internal Auditor**

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

**f) Link for policy on determining Material Subsidiaries**

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

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

Your Company is not dealing in commodities and Foreign Exchange and hence disclosure relating to commodity price risks and commodity hedging activities is not required in terms of SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2018/000000141 dated November 15, 2018.

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

**i) Practicing Company Secretary Certification**

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 is enclosed with this section as **Annexure A**.

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

**k) Fees paid to Statutory Auditor**

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

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

**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 Board, which are periodically reviewed to ensure that the executive management controls risk by means of a properly defined framework.

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

**o) Code of Conduct**

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

All the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct as applicable to them, for the year ended March 31, 2020. A declaration to this effect signed by Managing Director is annexed to this Report as **Annexure B**.

**p) Code for Prevention of Insider Trading Practices**

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

**q) 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.

**r) Certificate on Corporate Governance from Practising Company Secretary**

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

**s) 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, 2020, there was no unclaimed share and thereby, the detail pertaining to demat suspense account / unclaimed shares shall not be disclosed.

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

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

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

**u) CEO/ CFO certification**

Certificate from Shri. Chakresh Kumar Jain, Managing Director & Chief Financial Officer of the Company, in terms of Reg. 17(8) of the SEBI Listing Regulations, for the year under review, was placed before the Board of Directors of the Company in their meeting held on June 24, 2020. The certificate is enclosed with this section as **Annexure D**.

**VII. INVESTOR SAFEGUARDS AND OTHER INFORMATION:**

• **Dematerialisation of shares**

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



- **Revalidation of Dividend DD/Warrant**

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

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

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

| 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      | 40955.00   |
| 2018-19 | Final            | 0.50                   | September 30, 2019  | October 27, 2026      | 14556.50   |
| 2019-20 | Interim          | 0.50                   | March 09,2020       | April 07, 2027        | 6977.00    |

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

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

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

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

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

Members who hold shares in physical form are requested to promptly update change in bank details with the Company/Registrar and Transfer Agents, M/s. Link Intime India Pvt. Ltd. (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 21st AGM**

Pursuant to the General Circular numbers 20/2020, 14/2020, 17/2020 issued by the Ministry of Corporate Affairs and Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 issued by SEBI, the 21st AGM of the Company will be held through video-conferencing and the detailed instructions for participation and voting i.e. either by remote e-voting or by e-voting on the date of the AGM of the company by following the procedure provided in the notice of AGM of the Company.

- **Consolidate multiple folios [in respect of physical shareholding)**

Members are requested to consolidate their shareholdings under multiple folios to eliminate the receipt of multiple communications and this would ensure that future correspondence/ corporate benefits could then be sent to the consolidated folio.

- **Register Nomination(s)**

Members holding shares in physical form, are requested to register the name of their nominee(s), who shall succeed the member as the beneficiary of their shares and in order to avail this nomination facility, they may obtain/submit the prescribed form from the Registrars & Share Transfer Agents. Members holding shares in dematerialized form are requested to register their nominations directly with their respective DPs.

- **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

**Pradeep Kumar Jain**

Chairman and Managing Director

DIN: 00086653

Place: Agra

Date: June 24, 2020

**Annexure A****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)

To,  
The Members of  
PNC Infratech Limited  
NBCC Plaza, Tower II, 4th Floor,  
PushpVihar, Sector 5, New Delhi - 110017

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of PNC Infratech Limited having CIN L45201DL1999PLC195937 and having registered office at NBCC Plaza, Tower II, 4th Floor, PushpVihar, Sector 5, New Delhi - 110017 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](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 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For DR Associates**  
Company Secretaries

**Suchitta Koley**  
Partner  
CP No.: 714  
FCS: 1647

Place: New Delhi  
Date: June 24, 2020

**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 2019-20.

**For PNC Infratech Limited**

**[Chakresh Kumar Jain]**  
Managing Director & CFO  
DIN: 00086768

Place: Agra  
Date: June 24, 2020

**Annexure C****CERTIFICATE ON CORPORATE GOVERNANCE**

To  
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 31st March 2020, as stipulated in Part E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

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

**For DR Associates**  
Company Secretaries

**Suchitta Koley**  
Partner  
CP No.: 714  
FCS: 1647

Place: New Delhi  
Date: June 24, 2020

**Annexure D**

Date: June 24,2020

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 2019-20 under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

I, Chakresh Kumar Jain, Managing Director and Chief Financial Officer of PNC Infratech Limited to the best of our knowledge and belief, certify that:

- A) I 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 my 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) I 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) No Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
  - (III) No instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

**(Chakresh Kumar Jain)**

Managing Director & Chief Financial Officer  
DIN - 00086768

# INDEPENDENT AUDITORS' REPORT

To the Members of  
**PNC INFRA TECH LIMITED**

## Report on the Audit of standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of **PNC INFRA TECH LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the standalone financial position of the Company as at 31<sup>st</sup> March, 2020 and its standalone financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence, we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit matter

Key audit matters (KAM) are those matters that, in our professional judgment were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:-

| Sr. No | Description of Key audit Matter   | Description of Auditor's Response  |
|--------|---|--|
| 1      | <p>Lower toll collections in associate company Ghaziabad Aligarh Express highways Ltd (GAEPL) has stressed the repayment of principal &amp; interest to lenders of associate company.</p> <p>Existing Share purchase agreement with investor Cube highways and Infrastructure Private Limited has expired in May 2020 (Refer note 7)</p> <p>The investment in equity, unsecured loans &amp; receivables to be impaired based on assessment.</p> | <p>We have performed the following procedure for verifying the stake of Group in form of investment, unsecured loans &amp; receivables:-</p> <p>As explained by management there is advance stage of discussion with a another identified investor &amp; hopeful of surplus recovery covering the entire stake of 35 % of total shareholding ( Refer note no.7)</p> <p>The performance is improving in associate, based on projections provided &amp; explanation given by management that once the loans are fully repaid in next few years the margins &amp; cash flows will be sufficient to recover the stake.</p> |

### 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 Director's Report including annexures to Director's 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 conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. Based on the records, information and explanation provided, we have nothing to report in this regard.

### Management's Responsibility for the standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS standalone

# INDEPENDENT AUDITORS' REPORT (Contd...)

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) prescribed under section 133 of the Act read with relevant rules issued thereunder.

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 judgement 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 Ind AS standalone financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

## Auditor's Responsibility

### 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.

A further description of our responsibilities for the audit of the standalone financial statements is included in "Annexure – A" of this auditor's report.

## Other Matter

The standalone financial results include the audited financial results of two joint operations, whose financial results reflect total assets of ₹ 15,074.37 lakhs as at March 31, 2020, total revenue of ₹ 8,498 lakhs and ₹ 36,711.14 lakhs and total net loss after tax of ₹ 6.68 lakhs and ₹ 0.29 lakhs and total comprehensive loss of ₹ 6.68 lakhs and ₹ 0.29 lakhs for the quarter ended March 31, 2020 and for the year ended March 31, 2020 respectively, and net cash inflows of ₹ 182.24 lakhs for the year ended March 31, 2020, as considered in the standalone financial results have been audited by their auditors. The auditors' reports on the financial statements of these two joint operations has been furnished to us by the management and our opinion on the standalone financial results in so far as it relates to the amounts and disclosures included in respect

of two joint operations is based solely on the reports of such auditors and the procedure performed by us as stated in paragraph above.

Our opinion on the standalone financial results is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143 of the Act, we give in the Annexure-"B" statement on the matters specified in paragraphs 3 and 4 of the Order;
2. As required by section 143(3) of the Act, 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 purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance Sheet, Statement of Profit and Loss, Statement of Change in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid Ind AS standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued there under;
  - e. On the basis of written representations received from the directors as on 31 March 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020, 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 of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure – C".
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 read with schedule V of the Act.



# INDEPENDENT AUDITORS' 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, 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 litigation on its financial position in its standalone financial statements- Refer Note 39 to the standalone financial statements;
  - i) There are no any material foreseeable losses, on long term contracts including derivative contract required under the applicable law or Indian accounting standards;
  - ii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For S.S. Kothari Mehta and Company.**

**(Chartered Accountants)**

Firm Registration no. 000756N

**(Neeraj Bansal)**

Partner

Membership No.: 095960

UDIN: 20095960AAAAFH5891

Place : Delhi

Date : 24.06.2020

## ANNEXURE 'A' TO THE AUDIT REPORT TO THE PNC INFRATECH LIMITED

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 companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the 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 reasonable knowledgeable user of the standalone financial statements may be influenced. We consider quantitative 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 standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## ANNEXURE – 'B' TO THE INDEPENDENT AUDITOR'S REPORT TO THE PNC INFRA TECH LIMITED

### Referred to in paragraph 1 of report on other legal and regulatory requirement's paragraph of our report on the standalone financial statement of even date,

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, the fixed assets are physically verified by the management in a phased manner over a period of three years, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. According to information and explanation given to us, the discrepancies noticed on current phase of physical verification were not material
- (c) Based on the available records as certified by the management, the title deed of immovable property is held in the name of the company.
- (ii) (a) The inventories of the Company have been physically verified by the management during the year. Further, our attendance at the physical inventory verification done by the management was impracticable under the current lock-down restrictions imposed by the government and we therefore, relied on the related alternative audit procedure to obtain comfort over the existence and condition of inventory at year end.
- (b) In our opinion and according to the information & explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size and nature of the business of the Company.
- (c) In our opinion and according to the information & explanations given to us, the Company is maintaining proper records of inventory. During the year, the physical verification was conducted at various sites and no material discrepancies have been noticed. The process of recording of physical verification needs to be further strengthened considering the expansion and nature & cycle of various projects.
- (iii) (a) As informed to us, the Company has granted unsecured loans to its 9 subsidiaries & Interest free unsecured loan to an associate and, covered in the register maintained under section 189 of the Companies Act, 2013, the balance outstanding ₹ 60,699.44 lakhs (including interest).
- (b) The tenure of agreement period of repayment are six months from the date of disbursement or receipt of grant/annuity, the receipt of principle amount as explained it will be recovered once the payment received by borrower from respective authority and in respect of interest free loan, it will be converted into share warrant/optionally convertible debenture.
- (c) There is overdue interest of ₹ 1,762.63 lakhs As explained the company is pursuing for its recovery.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) The Company has not accepted any deposits from the public within the meaning of directives issued by the Reserve Bank of India and provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
- (vi) We have broadly reviewed the books of account relating to materials, Labour and other items of cost maintained by the Company as specified by the Central Government of India under section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not made a detailed examination of the records with a view to determine whether they are accurate and complete.
- (vii) (a) According to the information and explanations given to us and the records of The Company examined by us, in our opinion, the Company is generally regular and is in process of aligning with changing regulations, in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales Tax/VAT/Work Contract Tax, Service Tax, Customs Duty, Excise Duty, Cess, Goods & Service Tax and other material statutory dues, as applicable, with the appropriate authorities .
- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of Income-Tax, Sales-Tax, Service Tax, Customs Duty, Excise Duty, Value added tax, Goods & Service Tax and Cess as at March 31, 2020 which have not been deposited on account of disputes, are as follows: -

ANNEXURE – 'B' TO THE INDEPENDENT AUDITOR'S REPORT TO THE PNC INFRA TECH LIMITED (Contd...)

| Name of the Statute                    | Nature of Dues | Period to which the amount relates | Forum where dispute is pending          | Demand Amount (Rs in Lakhs) |
|--|----------------|------------------------------------|---|-----------------------------|
| UP Entry Tax Act, 2007                 | UP Entry Tax   | 2015-16                            | Commercial Tax Tribunal, Agra           | 496.67                      |
|  |                | 2013-14                            | Commercial Tax Tribunal, Agra           | 45.39                       |
|  |                | 2014-15                            | Commercial Tax Tribunal, Agra           | 50.73                       |
| UP VAT Act, 2007                       | VAT            | 2006-07                            | TDS certificate to be get verified      | 38.1                        |
|  |                | 2010-11                            | Commercial Tax Tribunal, Agra           | 78.47                       |
|  |                | 2013-14                            | Additional Commissioner, Grade II, Agra | 3276.77                     |
| UP VAT Act, 2007                       | VAT            | 2014-15                            | Additional Commissioner, Grade II, Agra | 4767.71                     |
|  |                | 2015-16                            | Additional Commissioner, Grade II, Agra | 1276.93                     |
| Uttarakhand VAT Act, 2005              | VAT            | 2005-12                            | Joint Commissioner, Haldwani            | 211.04                      |
|  |                | 2013-14                            | Joint Commissioner, Haldwani            | 87.74                       |
|  |                | 2014-15                            | Joint Commissioner, Haldwani            | 76.35                       |
|  |                | 2015-16                            | Joint Commissioner, Haldwani            | 22.88                       |
| Central Excise & Service Tax Act, 1994 | Service Tax    | 2003-18                            | CESTAT Dohara                           | 192.76                      |
| Income Tax Act'1961                    | Income Tax     | 2010-11                            | Allahabad High Court                    | 645.81                      |
| Labour Welfare Act'1953                | Labour Cess    | 2010                               | Hon'ble MP High Court                   | 268.25                      |

- (viii) According to the records of the Company examined by us and the information and explanations given to us, in our opinion, the Company has not defaulted in repayment of its dues to Banks/ Financial Institution.
- (ix) As per the information and explanation given to us and on the basis of our examination of the records, during the year, the company has not raised any money by way of Initial Public Offer or Further Public Offer. The term loan amounts have been applied for which they have been obtained. (Refer note no. 21 to the standalone financial statements)
- (x) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company noticed or reported during the year, nor have we been informed of such case by the management.
- (xi) As per the information and explanation given to us and on the basis of our examination of the records, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The company is not Nidhi Company therefore this clause is not applicable to the company.
- (xiii) As per the information and explanation given to us and on the basis of our examination of the records, the company has transacted with the related parties which are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the standalone financial statements refer note no. 43 to the standalone financial statements.
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) As per the information and explanations given to us and on the basis of our examination of the records, the company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, this clause is not applicable to the company.

**For S.S. Kothari Mehta and Company.**  
**(Chartered Accountants)**

Firm Registration no. 000756N

**(Neeraj Bansal)**

Partner

Membership No.: 095960

UDIN: 20095960AAAAFH5891

Place : Delhi  
Date : 24.06.2020

## ANNEXURE - C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF PNC INFRATECH LIMITED

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of PNC INFRATECH LIMITED ("the Company") as of March 31, 2020 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 Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting 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 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 Company's internal financial controls over financial reporting based on our audit. We have 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 ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 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 Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- 3) Provide reasonable assurance regarding prevention or timely detection of unauthorized 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 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 based on records, the Company has in all respect, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were generally operating effectively as at March 31, 2020, based on "the internal control over financial reporting system & procedures", criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India"

**For S.S. Kothari Mehta and Company,  
(Chartered Accountants)**

Firm Registration no. 000756N

**(Neeraj Bansal)**

Partner

Place : Delhi  
Date : 24.06.2020

Membership No.: 095960  
UDIN: 20095960AAAAFH5891

**BALANCE SHEET**as at 31<sup>st</sup> March, 2020

₹ in Lakhs

| Particulars  | Notes   | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|--|---------|---------------------------------------|---------------------------------------|
| <b>A. ASSETS</b>   |         |                                       |                                       |
| <b>1 Non-current assets</b>  |         |                                       |                                       |
| (a) Property, plant and equipment  | 4       | 58,649.61                             | 61,350.93                             |
| (b) Capital work-in-progress   | 5       | -                                     | 620.51                                |
| (c) Intangible Asset   | 6       | 155.04                                | 197.91                                |
| (d) Financial assets   |         |                                       |                                       |
| (i) Investments  | 7       | 67,315.85                             | 57,302.85                             |
| (ii) Loans   | 8       | 23,635.00                             | 12,340.00                             |
| (iii) Other financial assets   | 9       | 11,398.01                             | 20,083.94                             |
| (e) Deferred Tax Assets(net)   | 10      | 12,146.04                             | 16,733.68                             |
| (f) Other non-current assets   | 11      | 18,504.02                             | 17,655.09                             |
| <b>Sub Total (Non Current Assets)</b>  |         | <b>191,803.57</b>                     | <b>186,284.91</b>                     |
| <b>2 Current assets</b>  |         |                                       |                                       |
| (a) Inventories  | 12      | 26,728.93                             | 40,355.08                             |
| (b) Financial assets   |         |                                       |                                       |
| (i) Investments  | 13      | 6,233.96                              | -                                     |
| (ii) Trade receivables   | 14      | 80,351.90                             | 61,543.47                             |
| (iii) Cash and cash equivalents  | 15 (i)  | 68,223.59                             | 25,186.76                             |
| (iv) Bank balances other than (iii) above                                    | 15 (ii) | 5,781.45                              | 5,755.38                              |
| (v) Loans  | 16      | 36,249.44                             | 24,188.29                             |
| (vi) Other financial assets  | 17      | 9,555.28                              | 9,448.73                              |
| (c) Other current assets   | 18      | 16,097.37                             | 18,793.76                             |
| <b>Sub Total (Current Assets)</b>  |         | <b>249,221.92</b>                     | <b>185,271.47</b>                     |
| <b>Total assets</b>  |         | <b>441,025.49</b>                     | <b>371,556.38</b>                     |
| <b>B. EQUITY AND LIABILITIES</b>   |         |                                       |                                       |
| <b>Equity</b>  |         |                                       |                                       |
| (a) Equity share capital   | 19      | 5,130.78                              | 5,130.78                              |
| (b) Other equity   | 20      | 249,528.84                            | 206,389.03                            |
| <b>Sub Total (Equity)</b>  |         | <b>254,659.62</b>                     | <b>211,519.81</b>                     |
| <b>Liabilities</b>   |         |                                       |                                       |
| <b>1 Non-current liabilities</b>   |         |                                       |                                       |
| (a) Financial liabilities  |         |                                       |                                       |
| (i) Borrowings   | 21      | 22,384.48                             | 28,368.45                             |
| (ii) Other financial liabilities   | 22      | 20,956.83                             | 11,141.06                             |
| (b) Provisions   | 23      | 692.23                                | 884.20                                |
| (c) Other non-current liabilities  | 24      | 43,675.60                             | 25,886.13                             |
| <b>Sub Total (Non Current Liability)</b>                                     |         | <b>87,709.14</b>                      | <b>66,279.84</b>                      |
| <b>2 Current liabilities</b>   |         |                                       |                                       |
| (a) Financial liabilities  | 25      | -                                     | -                                     |
| (i) Trade payables   | 26      |                                       |                                       |
| a) total outstanding dues of micro and small enterprises                     |         | 1,210.50                              | 375.49                                |
| b) total outstanding dues of creditor other than micro and small enterprises |         | 45,539.99                             | 46,998.88                             |
| (ii) Other financial liabilities excl. provisions                            | 27      | 23,474.64                             | 28,767.95                             |
| (b) Other current liabilities  | 28      | 28,042.53                             | 17,329.67                             |
| (c) Provisions   | 29      | 389.07                                | 284.74                                |
| <b>Sub Total (Current Liability)</b>   |         | <b>98,656.73</b>                      | <b>93,756.73</b>                      |
| <b>Total Equity &amp; Liabilities</b>  |         | <b>441,025.49</b>                     | <b>371,556.38</b>                     |

The accompanying notes form an integral part of the financial statements

As per our report of even date attached.

In terms of our report attached  
**For S.S.Kothari Mehta & Co.**  
Chartered Accountants  
Firm Registration No. 000756N

On behalf of the Board of Directors

**Neeraj Bansal**  
Partner  
Membership No. 95960

**Pradeep Kumar Jain**  
Chairman and Managing Director  
DIN: 00086653

Place: Agra  
Date: June 24, 2020

**Tapan Jain**  
Company Secretary  
M.No.: A22603

**Chakresh Kumar Jain**  
Managing Director and Chief Financial Officer  
DIN: 00086768

# STATEMENT OF PROFIT AND LOSS

for the year ended 31<sup>st</sup> March, 2020

₹ in Lakhs

| Particulars   | Notes | For the year ended<br>31 <sup>st</sup> March, 2020 | For the year ended<br>31 <sup>st</sup> March, 2019 |
|---|-------|--|--|
| <b>I</b> Revenue from operations  | 30    | 487,793.05   | 309,687.31   |
| <b>II</b> Other income  | 31    | 8,848.38   | 4,303.79   |
| <b>III Total Income (I+II)</b>  |       | <b>496,641.43</b>                                  | <b>313,991.10</b>                                  |
| <b>IV Expenses</b>  |       |  |  |
| Cost of materials consumed  | 32    | 216,105.37   | 145,931.91   |
| Employee benefit expense  | 33    | 26,511.04  | 19,232.90  |
| Finance Cost  | 34    | 11,440.01  | 6,409.41   |
| Depreciation and amortisation expenses  | 35    | 12,637.77  | 9,224.33   |
| Other Expenses  | 36    | 168,744.95   | 98,788.29  |
| <b>Total Expenses (IV)</b>  |       | <b>435,439.14</b>                                  | <b>279,586.84</b>                                  |
| <b>V Profit/(Loss) before tax (III-IV)</b>  |       | <b>61,202.29</b>                                   | <b>34,404.26</b>                                   |
| <b>VI Tax expense:</b>  |       |  |  |
| Current tax   | 37    | 16,108.79  | 8,287.77   |
| Taxes for earlier years   |       | 7.37   | (6,578.13)   |
| Deferred tax Charge/(Credit)  |       | (944.03)   | 203.40   |
| <b>VII Profit &amp; (Loss) for the period (V-VI)</b>  |       | <b>46,030.16</b>                                   | <b>32,491.22</b>                                   |
| <b>VIII Other Comprehensive Income</b>  |       |  |  |
| A i) Items that will not be reclassified to profit or loss<br>- Actuarial Gain/ (Loss) on defined benefit plans |       | 311.26   | (145.67)   |
| ii) Income tax relating to items that will not be reclassified to profit or Loss                                |       | (108.77)   | 50.90  |
| <b>IX Total Comprehensive Income for the period ( VII + VIII)</b>   |       | <b>46,232.65</b>                                   | <b>32,396.45</b>                                   |
| Earning per equity share of ₹ 2/- each  |       |  |  |
| Basic & Diluted   | 38    | 17.94  | 12.67  |

The accompanying notes form an integral part of the financial statements

As per our report of even date attached.

In terms of our report attached

**For S.S.Kothari Mehta & Co.**

Chartered Accountants

Firm Registration No. 000756N

**Neeraj Bansal**

Partner

Membership No. 95960

Place: Agra

Date: June 24, 2020

On behalf of the Board of Directors

**Pradeep Kumar Jain**

Chairman and Managing Director

DIN: 00086653

**Tapan Jain**

Company Secretary

M.No.: A22603

**Chakresh Kumar Jain**

Managing Director and Chief Financial Officer

DIN: 00086768

# STANDALONE CASH FLOW STATEMENT

for the year ended as on March 31, 2020

₹ in Lakhs

| Particulars  | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|--|------------------------------|------------------------------|
| <b>A. Cash Flow from Operating Activities :</b>                          |                              |                              |
| <b>Net Profit /(Loss) before tax as per Statement of Profit and Loss</b> | 61,202.29                    | 34,404.26                    |
| Adjustment for:  |                              |                              |
| Add/(Less):  |                              |                              |
| Finance Cost   | 10,388.34                    | 6,264.21                     |
| Loss/(Profit) on Sale of Fixed Assets (Net)                              | 47.56                        | (1,264.57)                   |
| Loss/ (Gain) on foreign exchange fluctuations (Net)                      | 168.72                       | (275.10)                     |
| Interest Income  | (5,947.81)                   | (2,351.47)                   |
| Loss/(Profit) on Redemption of Units of Mutual Fund (Net)                | (179.86)                     | -                            |
| Provision for Gratuity & Leave Enchisement                               | 347.54                       | 505.55                       |
| Impairment Allowance (Allowance for doubtful advances)                   | 482.50                       | 332.50                       |
| Depreciation and amortisation expenses                                   | 12,637.77                    | 9,224.33                     |
| <b>Operating Profit / (Loss) before working capital changes</b>          | <b>79,147.05</b>             | <b>46,839.71</b>             |
| <b>Adjustment for Changes in Working Capital</b>                         |                              |                              |
| (Increase)/Decrease in Inventories                                       | 13,626.15                    | (22,780.02)                  |
| Increase/(Decrease) in Trade Payable                                     | (623.88)                     | 1,089.88                     |
| Increase/(Decrease) in Other Current Liabilities                         | 4,083.46                     | 20,822.74                    |
| Increase/(Decrease) in Non -Current Liabilities                          | 28,018.47                    | 20,509.28                    |
| Increase/(Decrease) in Provisions  | (123.92)                     | (1,238.09)                   |
| (Increase)/Decrease in Trade Receivable                                  | (18,808.43)                  | 7,455.61                     |
| (Increase)/Decrease in Non Current Assets                                | 1,760.07                     | (17,940.20)                  |
| (Increase)/Decrease in Current Assets                                    | (9,702.54)                   | (16,050.45)                  |
| <b>Cash Generated from/(used) from operating activities</b>              | <b>97,376.43</b>             | <b>38,708.44</b>             |
| Direct Taxes Paid  | (16,116.16)                  | (1,709.64)                   |
| <b>Cash Generated from/(used) from operating activities (A)</b>          | <b>81,260.27</b>             | <b>36,998.80</b>             |
| <b>B. Cash Flow from Investing Activities</b>                            |                              |                              |
| Purchase of Property, Plant & Equipment, CWIP & Intangible Assets        | (9,262.66)                   | (29,346.18)                  |
| Sale of Property, Plant & Equipment                                      | 174.74                       | 1,382.18                     |
| Purchase of Investments  | (10,013.00)                  | (7,824.00)                   |
| Purchase of Units of Mutual Fund   | (24,000.10)                  | -                            |
| Sale of Units of Mutual Fund   | 17,946.00                    | -                            |
| Investment in term deposit & others bank balance                         | (26.07)                      | (1,637.66)                   |
| Interest Income  | 2,113.37                     | 2,310.37                     |
| <b>Net Cash ( used in) / from Investing Activities (B)</b>               | <b>(23,067.72)</b>           | <b>(35,115.28)</b>           |
| <b>C. Cash Flow from Financing Activities</b>                            |                              |                              |
| Proceeds from Long term Borrowings                                       | 6,349.78                     | 26,220.05                    |
| Repayment of Long term Borrowings  | (11,166.35)                  | (5,717.50)                   |
| Dividend Paid  | (1,282.70)                   | (1,282.70)                   |
| Interim Dividend Paid  | (1,282.70)                   | -                            |
| Corporate Dividend Tax   | (527.44)                     | (263.72)                     |
| Interest Income on Arbitration Claim (Refer note no 31)                  | 3,555.26                     | -                            |
| Lease Payment including interest   | (413.23)                     | -                            |
| Interest Expenses  | (10,388.34)                  | (6,264.21)                   |
| <b>Net Cash ( used in) / from Financing Activities (C)</b>               | <b>(15,155.72)</b>           | <b>12,691.92</b>             |
| <b>Net Cash Increase in cash &amp; Cash equivalents (A+B+C)</b>          | <b>43,036.83</b>             | <b>14,575.44</b>             |
| Cash & Cash equivalents in beginning (Refer note no 15 (i))              | 25,186.76                    | 10,611.32                    |
| <b>Cash &amp; Cash equivalents as at the end (Refer note no 15 (i))</b>  | <b>68,223.59</b>             | <b>25,186.76</b>             |

The accompanying notes form an integral part of the financial statements

As per our report of even date attached.

In terms of our report attached

For S.S.Kothari Mehta &amp; Co.

Chartered Accountants

Firm Registration No. 000756N

On behalf of the Board of Directors

Neeraj Bansal

Partner

Membership No. 95960

Pradeep Kumar Jain

Chairman and Managing Director

DIN: 00086653

Place: Agra

Date: June 24, 2020

Tapan Jain

Company Secretary

M.No.: A22603

Chakresh Kumar Jain

Managing Director and Chief Financial Officer

DIN: 00086768



# STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2020

## A. Equity Share Capital

₹ in Lakhs

| As at<br>31 <sup>st</sup> March, 2019 | Changes during the year | As at<br>31 <sup>st</sup> March, 2020 |
|---------------------------------------|-------------------------|---------------------------------------|
| 5,130.78                              | -                       | *5130.78                              |

| As at<br>31 <sup>st</sup> March, 2018 | Changes during the year | As at<br>31 <sup>st</sup> March, 2019 |
|---------------------------------------|-------------------------|---------------------------------------|
| 5,130.78                              | -                       | *5130.78                              |

## B. Other Equity

₹ in Lakhs

| Particulars  | Reserves & Surplus |                 |                   | Total             |
|--|--------------------|-----------------|-------------------|-------------------|
|  | Securities Premium | General Reserve | Retained Earnings |                   |
| <b>Balance as at April 1, 2019</b>                       | <b>59,009.66</b>   | <b>128.96</b>   | <b>147,250.41</b> | <b>206,389.03</b> |
| Profit for the year                                      | -                  | -               | 46,030.16         | 46,030.16         |
| Other Comprehensive Income                               | -                  | -               | 202.49            | 202.49            |
| <b>Total comprehensive income for the year</b>           | <b>-</b>           | <b>-</b>        | <b>46,232.65</b>  | <b>46,232.65</b>  |
| <b>Transaction with owners in the capacity of owners</b> |                    |                 |                   |                   |
| Dividend Paid  | -                  | -               | 1,282.70          | 1,282.70          |
| Interim Dividend Paid                                    | -                  | -               | 1,282.70          | 1,282.70          |
| Corporate Dividend Tax                                   | -                  | -               | 527.44            | 527.44            |
| <b>Balance as at March 31, 2020**</b>                    | <b>59,009.66</b>   | <b>128.96</b>   | <b>190,390.22</b> | <b>249,528.84</b> |

₹ in Lakhs

| Particulars  | Reserves & Surplus |                 |                   | Total             |
|--|--------------------|-----------------|-------------------|-------------------|
|  | Securities Premium | General Reserve | Retained Earnings |                   |
| <b>Balance as at April 1, 2018</b>                       | <b>59,009.66</b>   | <b>128.96</b>   | <b>116,400.37</b> | <b>175,538.99</b> |
| Profit for the year                                      | -                  | -               | 32,491.22         | 32,491.22         |
| Other Comprehensive Income                               | -                  | -               | (94.77)           | (94.77)           |
| <b>Total comprehensive income for the year</b>           | <b>-</b>           | <b>-</b>        | <b>32,396.45</b>  | <b>32,396.45</b>  |
| <b>Transaction with owners in the capacity of owners</b> |                    |                 |                   |                   |
| Dividend Paid  | -                  | -               | 1,282.70          | 1,282.70          |
| Corporate Dividend Tax                                   | -                  | -               | 263.72            | 263.72            |
| <b>Balance as at March 31, 2019**</b>                    | <b>59,009.66</b>   | <b>128.96</b>   | <b>147,250.41</b> | <b>206,389.03</b> |

The accompanying notes form an integral part of the financial statements

\*For Detail refer Note No. 19

\*\*For Detail refer Note No. 20

### Nature and purposes of Reserves

#### Securities Premium

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

#### General Reserve

This represents appropriation of profit by the company.

#### Retained Earnings

This comprise company's undistributed profit after taxes.

As per our report of even date attached.

In terms of our report attached

**For S.S.Kothari Mehta & Co.**

Chartered Accountants

Firm Registration No. 000756N

**Neeraj Bansal**

Partner

Membership No. 95960

**On behalf of the Board of Directors**

**Pradeep Kumar Jain**

Chairman and Managing Director

DIN: 00086653

**Tapan Jain**

Company Secretary

M.No.: A22603

**Chakresh Kumar Jain**

Managing Director and Chief Financial Officer

DIN: 00086768

Place: Agra

Date: June 24, 2020

# NOTES

to the Financial Statement for the Year ended March 31, 2020

## 1. Company Overview:

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

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

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

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

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

The Standalone financial statements were authorised for issue in accordance with the resolution of the directors on 24<sup>th</sup> June 2020.

## 2. Summary of Significant Accounting Policies

### 2.1 Basis of Preparation

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

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

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

The Standalone financial statements are presented in Indian rupees ('INR') and all values are rounded to

the nearest lakhs and two decimals thereof, except if otherwise stated.

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

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

### 2.2 Interest in Joint Operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. When a company undertakes its activities under joint operations, the company as a joint operator recognises 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 realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- All other assets are classified as non-current.

# NOTES

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2020

A liability is current when:

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

The company classifies all other liabilities as non-current.

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

The operating cycle for the business activities of the Company covers the duration of the project/ contract/ service including the defect liability period, wherever applicable and extends up to the realization of receivables (including retention monies) within the credit period normally applicable to the respective project.

## 2.4 Property Plant & Equipment

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

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

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

## 2.5 Intangible Asset

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

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

## 2.6 Intangible Asset under development

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

## 2.8 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 recognised 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

# NOTES

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2020

or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognized when it becomes unconditional.

Construction Contract: Performance obligation under the construction contracts satisfied over a period of time, since the Company creates an asset that the customer controls as the asset is created and the Company has an enforceable right to payment for performance completed to date if it meets the agreed specifications. With respect to the method for recognising 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 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

# NOTES

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2020

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 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

# NOTES

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2020

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 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.

# NOTES

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2020

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

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

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

### Contingent liabilities and assets

Contingent liabilities are disclosed in respect of possible obligation that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or where any present obligation

# NOTES

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2020

cannot be measured in terms of future outflow of resources or where a reliable estimates of the obligation cannot be made.

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

## 2.22 Financial instruments

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

### Initial recognition

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

### Derecognition:-

#### 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.

#### A. Financial Liability

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



# NOTES

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2020

## 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.

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

# NOTES

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2020

### 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 realisable value of inventories:**

Inventories are stated at the lower of cost and Fair value. In estimating the net realisable 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 31<sup>st</sup> March, 2020

## Note 4: Property, plant & equipment Year ended 31st March 2020

| Particulars                                    | ₹ in Lakhs    |               |                    |                   |                  |                      |                 |               |                         |                  |
|--|---------------|---------------|--------------------|-------------------|------------------|----------------------|-----------------|---------------|-------------------------|------------------|
|  | Freehold Land | Buildings     | Leasehold Property | Plant & equipment | Office equipment | Furniture & fixtures | Vehicles        | Computers     | Temporary Constructions | Total            |
| <b>Gross carrying value</b>                    |               |               |                    |                   |                  |                      |                 |               |                         |                  |
| At April 01, 2019                              | 257.39        | 615.79        | -                  | 78,735.21         | 848.09           | 372.07               | 3,116.72        | 540.41        | 1,535.43                | 86,021.11        |
| Addition during the year                       | 247.54        | -             | 995.46             | 7,863.66          | 158.95           | 21.57                | 509.79          | 65.44         | 1.81                    | 9,864.22         |
| Disposal / Adjustments                         | -             | -             | -                  | 936.96            | 5.04             | 0.48                 | 51.71           | 0.69          | -                       | 1,043.88         |
| <b>At March 31, 2020</b>                       | <b>504.93</b> | <b>615.79</b> | <b>995.46</b>      | <b>85,612.91</b>  | <b>1,002.00</b>  | <b>393.16</b>        | <b>3,574.80</b> | <b>605.16</b> | <b>1,537.24</b>         | <b>94,841.45</b> |
| <b>Accumulated Depreciation</b>                |               |               |                    |                   |                  |                      |                 |               |                         |                  |
| At April 01, 2019                              | -             | 82.91         | -                  | 21,564.20         | 367.81           | 99.21                | 696.68          | 441.58        | 1,417.78                | 24,670.18        |
| Addition during the year                       | -             | 19.58         | 266.89             | 11,254.57         | 137.16           | 42.51                | 404.05          | 107.32        | 111.15                  | 12,343.24        |
| Disposal / Adjustments                         | -             | -             | -                  | 772.65            | 0.50             | 0.09                 | 47.73           | 0.61          | -                       | 821.58           |
| <b>At March 31, 2020</b>                       | <b>-</b>      | <b>102.49</b> | <b>266.89</b>      | <b>32,046.12</b>  | <b>504.47</b>    | <b>141.63</b>        | <b>1,053.00</b> | <b>548.29</b> | <b>1,528.93</b>         | <b>36,191.84</b> |
| <b>Net carrying value as at March 31, 2020</b> | <b>504.93</b> | <b>513.30</b> | <b>728.57</b>      | <b>53,566.78</b>  | <b>497.52</b>    | <b>251.52</b>        | <b>2,521.80</b> | <b>56.87</b>  | <b>8.30</b>             | <b>58,649.61</b> |

## Year ended 31st March 2019

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

### Notes :

- Property, Plant and Equipment hypothecated/ pledged as security except project assets. (Refer Note No.21)
- Borrowing cost capitalized during the periods is Nil. (Previous year is Nil)
- Gross carrying value is based on the net carrying value (Deemed Cost) as on the transition date i.e. 01.04.2015.
- Refer Note No.41 for disclosure of Contractual Commitment for the acquisition of Property, Plant & Equipment.
- Right of use assets includes Land and Building under operative lease in pursuance of Ind AS 116.

**NOTES**to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2020**5 Capital Work In Progress**

₹ in Lakhs

| Particulars                             | Amount        |
|---|---------------|
| <b>Gross Carrying Value</b>             |               |
| Opening Balance as at April 1, 2019     | 620.51        |
| Addition during the year                | 843.18        |
| Capitalized/Adjustments during the year | 1,463.69      |
| <b>As at March 31, 2020</b>             | <b>-</b>      |
| <b>Gross Carrying Value</b>             |               |
| Opening Balance as at April 1, 2018     | 1,113.64      |
| Addition during the year                | 614.41        |
| Capitalized/Adjustments during the year | 1,107.54      |
| <b>As at March 31, 2019</b>             | <b>620.51</b> |

**6 Intangible assets****Year ended March 31, 2020**

₹ in Lakhs

| Particulars                                    | Computer software | Mining Lease | Total         |
|--|-------------------|--------------|---------------|
| <b>Gross carrying value*</b>                   |                   |              |               |
| Opening Balance as at April 1, 2019            | 349.89            | 33.53        | 383.42        |
| Addition during the year                       | 18.95             | -            | 18.95         |
| Disposals/Adjustments                          | 0.02              | -            | 0.02          |
| <b>As at March 31, 2020</b>                    | <b>368.82</b>     | <b>33.53</b> | <b>402.35</b> |
| <b>Accumulated Amortisation</b>                |                   |              |               |
| Opening Balance as at April 1, 2019            | 183.32            | 2.19         | 185.51        |
| For the year                                   | 58.45             | 3.35         | 61.80         |
| Disposals/Adjustments                          | -                 | -            | -             |
| <b>As at March 31, 2020</b>                    | <b>241.77</b>     | <b>5.54</b>  | <b>247.31</b> |
| <b>Net carrying value as at March 31, 2020</b> | <b>127.05</b>     | <b>27.99</b> | <b>155.04</b> |

**Year ended March 31, 2019**

₹ in Lakhs

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

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

# NOTES

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2020

## 7 Investments

₹ in Lakhs

| Particulars  | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|--|---------------------------------------|---------------------------------------|
| <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 Chitrdurga Highways Private Limited of ₹ 10/- each ( Face value ₹ 10/- each)*                         | 0.00                                  | 0.00                                  |
| 10 Equity shares (Previous Year 10) of PNC Khujrao Highways Private Limited of ₹ 10/- each ( Face value ₹ 10/- each)*                            | 0.00                                  | 0.00                                  |
| 50,00,000 Equity shares (Previous Year 50,00,000) of PNC Bareilly Nainital Highways Private Limited of ₹ 10/- each ( Face value ₹ 10/- each)     | 500.00                                | 500.00                                |
| 50,000 Equity shares (Previous Year 50,000) of PNC Infra Holdings Limited of ₹ 10/- each ( Face value ₹ 10/- each)                               | 5.00                                  | 5.00                                  |
| 12,76,44,788 Equity shares (Previous Year 10,76,18,788) of PNC Infra Holdings Limited acquired of ₹ 50/- each ( Face value ₹ 10/- each)          | 63,822.40                             | 53,809.40                             |
| 10 Equity shares (Previous Year 10) of PNC Triveni Sangam Highways Private Limited of ₹ 10/- each ( Face value ₹ 10/- each)*                     | 0.00                                  | 0.00                                  |
| 10 Equity shares (Previous Year 10) of PNC Rajasthan Highways Private Limited of ₹ 10/- each ( Face value ₹ 10/- each)*                          | 0.00                                  | 0.00                                  |
| 10 Equity shares (Previous Year Nil) of PNC Challakere Karnataka Highways Private Limited of ₹ 10/- each ( Face value ₹ 10/- each)*              | 0.00                                  | 0.00                                  |
| 10 Equity shares (Previous Year Nil) of PNC Aligarh Highways Private Limited of ₹ 10/- each ( Face value ₹ 10/- each)*                           | 0.00                                  | 0.00                                  |
| 5,100 Equity shares (Previous Year 5,100) of Ferrovia Transrail Solutions Private Limited of ₹ 10/- each ( Face value ₹ 10/- each)               | 0.51                                  | 0.51                                  |
| 10 Equity shares (Previous Year 10) of PNC Kanpur Ayodhya Tollways Private Limited of ₹ 10/- each ( Face value ₹ 10/- each)*                     | 0.00                                  | 0.00                                  |
| Investment in Subsidiaries (A)   | 64,327.91                             | 54,314.91                             |
| <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                              |
| <b>Investment in Associates (B)</b>  | <b>2,932.40</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>67,315.85</b>                      | <b>57,302.85</b>                      |

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

₹ in Lakhs

| Particulars   | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|---|---------------------------------------|---------------------------------------|
| Aggregate book value of quoted investments            | -                                     | -                                     |
| Aggregate market value of quoted investments          | -                                     | -                                     |
| Aggregate book value of unquoted investments          | 67,315.85                             | 57,302.85                             |
| Aggregate amount of impairment in value of investment | -                                     | -                                     |
|   | <b>67,315.85</b>                      | <b>57,302.85</b>                      |

## NOTES

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2020

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                        | As at                        |
|--|--------------|------------------------------|------------------------------|
|  |              | 31 <sup>st</sup> March, 2020 | 31 <sup>st</sup> March, 2019 |
| PNC Bareilly Nainital Highways Pvt. Ltd.       | Subsidiaries | 2,550,000                    | 2,550,000                    |
| Ghaziabad Aligarh Expressway Private Limited** | Associates   | 14,955,240                   | 14,955,240                   |

\*\*The Company had entered into a Share Purchase Agreement (SPA) with Cube Highways & Infrastructure Pte. Ltd. for sale of 35% stake jointly held by the Company along with its wholly owned subsidiary, PNC Infra Holdings Limited in Ghaziabad Aligarh Expressway Private Limited, Concessionaire (SPV) for 'Four Laning of Ghaziabad - Aligarh Section of NH-91 BOT (Toll) Project in Uttar Pradesh along with the other partners/promoters of SPV on May 04, 2019 subject to applicable regulatory and other approvals and fulfilment of certain conditions by the Parties for closure of the deal within a total period of 12 months from the date of agreement. However, the said SPA stood lapsed, as the validity of the SPA expired before the closure of the deal and the Parties have decided not to extend the validity further.

Now, the Company along with its' co-promoters is in the advanced stage of discussions with another prospective investor, who has evinced interest in the project asset, to move ahead in the process of divestment.

## 8 Loans

₹ in Lakhs

| Particulars   | As at                        | As at                        |
|---|------------------------------|------------------------------|
|   | 31 <sup>st</sup> March, 2020 | 31 <sup>st</sup> March, 2019 |
| <b>Unsecured and considered good- unless otherwise stated</b> |                              |                              |
| <b>Loans</b>  |                              |                              |
| - Related Party*  | 23,635.00                    | 12,340.00                    |
|   | <b>23,635.00</b>             | <b>12,340.00</b>             |

₹ in Lakhs

| Particulars  | As at                        | As at                        |
|--|------------------------------|------------------------------|
|  | 31 <sup>st</sup> March, 2020 | 31 <sup>st</sup> March, 2019 |
| Loan Receivable considered good-secured            | -                            | -                            |
| Loan Receivable considered good-un secured         | 23,635.00                    | 12,340.00                    |
| Loan Receivable which have increase in credit risk | -                            | -                            |
| Credit Impaired                                    | -                            | -                            |

\*The Company has given unsecured loan to its subsidiaries in lieu of equity of ₹ 23,635.00 lakhs (P.Y. ₹ 12,340.00 lakhs) which is non interest bearing.

\* For details refer Note 43

## 9 Other Financial assets

₹ in Lakhs

| Particulars  | As at                        | As at                        |
|--|------------------------------|------------------------------|
|  | 31 <sup>st</sup> March, 2020 | 31 <sup>st</sup> March, 2019 |
| <b>Terms Deposits (having maturity of more than 12 months)*</b>  |                              |                              |
| - Term deposits as margin money for bank guarantees              | 106.30                       | 113.72                       |
| - Earnest money deposits (in the form of term deposits, NSC etc) | 305.05                       | 2.84                         |
| Share Warrants in Ghaziabad Aligarh Expressway Pvt Ltd (GAEPL)#  | -                            | 8,754.83                     |
| <b>Advances other than capital advances</b>                      |                              |                              |
| - Security deposits and Retention Money                          |                              |                              |
| a. Held with departments   | 8,944.62                     | 10,321.19                    |
| b. Held with related party**                                     | 1,974.91                     | 824.23                       |
| c. Others  | 67.13                        | 67.13                        |
|  | <b>11,398.01</b>             | <b>20,083.94</b>             |

\* For details refer Note 15

# Pursuant of agreement dated 12th March, 2020 with GAEPL and Board approval, the said share warrants has converted to subordinate debt at par on similar commercial terms and conditions as that of the warrants.

\*\* For details refer Note 43

# NOTES

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2020

## 10 Deferred Tax Assets/(Liabilities)

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

₹ in Lakhs

| Particulars                                  | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|--|---------------------------------------|---------------------------------------|
| <b>(a) Deferred Tax Assets/(Liabilities)</b> |                                       |                                       |
| Fixed Assets                                 | 97.53                                 | (362.09)                              |
| Retention Assets                             | (80.76)                               | 139.58                                |
| Retention Liabilities                        | (403.33)                              | 326.04                                |
| Deferred Retention Liabilities               | 712.54                                | (324.15)                              |
| Deferred Retention Assets                    | (55.63)                               | (136.96)                              |
| Gratuity & Leave encashment                  | 377.85                                | 408.47                                |
| Lease Liability                              | 237.95                                | -                                     |
| Mat Credit Entitlement                       | 11,259.89                             | 16682.79                              |
| <b>Net deferred tax Assets/(Liabilities)</b> | <b>12,146.04</b>                      | <b>16,733.68</b>                      |

### 10.2 Movement in Deferred tax Assets/(Liabilities)

₹ in Lakhs

| Particulars                                  | Property,<br>plant &<br>equipment | Retention<br>Assets | Retention<br>Liabilities | MAT Credit<br>Entitlement | Lease<br>Liability | Deferred<br>Retention<br>Liabilities | Deferred<br>Retention<br>Assets | Gratuity<br>& Leave<br>encashment | Total            |
|--|-----------------------------------|---------------------|--------------------------|---------------------------|--------------------|--------------------------------------|---------------------------------|-----------------------------------|------------------|
| <b>At April 1, 2019</b>                      | <b>(362.09)</b>                   | <b>139.58</b>       | <b>326.04</b>            | <b>16,682.79</b>          | <b>-</b>           | <b>(324.15)</b>                      | <b>(136.96)</b>                 | <b>408.47</b>                     | <b>16,733.68</b> |
| (Charged)/credited:-                         |                                   |                     |                          |                           |                    |                                      |                                 |                                   |                  |
| - to profit & loss                           | 459.62                            | (220.34)            | (729.37)                 | -                         | 237.95             | 1,036.69                             | 81.33                           | 78.15                             | 944.03           |
| - to Other Comprehensive<br>Income           | -                                 | -                   | -                        | -                         | -                  | -                                    | -                               | (108.77)                          | (108.77)         |
| - to Mat Credit Availability/<br>Utilisation | -                                 | -                   | -                        | (5,422.90)                | -                  | -                                    | -                               | -                                 | (5,422.90)       |
| <b>At March 31, 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>377.85</b>                     | <b>12,146.04</b> |
| At April 1, 2018                             | (57.53)                           | 125.24              | (57.82)                  | 16,162.12                 | -                  | 56.87                                | (119.54)                        | 256.17                            | 16,365.51        |
| (Charged)/credited:-                         |                                   |                     |                          |                           |                    |                                      |                                 |                                   |                  |
| - to profit & loss                           | (304.56)                          | 14.34               | 383.86                   | -                         | -                  | (381.02)                             | (17.42)                         | 101.40                            | (203.40)         |
| - to Other Comprehensive<br>Income           | -                                 | -                   | -                        | -                         | -                  | -                                    | -                               | 50.90                             | 50.90            |
| - to Mat Credit Availability/<br>Utilisation | -                                 | -                   | -                        | 520.67                    | -                  | -                                    | -                               | -                                 | 520.67           |
| <b>At March 31, 2019</b>                     | <b>(362.09)</b>                   | <b>139.58</b>       | <b>326.04</b>            | <b>16,682.79</b>          | <b>-</b>           | <b>(324.15)</b>                      | <b>(136.96)</b>                 | <b>408.47</b>                     | <b>16,733.68</b> |

## 11 Other Non Current Assets

₹ in Lakhs

| Particulars                                       | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|---|---------------------------------------|---------------------------------------|
| <b>- Advances other than Capital Advances</b>     |                                       |                                       |
| Balance with Statutory Authorities                | 3,946.06                              | 3,572.39                              |
| <b>- Deferred Retention Money</b>                 |                                       |                                       |
| Held with departments                             | 159.17                                | 391.91                                |
| <b>- Others</b>                                   |                                       |                                       |
| - Advance tax and tax deducted at source*         | 7,430.05                              | 6,825.59                              |
| - Tax and duty deposited under demand             | 697.85                                | 697.85                                |
| - GST Input & GST TDS                             | 5,174.03                              | 2,381.36                              |
| - Mobilization advance to sub-contractors         | 1,096.86                              | 735.85                                |
| - Deferred Share Warrant assets (refer note no 9) | -                                     | 3,050.14                              |
| <b>Total</b>                                      | <b>18,504.02</b>                      | <b>17,655.09</b>                      |

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

# NOTES

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2020

## 12 Inventories

₹ in Lakhs

| Particulars                           | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|---------------------------------------|---------------------------------------|---------------------------------------|
| Raw Materials (Construction Material) | 21,540.75                             | 32,437.12                             |
| Raw Materials in transit              | 118.66                                | 36.75                                 |
| Work-in-progress                      | -                                     | 3,430.83                              |
| Stores and Spares                     | 5,069.52                              | 4,450.38                              |
|                                       | <b>26,728.93</b>                      | <b>40,355.08</b>                      |

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

₹ in Lakhs

| Particulars                    | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|--------------------------------|---------------------------------------|---------------------------------------|
| <b>Raw material</b>            |                                       |                                       |
| Bitumen                        | 383.91                                | 208.80                                |
| Cement                         | 1,455.95                              | 2,139.04                              |
| Steel                          | 7,690.16                              | 6,862.37                              |
| Stone, Grit and Sand           | 8,389.27                              | 18,024.73                             |
| High speed diesel and Fuel oil | 468.66                                | 2,092.84                              |
| Others                         | 3,152.80                              | 3,109.34                              |
|                                | <b>21,540.75</b>                      | <b>32,437.12</b>                      |
| <b>Work-in-progress</b>        |                                       |                                       |
| Road                           | -                                     | 3,430.83                              |
| Airport Runways                | -                                     | -                                     |
|                                | -                                     | <b>3,430.83</b>                       |

## 13 Current Investments

₹ in Lakhs

| Particulars   | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|---|---------------------------------------|---------------------------------------|
| <b>Investments In Mutual Funds</b>                                      |                                       |                                       |
| Kotak Money Market Fund (No. of Unit 91,728.55 ( Previous Year Nil))    | 3,039.04                              | -                                     |
| Kotak Low Duration Fund (No. of Unit 1,23,774.327 ( Previous Year Nil)) | 3,194.92                              | -                                     |
|   | <b>6,233.96</b>                       | -                                     |

₹ in Lakhs

| Particulars   | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|---|---------------------------------------|---------------------------------------|
| Aggregate book value of quoted investments            | 6,233.96                              | -                                     |
| Aggregate market value of quoted investments          | 6,233.96                              | -                                     |
| Aggregate book value of unquoted investments          | -                                     | -                                     |
| Aggregate amount of impairment in value of investment | -                                     | -                                     |

## 14 Trade Receivables

₹ in Lakhs

| Particulars                                       | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|---|---------------------------------------|---------------------------------------|
| <b>Trade Receivable considered good-unsecured</b> |                                       |                                       |
| Related Parties*                                  | 62,194.11                             | 16,767.06                             |
| Other   | 18,157.79                             | 44,776.41                             |
|   | <b>80,351.90</b>                      | <b>61,543.47</b>                      |



# NOTES

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2020

## 14 Trade Receivables (Contd...)

₹ in Lakhs

| Particulars   | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|---|---------------------------------------|---------------------------------------|
| Trade Receivable considered good-secured            | -                                     | -                                     |
| Trade Receivable considered good-un secured         | 80,351.90                             | 61,543.47                             |
| Trade Receivable which have increase in credit risk | -                                     | -                                     |
| Credit Impaired                                     | -                                     | -                                     |

\* For details refer Note 43

## 15(i) Cash & Cash Equivalents

₹ in Lakhs

| Particulars                                     | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|---|---------------------------------------|---------------------------------------|
| <b>Balances with Banks</b>                      |                                       |                                       |
| In Current Account                              | 18,725.63                             | 9,251.78                              |
| Fixed deposits with maturity less than 3 months | 49,345.00                             | 15,800.00                             |
| <b>Cash on hand</b>                             | 152.96                                | 134.98                                |
|   | <b>68,223.59</b>                      | <b>25,186.76</b>                      |

## 15(ii) Other Bank Balances

₹ in Lakhs

| Particulars  | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|--|---------------------------------------|---------------------------------------|
| <b>Fixed Deposit</b>   |                                       |                                       |
| <b>(with maturity less than 3 months maturity)</b>             |                                       |                                       |
| Fixed deposits as Margin money on bank guarantee               | 1,221.40                              | 1,198.45                              |
| Earnest money deposits (in the form of term deposits, NSC etc) | 276.05                                | 291.27                                |
| <b>(with maturity more than 3 months but up to 12 months)</b>  |                                       |                                       |
| Fixed deposits as Margin money on bank guarantee               | 3,935.50                              | 3,944.96                              |
| Earnest Money Deposit  | 347.72                                | 320.43                                |
|  | <b>5,780.67</b>                       | <b>5,755.11</b>                       |
| <b>Current Account</b>   |                                       |                                       |
| Earmarked balances-unclaimed dividend                          | 0.78                                  | 0.27                                  |
|  | <b>5,781.45</b>                       | <b>5,755.38</b>                       |

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

₹ in Lakhs

| Particulars   | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|---|---------------------------------------|---------------------------------------|
| <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 | 5,263.20                              | 5,257.13                              |
| Earnest money (in form of term deposits ) deposits in favour of customers.                | 928.82                                | 614.54                                |
| Add: Interest accrued but not due on margin money & Earnest money deposit                 | 251.53                                | 228.67                                |
| Less: Interest accrued but not due on margin money & Earnest money deposit                | (251.53)                              | (228.67)                              |
| <b>Total Deposits</b>   | <b>6,192.02</b>                       | <b>5,871.67</b>                       |
| <b>Deposit having more than 12 months maturity from reporting date</b>                    |                                       |                                       |
| Fixed Deposits  | 106.30                                | 113.72                                |
| Earnest Money Deposits  | 305.05                                | 2.84                                  |
| <b>Total Non-Current Deposits</b>   | <b>411.35</b>                         | <b>116.56</b>                         |
| <b>Total Current Deposits</b>   | <b>5,780.67</b>                       | <b>5,755.11</b>                       |

**NOTES**to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2020**16 Loans**

₹ in Lakhs

| Particulars   | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|---|---------------------------------------|---------------------------------------|
| <b>Unsecured and considered good- unless otherwise stated</b> |                                       |                                       |
| <b>Loans</b>  |                                       |                                       |
| - Related Party*  | 36,249.44                             | 24,188.29                             |
|   | <b>36,249.44</b>                      | <b>24,188.29</b>                      |

₹ in Lakhs

| Particulars  | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|--|---------------------------------------|---------------------------------------|
| Loan Receivable considered good-secured            | -                                     | -                                     |
| Loan Receivable considered good-un secured         | 25,651.81                             | 16,974.60                             |
| Loan Receivable which have increase in credit risk | 11,412.63                             | 7,546.19                              |
| Credit Impaired                                    | (815.00)                              | (332.50)                              |
|  | <b>36,249.44</b>                      | <b>24,188.29</b>                      |

\*The Company has given unsecured loan to its subsidiaries and associates for financial assistance, out of which ₹ 25,651.81 lakhs (P.Y. ₹ 8597.59 lakhs) is non interest bearing.

\*The Interest rate in case of Interest bearing loan ₹ 11,412.63 lakhs (P.Y. ₹ 15,923.20 lakhs) is 12%.

\*The amount is net off of impairment of ₹ 815.00 Lakhs (P.Y. ₹ 332.50)

\* Pursuant of agreement dated 12th March, 2020 with GAEPL and Board approval, share warrants of ₹ 11,804.97 lakhs has converted to subordinate debt at par on similar commercial terms and conditions as that of the warrants.

\* For details refer Note 43

**17 Other Current Financial assets**

₹ in Lakhs

| Particulars   | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|---|---------------------------------------|---------------------------------------|
| <b>Security deposits and Retention Money</b>                          |                                       |                                       |
| - With Department   | 5,830.31                              | 6,646.60                              |
| - With related parties*   | 3,473.44                              | 2,573.46                              |
| <b>Others</b>   |                                       |                                       |
| -Interest accrued but not due on margin money & Earnest money deposit | 251.53                                | 228.67                                |
|   | <b>9,555.28</b>                       | <b>9,448.73</b>                       |

\* For details refer Note 43

**18 Other Current assets**

₹ in Lakhs

| Particulars   | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|---|---------------------------------------|---------------------------------------|
| <b>Unsecured and considered good- unless otherwise stated</b> |                                       |                                       |
| Balances with Statutory authority                             | 5,658.10                              | 7,288.19                              |
| <b>Advances to supplier/Contractor</b>                        |                                       |                                       |
| Considered good - secure                                      | -                                     | -                                     |
| Considered good - un secure                                   | 7,507.72                              | 8,705.58                              |
| Advance which have increase in credit risk                    | -                                     | -                                     |
| Credit Impaired   | -                                     | -                                     |
| Mobilization advance to sub contractor                        | 1,096.86                              | 735.85                                |
| Other Advances  | 1,834.69                              | 2,064.14                              |
|   | <b>16,097.37</b>                      | <b>18,793.76</b>                      |

# NOTES

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2020

## 19 Share Capital

₹ in Lakhs

| Particulars                                    | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|--|---------------------------------------|---------------------------------------|
| <b>Authorised</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>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 period:

₹ in Lakhs

| Particulars                  | Nos.               | Nos.               |
|------------------------------|--------------------|--------------------|
| Opening                      | 256,539,165        | 256,539,165        |
| Add: Issued during the year  | -                  | -                  |
| Less: Deductions during year | -                  | -                  |
| <b>Closing</b>               | <b>256,539,165</b> | <b>256,539,165</b> |

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

₹ in Lakhs

| Particulars   | As at 31 <sup>st</sup> March, 2020 |            | As at 31 <sup>st</sup> March, 2019 |            |
|---|------------------------------------|------------|------------------------------------|------------|
|   | No of Shares                       | % Holdings | No of Shares                       | % Holdings |
| CN Infrabuild Private Limited (formerly name NCJ Infrastructural Consultants Private Limited) | 25,534,008                         | 9.95       | 25,534,008                         | 9.95       |
| NCJ Infrastructural Private Limited   | 24,765,000                         | 9.65       | 24,765,000                         | 9.65       |
| HDFC Mutual Fund  | 19,837,806                         | 7.73       | 14,971,550                         | 5.84       |
| Naveen Kumar Jain   | 18,096,000                         | 7.05       | 18,096,000                         | 7.05       |
| Madhavi Jain  | 17,998,500                         | 7.02       | 17,998,500                         | 7.02       |
| Yogesh Kumar Jain   | 16,794,000                         | 6.55       | 16,794,000                         | 6.55       |
| Pradeep Kumar Jain  | 15,349,500                         | 5.98       | 15,349,500                         | 5.98       |

### C Rights and restrictions attached to equity shares

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

### D There are no Bonus Shares/ Shares issued for consideration other than cash and Shares brought back during the period of five years.

# NOTES

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2020

## 20 Other Equity

₹ in Lakhs

| Particulars         | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|---------------------|---------------------------------------|---------------------------------------|
| Securities Premium* | 59,009.66                             | 59,009.66                             |
| General Reserve*    | 128.96                                | 128.96                                |
| Retained Earnings*  | 190,390.22                            | 147,250.41                            |
|                     | <b>249,528.84</b>                     | <b>206,389.03</b>                     |

\*Refer Statement of Changes In Equity

### (i) Securities Premium

₹ in Lakhs

| Particulars                | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|----------------------------|---------------------------------------|---------------------------------------|
| Opening Balance            | 59,009.66                             | 59,009.66                             |
| Addition(Issue Of Shares)  | -                                     | -                                     |
| Utilization of the reserve | -                                     | -                                     |
| <b>Closing Balance</b>     | <b>59,009.66</b>                      | <b>59,009.66</b>                      |

### (ii) General Reserve

₹ in Lakhs

| Particulars                 | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|-----------------------------|---------------------------------------|---------------------------------------|
| Opening Balance             | 128.96                                | 128.96                                |
| Addition during the year    | -                                     | -                                     |
| Utilisation during the year | -                                     | -                                     |
| <b>Closing Balance</b>      | <b>128.96</b>                         | <b>128.96</b>                         |

### (iii) Retained Earnings

₹ in Lakhs

| Particulars  | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|--|---------------------------------------|---------------------------------------|
| Opening Balance  | 147,250.41                            | 116,400.37                            |
| Profit for the Period  | 46,030.16                             | 32,491.22                             |
| Remeasurement of Defined Benefit Obligation<br>(This is the item of comprehensive income directly booked in retained earnings) | 202.49                                | (94.77)                               |
| Dividend   | (1,282.70)                            | (1,282.70)                            |
| Interim Dividend   | (1,282.70)                            | -                                     |
| Corporate Dividend Tax   | (527.44)                              | (263.72)                              |
| <b>Closing Balance</b>   | <b>190,390.22</b>                     | <b>147,250.41</b>                     |

#### Nature and purposes of Reserves

##### Securities Premium

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

##### General Reserve

This represents appropriation of profit by the company.

##### Retained Earnings

This comprise company's undistributed profit after taxes.

# NOTES

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2020

## 21 Long Term Borrowings

₹ in Lakhs

| Particulars  | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|--|---------------------------------------|---------------------------------------|
| <b>Secured</b>   |                                       |                                       |
| Term loans -from Banks (For Maturity pattern refer detail below) | 20,017.52                             | 23,308.46                             |
| Term loans -from NBFCs (For Maturity pattern refer detail below) | 2,366.96                              | 5,059.99                              |
|  | <b>22,384.48</b>                      | <b>28,368.45</b>                      |

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

₹ in Lakhs

| Particulars                         |                          | Total Loan<br>Outstanding | Non - Current<br>Maturity | Current<br>Maturity* |
|-------------------------------------|--------------------------|---------------------------|---------------------------|----------------------|
| <b>Term Loan From Banks</b>         |                          |                           |                           |                      |
| Axis Bank                           | <b>At March 31, 2020</b> | <b>5,351.69</b>           | <b>3,279.74</b>           | <b>2,071.95</b>      |
|                                     | At March 31, 2019        | (6,728.00)                | (4,849.38)                | (1,878.62)           |
| HDFC Bank                           | <b>At March 31, 2020</b> | <b>11,812.74</b>          | <b>8,340.44</b>           | <b>3,472.30</b>      |
|                                     | At March 31, 2019        | (12,365.32)               | (9,488.20)                | (2,877.12)           |
| ICICI Bank                          | <b>At March 31, 2020</b> | <b>-</b>                  | <b>-</b>                  | <b>-</b>             |
|                                     | At March 31, 2019        | (3.16)                    | -                         | (3.16)               |
| Yes Bank                            | <b>At March 31, 2020</b> | <b>2,121.25</b>           | <b>1,437.68</b>           | <b>683.57</b>        |
|                                     | At March 31, 2019        | (1,559.72)                | (1,150.88)                | (408.84)             |
| IDFC First Bank Ltd                 | <b>At March 31, 2020</b> | <b>707.82</b>             | <b>473.42</b>             | <b>234.40</b>        |
|                                     | At March 31, 2019        | (920.66)                  | (707.81)                  | (212.85)             |
| Indusind Bank Ltd                   | <b>At March 31, 2020</b> | <b>3,219.38</b>           | <b>2,270.79</b>           | <b>948.59</b>        |
|                                     | At March 31, 2019        | (1,791.76)                | (1,420.98)                | (370.78)             |
| Kotak Mahindra Bank Ltd             | <b>At March 31, 2020</b> | <b>5,758.81</b>           | <b>4,215.45</b>           | <b>1,543.36</b>      |
|                                     | At March 31, 2019        | (7,169.86)                | (5,691.21)                | (1,478.65)           |
| <b>Term Loan From NBFCs</b>         |                          |                           |                           |                      |
| Kotak Prime Ltd                     | <b>At March 31, 2020</b> | <b>6.57</b>               | <b>-</b>                  | <b>6.57</b>          |
|                                     | At March 31, 2019        | (25.24)                   | (6.57)                    | (18.67)              |
| Hinduja Leyland Finance Ltd         | <b>At March 31, 2020</b> | <b>814.62</b>             | <b>508.11</b>             | <b>306.51</b>        |
|                                     | At March 31, 2019        | (1,099.17)                | (816.83)                  | (282.34)             |
| Tata Capital Financial Services Ltd | <b>At March 31, 2020</b> | <b>1,712.94</b>           | <b>1,047.14</b>           | <b>665.80</b>        |
|                                     | At March 31, 2019        | (2,573.68)                | (1,712.93)                | (860.75)             |
| Tata Motor Finance Ltd              | <b>At March 31, 2020</b> | <b>1,151.02</b>           | <b>811.71</b>             | <b>339.31</b>        |
|                                     | At March 31, 2019        | (1,456.84)                | (1,151.02)                | (305.82)             |
| SREI Equipment Finance Limited      | <b>At March 31, 2020</b> | <b>-</b>                  | <b>-</b>                  | <b>-</b>             |
|                                     | At March 31, 2019        | (1,780.00)                | (1,372.64)                | (407.36)             |
|                                     |                          | <b>32,656.84</b>          | <b>22,384.48</b>          | <b>10,272.36</b>     |
|                                     |                          | <b>(37,473.41)</b>        | <b>(28,368.45)</b>        | <b>(9,104.96)</b>    |

- (i) The above loans are secured by way of hypothecation of asset financed out of said loans.
- (ii) The above loans are repayable in equitable monthly installment over the period of loan.
- (iii) Above Loans carrying Interest rate ranging 8.70% to 9.50%
- (iv) Figures in brackets represents previous year figures.

# NOTES

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2020

## 22 Other financial liabilities excluding provisions

₹ in Lakhs

| Particulars                                 | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|---|---------------------------------------|---------------------------------------|
| Retentions & Security Deposit               | 20,228.83                             | 11,098.24                             |
| Security received from contractor/suppliers | 47.06                                 | 42.82                                 |
| Lease Liability                             | 680.94                                | -                                     |
|   | <b>20,956.83</b>                      | <b>11,141.06</b>                      |

## 23 Provisions

₹ in Lakhs

| Particulars                               | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|---|---------------------------------------|---------------------------------------|
| Employee Benefits*                        |                                       |                                       |
| Provision for Gratuity (Funded)           | 497.51                                | 608.20                                |
| Provision for Leave Encashment (Unfunded) | 194.72                                | 276.00                                |
|   | <b>692.23</b>                         | <b>884.20</b>                         |

\*For details refer Note No.44

## 24 Other Non current Liabilities

₹ in Lakhs

| Particulars                            | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|--|---------------------------------------|---------------------------------------|
| Deferred Retentions & Security deposit | 2,039.07                              | 927.64                                |
| Advances from customers                |                                       |                                       |
| Related Parties*                       | 20,279.11                             | 8,637.36                              |
| Others                                 | 21,357.42                             | 16,321.13                             |
|  | <b>43,675.60</b>                      | <b>25,886.13</b>                      |

\*For details refer Note No.43

## 25 Borrowings

₹ in Lakhs

| Particulars                  | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|------------------------------|---------------------------------------|---------------------------------------|
| <b>Secured</b>               |                                       |                                       |
| <b>Working Capital Loans</b> |                                       |                                       |
| From banks                   | -                                     | -                                     |
|                              | -                                     | -                                     |

# NOTES

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2020

## 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.   |

## 26 Trade Payables

₹ in Lakhs

| Particulars                                 | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|---|---------------------------------------|---------------------------------------|
| Micro & Small Enterprises (Refer note 26.1) | 1,210.50                              | 375.49                                |
| Other than Micro & Small Enterprises        | 45,539.99                             | 46,998.88                             |
|   | <b>46,750.49</b>                      | <b>47,374.37</b>                      |

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

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

₹ in Lakhs

| Particulars   | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|---|---------------------------------------|---------------------------------------|
| - Principal amount due to suppliers   | 1,210.50                              | 375.49                                |
| - Interest accrued due to suppliers on the above amount and unpaid.   | -                                     | -                                     |
| - The amount of interest paid by the company in terms of Section 16 of the MSMED Act 2006, along with the amount of the 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,untill such date when the interest dues above are actually paid to small enterprise, for the purpose of disallowance of a deductible expenditure u/s 23 of MSMED Act, 2006 | -                                     | -                                     |

**NOTES**to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2020**27 Other financial liabilities excluding provisions**

₹ in Lakhs

| Particulars                                    | Notes                | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|--|----------------------|---------------------------------------|---------------------------------------|
| <b>A. Current Maturities of long term debt</b> |                      |                                       |                                       |
| - Term Loan From Banks*                        |                      | 8,954.17                              | 7,230.02                              |
| - Term Loan From NBFC'S*                       |                      | 1,318.19                              | 1,874.94                              |
|  | <b>Sub Total (A)</b> | <b>10,272.36</b>                      | <b>9,104.96</b>                       |
| <b>B. Others</b>                               |                      |                                       |                                       |
| Capital creditors                              |                      | 1,587.04                              | 6,809.76                              |
| Due to Employees                               |                      | 1,085.55                              | 1,989.67                              |
| Retention Money                                |                      | 6,046.70                              | 6,089.95                              |
| Unpaid Dividend                                |                      | 0.71                                  | 0.16                                  |
| Expenses payable                               |                      | 4,482.28                              | 4,773.45                              |
|  | <b>Sub Total (B)</b> | <b>13,202.28</b>                      | <b>19,662.99</b>                      |
| <b>Total</b>                                   | <b>Total (A+B)</b>   | <b>23,474.64</b>                      | <b>28,767.95</b>                      |

\*For Detail refer Note No. 21

**28 Other Current Liabilities**

₹ in Lakhs

| Particulars                              | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|--|---------------------------------------|---------------------------------------|
| <b>- Other Advances</b>                  |                                       |                                       |
| Advances from Customers                  |                                       |                                       |
| Related Parties*                         | 13,519.40                             | 5,758.24                              |
| Others                                   | 14,238.28                             | 10,880.75                             |
| Dividend Payable                         | 0.07                                  | 0.17                                  |
| <b>- Payable to Government Authority</b> |                                       |                                       |
| a. ESI / PF Payable                      | 40.60                                 | 39.86                                 |
| b. TDS Payable                           | 240.96                                | 649.77                                |
| d. Others                                | 3.22                                  | 0.88                                  |
|  | <b>28,042.53</b>                      | <b>17,329.67</b>                      |

\*For Detail refer Note No. 43

**29 Provisions**

₹ in Lakhs

| Particulars                               | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|---|---------------------------------------|---------------------------------------|
| Employee Benefits*                        |                                       |                                       |
| Provision for Gratuity (Funded)           | 313.09                                | 215.72                                |
| Provision for Leave Encashment (Unfunded) | 75.98                                 | 69.02                                 |
|   | <b>389.07</b>                         | <b>284.74</b>                         |

\*For details refer Note No. 44



# NOTES

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2020

## 30 REVENUE FROM OPERATIONS

₹ in Lakhs

| Particulars                     | Year ended<br>31 <sup>st</sup> March, 2020 | Year ended<br>31 <sup>st</sup> March, 2019 |
|---------------------------------|--|--|
| Contract Revenue*               | 487,619.56                                 | 308,275.33                                 |
| <b>Other Operating Revenues</b> |  |  |
| (a) Sale of material            | 138.47                                     | 1,288.20                                   |
| (b) Sale of scrap material      | 35.02                                      | 123.78                                     |
|                                 | <b>487,793.05</b>                          | <b>309,687.31</b>                          |

\*During the F.Y. 2019-20 Arbitration Award of ₹ 10948.40 Lakhs received from NH-24 Moradabad. (Previous year is ₹ 164.35 Lakhs from AFS Jorhat)

### Bifurcation of Contract Revenue are as under:

₹ in Lakhs

| Particulars             | Year ended<br>31 <sup>st</sup> March, 2020 | Year ended<br>31 <sup>st</sup> March, 2019 |
|-------------------------|--|--|
| <b>Contract Revenue</b> |  |  |
| Road                    | 485,599.25                                 | 295,722.72                                 |
| Airport Runways         | 1,941.39                                   | 9,515.32                                   |
| Power Projects          | 78.92                                      | 102.37                                     |
| Others                  | -  | 2,934.92                                   |
|                         | <b>487,619.56</b>                          | <b>308,275.33</b>                          |

## 31 OTHER INCOME

₹ in Lakhs

| Particulars   | Year ended<br>31 <sup>st</sup> March, 2020 | Year ended<br>31 <sup>st</sup> March, 2019 |
|---|--|--|
| <b>Interest Income:</b>   |  |  |
| From Bank   | 1,216.91                                   | 461.95                                     |
| From Others*  | 4,730.90                                   | 1,889.52                                   |
| Profit/ Loss on Sale of Fixed Asset (Net)   | -  | 1,264.57                                   |
| Profit/ Loss on Redemption of Units of Mutual Fund (Net)  | 179.86                                     | -  |
| Profit/ Loss on Fair valuation of Units of Mutual Fund (Net)  | 54.00                                      | -  |
| Other non-operating income (Net of expenses )<br>(including income arising on account of fair valuation of Retention money) | 2,666.71                                   | 687.75                                     |
|   | <b>8,848.38</b>                            | <b>4,303.79</b>                            |

\*Includes Interest on Arbitration Award of ₹ 3555.26 Lakhs from NH-24 Moradabad. (Previous year is Nil)

## 32 COST OF MATERIALS CONSUMED

₹ in Lakhs

| Particulars                       | Year ended<br>31 <sup>st</sup> March, 2020 | Year ended<br>31 <sup>st</sup> March, 2019 |
|-----------------------------------|--|--|
| <b>Cost of Materials Consumed</b> | <b>216,105.37</b>                          | <b>145,931.91</b>                          |

# NOTES

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2020

## 33 EMPLOYEE BENEFIT EXPENSE

₹ in Lakhs

| Particulars                                   | Year ended<br>31 <sup>st</sup> March, 2020 | Year ended<br>31 <sup>st</sup> March, 2019 |
|---|--|--|
| Salaries, Wages and Bonus                     | 25,878.03                                  | 18,688.55                                  |
| Contributions to Provident fund & other funds | 518.76                                     | 485.71                                     |
| Workmen and Staff welfare expenses            | 114.25                                     | 58.64                                      |
|   | <b>26,511.04</b>                           | <b>19,232.90</b>                           |

## 34 FINANCE COSTS

₹ in Lakhs

| Particulars                 | Year ended<br>31 <sup>st</sup> March, 2020 | Year ended<br>31 <sup>st</sup> March, 2019 |
|-----------------------------|--|--|
| <b>Interest expense on:</b> |  |  |
| Loan                        | 8,729.11                                   | 5,199.18                                   |
| Retention                   | 952.96                                     | 145.20                                     |
| Lease Liability             | 98.71                                      | -  |
| Loan Processing Charges     | 82.07                                      | 54.96                                      |
| Guarantee Charges           | 1,577.16                                   | 1,010.07                                   |
|                             | <b>11,440.01</b>                           | <b>6,409.41</b>                            |

## 35 DEPRECIATION AND AMORTIZATION EXPENSE

₹ in Lakhs

| Particulars                               | Year ended<br>31 <sup>st</sup> March, 2020 | Year ended<br>31 <sup>st</sup> March, 2019 |
|---|--|--|
| Depreciation on Tangible Assets           | 12,343.23                                  | 8,756.64                                   |
| Amortization on Intangible Assets         | 61.80                                      | 57.55                                      |
| Amortization of Deferred Retention Assets | 232.74                                     | 410.14                                     |
|   | <b>12,637.77</b>                           | <b>9,224.33</b>                            |

## 36 OTHER EXPENSES

₹ in Lakhs

| Particulars                            | Year ended<br>31 <sup>st</sup> March, 2020 | Year ended<br>31 <sup>st</sup> March, 2019 |
|--|--|--|
| Consumption of Stores and Spare parts* | 7,075.10                                   | 4,920.97                                   |
| Power & Fuel                           | 785.00                                     | 519.51                                     |
| Contract Paid                          | 120,990.69                                 | 65,463.16                                  |
| Hire Charges of Machineries            | 1,963.80                                   | 845.30                                     |
| Other Construction expenses            | 5,547.72                                   | 2,335.49                                   |
| Rent                                   | 476.35                                     | 924.60                                     |
| Insurance                              | 984.17                                     | 718.70                                     |
| Repairs to Buildings                   | 35.78                                      | 47.88                                      |
| Travelling and Conveyance              | 415.31                                     | 374.89                                     |
| Legal & Professional Expenses          | 947.93                                     | 762.71                                     |
| Rates and Taxes**                      | 27,174.86                                  | 19,586.25                                  |

# NOTES

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2020

₹ in Lakhs

| Particulars                            | Year ended<br>31 <sup>st</sup> March, 2020 | Year ended<br>31 <sup>st</sup> March, 2019 |
|--|--|--|
| Auditor's Remuneration***              | 29.00                                      | 30.56                                      |
| Tender & Survey Expenses               | 60.62                                      | 145.12                                     |
| Director's Sitting fees                | 7.70                                       | 6.50                                       |
| Corporate Social Responsibility#       | 515.27                                     | 432.90                                     |
| Impairment Allowance for advances      | 482.50                                     | 332.50                                     |
| Loss on Disposal of Fixed assets (Net) | 47.56                                      | -  |
| Contribution to Political Party        | -  | 500.00                                     |
| Miscellaneous and General Expenses**** | 1,205.59                                   | 841.25                                     |
|  | <b>168,744.95</b>                          | <b>98,788.29</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 ₹ 22,238.36 lakhs (Previous year ₹ 17,415.34 lakhs)

₹ in Lakhs

| Particulars                       | Year ended<br>31 <sup>st</sup> March, 2020 | Year ended<br>31 <sup>st</sup> March, 2019 |
|-----------------------------------|--|--|
| *** Auditor Remuneration includes |  |  |
| Audit Fees                        | 29.00                                      | 29.00                                      |
| For Reimbursement of Expenses     | -  | 1.56                                       |

\*\*\*\*Includes Foreign Exchange Loss of ₹ 168.72 lakhs.(Previous year Foreign Exchange Gain ₹ 275.10 lakhs)

# Corporate Social Responsibility

The Company planned towards CSR activities at least two per cent of the average net profits of the company made during the three immediately preceding financial years. Accordingly Company was required to spend ₹ 514.60 Lakhs (P.Y. ₹ 420.00 lakhs) for the Financial Year 2019-20 and Company has spent ₹ 515.27 (P.Y. ₹ 432.90 )Lakhs.

## 37 Tax Expense

### A. Income Tax Expenses

₹ in Lakhs

| Particulars                                     | Year ended<br>31 <sup>st</sup> March, 2020 | Year ended<br>31 <sup>st</sup> March, 2019 |
|---|--|--|
| <b>(a) Current tax</b>                          |  |  |
| Current tax on profit for the period            | 16,108.79                                  | 8,287.77                                   |
| Adjustments for current tax of prior periods    | 7.37                                       | (6,578.13)                                 |
| <b>Total Current tax expense</b>                | <b>16,116.16</b>                           | <b>1,709.64</b>                            |
| <b>(b) Deferred tax</b>                         |  |  |
| Decrease (increase) in deferred tax assets      | (1,893.74)                                 | (499.60)                                   |
| (Decrease) increase in deferred tax Liabilities | 949.71                                     | 703.00                                     |
| <b>Total Deferred Tax Expenses</b>              | <b>(944.03)</b>                            | <b>203.40</b>                              |
| <b>Total Income tax Expense</b>                 | <b>15,172.13</b>                           | <b>1,913.04</b>                            |

**NOTES**to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2020**B. Reconciliation of tax expense and accounting profit multiplied by India's tax rate:**

₹ in Lakhs

| Particulars   | Year ended<br>31 <sup>st</sup> March, 2020 | Year ended<br>31 <sup>st</sup> March, 2019 |
|---|--|--|
| Profit before tax   | 61,202.29                                  | 34,404.26                                  |
| <b>Tax at Indian tax rate of 34.944% (F.Y. 2018-19-34.944%)</b> | <b>21,386.53</b>                           | <b>12,022.22</b>                           |
| Tax Adjustments for earlier years                               |  |  |
| Current Tax   | 7.37                                       | (6,578.13)                                 |
| <b>Others:</b>  |  |  |
| Income Tax Exempt under Tax Holiday                             | (6,568.85)                                 | (3,930.36)                                 |
| Expenses not allowed for tax purposes                           | 1,291.11                                   | 195.90                                     |
| Decrease (Increase) in deferred tax assets/Liabilities          |  |  |
| Retention & Deferred Retention Assets                           | 139.01                                     | 3.08                                       |
| Retention & Deferred Retention Liabilities                      | (307.32)                                   | (2.84)                                     |
| Lease Liability   | (237.95)                                   | -  |
| Gratuity & Leave encashment                                     | (78.15)                                    | (101.40)                                   |
| Property, plant & equipment                                     | (459.62)                                   | 304.56                                     |
| <b>Income Tax expenses Charged to P/L</b>                       | <b>15,172.13</b>                           | <b>1,913.04</b>                            |

**38 Earning Per Share**

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

₹ in Lakhs

| Particulars   | Year ended<br>31 <sup>st</sup> March, 2020 | Year ended<br>31 <sup>st</sup> March, 2019 |
|---|--|--|
| (a) Profit/(Loss) available to Equity Shareholders (₹ In lakhs) | 46,030.16                                  | 32,491.22                                  |
| (b) Weighted Average Number of Equity Shares                    | 256,539,165                                | 256,539,165                                |
| (c) Nominal value of Equity Shares (in ₹)                       | 2.00                                       | 2.00                                       |
| (d) Basic and Diluted Earnings Per Share [(a)/(b)]              | 17.94                                      | 12.67                                      |

**39 CONTINGENT LIABILITIES & ASSETS**

₹ in Lakhs

| Particulars  | Year ended<br>31 <sup>st</sup> March, 2020 | Year ended<br>31 <sup>st</sup> March, 2019 |
|--|--|--|
| Claims against the Company not acknowledged as debts   |  |  |
| Disputed demand of Income Tax for A.Y. 2010-11. (During the Previous Year Disputed demand of Income Tax (includes, net of advance tax & TDS under verification, adjusted from demand of ₹ 33.51 crore arised in assessment of search proceedings up to AY 2012-13) for which company has won the appeal, but Department has filed appeal with Hon. High Court) | 645.81                                     | 645.81                                     |
| Disputed demand of Sales Tax/VAT/GST for which company preferred appeal  | 9,835.99                                   | 9,870.06                                   |
| Disputed demand of Service Tax for which company preferred appeal  | 192.76                                     | 572.57                                     |
| Disputed demand of Entry Tax for which company preferred appeal  | 592.79                                     | 592.79                                     |
| Others (including motor accident, labour & civil matters)  | 396.04                                     | 421.04                                     |
| (Interest and penalties if any, on above cases will be decided at the time of settlement)  |  |  |

# NOTES

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2020

## 39.1 The status of various project claims in arbitrations is as under:

- (a) The company had initiated arbitral proceedings against the Uttar Pradesh Public Works Department (UP PWD) for compensation for ₹ 851.31 lakhs (including interest) towards extra cost incurred on procurement of different material, distant source in relation to the project "rehabilitation Road (Gomat) under Uttar Pradesh State Road Project. The arbitral Tribunal has pronounced its unanimous award dt. March 07, 2014 for ₹ 702.31 lakhs (including interest) in favors of the Company. The respondent UP PWD has preferred objection against the aforesaid award before the Distt. Judge Mathura and the case is still pending with Hon. Distt. Judge Mathura. 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 (including interest). The arbitral Tribunal has pronounced its unanimous award dt. 03.02.2019 for ₹ 3091.00 lakhs in favors of the Company. The respondent HSRDC has challenged this award with Distt. Judge , Chandigarh and the case is still pending with Distt. Judge Chandigarh. Treatment of the same will be done on final settlement.
- (c) Further, the Company has filed Six arbitration claims including claims for delay damages and interest which are pending at arbitration stage. The same will be accounted for on final settlement.

## 40 Guarantees

₹ in Lakhs

| Particulars   | Year ended<br>31 <sup>st</sup> March, 2020 | Year ended<br>31 <sup>st</sup> March, 2019 |
|---|--|--|
| (i) Bank Guarantees - Executed in favour of National Highways Authority of India and others   | 254,239.85                                 | 245,456.76                                 |
| (ii) Corporate guarantee -<br>- The outstanding liability at reporting date against the corporate guarantee of ₹ 20500.00 Lakhs issued in favour of bank , jointly & severally along-with of promoter of the associates and further indemnified by another promoter to the extent of its shareholding for credit facilities extended to an associate ( the entire share capital of which is held by Company and the said two promoter)* | 6,928.25                                   | 8,641.85                                   |

\* For details refer Note 43

## 41 Commitments

₹ in Lakhs

| Particulars   | Year ended<br>31 <sup>st</sup> March, 2020 | Year ended<br>31 <sup>st</sup> March, 2019 |
|---|--|--|
| (a) Estimated amount of contracts remaining to be executed on capital account and not provided for. | 216.79                                     | 7,911.12                                   |
| (b) Capital Commitment for Equity and others (Net of Investment)*                                   |  |  |
| PNC Rajasthan highways Private Limited  | -  | 642.00                                     |
| PNC Chitradurga Highways Pvt Ltd  | 4,501.00                                   | 5,201.00                                   |
| PNC Bundelkhand Highways Pvt Ltd  | 3,000.00                                   | 6,400.00                                   |
| PNC Khajuraho Highways Pvt Ltd  | 3,910.00                                   | 6,110.00                                   |
| PNC Triveni Sangam Highways Pvt Ltd   | 11,555.00                                  | 18,885.00                                  |
| PNC Aligarh Highways Pvt Ltd  | 6,275.00                                   | 12,175.00                                  |
| PNC Challakere Highways Pvt Ltd   | 10,200.00                                  | 10,675.00                                  |

\* For details refer Note 43

**NOTES**to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2020**42 Disclosure pursuant to Indian Accounting Standard-115 " Revenue form Contracts"**

₹ in Lakhs

|  |                                    |
|--|------------------------------------|
| (a) Type of Goods or Service               | Construction Services              |
| (b) Geographical Region                    | India                              |
| (c) Market or Type of Customer             | Government and Non-Government      |
| (d) Type of Contract                       | Fixed-price Construction Contracts |
| (e) Contract Duration                      | Long-term Contracts                |
| (f) Timing of transfer of goods or service | Transferred over time              |
| (g) Sales Channels                         | Directly to consumers              |
| (h) Opening Trade receivables              | ₹ 61,543.47 (In Lakhs)             |
| (i) Closing Trade receivables              | ₹ 80,351.90 (In Lakhs)             |
| (j) Contract Assets                        | Nil                                |
| (k) Contract Liabilities                   | Nil                                |

**43 Related Party Disclosures**

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

**A. List of Related Parties and Relationships****Subsidiaries (The Ownership Directly or Indirectly through subsidiaries)**

- 1 MP Highways Private Limited
- 2 PNC Kanpur Highways Limited
- 3 PNC Delhi Industrialinfra Private Limited.
- 4 Hospet Bellary Highways Private Limited. (Up to 19.03.2020)
- 5 PNC Infra Holdings Limited
- 6 Ferrovia Transrail Solutions Private Limited
- 7 PNC Kanpur Ayodhya Tollways Private Limited
- 8 PNC Raebareli Highways Private Limited
- 9 PNC Bareilly Nainital Highways Private Limited.
- 10 PNC Rajasthan Highways Pvt Ltd
- 11 PNC Bundelkhand Highways Pvt Ltd
- 12 PNC Khajuraho Highways Pvt Ltd
- 13 PNC Chitradurga Highways Pvt Ltd
- 14 PNC Triveni Sangam Highways Pvt Ltd
- 15 PNC Aligarh Highways Pvt Ltd
- 16 PNC Challakere (Karnataka) Highways Pvt Ltd

**Associates**

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

**Key Managerial Personal (KMP)**

- 1 Pradeep Kumar Jain (Chairman and Managing Director)
- 2 Chakresh Kumar Jain (Managing Director & Chief Financial Officer)
- 3 Yogesh Kumar Jain (Managing Director)

# NOTES

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2020

- 4 Anil Kumar Rao (Whole Time Director)
- 5 Talluri Raghupati Rao (Whole Time Director from 10.08.2019)
- 6 Tapan Jain (Company Secretary)

## Relatives of KMP

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

## Other related parties whom Transactions have taken place during the period

- 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 Pvt Ltd
- 6 Gional Infratech LLP

## B. Transactions with Related Parties

₹ in Lakhs

| Sr. No.  | Particulars   | Year ended<br>31 <sup>st</sup> March, 2020 | Year ended<br>31 <sup>st</sup> March, 2019 |
|----------|---|--|--|
|          | <b>Transactions during the Year</b>                 |  |  |
| <b>1</b> | <b>Receipt on account of EPC and Other Contract</b> |  |  |
|          | <b>Subsidiaries Companies</b>                       |  |  |
|          | PNC Kanpur Highways Limited                         | 1,464.34                                   | 1,009.50                                   |
|          | PNC Raebareli Highways Private Limited              | -  | 2,529.84                                   |
|          | PNC Kanpur Ayodhya Tollways Pvt Ltd                 | 6,298.09                                   | 5,581.32                                   |
|          | PNC Rajasthan Highways Pvt. Ltd.                    | 17,557.16                                  | 18,327.65                                  |
|          | PNC Khajuraho Highways Pvt Ltd                      | 31,075.65                                  | 40,843.75                                  |
|          | PNC Chitradurga Highways Pvt Ltd                    | 34,344.89                                  | 39,043.36                                  |
|          | PNC Bundelkhand Highways Pvt Ltd                    | 38,923.41                                  | 34,017.55                                  |
|          | PNC Aligarh Highways Pvt Ltd                        | 48,808.08                                  | -  |
|          | PNC Challakere (Karnataka) Highways Pvt Ltd         | 342.10                                     | -  |
|          | PNC Triveni Sangam Highways Pvt Ltd                 | 64,821.09                                  | -  |
|          | <b>Associates Company</b>                           |  |  |
|          | Ghaziabad Aligarh Expressway Private Limited        | 2,044.36                                   | 563.64                                     |
|          | <b>Total</b>  | <b>245,679.16</b>                          | <b>141,916.61</b>                          |
| <b>2</b> | <b>Payment of Rent/Services</b>                     |  |  |
|          | <b>Associates</b>                                   |  |  |
|          | Pradeep Kumar Jain HUF                              | 18.00                                      | 12.75                                      |

## NOTES

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2020

₹ in Lakhs

| Sr. No.  | Particulars  | Year ended<br>31 <sup>st</sup> March, 2020 | Year ended<br>31 <sup>st</sup> March, 2019 |
|----------|--|--|--|
|          | Naveen Kumar Jain HUF  | 15.00                                      | 10.63                                      |
|          | Yogesh Kumar Jain HUF  | 12.00                                      | 8.50                                       |
|          | <b>Key Managerial Personal (KMP)</b>   |  |  |
|          | Pradeep Kumar Jain   | 13.50                                      | 9.56                                       |
|          | Naveen Kumar Jain  | 13.50                                      | 9.56                                       |
|          | Chakresh Kumar Jain  | 15.00                                      | 10.63                                      |
|          | Yogesh Kumar Jain  | 15.00                                      | 10.63                                      |
|          | <b>Relatives of KMP</b>  |  |  |
|          | Meena Jain   | 32.75                                      | 24.04                                      |
|          | Madhvi Jain  | 17.75                                      | 13.42                                      |
|          | Renu Jain  | 17.75                                      | 13.42                                      |
|          | Ashita Jain  | 17.75                                      | 13.42                                      |
|          | <b>Other related parties</b>   |  |  |
|          | Subhash International Private Limited  | 96.61                                      | 99.97                                      |
|          | Exotica Buildtech Private Limited  | 15.75                                      | 8.05                                       |
|          | Shri Mahaveer Infrastructures Pvt Ltd  | 4.80                                       | 3.20                                       |
|          | MA Buildtech Private Limited   | 3.44                                       | 3.00                                       |
|          | Taj Infra Builders Private Limited   | 9.00                                       | 9.00                                       |
|          | Gional Infratech LLP   | 10.00                                      | -  |
|          | <b>Total</b>   | <b>327.59</b>                              | <b>259.78</b>                              |
| <b>3</b> | <b>Mobilization Advance Received/Security Deposits</b>   |  |  |
|          | <b>Subsidiaries Companies</b>  |  |  |
|          | PNC Chitradurga Highways Pvt Ltd   | -  | 2,300.88                                   |
|          | PNC Khajuraho Highways Pvt Ltd   | -  | 6,550.00                                   |
|          | PNC Bundelkhand Highways Pvt Ltd   | -  | 14,100.00                                  |
|          | PNC Kanpur Ayodhya Tollways Pvt Ltd  | -  | 1,454.84                                   |
|          | PNC Aligarh Highways Pvt Ltd   | 11,970.00                                  | -  |
|          | PNC Triveni Sangam Highways Pvt Ltd  | 21,590.00                                  | -  |
|          | <b>Total</b>   | <b>33,560.00</b>                           | <b>24,405.72</b>                           |
| <b>4</b> | <b>Sale/ Purchase of Investment/ Loan and Shares Application Money in Equity Share Capital</b> |  |  |
|          | <b>Subsidiaries Companies</b>  |  |  |
|          | PNC Infraholdings Limited  | 10,013.00                                  | 7,824.00                                   |
|          | PNC Delhi Industrialinfra Private Limited  | -  | 500.00                                     |
|          | PNC Bareilly Nainital Private Limited  | 3,000.00                                   | 3,900.00                                   |
|          | PNC Bundelkhand Highways Pvt Ltd   | 1,666.00                                   | 3,136.00                                   |
|          | PNC Khajuraho Highways Pvt Ltd   | 1,900.00                                   | 2,100.00                                   |
|          | PNC Chitradurga Highways Pvt Ltd   | 700.00                                     | 2,700.00                                   |
|          | PNC Rajasthan Highways Pvt. Ltd.   | -  | 1,304.00                                   |



# NOTES

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2020

₹ in Lakhs

| Sr. No.  | Particulars  | Year ended<br>31 <sup>st</sup> March, 2020 | Year ended<br>31 <sup>st</sup> March, 2019 |
|----------|--|--|--|
|          | PNC Triveni Sangam Highways Pvt Ltd                          | 3,725.00                                   | 50.00                                      |
|          | PNC Aligarh Highways Pvt Ltd                                 | 3,212.00                                   | 150.00                                     |
|          | PNC Challakere (Karnataka) Highways Pvt Ltd                  | 92.00                                      | 300.00                                     |
|          | <b>Associates Company</b>                                    |  |  |
|          | Ghaziabad Aligarh Expressway Private Limited                 | 5,249.25                                   | 4,340.25                                   |
|          | <b>Total</b>   | <b>29,557.25</b>                           | <b>26,304.25</b>                           |
| <b>5</b> | <b>Interest Income</b>                                       |  |  |
|          | <b>Subsidiaries Companies</b>                                |  |  |
|          | PNC Bareilly Nainital Highways Pvt. Ltd.                     | 962.71                                     | 607.25                                     |
|          | PNC Delhi Industrial Infra Pvt. Ltd.                         | 114.94                                     | 863.34                                     |
|          | <b>Total</b>   | <b>1,077.65</b>                            | <b>1,470.59</b>                            |
| <b>6</b> | <b>Other Professional, Technical &amp; Business Services</b> |  |  |
|          | <b>Subsidiaries Companies</b>                                |  |  |
|          | Ferrovia Transrail Solutions Pvt Ltd                         | -  | 17.14                                      |
|          | <b>Total</b>   | <b>-</b>                                   | <b>17.14</b>                               |
| <b>7</b> | <b>Interest Expenses</b>                                     |  |  |
|          | <b>Subsidiaries Companies</b>                                |  |  |
|          | PNC Rajasthan Highways Pvt Ltd                               | 12.94                                      | 178.98                                     |
|          | PNC Chitradurga Highways Pvt Ltd                             | 378.20                                     | 805.61                                     |
|          | PNC Bundelkhand Highways Pvt Ltd                             | 421.00                                     | 471.89                                     |
|          | PNC Khajuraho Highways Pvt Ltd                               | 350.88                                     | 651.60                                     |
|          | PNC Triveni Sangam Highways Pvt Ltd                          | 738.90                                     | -  |
|          | PNC Aligarh Highways Pvt Ltd                                 | 294.98                                     | -  |
|          | <b>Total</b>   | <b>2,196.90</b>                            | <b>2,108.08</b>                            |
| <b>8</b> | <b>Compensation to Key Managerial Personal*</b>              |  |  |
|          | <b>Key Managerial Personal (KMP)</b>                         |  |  |
|          | Pradeep Kumar Jain   | 809.26                                     | 234.00                                     |
|          | Chakresh Kumar Jain  | 785.26                                     | 210.00                                     |
|          | Yogesh Kumar Jain  | 785.26                                     | 210.00                                     |
|          | Anil Kumar Rao   | 78.19                                      | 71.08                                      |
|          | Talluri Raghupati Rao  | 43.05                                      | -  |
|          | Tapan Jain   | 17.64                                      | 14.04                                      |
|          | <b>Total</b>   | <b>2,518.66</b>                            | <b>739.12</b>                              |
| <b>9</b> | <b>Other related parties</b>                                 |  |  |
|          | Bijjali Rao  | 16.20                                      | 16.20                                      |
|          | Harshvardhan Jain  | 30.00                                      | 25.50                                      |
|          | Ashish Jain  | 39.80                                      | 34.30                                      |
|          | Ishu Jain  | -  | 1.60                                       |
|          | <b>Total</b>   | <b>86.00</b>                               | <b>77.60</b>                               |

\*Actuarial valuation for the gratuity has been done on company as a whole, so segregation for the same has not done.

**NOTES**to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2020**B. Transactions with Related Parties**

₹ in Lakhs

| Sr. No.  | Particulars                                    | Year ended<br>31 <sup>st</sup> March, 2020 | Year ended<br>31 <sup>st</sup> March, 2019 |
|----------|--|--|--|
| <b>1</b> | <b>Amount Recoverable</b>                      |  |  |
|          | <b>Subsidiaries Companies</b>                  |  |  |
|          | PNC Rajasthan Highways Pvt. Ltd.               | 8,769.92                                   | 12,947.56                                  |
|          | PNC Delhi Industrialinfra Private Limited      | 5.01                                       | 8,377.01                                   |
|          | PNC Bareilly Nainital Highways Private Limited | 11,413.42                                  | 7,586.79                                   |
|          | PNC Raebareli Highways Private Limited         | 84.87                                      | 85.37                                      |
|          | PNC Kanpur Ayodhya Tollways Private Limited    | 642.51                                     | 25.79                                      |
|          | MP Highways Private Limited                    | 159.28                                     | 159.03                                     |
|          | PNC Kanpur Highways Limited                    | 220.33                                     | 219.36                                     |
|          | PNC Bundelkhand Highways Pvt Ltd               | -  | 4,213.90                                   |
|          | PNC Khajuraho Highways Pvt Ltd                 | 16,617.17                                  | -  |
|          | PNC Aligarh Highways Pvt Ltd                   | 15,926.78                                  | -  |
|          | PNC Challakere (Karnataka) Highways Pvt Ltd    | 620.98                                     | -  |
|          | PNC Chitradurga Highways Pvt Ltd               | 8,768.94                                   | -  |
|          | <b>Associates Company</b>                      |  |  |
|          | Ghaziabad Aligarh Expressway Private Limited   | 36,689.06                                  | 15,718.07                                  |
|          | <b>Relatives of KMP</b>                        |  |  |
|          | Meena Jain                                     | 25.00                                      | 25.00                                      |
|          | Madhvi Jain                                    | 25.00                                      | 25.00                                      |
|          | Renu Jain                                      | 25.00                                      | 25.00                                      |
|          | Ashita Jain                                    | 25.00                                      | 25.00                                      |
|          | Other related parties                          |  |  |
|          | Subhash International Private Limited          | 724.23                                     | 724.23                                     |
|          | <b>Total</b>                                   | <b>100,742.50</b>                          | <b>50,157.11</b>                           |
| <b>2</b> | <b>Amount Payable</b>                          |  |  |
|          | <b>Subsidiaries Companies</b>                  |  |  |
|          | PNC Chitradurga Highways Pvt Ltd               | -  | 7,592.34                                   |
|          | PNC Khajuraho Highways Pvt Ltd                 | -  | 1,616.06                                   |
|          | PNC Bundelkhand Highways Pvt Ltd               | 1,686.47                                   | -  |
|          | PNC Triveni Sangam Pvt Ltd                     | 6,439.77                                   | -  |
|          | <b>Associates</b>                              |  |  |
|          | Pradeep Kumar Jain HUF                         | 1.35                                       | 1.35                                       |
|          | Naveen Kumar Jain HUF                          | 1.13                                       | 1.13                                       |
|          | Yogesh Kumar Jain HUF                          | 0.90                                       | 0.90                                       |
|          | <b>Key Managerial Personal (KMP)</b>           |  |  |
|          | Pradeep Kumar Jain                             | 1.01                                       | 1.01                                       |
|          | Naveen Kumar Jain                              | 1.01                                       | 1.01                                       |
|          | Chakresh Kumar Jain                            | 1.13                                       | 1.13                                       |

# NOTES

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2020

₹ in Lakhs

| Sr. No.  | Particulars  | Year ended<br>31 <sup>st</sup> March, 2020 | Year ended<br>31 <sup>st</sup> March, 2019 |
|----------|--|--|--|
|          | Yogesh Kumar Jain  | 1.13                                       | 1.13                                       |
|          | <b>Relatives of KMP</b>                                    |  |  |
|          | Meena Jain   | 2.46                                       | 2.26                                       |
|          | Madhvi Jain  | 1.33                                       | 1.14                                       |
|          | Renu Jain  | 1.33                                       | 1.14                                       |
|          | Ashita Jain  | 1.33                                       | 1.14                                       |
|          | <b>Other related parties</b>                               |  |  |
|          | Shri Mahaveer Infrastructures Pvt Ltd                      | 0.36                                       | 0.36                                       |
|          | MA Buildtech Private Limited                               | 0.28                                       | 0.22                                       |
|          | Exotica Buildtech Private Limited                          | 1.01                                       | -  |
|          | Gional Infratech LLP                                       | 9.00                                       | -  |
|          | Taj Infra Builders Private Limited                         | 0.68                                       | 0.67                                       |
|          | <b>Total</b>   | <b>8,151.67</b>                            | <b>9,222.99</b>                            |
| <b>3</b> | <b>Corporate Guarantee Given on behalf of**</b>            |  |  |
|          | <b>Associates Company</b>                                  |  |  |
|          | Ghaziabad Aligarh Expressway Private Limited               | 6,928.25                                   | 8,641.85                                   |
|          | <b>Total</b>   | <b>6,928.25</b>                            | <b>8,641.85</b>                            |
| <b>4</b> | <b>Capital Commitment for Equity Given on behalf of***</b> |  |  |
|          | <b>Subsidiaries Companies</b>                              |  |  |
|          | PNC Rajasthan Highways Pvt. Ltd.                           | -  | 642.00                                     |
|          | PNC Chitradurga Highways Pvt Ltd                           | 4,501.00                                   | 5,201.00                                   |
|          | PNC Bundelkhand Highways Pvt Ltd                           | 3,000.00                                   | 6,400.00                                   |
|          | PNC Khajuraho Highways Pvt Ltd                             | 3,910.00                                   | 6,110.00                                   |
|          | PNC Triveni Sangam Highways Pvt Ltd                        | 11,555.00                                  | 18,885.00                                  |
|          | PNC Aligarh Highways Pvt Ltd                               | 6,275.00                                   | 12,175.00                                  |
|          | PNC Challakere (Karnataka) Highways Pvt Ltd                | 10,200.00                                  | 10,675.00                                  |
|          | <b>Total</b>   | <b>39,441.00</b>                           | <b>60,088.00</b>                           |

\*\* For details refer Note 40

\*\*\* For details refer Note 41

## D Terms and Conditions

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

# NOTES

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2020

## 44 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 ₹ 120.03 Lakhs (previous year ₹ 73.65 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, 2020 is ₹ 810.61 Lakhs (Previous year ₹ 823.92 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        |                 |
|--|-----------------|-----------------|
|  | 2019-20         | 2018-19         |
| <b>1. Change in Present Value of Obligation</b>            |                 |                 |
| Present value of obligation at the beginning of the period | 1,185.00        | 832.08          |
| Acquisition cost   |                 |                 |
| Interest cost  | 82.95           | 66.57           |
| Current service cost                                       | 193.96          | 206.93          |
| Past service cost  | -               | -               |
| Benefits paid  | -               | -               |
| Actuarial gain/(loss) on obligation                        |                 |                 |
| a) Effect of changes in demographic assumptions            | (9.81)          | 15.36           |
| b) Effect of changes in financial assumptions              | (121.58)        | 23.53           |
| c) Effect of experience adjustments                        | (38.80)         | 40.53           |
| <b>Present value of obligation at end of period</b>        | <b>1,291.72</b> | <b>1,185.00</b> |
| Current Obligation   | 313.09          | 215.72          |
| Non Current Obligation                                     | 978.63          | 969.28          |
| <b>2. Change in Fair Value of Plan Assets</b>              |                 |                 |
| Fair value of plan assets at the beginning of the period   | 361.08          | 263.40          |
| Acquisition adjustment                                     |                 |                 |
| Interest Income  | 29.48           | 24.98           |
| Contributions  | 120.03          | 73.65           |
| Benefits paid  | -               | -               |
| Actuarial gain/(loss) on plan assets                       | (29.48)         | (0.96)          |
| Fair value of plan assets at the end of the period         | 481.11          | 361.08          |
| <b>3. Amount to be recognised in Balance Sheet</b>         |                 |                 |
| Present value of obligation as at end of the period        | 1,291.72        | 1,185.00        |
| Fair value of plan assets as at the end of the period      | (481.11)        | (361.08)        |
| Funded Status  | -               | -               |
| <b>Net Asset/(liability) recognised in Balance Sheet</b>   | <b>810.61</b>   | <b>823.92</b>   |

# NOTES

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2020

₹ in Lakhs

| Particulars   | Gratuity |          |
|---|----------|----------|
|   | 2019-20  | 2018-19  |
| <b>4. Expenses recognised in the statement of profit &amp; loss.</b>                |          |          |
| Current service cost  | 193.96   | 206.93   |
| Past service cost   | -        | -        |
| Net Interest cost   |          |          |
| Interest Expense on DBO   | 82.95    | 66.57    |
| Interest (income) on plan assets  | 29.48    | 24.98    |
| Total Net Interest Cost   | 53.47    | 41.59    |
| Net actuarial (gain)/loss recognised in profit/loss                                 |          |          |
| Expenses recognised in the statement of Profit & Loss                               | 247.44   | 248.52   |
| <b>5. Recognised in other comprehensive income for the year</b>                     |          |          |
| a) Effect of changes in demographic assumptions                                     | (9.81)   | 15.36    |
| b) Effect of changes in financial assumptions                                       | (121.58) | 23.53    |
| c) Effect of experience adjustments   | (38.80)  | 40.53    |
| d) (Return) on plan assets (excluding interest income)                              | (29.48)  | (0.96)   |
| e) Changes in asset ceiling (excluding interest income)                             | -        | -        |
| f) Total remeasurements included in OCI   | (140.71) | 80.37    |
| Actuarial gain / (loss) for the year on DBO   | (170.19) | 79.41    |
| Returns above interest cost   | (29.48)  | (0.96)   |
| 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)                         | 475.79   | 215.72   |
| 2. Between 1 and 5 years  | 858.92   | 607.79   |
| 3. Between 6 and 10 years   | 267.40   | 429.30   |
| <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 period                                |          |          |
| a. Impact due to increase of 100 Basis Points                                       | 1,250.92 | 1,135.16 |
| b. Impact due to decrease of 100 Basis Points                                       | 1,335.43 | 1,239.45 |
| Impact of the change in salary increase   |          |          |
| Present Value of Obligation at the end of the period                                |          |          |
| a. Impact due to increase of 1 %  | 1,329.29 | 1,231.72 |
| b. Impact due to decrease of 1 %  | 1,255.98 | 1,141.16 |
| Attrition Rate  |          |          |
| Present Value of Obligation at the end of the period                                |          |          |
| a. Impact due to increase of 1 %  | 1,286.37 | 1,173.52 |
| b. Impact due to decrease of 1 %  | 1,297.06 | 1,197.05 |

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

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

**NOTES**to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2020**(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

| <b>Sensitivity analysis - DBO end of Period</b> | <b>31.03.2020</b> | <b>31.03.2019</b> |
|---|-------------------|-------------------|
| 1. Discount rate +100 basis points              | 1,250.92          | 1,135.16          |
| 2. Discount rate -100 basis points              | 1,335.43          | 1,239.45          |
| 3. Salary Increase Rate +1%                     | 1,329.29          | 1,231.72          |
| 4. Salary Increase Rate -1%                     | 1,255.98          | 1,141.16          |
| 5. Attrition Rate +1%                           | 1,286.37          | 1,173.52          |
| 6. Attrition Rate -1%                           | 1,297.06          | 1,197.05          |

₹ in Lakhs

| <b>Significant Actuarial assumptions</b>                  | <b>31.03.2020</b>            | <b>31.03.2019</b>            |
|---|------------------------------|------------------------------|
| a) Economic Assumptions                                   |                              |                              |
| i. Discounting Rate -current year                         | 6.5%                         | 7%                           |
| Discounting Rate - Previous Year                          | 7%                           | 8%                           |
| ii. Salary escalation                                     | 5%                           | 9%                           |
| iii. Attrition rate                                       | 25%                          | 20%                          |
| b) Demographic Assumption                                 |                              |                              |
| i) Retirement Age (Years)                                 | 60                           | 60                           |
| ii) Mortality rates inclusive of provision for disability | IALM (2012 - 14)<br>Ultimate | IALM (2012 - 14)<br>Ultimate |
| Disability  | Nil                          | Nil                          |

**Mortality Rates for specimen ages**

₹ in Lakhs

| <b>Age</b> | <b>Mortality Rate</b> | <b>Age</b> | <b>Mortality Rate</b> |
|------------|-----------------------|------------|-----------------------|
| 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

| <b>Particulars</b>                                 | <b>Leave Enchisement</b> |                   |
|--|--------------------------|-------------------|
|  | <b>31.03.2020</b>        | <b>31.03.2019</b> |
| Present Value of unfunded obligation               | 270.71                   | 345.02            |
| Expeses recognised in Statement of Profit and Loss | 96.24                    | 170.19            |
| Discount rate (p.a)                                | 6.5%                     | 7%                |
| Salary excalation rate (p.a)                       | 5.0%                     | 9%                |

# NOTES

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2020

## 45 Fair Value Measurement

₹ in Lakhs

| Particulars   | As at March 31, 2020 |                  |          | As at March 31, 2019 |                  |          |
|---|----------------------|------------------|----------|----------------------|------------------|----------|
|   | Amortised Cost       | FVTPL            | FVTOCI   | Amortised Cost       | FVTPL            | FVTOCI   |
| <b>Financial Asset</b>                              |                      |                  |          |                      |                  |          |
| Investments   |                      |                  |          |                      |                  |          |
| - Investments in equity instruments (Refer Note 7C) | -                    | 55.54            | -        | -                    | 55.54            | -        |
| - Investments in Mutual Fund (Refer Note 13)        | -                    | 6,233.96         | -        | -                    | -                | -        |
| Trade receivables (Refer Note 14)                   | 80,351.90            | -                | -        | 61,543.47            | -                | -        |
| Cash and cash equivalents (Refer Note 15(i))        | 68,223.59            | -                | -        | 25,186.76            | -                | -        |
| Bank Balances (Refer Note 15(ii))                   | 5,781.45             | -                | -        | 5,755.38             | -                | -        |
| Loans (Refer Note 8 & 16)                           | -                    | 59,884.44        | -        | -                    | 36,528.29        | -        |
| Other Financial Assets (Refer Note 9 & 17)          | 20,953.29            | -                | -        | 29,532.67            | -                | -        |
| <b>Total Financial Assets</b>                       | <b>175,310.23</b>    | <b>66,173.94</b> | <b>-</b> | <b>122,018.28</b>    | <b>36,583.83</b> | <b>-</b> |
| <b>Financial Liabilities</b>                        |                      |                  |          |                      |                  |          |
| Borrowings (Refer Note 21 & 27)                     | 32,656.84            |                  |          | 37,473.41            |                  |          |
| Trade payables (Refer Note 26)                      | 46,750.49            |                  |          | 47,374.37            |                  |          |
| Other Financial Liabilities (Refer Note 22 & 27)    | 34,159.11            |                  |          | 30,804.05            |                  |          |
| <b>Total Financial Liabilities</b>                  | <b>113,566.44</b>    | <b>-</b>         | <b>-</b> | <b>115,651.83</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) recognised and measured at fair value and (B) measured at amortised cost and for which fair values are disclosed in financial statements. To provide an indication about the reliability of inputs used in determining fair values, the group has classified its financial instruments into three levels prescribed under the accounting standards.

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

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

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

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, 2020</b> |   |   |   |
| - Investment in Equity (Refer Note 7C)  | -                                       | -                                       | 55.54                                     |
| - Investment in Mutual Fund (Refer Note 13)   | 6,233.96                                | -                                       | -   |
| <b>Total</b>  | <b>6,233.96</b>                         | <b>-</b>                                | <b>55.54</b>                              |

## NOTES

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2020

| Particulars  | Fair Value Measurement using            |   |   |
|--|---|---|---|
|  | Quoted price in Active Market (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| <b>Financial Assets and Liabilities measured at amortised cost for which fair values are disclosed at March 31, 2020</b> |   |   |   |
| <b>(i) Financial Assets</b>  |   |   |   |
| - Security Deposit (Refer Note 9)  | -                                       | -                                       | 10,986.66                                 |
| <b>Total</b>   | <b>-</b>                                | <b>-</b>                                | <b>10,986.66</b>                          |
| <b>(ii) Financial Liabilities</b>  |   |   |   |
| - Borrowings (Refer Note 21 & 27)  | -                                       | 32,656.84                               | -   |
| - Retentions (Refer Note 22)   | -                                       | -                                       | 20,275.89                                 |
| <b>Total</b>   | <b>-</b>                                | <b>32,656.84</b>                        | <b>20,275.89</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, 2019</b> |   |   |   |
| - Investment in Equity (Refer Note 7C)  | -                                       | -                                       | 55.54                                     |
| <b>Total</b>  | <b>-</b>                                | <b>-</b>                                | <b>55.54</b>                              |
| <b>Financial Assets and Liabilities measured at amortised cost for which fair values are disclosed at March 31, 2019</b>                  |   |   |   |
| <b>(i) Financial Assets</b>   |   |   |   |
| - Security Deposit (Refer Note 9)   | -                                       | -                                       | 11,212.55                                 |
| <b>Total</b>  | <b>-</b>                                | <b>-</b>                                | <b>11,212.55</b>                          |
| <b>(ii) Financial Liabilities</b>   |   |   |   |
| - Borrowings (Refer Note 21 & 27)   | -                                       | 37,473.41                               | -   |
| - Retentions (Refer Note 22)  | -                                       | -                                       | 11,141.06                                 |
| <b>Total</b>  | <b>-</b>                                | <b>37,473.41</b>                        | <b>11,141.06</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 amortised cost is determined using discounted cash flow analysis

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

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



# NOTES

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2020

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

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

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

## 46 FINANCIAL RISK MANAGEMENT

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

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

### I. Market risk

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

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

#### (a) Interest rate risk

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

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

₹ in Lakhs

| Particulars              | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|--------------------------|---------------------------------------|---------------------------------------|
| Variable rate borrowings | -                                     | -                                     |
| Fixed rate borrowings*   | 32,656.84                             | 37,473.41                             |
| Total borrowings         | 32,656.84                             | 37,473.41                             |

\*For Detail refer Note 21 & 27

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

₹ in Lakhs

| Particulars   | As at March 31, 2020           |         |                  | As at March 31, 2019           |         |                  |
|---|--------------------------------|---------|------------------|--------------------------------|---------|------------------|
|   | Weighted average interest rate | Balance | % of total loans | Weighted average interest rate | Balance | % of total loans |
| Cash Credit Limit                                   | 9.07%                          | -       | 0.00%            | 8.91%                          | -       | 0.00%            |
| <b>Net exposure to cash flow interest rate risk</b> |                                | -       |                  |                                | -       |                  |

## NOTES

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2020**(iii) Sensitivity**

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

| Particulars | Increase/ Decrease in Basis Points |                | Impact on Profit before Tax |                |
|-------------|------------------------------------|----------------|-----------------------------|----------------|
|             | March 31, 2020                     | March 31, 2019 | March 31, 2020              | March 31, 2019 |
| INR         | +50                                | +50            | -                           | -              |
|             | - 50                               | - 50           | -                           | -              |

**Reconciliation between the opening & closing balances in the Balance Sheet for Financial Liability**

₹ in Lakhs

| Particulars     | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|-----------------|---------------------------------------|---------------------------------------|
| Opening Balance | 37,473.41                             | 16,970.85                             |
| Cash Flow       | (4,816.57)                            | 20,502.56                             |
| Closing Balance | 32,656.84                             | 37,473.41                             |

**(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 hedges its exposure of foreign currency risk.

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

₹ in Lakhs

| Foreign currency exposure as at 31st March, 2020 | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|--|---------------------------------------|---------------------------------------|
| Trade Payable                                    |                                       |                                       |
| - Exposure in Euros (In INR)                     | 1,466.66                              | 7,090.34                              |

**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    | 2019-20     |             | 2018-19     |             |
|----------------|-------------|-------------|-------------|-------------|
|                | 5% increase | 5% decrease | 5% increase | 5% decrease |
| Euros (In INR) | (73.33)     | 73.33       | (354.52)    | 354.52      |

**(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.

**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.

# NOTES

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2020

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

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

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

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

Expected credit loss for trade receivable on simplified approach :

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

(₹ In Lakhs)

| Ageing                                     | 0-180 Days       | 181-365 Days | More than 365 days | Total            |
|--|------------------|--------------|--------------------|------------------|
| <b>As at March 31, 2020</b>                |                  |              |                    |                  |
| Gross Carrying Amount (Refer Note 14)      | 73,206.19        | -            | 7,145.71           | 80,351.90        |
| Expected Credit Loss (in ₹)                | -                | -            | -                  | -                |
| <b>Carrying Amount (net of impairment)</b> | <b>73,206.19</b> | <b>-</b>     | <b>7,145.71</b>    | <b>80,351.90</b> |
| <b>As at March 31, 2019</b>                |                  |              |                    |                  |
| Gross Carrying Amount (Refer Note 14)      | 53,845.66        | -            | 7,697.81           | 61,543.47        |
| Expected Credit Loss (in ₹)                | -                | -            | -                  | -                |
| <b>Carrying Amount (net of impairment)</b> | <b>53,845.66</b> | <b>-</b>     | <b>7,697.81</b>    | <b>61,543.47</b> |

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

## 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.

## NOTES

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2020

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, 2020                   | Carrying Amount   | On Demand | Less than One Year | More than one year and less than three year | More than 3 Years | Total             |
|--|-------------------|-----------|--------------------|---|-------------------|-------------------|
| Borrowings (Refer Note 21 & 27)        | 32,656.84         | -         | 10,272.36          | 19,173.44                                   | 3,211.04          | 32,656.84         |
| Trade payables (Refer Note 26)         | 46,750.49         | -         | 46,750.49          | -   | -                 | 46,750.49         |
| Other Liabilities (Refer Note 22 & 27) | 33,477.46         | -         | 13,201.57          | 20,275.89                                   | -                 | 33,477.46         |
| <b>Total</b>                           | <b>112,884.79</b> | <b>-</b>  | <b>70,224.42</b>   | <b>39,449.33</b>                            | <b>3,211.04</b>   | <b>112,884.79</b> |

(₹ In Lakhs)

| As at March 31, 2019                   | Carrying Amount   | On Demand | Less than One Year | More than one year and less than three year | More than 3 Years | Total             |
|--|-------------------|-----------|--------------------|---|-------------------|-------------------|
| Borrowings (Refer Note 21 & 27)        | 37,473.41         | -         | 9,104.96           | 19,112.96                                   | 9,255.49          | 37,473.41         |
| Trade payables (Refer Note 26)         | 47,374.37         | -         | 47,374.37          | -   | -                 | 47,374.37         |
| Other Liabilities (Refer Note 22 & 27) | 30,804.22         | -         | 19,663.16          | 11,141.06                                   | -                 | 30,804.22         |
| <b>Total</b>                           | <b>115,652.00</b> | <b>-</b>  | <b>76,142.49</b>   | <b>30,254.02</b>                            | <b>9,255.49</b>   | <b>115,652.00</b> |

**Financing arrangements**

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

₹ in Lakhs

| Particulars    | As at                        | As at                        |
|----------------|------------------------------|------------------------------|
|                | 31 <sup>st</sup> March, 2020 | 31 <sup>st</sup> March, 2019 |
| Cash Credit    | 100,000.00                   | 75,000.00                    |
| Bank Guarantee | 245,760.15                   | 81,257.75                    |
| <b>Total</b>   | <b>345,760.15</b>            | <b>156,257.75</b>            |

**47 Capital Management****(a) Risk Management**

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

The Company regularly considers other financing opportunities to diversify its debt profile, reduce Interest cost.

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

₹ in Lakhs

| Particulars                                     | As at                        | As at                        |
|---|------------------------------|------------------------------|
|   | 31 <sup>st</sup> March, 2020 | 31 <sup>st</sup> March, 2019 |
| Debt (Refer Note 21)                            | 32,656.84                    | 37,473.41                    |
| Cash & Bank balances (Refer Note 15 (i) & (ii)) | 74,005.04                    | 30,942.14                    |
| Net Debt  | (41,348.20)                  | 6,531.27                     |
| <b>Total Equity (Refer Note 19 &amp; 20)</b>    | <b>254,659.62</b>            | <b>211,519.81</b>            |
| Gearing Ratio                                   | (0.16)                       | 0.03                         |

**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.

# NOTES

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2020

## (b) Loan Covenants

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

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

## (C) Dividends

₹ in Lakhs

| Particulars   | Recognized in the year ending         |                                       |
|---|---------------------------------------|---------------------------------------|
|   | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
| <b>(i) Dividends Recognized</b>   |                                       |                                       |
| Final dividend for the year ended 31st March 2019 of ₹ 0.5/- per equity share of ₹ 2/- (31st March 2018 ₹ 2.5/- per Equity Share of ₹ 10/-) | 1,546.42                              | 1,546.42                              |
| <b>(ii) Dividend proposed and recognised in the books of accounts</b>   |                                       |                                       |
| Interim dividend for the year ended 31st March 2020 of ₹ 0.5/- per equity share of ₹ 2/- (31st March 2019- Nil)                             | 1,546.42                              | -                                     |
| <b>(iii) Dividend proposed but not recognised in the books of accounts*</b>   |                                       |                                       |
| In addition to the above dividends, the directors have recommended the payment of a final dividend of ₹ 0.50/-equity share of ₹ 2/-.        | -                                     | 1,546.42                              |

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

## 48 Operating Segment Information

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

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

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

# NOTES

to the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2020

## 50 COVID 19 Impact

As only 10 days of construction activities have severely been affected in the month of March 2020 due to the outbreak of COVID-19 pandemic and imposition of lockdowns, the performance of the Company including standalone revenues have not been significantly impacted on this account, during the Financial Year 2019-20. However, as the lockdowns, consequent restrictions, suspension of works and disruptions in the supply chains continued in April 2020 and beyond, the construction operations are adversely affected and could not be restored to the normal levels till date, even though works at majority of the project sites resumed gradually as permitted by the local administrative authorities, from end of third week of April 2020 onwards.

As the prevalent slowing down of the economic growth and uncertainty is expected to continue further as the situation unfolds, the management will continue to monitor the socio-economic conditions closely, to take necessary measures, going forward.

- 51** The Company and S P Singla Construction Pvt Ltd 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.

### As per our report of even date attached.

In terms of our report attached  
**For S.S.Kothari Mehta & Co.**  
Chartered Accountants  
Firm Registration No. 000756N

### On behalf of the Board of Directors

**Neeraj Bansal**  
Partner  
Membership No. 95960

**Pradeep Kumar Jain**  
Chairman and Managing Director  
DIN: 00086653

Place: Agra  
Date: June 24, 2020

**Tapan Jain**  
Company Secretary  
M.No.: A22603

**Chakresh Kumar Jain**  
Managing Director and Chief Financial Officer  
DIN: 00086768

# INDEPENDENT AUDITORS' REPORT

To the Members of  
**PNC INFRA TECH LIMITED**

## Report on the Audit of standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of **PNC INFRA TECH LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the standalone financial position of the Company as at 31<sup>st</sup> March, 2020 and its standalone financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence, we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit matter

Key audit matters (KAM) are those matters that, in our professional judgment were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:-

| Sr. No | Description of Key audit Matter   | Description of Auditor's Response  |
|--------|---|--|
| 1      | <p>Lower toll collections in associate company Ghaziabad Aligarh Express highways Ltd (GAEPL) has stressed the repayment of principal &amp; interest to lenders of associate company.</p> <p>Existing Share purchase agreement with investor Cube highways and Infrastructure Private Limited has expired in May 2020 (Refer note 7)</p> <p>The investment in equity, unsecured loans &amp; receivables to be impaired based on assessment.</p> | <p>We have performed the following procedure for verifying the stake of Group in form of investment, unsecured loans &amp; receivables:-</p> <p>As explained by management there is advance stage of discussion with a another identified investor &amp; hopeful of surplus recovery covering the entire stake of 35 % of total shareholding ( Refer note no.7)</p> <p>The performance is improving in associate, based on projections provided &amp; explanation given by management that once the loans are fully repaid in next few years the margins &amp; cash flows will be sufficient to recover the stake.</p> |

### 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 Director's Report including annexures to Director's 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 conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. Based on the records, information and explanation provided, we have nothing to report in this regard.

### Management's Responsibility for the standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS standalone

# INDEPENDENT AUDITORS' REPORT (Contd...)

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) prescribed under section 133 of the Act read with relevant rules issued thereunder.

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 judgement 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 Ind AS standalone financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

## Auditor's Responsibility

### 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.

A further description of our responsibilities for the audit of the standalone financial statements is included in "Annexure – A" of this auditor's report.

## Other Matter

The standalone financial results include the audited financial results of two joint operations, whose financial results reflect total assets of Rs.15,074.37 lakhs as at March 31, 2020, total revenue of Rs.8,498 lakhs and Rs.36,711.14 lakhs and total net loss after tax of Rs.6.68 lakhs and Rs.0.29 lakhs and total comprehensive loss of Rs.6.68 lakhs and Rs.0.29 lakhs for the quarter ended March 31, 2020 and for the year ended March 31, 2020 respectively, and net cash inflows of Rs.182.24 lakhs for the year ended March 31, 2020, as considered in the standalone financial results have been audited by their auditors. The auditors' reports on the financial statements of these two joint operations has been furnished to us by the management and our opinion on the standalone financial results in so far as it relates to the amounts and disclosures included in respect

of two joint operations is based solely on the reports of such auditors and the procedure performed by us as stated in paragraph above.

Our opinion on the standalone financial results is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143 of the Act, we give in the Annexure-"B" statement on the matters specified in paragraphs 3 and 4 of the Order;
2. As required by section 143(3) of the Act, 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 purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance Sheet, Statement of Profit and Loss, Statement of Change in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid Ind AS standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued there under;
  - e. On the basis of written representations received from the directors as on 31 March 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020, 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 of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure – C".
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 read with schedule V of the Act.



# INDEPENDENT AUDITORS' 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, 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 litigation on its financial position in its standalone financial statements- Refer Note 39 to the standalone financial statements;
  - i) There are no any material foreseeable losses, on long term contracts including derivative contract required under the applicable law or Indian accounting standards;
  - ii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For S.S. Kothari Mehta and Company.**

**(Chartered Accountants)**

Firm Registration no. 000756N

**(Neeraj Bansal)**

Partner

Membership No.: 095960

UDIN: 20095960AAAAFH5891

Place : Delhi

Date : 24.06.2020

## ANNEXURE 'A' TO THE AUDIT REPORT TO THE PNC INFRATECH LIMITED

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 companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the 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 reasonable knowledgeable user of the standalone financial statements may be influenced. We consider quantitative 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 standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## ANNEXURE – 'B' TO THE INDEPENDENT AUDITOR'S REPORT TO THE PNC INFRA TECH LIMITED

### Referred to in paragraph 1 of report on other legal and regulatory requirement's paragraph of our report on the standalone financial statement of even date,

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, the fixed assets are physically verified by the management in a phased manner over a period of three years, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. According to information and explanation given to us, the discrepancies noticed on current phase of physical verification were not material
- (c) Based on the available records as certified by the management, the title deed of immovable property is held in the name of the company.
- (ii) (a) The inventories of the Company have been physically verified by the management during the year. Further, our attendance at the physical inventory verification done by the management was impracticable under the current lock-down restrictions imposed by the government and we therefore, relied on the related alternative audit procedure to obtain comfort over the existence and condition of inventory at year end.
- (b) In our opinion and according to the information & explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size and nature of the business of the Company.
- (c) In our opinion and according to the information & explanations given to us, the Company is maintaining proper records of inventory. During the year, the physical verification was conducted at various sites and no material discrepancies have been noticed. The process of recording of physical verification needs to be further strengthened considering the expansion and nature & cycle of various projects.
- (iii) (a) As informed to us, the Company has granted unsecured loans to its 9 subsidiaries & Interest free unsecured loan to an associate and, covered in the register maintained under section 189 of the Companies Act, 2013, the balance outstanding Rs.60,699.44 lakhs (including interest).
- (b) The tenure of agreement period of repayment are six months from the date of disbursement or receipt of grant/annuity, the receipt of principle amount as explained it will be recovered once the payment received by borrower from respective authority and in respect of interest free loan, it will be converted into share warrant/optionally convertible debenture.
- (c) There is overdue interest of Rs.1,762.63 lakhs As explained the company is pursuing for its recovery.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) The Company has not accepted any deposits from the public within the meaning of directives issued by the Reserve Bank of India and provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
- (vi) We have broadly reviewed the books of account relating to materials, Labour and other items of cost maintained by the Company as specified by the Central Government of India under section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not made a detailed examination of the records with a view to determine whether they are accurate and complete.
- (vii) (a) According to the information and explanations given to us and the records of The Company examined by us, in our opinion, the Company is generally regular and is in process of aligning with changing regulations, in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales Tax/VAT/Work Contract Tax, Service Tax, Customs Duty, Excise Duty, Cess, Goods & Service Tax and other material statutory dues, as applicable, with the appropriate authorities .
- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of Income-Tax, Sales-Tax, Service Tax, Customs Duty, Excise Duty, Value added tax, Goods & Service Tax and Cess as at March 31, 2020 which have not been deposited on account of disputes, are as follows: -

ANNEXURE – 'B' TO THE INDEPENDENT AUDITOR'S REPORT TO THE PNC INFRA TECH LIMITED (Contd...)

| Name of the Statute                    | Nature of Dues | Period to which the amount relates | Forum where dispute is pending          | Demand Amount (Rs in Lakhs) |
|--|----------------|------------------------------------|---|-----------------------------|
| UP Entry Tax Act, 2007                 | UP Entry Tax   | 2015-16                            | Commercial Tax Tribunal, Agra           | 496.67                      |
|  |                | 2013-14                            | Commercial Tax Tribunal, Agra           | 45.39                       |
|  |                | 2014-15                            | Commercial Tax Tribunal, Agra           | 50.73                       |
| UP VAT Act, 2007                       | VAT            | 2006-07                            | TDS certificate to be get verified      | 38.1                        |
|  |                | 2010-11                            | Commercial Tax Tribunal, Agra           | 78.47                       |
|  |                | 2013-14                            | Additional Commissioner, Grade II, Agra | 3276.77                     |
| UP VAT Act, 2007                       | VAT            | 2014-15                            | Additional Commissioner, Grade II, Agra | 4767.71                     |
|  |                | 2015-16                            | Additional Commissioner, Grade II, Agra | 1276.93                     |
| Uttarakhand VAT Act, 2005              | VAT            | 2005-12                            | Joint Commissioner, Haldwani            | 211.04                      |
|  |                | 2013-14                            | Joint Commissioner, Haldwani            | 87.74                       |
|  |                | 2014-15                            | Joint Commissioner, Haldwani            | 76.35                       |
|  |                | 2015-16                            | Joint Commissioner, Haldwani            | 22.88                       |
| Central Excise & Service Tax Act, 1994 | Service Tax    | 2003-18                            | CESTAT Dohara                           | 192.76                      |
| Income Tax Act'1961                    | Income Tax     | 2010-11                            | Allahabad High Court                    | 645.81                      |
| Labour Welfare Act'1953                | Labour Cess    | 2010                               | Hon'ble MP High Court                   | 268.25                      |

- (viii) According to the records of the Company examined by us and the information and explanations given to us, in our opinion, the Company has not defaulted in repayment of its dues to Banks/ Financial Institution.
- (ix) As per the information and explanation given to us and on the basis of our examination of the records, during the year, the company has not raised any money by way of Initial Public Offer or Further Public Offer. The term loan amounts have been applied for which they have been obtained. (Refer note no. 21 to the standalone financial statements)
- (x) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company noticed or reported during the year, nor have we been informed of such case by the management.
- (xi) As per the information and explanation given to us and on the basis of our examination of the records, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The company is not Nidhi Company therefore this clause is not applicable to the company.
- (xiii) As per the information and explanation given to us and on the basis of our examination of the records, the company has transacted with the related parties which are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the standalone financial statements refer note no. 43 to the standalone financial statements.
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) As per the information and explanations given to us and on the basis of our examination of the records, the company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, this clause is not applicable to the company.

**For S.S. Kothari Mehta and Company.**  
**(Chartered Accountants)**

Firm Registration no. 000756N

**(Neeraj Bansal)**

Partner

Membership No.: 095960

UDIN: 20095960AAAAFH5891

Place : Delhi  
Date : 24.06.2020

## ANNEXURE - C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF PNC INFRATECH LIMITED

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of PNC INFRATECH LIMITED ("the Company") as of March 31, 2020 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 Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting 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 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 Company's internal financial controls over financial reporting based on our audit. We have 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 ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 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 Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- 3) Provide reasonable assurance regarding prevention or timely detection of unauthorized 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 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 based on records, the Company has in all respect, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were generally operating effectively as at March 31, 2020, based on "the internal control over financial reporting system & procedures", criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India"

**For S.S. Kothari Mehta and Company.**  
**(Chartered Accountants)**

Firm Registration no. 000756N

**(Neeraj Bansal)**

Partner

Place : Delhi  
Date : 24.06.2020

Membership No.: 095960  
UDIN: 20095960AAAAFH5891

# CONSOLIDATED BALANCE SHEET

as at 31<sup>st</sup> March, 2020

₹ in Lakhs

| Particulars   | Notes  | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|---|--------|---------------------------------------|---------------------------------------|
| <b>A. ASSETS</b>  |        |                                       |                                       |
| <b>1 Non-current assets</b>                                   |        |                                       |                                       |
| (a) Property, plant and equipments                            | 4      | 59,108.48                             | 61,669.71                             |
| (b) Capital work-in-progress                                  | 5      | -                                     | 620.50                                |
| (c) Intangible Assets   | 6      | 138,701.18                            | 161,714.12                            |
| (d) Financial assets  |        |                                       |                                       |
| (i) Investments   | 7      | 3,638.05                              | 2,989.27                              |
| (ii) Trade Receivables  | 8      | 332,462.23                            | 219,596.88                            |
| (iii) Other financial assets                                  | 9      | 11,915.37                             | 20,096.30                             |
| (e) Deferred Tax Assets(net)                                  | 10     | 15,836.37                             | 20,495.33                             |
| (f) Other non-current assets                                  | 11     | 48,974.30                             | 44,271.36                             |
| <b>Sub Total (Non Current Assets)</b>                         |        | <b>610,635.98</b>                     | <b>531,453.47</b>                     |
| <b>2 Current assets</b>                                       |        |                                       |                                       |
| (a) Inventories   | 12     | 26,728.93                             | 40,355.09                             |
| (b) Financial assets  |        |                                       |                                       |
| (i) Investments   | 13     | 40,801.10                             | 23,264.01                             |
| (ii) Trade receivables  | 14     | 28,405.79                             | 51,941.26                             |
| (iii) Cash and cash equivalents                               | 15(i)  | 84,630.93                             | 29,740.62                             |
| (iv) Bank balances other than above                           | 15(ii) | 7,481.45                              | 11,100.53                             |
| (v) Loans   | 16     | 25,651.81                             | 8,285.09                              |
| (vi) Other financial assets                                   | 17     | 7,862.17                              | 9,557.82                              |
| (c) Other current assets                                      | 18     | 16,831.81                             | 19,739.18                             |
| <b>Sub Total (Current Assets)</b>                             |        | <b>238,393.99</b>                     | <b>193,983.60</b>                     |
| <b>Total assets</b>   |        | <b>849,029.97</b>                     | <b>725,437.07</b>                     |
| <b>B. EQUITY AND LIABILITIES</b>                              |        |                                       |                                       |
| <b>Equity</b>   |        |                                       |                                       |
| (a) Equity share capital                                      | 19     | 5,130.78                              | 5,130.78                              |
| (b) Other equity  | 20     | 250,295.20                            | 197,307.50                            |
| <b>Equity Attributable to Owners</b>                          |        | <b>255,425.98</b>                     | <b>202,438.28</b>                     |
| Non Controlling Interest                                      |        | -                                     | 0.23                                  |
| <b>Sub Total (Equity)</b>                                     |        | <b>255,425.98</b>                     | <b>202,438.51</b>                     |
| <b>Liabilities</b>  |        |                                       |                                       |
| <b>1 Non-current liabilities</b>                              |        |                                       |                                       |
| (a) Financial liabilities                                     |        |                                       |                                       |
| (i) Borrowings  | 21     | 324,601.82                            | 251,507.27                            |
| (ii) Trade Payables   | 22     | 63,428.35                             | 83,728.71                             |
| (iii) Other financial liabilities                             | 23     | 20,955.18                             | 11,120.04                             |
| (b) Provisions  | 24     | 24,579.33                             | 18,507.67                             |
| (c) Other non-current liabilities                             | 25     | 38,641.45                             | 43,836.97                             |
| <b>Sub Total (Non Current Liability)</b>                      |        | <b>472,206.13</b>                     | <b>408,700.66</b>                     |
| <b>2 Current liabilities</b>                                  |        |                                       |                                       |
| (a) Financial liabilities                                     |        |                                       |                                       |
| (i) Borrowings  | 26     | 1,629.41                              | 1,949.67                              |
| (ii) Trade payables   | 27     |                                       |                                       |
| a) Outstanding dues to Micro and small enterprises            |        | 1,210.50                              | 375.49                                |
| b) Outstanding dues to other than Micro and small enterprises |        | 46,365.54                             | 47,503.56                             |
| (iii) Other financial liabilities                             | 28     | 40,672.03                             | 46,325.50                             |
| (b) Other current liabilities                                 | 29     | 29,781.87                             | 16,231.06                             |
| (c) Provisions  | 30     | 1,738.51                              | 1,912.62                              |
| <b>Sub Total (Current Liability)</b>                          |        | <b>121,397.86</b>                     | <b>114,297.90</b>                     |
| <b>Total Equity &amp; Liabilities</b>                         |        | <b>849,029.97</b>                     | <b>725,437.07</b>                     |

The accompanying notes form an integral part of the financial statements

As per our report of even date attached.

In terms of our report attached

For S.S.Kothari Mehta &amp; Co.

Chartered Accountants

Firm Registration No. 000756N

Neeraj Bansal

Partner

Membership No. 95960

On behalf of the Board of Directors

Pradeep Kumar Jain

Chairman and Managing Director

DIN: 00086653

Tapan Jain

Company Secretary

M.No.: A22603

Chakresh Kumar Jain

Managing Director and Chief Financial Officer

DIN: 00086768

Place: Agra

Date: June 24, 2020

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31<sup>st</sup> March, 2020

₹ in Lakhs

| Particulars   | Notes | For the year ended<br>31 <sup>st</sup> March, 2020 | For the year ended<br>31 <sup>st</sup> March, 2019 |
|---|-------|--|--|
| <b>I</b> Revenue from operations                                    | 31    | 560,257.36   | 377,435.82   |
| <b>II</b> Other income  | 32    | 17,562.92  | 4,661.57   |
| <b>Total Income (I)</b>   |       | <b>577,820.28</b>                                  | <b>382,097.39</b>                                  |
| <b>III</b> Expenses:  |       |  |  |
| Cost of materials consumed  | 33    | 216,105.38   | 145,931.91   |
| Employee benefits expense   | 34    | 29,323.55  | 21,574.71  |
| Finance costs   | 35    | 43,929.82  | 34,798.35  |
| Depreciation and amortization expense                               | 36    | 35,073.42  | 34,646.24  |
| Other expenses  | 37    | 182,110.06   | 109,248.69   |
| <b>Total Expenses (II)</b>  |       | <b>506,542.23</b>                                  | <b>346,199.90</b>                                  |
| <b>IV Profit/(loss) before share of an associate tax III (I-II)</b> |       | <b>71,278.05</b>                                   | <b>35,897.49</b>                                   |
| <b>V Add/(Less): Share in profit/(loss) of Associates (IV)</b>      |       | <b>648.78</b>                                      | <b>69.93</b>                                       |
| <b>VI Profit/(loss) before tax V (III+IV)</b>                       |       | <b>71,926.83</b>                                   | <b>35,967.42</b>                                   |
| <b>VII Tax expense:</b>   |       |  |  |
| Current Tax   | 38    | 18,451.10  | 9,650.53   |
| Mat Credit Entitlement  |       | (16.24)  | (677.78)   |
| Tax of earlier years  |       | (374.55)   | (6,577.03)   |
| Deferred Tax Charge/(Credit)  | 10    | (1,121.96)   | (1,564.73)   |
| <b>Total Tax (VI)</b>   |       | <b>16,938.35</b>                                   | <b>830.99</b>                                      |
| <b>VIII Profit &amp; (Loss) for the period VII (V-VI)</b>           |       | <b>54,988.48</b>                                   | <b>35,136.43</b>                                   |
| <b>IX Other Comprehensive Income (VIII)</b>                         |       |  |  |
| (i) Items that will not be reclassified to profit or loss           |       |  |  |
| - Actuarial Gain and losses on defined benefit plans                |       | 387.07   | (145.81)   |
| (ii) Income tax relating to above items                             |       | (129.32)   | 51.09  |
| <b>X Total Comprehensive Income for the period IX (VII+VIII)</b>    |       | <b>55,246.23</b>                                   | <b>35,041.71</b>                                   |
| <b>Profit for the year attributable to:</b>                         |       |  |  |
| - Owners of the parent  |       | 54,988.48  | 35,137.31  |
| - Non- Controlling Interest   |       | -  | (0.88)   |
| <b>Other comprehensive income for the year attributable to:</b>     |       |  |  |
| - Owners of the parent  |       | 257.75   | (94.72)  |
| - Non- Controlling Interest   |       | -  | -  |
| <b>Total comprehensive income for the year attributable to:</b>     |       |  |  |
| - Owners of the parent  |       | 55,246.23  | 35,042.58  |
| - Non- Controlling Interest   |       | -  | (0.88)   |
| <b>Earnings per equity share of ₹ 2/- each</b>                      |       |  |  |
| Basic (in ₹)  | 39    | 21.43  | 13.70  |
| Diluted (in ₹)  |       | 21.43  | 13.70  |

The accompanying notes form an integral part of the financial statements

As per our report of even date attached.

In terms of our report attached  
**For S.S.Kothari Mehta & Co.**  
 Chartered Accountants  
 Firm Registration No. 000756N

**Neeraj Bansal**  
 Partner  
 Membership No. 95960

Place: Agra  
 Date: June 24, 2020

On behalf of the Board of Directors

**Tapan Jain**  
 Company Secretary  
 M.No.: A22603

**Pradeep Kumar Jain**  
 Chairman and Managing Director  
 DIN: 00086653

**Chakresh Kumar Jain**  
 Managing Director and Chief Financial Officer  
 DIN: 00086768

**CONSOLIDATED CASH FLOW STATEMENT**

for the year ended as on March 31, 2020

₹ in Lakhs

| Particulars  | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|--|------------------------------|------------------------------|
| <b>A. Cash Flow from Operating Activities :</b>  |                              |                              |
| <b>Net Profit / (Loss) before tax as per Statement of Profit and Loss</b>                                | 71,926.84                    | 35,967.42                    |
| <b>Adjustment for:</b>   |                              |                              |
| Depreciation and amortization expenses   | 35,073.42                    | 34,646.24                    |
| Finance cost   | 43,929.82                    | 25,400.25                    |
| Interest Income  | (6,120.34)                   | (1,260.89)                   |
| Loss/(Profit) on Sale of Investments(Net)  | (2,224.37)                   | (1,016.78)                   |
| Loss/(Profit) on Sale of Property, plant and equipments(Net)   | 47.56                        | (1,264.57)                   |
| Gain on fair valuation of Investments  | (86.34)                      | (416.16)                     |
| Miscellaneous Expenses written off   | -                            | 9.86                         |
| Remeasurement of Defined Benefit Obligation  | 257.75                       | (94.72)                      |
| Impairment Allowance (Allowance for doubtful advances)   | 482.50                       | 332.50                       |
| Other non-operating income   | (9,131.87)                   | (703.16)                     |
| <b>Operating Profit Before Working Capital Changes</b>   | <b>134,154.97</b>            | <b>91,599.99</b>             |
| <b>Adjustment for Changes in Working Capital</b>   |                              |                              |
| (Increase)/Decrease in Inventories   | 13,626.16                    | (22,780.01)                  |
| (Increase)/Decrease in Trade Receivables   | (89,329.89)                  | (48,391.15)                  |
| (Increase)/Decrease in Other Assets  | 2,863.40                     | (26,963.73)                  |
| (Increase)/Decrease in Other Financial Assets  | 9,876.58                     | (6,070.24)                   |
| Increase/(Decrease) in Trade Payables  | (20,603.37)                  | (14,477.07)                  |
| Increase/(Decrease) in Other Liabilities   | 15,788.02                    | 32,752.94                    |
| Increase/(Decrease) in Other Financial Liabilities   | 4,181.67                     | 16,458.12                    |
| <b>Cash Generated From Operating activities</b>  | <b>70,557.54</b>             | <b>22,128.86</b>             |
| Direct Taxes Paid  | (18,060.31)                  | (2,395.71)                   |
| <b>Cash Generated from operating activities before extraordinary Items</b>                               | <b>52,497.23</b>             | <b>19,733.15</b>             |
| <b>Net Cash Generated from Operating activities</b>  | <b>52,497.23</b>             | <b>19,733.15</b>             |
| <b>B. Cash Flow from Investing Activities</b>  |                              |                              |
| Purchase of Property, plant & equipments (Refer to Note 4,5 & 6)<br>(including Capital work in progress) | (9,101.08)                   | (29,838.08)                  |
| Sale of Property, plant & equipments (Refer to Note 4,32 & 37)   | 174.77                       | 1,507.32                     |
| Sale of Investments  | 117,657.85                   | 67,946.48                    |
| Purchase of Investments  | (132,725.40)                 | (75,830.08)                  |
| Bank balances not considered as Cash & cash equivalents  | 3,619.08                     | (6,982.80)                   |
| Other non-operating income   | 9,131.87                     | 703.16                       |
| Loans (given)/realised   | (17,849.22)                  | (3,145.85)                   |
| Interest Income (Includes Interest on Arbitration award) (Refer Note 32)                                 | 6,120.34                     | 1,260.89                     |
| <b>Net Cash Used in Investing Activities</b>   | <b>(22,971.79)</b>           | <b>(44,378.96)</b>           |
| <b>C. Cash Flow from Financing Activities</b>  |                              |                              |
| Proceeds from Long Term Borrowings   | 96,837.17                    | 82,800.80                    |
| Repayment of Long Term Borrowings  | (24,062.88)                  | (15,866.97)                  |
| Finance cost paid  | (43,929.82)                  | (25,400.25)                  |
| Lease payment including interest   | (413.23)                     | -                            |
| Dividend Paid  | (2,538.93)                   | (1,282.70)                   |
| Dividend Distribution Tax paid   | (527.44)                     | (263.72)                     |
| <b>Net Cash Used in Financing Activities</b>   | <b>25,364.87</b>             | <b>39,987.16</b>             |
| <b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>  | <b>54,890.31</b>             | <b>15,341.34</b>             |
| Opening Cash & Cash Equivalents {Refer Note 15(i)}   | 29,740.62                    | 14,399.28                    |
| <b>Closing Cash and cash equivalents {Refer Note 15(i)}</b>  | <b>84,630.93</b>             | <b>29,740.62</b>             |

The accompanying notes form an integral part of the financial statements

As per our report of even date attached.

In terms of our report attached

**For S.S.Kothari Mehta & Co.**

Chartered Accountants

Firm Registration No. 000756N

On behalf of the Board of Directors

**Neeraj Bansal**

Partner

Membership No. 95960

**Pradeep Kumar Jain**

Chairman and Managing Director

DIN: 00086653

Place: Agra

Date: June 24, 2020

**Tapan Jain**

Company Secretary

M.No.: A22603

**Chakresh Kumar Jain**

Managing Director and Chief Financial Officer

DIN: 00086768



# STATEMENT OF CONSOLIDATED CHANGES IN EQUITY

for the year ended March 31, 2020

## A. Equity Share Capital

(₹ In lakhs)

|                                      | No. of Shares      | Amount          |
|--------------------------------------|--------------------|-----------------|
| <b>Balance as at April 1, 2018</b>   | <b>256,539,165</b> | <b>5,130.78</b> |
| Add: Issue of Share Capital          | -                  | -               |
| <b>Balance as at March 31, 2019*</b> | <b>256,539,165</b> | <b>5,130.78</b> |
| Add: Issue of Share Capital          | -                  | -               |
| <b>Balance as at March 31, 2020*</b> | <b>256,539,165</b> | <b>5,130.78</b> |

## B. Other Equity

(₹ In lakhs)

|  | Reserves & Surplus         |                 |                   | Non-Controlling Interest | Total             |
|--|----------------------------|-----------------|-------------------|--------------------------|-------------------|
|  | Securities premium account | General Reserve | Retained earnings |                          |                   |
| <b>Restated Balance as at April 1, 2018</b>              | <b>59,009.67</b>           | <b>128.96</b>   | <b>104,601.79</b> | <b>1.11</b>              | <b>163,741.53</b> |
| Profit for the year                                      | -                          | -               | 35,137.31         | -                        | 35,137.31         |
| Addition during the year                                 | 3.07                       | -               | -                 | (0.88)                   | 2.19              |
| Other Comprehensive Income                               | -                          | -               | (94.72)           | -                        | (94.72)           |
| <b>Total comprehensive income for the year</b>           | <b>3.07</b>                | <b>-</b>        | <b>35,042.59</b>  | <b>(0.88)</b>            | <b>35,044.78</b>  |
| <b>Transaction with Owners in the Capacity of Owners</b> |                            |                 |                   |                          |                   |
| Dividend paid  | -                          | -               | (1,282.70)        | -                        | (1,282.70)        |
| Dividend Distribution tax                                | -                          | -               | (263.72)          | -                        | (263.72)          |
| Adjustment during the year                               | -                          | -               | 1.62              | -                        | 1.62              |
| Arising on account of consolidation                      | -                          | -               | 66.22             | -                        | 66.22             |
| <b>Balance as at March 31, 2019**</b>                    | <b>59,012.74</b>           | <b>128.96</b>   | <b>138,165.80</b> | <b>0.23</b>              | <b>197,307.73</b> |
| Profit for the year                                      | -                          | -               | 54,988.48         | -                        | 54,988.48         |
| Addition during the year                                 | 3.30                       | -               | -                 | -                        | 3.30              |
| Other Comprehensive Income                               | -                          | -               | 257.75            | -                        | 257.75            |
| <b>Total comprehensive income for the year</b>           | <b>3.30</b>                | <b>-</b>        | <b>55,246.23</b>  | <b>-</b>                 | <b>55,249.53</b>  |
| <b>Transaction with Owners in the Capacity of Owners</b> |                            |                 |                   |                          |                   |
| Dividend paid (Including Interim dividend)               | -                          | -               | (2,565.39)        | -                        | (2,565.39)        |
| Dividend Distribution tax                                | -                          | -               | (527.44)          | -                        | (527.44)          |
| Adjustment during the year                               | -                          | -               | 0.88              | (0.23)                   | 0.65              |
| Arising on account of consolidation                      | -                          | -               | 830.12            | -                        | 830.12            |
| <b>Balance as at March 31, 2020**</b>                    | <b>59,016.04</b>           | <b>128.96</b>   | <b>191,150.20</b> | <b>0.00</b>              | <b>250,295.20</b> |

The accompanying notes form an integral part of the financial statements

\* For details refer Note 19

\*\* For details refer Note 20

### Nature and purposes of Reserves

#### Securities Premium

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

#### General Reserve

This represents appropriation of profit by the company.

#### Retained Earnings

This comprises company's undistributed profit after taxes.

#### As per our report of even date attached.

In terms of our report attached

**For S.S.Kothari Mehta & Co.**

Chartered Accountants

Firm Registration No. 000756N

**On behalf of the Board of Directors**

#### Neeraj Bansal

Partner

Membership No. 95960

#### Pradeep Kumar Jain

Chairman and Managing Director

DIN: 00086653

#### Tapan Jain

Company Secretary

M.No.: A22603

#### Chakresh Kumar Jain

Managing Director and Chief Financial Officer

DIN: 00086768

Place: Agra

Date: June 24, 2020

# NOTES

to the Financial Statement for the Year ended March 31, 2020

## 1. Group Overview:

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

The Group and its subsidiaries (hereinafter refer to as Group) is engaged in India's infrastructure development through the construction of highways including BOT (built, operate and transfer projects), airport runways, bridges, flyovers and power transmission projects among others.

In case of BOT & HAM (Hybrid Annuity Model), the Group bids as a sponsor either alone or in joint venture with other venture(s) and once the project is awarded then it is executed by incorporating a Group (Special Purpose Vehicle).

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

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

The Consolidated financial statements were authorised for issue in accordance with the resolution of the directors on 24<sup>th</sup> June, 2020.

## 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 1 April 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 31 March, 2020.

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 year ended on March 31, 2020.

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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 recognised 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 recognised 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 realised.

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 contacts under Intangible Assets Method and the profits arising thereon are taken as realised and hence not eliminated.

- (e) Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise 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 realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current. A liability is current when:

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

The group classifies all other liabilities as non-current.

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

The operating cycle for the business activities of the Group covers the duration of the project/ contract/ service including the defect liability period, wherever applicable and extends up to the realization of receivables (including retention monies) within the credit period normally applicable to the respective project.

## 2.4. Property, Plant & Equipments

The group has elected to continue with the carrying value of all its property, plant and equipment as recognized in the financial statement at the date of transition i.e. at 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.

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## 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 amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Other intangible assets are amortised on straight line basis over the period in which it is expected to be available for use by the 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 & Equipment and Intangible assets as mentioned below:

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

## 2.8. Cash & Cash 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 amortised cost.

Any assets carried under concession arrangements are derecognised on disposal or when no future economic benefits are expected from its future use or disposal or when the contractual rights to the financial assets expire.

In the case of Operation and Maintenance arrangements, Intangible asset is recognized at fair value of the concession fee payable over the arrangement period.

## 2.10. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow and the revenue can

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be reliably measured, irrespective of the fact whether payment is received or not. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

## Construction Contracts:

Performance obligation under the construction contracts satisfied over a period of time, since the Group creates an asset that the customer controls as the asset is created and the group has an enforceable right to payment for performance completed to date if it meets the agreed specifications. With respect to the method for recognising revenue over time (i.e. the method for measuring progress towards complete satisfaction of a performance obligation), the Group has established certain criteria that are applied consistently for similar performance obligations. In this regard, the method chosen by the Group to measure the value of goods or services for which control is transferred to the customer over time is the output method based on surveys of performance completed to date as acknowledged by the client according to which revenue is 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 Group 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 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 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 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 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 amount of

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the financial asset or to the amortised 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 recognised 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 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 April 1, 2019, the Group 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 Group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the

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Group'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 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 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 its 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 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 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).

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

### Deferred Tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax 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 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.

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

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

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



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## 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 recognise the contingent assets unless the recovery is virtually certain.

## 2.22. Financial instruments

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

### Initial recognition

The 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 recognised at fair value plus any directly attributable transaction cost. Subsequently, they are measured at cost in accordance with Ind AS 27 - 'Separate Financial Statements'.

##### (v) Equity investments

All equity investments falling within the scope of Ind-AS 109 are mandatorily measured at Fair Value through Profit and Loss (FVTPL) with all fair value changes recognized in the Statement of Profit and Loss. The Group has an irrevocable option of designating certain equity instruments as FVOCI. Option of designating instruments as FVOCI is done on an instrument-by-instrument basis. The classification made on initial recognition is irrevocable. If the Group decides to classify an equity instrument as FVOCI, then all fair value changes on the instrument are recognized in Statement of Other Comprehensive Income (SOI). Amounts from SOI are not subsequently transferred to profit and loss, even on sale of investment.

#### B. Financial liabilities

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

### Derecognition:-

#### A. Financial Assets

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

- (i) The contractual right to receive cash from the assets have expired, or
- (ii) The Group has transferred its right to receive cash from the financial assets and substantially all the risks and rewards of ownership of the asset to another party.

#### B. Financial Liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial

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liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit 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.

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

# NOTES

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020

### 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 realisable value of inventories:**

Inventories are stated at the lower of cost and Fair value. In estimating the net realisable 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 31<sup>st</sup> March, 2020

### Note 4: Property, plant & equipment Year ended 31st March 2020

| Particulars                                    | ₹ in Lakhs    |               |                     |                              |                      |                 |                  |               |                         |  | Total            |
|--|---------------|---------------|---------------------|------------------------------|----------------------|-----------------|------------------|---------------|-------------------------|--|------------------|
|  | Freehold Land | Buildings     | Right-of-use Assets | Property, plant & equipments | Furniture & fixtures | Vehicles        | Office equipment | Computers     | Temporary Constructions |  |                  |
| <b>Gross carrying value</b>                    |               |               |                     |                              |                      |                 |                  |               |                         |  |                  |
| At April, 2019                                 | 257.39        | 653.46        | -                   | 78,972.87                    | 418.34               | 3,292.35        | 977.14           | 580.80        | 1,690.40                |  | 86,842.75        |
| Addition during the year                       | 247.54        | -             | 995.46              | 8,044.88                     | 22.95                | 518.31          | 169.42           | 67.92         | 1.81                    |  | 10,068.29        |
| Disposal / Adjustments                         | -             | 42.31         | -                   | 985.96                       | 0.48                 | 51.77           | 5.04             | 0.69          | 2.22                    |  | 1,088.47         |
| <b>As at March 31, 2020</b>                    | <b>504.93</b> | <b>611.15</b> | <b>995.46</b>       | <b>86,031.79</b>             | <b>440.81</b>        | <b>3,758.89</b> | <b>1,141.52</b>  | <b>648.03</b> | <b>1,689.99</b>         |  | <b>95,822.57</b> |
| <b>Accumulated Depreciation</b>                |               |               |                     |                              |                      |                 |                  |               |                         |  |                  |
| At April, 2019                                 | -             | 83.66         | -                   | 21,694.22                    | 111.03               | 775.84          | 425.18           | 476.55        | 1,606.57                |  | 25,173.04        |
| For the year                                   | -             | 19.59         | 266.89              | 11,266.57                    | 47.36                | 426.81          | 156.69           | 112.14        | 110.95                  |  | 12,407.00        |
| Disposal / Adjustments                         | -             | 5.42          | -                   | 742.19                       | 1.18                 | 47.73           | 28.45            | 5.13          | 35.86                   |  | 865.95           |
| <b>As at March 31, 2020</b>                    | <b>-</b>      | <b>97.83</b>  | <b>266.89</b>       | <b>32,218.60</b>             | <b>157.21</b>        | <b>1,154.93</b> | <b>553.42</b>    | <b>583.56</b> | <b>1,681.66</b>         |  | <b>36,714.09</b> |
| <b>Net carrying value as at March 31, 2020</b> | <b>504.93</b> | <b>513.32</b> | <b>728.57</b>       | <b>53,813.19</b>             | <b>283.60</b>        | <b>2,603.97</b> | <b>588.10</b>    | <b>64.47</b>  | <b>8.33</b>             |  | <b>59,108.48</b> |

### Year ended 31st March 2019

| Particulars                                    | ₹ in Lakhs    |               |                     |                   |                      |                 |                  |               |                         |  | Total            |
|--|---------------|---------------|---------------------|-------------------|----------------------|-----------------|------------------|---------------|-------------------------|--|------------------|
|  | Freehold Land | Buildings     | Right-of-use Assets | Plant & equipment | Furniture & fixtures | Vehicles        | Office equipment | Computers     | Temporary Constructions |  |                  |
| <b>Gross carrying value</b>                    |               |               |                     |                   |                      |                 |                  |               |                         |  |                  |
| At April 01, 2018                              | 202.69        | 653.46        | -                   | 51,401.09         | 320.11               | 2,446.53        | 748.37           | 441.30        | 1,737.25                |  | 57,950.80        |
| Addition during the year                       | 54.70         | -             | -                   | 28,369.28         | 100.85               | 924.33          | 228.87           | 139.50        | 6.72                    |  | 29,824.25        |
| Disposal / Adjustments                         | -             | -             | -                   | 797.50            | 2.62                 | 78.51           | 0.10             | -             | 53.57                   |  | 932.30           |
| <b>At March 31, 2019</b>                       | <b>257.39</b> | <b>653.46</b> | <b>-</b>            | <b>78,972.87</b>  | <b>418.34</b>        | <b>3,292.35</b> | <b>977.14</b>    | <b>580.80</b> | <b>1,690.40</b>         |  | <b>86,842.75</b> |
| <b>Accumulated Depreciation</b>                |               |               |                     |                   |                      |                 |                  |               |                         |  |                  |
| At April 01, 2018                              | -             | 64.02         | -                   | 14,208.48         | 74.22                | 516.85          | 282.16           | 378.14        | 1,503.71                |  | 17,027.57        |
| Addition during the year                       | -             | 19.64         | -                   | 8,080.10          | 39.04                | 329.43          | 143.04           | 98.41         | 118.50                  |  | 8,828.16         |
| Disposal / Adjustments                         | -             | -             | -                   | 594.36            | 2.23                 | 70.44           | 0.02             | -             | 15.64                   |  | 682.69           |
| <b>At March 31, 2019</b>                       | <b>-</b>      | <b>83.66</b>  | <b>-</b>            | <b>21,694.22</b>  | <b>111.03</b>        | <b>775.84</b>   | <b>425.18</b>    | <b>476.55</b> | <b>1,606.57</b>         |  | <b>25,173.04</b> |
| <b>Net carrying value as at March 31, 2019</b> | <b>257.39</b> | <b>569.80</b> | <b>-</b>            | <b>57,278.65</b>  | <b>307.31</b>        | <b>2,516.50</b> | <b>551.96</b>    | <b>104.26</b> | <b>83.83</b>            |  | <b>61,669.71</b> |

### Notes :

- Property, plant and equipments hypothecated/ pledged as security except project assets. (Refer Note 21)
- Borrowing cost capitalized during the period is nil (Previous year is Nil).
- Gross carrying value is based on the Net carrying value (Deemed Cost) as on the transition date i.e. 01.04.2015.
- Refer Note 42 for disclosure of Contractual Commitment for the acquisition of Property, Plant & Equipments.
- Right of use assets includes Land and Building under operating lease and same is reclassified on account of adoption of Ind AS 116.

# NOTES

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020

## 5 Capital Work In Progress

₹ in Lakhs

| Particulars                             | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|---|---------------------------------------|---------------------------------------|
| <b>Capital Work in Progress</b>         |                                       |                                       |
| Opening Cost                            | 620.50                                | 1,113.64                              |
| Addition during the year                | 843.18                                | 614.41                                |
| Capitalized/Adjustments during the year | (1,463.68)                            | (1,107.55)                            |
| <b>Total</b>                            | <b>-</b>                              | <b>620.50</b>                         |

## 6 Intangible assets

### Year ended March 31, 2020

₹ in Lakhs

| Particulars                                    | Computer<br>software | Mining<br>Lease | Concession<br>Rights | Goodwill on<br>Consolidation | Total             |
|--|----------------------|-----------------|----------------------|------------------------------|-------------------|
| <b>Gross carrying value*</b>                   |                      |                 |                      |                              |                   |
| As at April 1, 2019                            | 352.55               | 33.53           | 239,180.46           | 73.46                        | 239,640.00        |
| Addition during the year                       | 18.93                | -               | -                    | 833.42                       | 852.35            |
| Disposals/Adjustments                          | 0.02                 | -               | 1,431.58             | -                            | 1,431.60          |
| <b>As at March 31, 2020</b>                    | <b>371.46</b>        | <b>33.53</b>    | <b>237,748.88</b>    | <b>906.88</b>                | <b>239,060.75</b> |
| <b>Amortisation</b>                            |                      |                 |                      |                              |                   |
| As at April 1, 2019                            | 185.79               | 2.19            | 77,737.90            | -                            | 77,925.88         |
| For the year                                   | 58.45                | 3.35            | 22,371.89            | -                            | 22,433.69         |
| Disposals/Adjustments                          | -                    | -               | -                    | -                            | -                 |
| <b>As at March 31, 2020</b>                    | <b>244.24</b>        | <b>5.54</b>     | <b>100,109.79</b>    | <b>-</b>                     | <b>100,359.57</b> |
| <b>Net carrying value as at March 31, 2020</b> | <b>127.22</b>        | <b>27.99</b>    | <b>137,639.09</b>    | <b>906.88</b>                | <b>138,701.18</b> |

### Year ended March 31, 2019

₹ in Lakhs

| Particulars                                    | Computer<br>software | Mining<br>Lease | Concession<br>Rights | Goodwill on<br>Consolidation | Total             |
|--|----------------------|-----------------|----------------------|------------------------------|-------------------|
| <b>Gross carrying value*</b>                   |                      |                 |                      |                              |                   |
| At April 1, 2018                               | 290.70               | -               | 239,180.46           | 4.17                         | 239,475.33        |
| Addition during the year                       | 61.85                | 33.53           | -                    | 69.29                        | 164.67            |
| Disposals/Adjustments                          | -                    | -               | -                    | -                            | -                 |
| <b>As at March 31, 2019</b>                    | <b>352.55</b>        | <b>33.53</b>    | <b>239,180.46</b>    | <b>73.46</b>                 | <b>239,640.00</b> |
| <b>Amortisation</b>                            |                      |                 |                      |                              |                   |
| At April 1, 2018                               | 130.35               | -               | 52,394.45            | -                            | 52,524.80         |
| For the year                                   | 55.44                | 2.19            | 25,343.45            | -                            | 25,401.08         |
| Disposals/Adjustments                          | -                    | -               | -                    | -                            | -                 |
| <b>As at March 31, 2019</b>                    | <b>185.79</b>        | <b>2.19</b>     | <b>77,737.90</b>     | <b>-</b>                     | <b>77,925.88</b>  |
| <b>Net carrying value as at March 31, 2019</b> | <b>166.76</b>        | <b>31.34</b>    | <b>161,442.56</b>    | <b>73.46</b>                 | <b>161,714.12</b> |

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

## NOTES

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020

## 7 Non-Current Investments

₹ in Lakhs

| Particulars  | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|--|---------------------------------------|---------------------------------------|
| <b>Equity Shares fully paid-up:</b>  |                                       |                                       |
| <b>(i) Investment in Associates*</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   | 2,933.73                              | 2,863.80                              |
| Add/(Less)- Profit/Loss of Associate   | 648.78                                | 69.93                                 |
| Closing Carrying value   | <b>3,582.51</b>                       | <b>2,933.73</b>                       |
| <b>(ii) Investment in Others</b>   |                                       |                                       |
| 555,370 equity shares (Previous Year 555,370) of Indian Highways Management Company limited of ₹ 10/- each ( Face value ₹ 10/- each)           | 55.54                                 | 55.54                                 |
| <b>Investment in Associates (B)</b>  | <b>3,638.05</b>                       | <b>2,989.27</b>                       |

₹ in Lakhs

| Particulars                                      | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|--|---------------------------------------|---------------------------------------|
| Aggregate book value of quoted investments       | -                                     | -                                     |
| Aggregate market value of quoted investments     | -                                     | -                                     |
| Aggregate book value of unquoted investments     | 3,638.05                              | 2,989.27                              |
| Provision for diminution in value of investmentS | -                                     | -                                     |
|  | <b>3,638.05</b>                       | <b>2,989.27</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:

| Name of the Company                            | No. of Shares of ₹ 10 each            |                                       |
|--|---------------------------------------|---------------------------------------|
|  | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
| Ghaziabad Aligarh Expressway Private Limited** | 14,955,240                            | 14,955,240                            |

\* The Company had entered into a Share Purchase Agreement (SPA) with Cube Highways & Infrastructure Pvt. Ltd. for sale of 35% stake jointly held by the Company along with its wholly owned subsidiary, PNC Infra Holdings Limited in Ghaziabad Aligarh Expressway Private Limited, Concessionaire (SPV) for 'Four Laning of Ghaziabad - Aligarh Section of NH-91 BOT (Toll) Project in Uttar Pradesh along with the other partners/promoters of SPV on May 04, 2019 subject to applicable regulatory and other approvals and fulfilment of certain conditions by the Parties for closure of the deal within a total period of 12 months from the date of agreement. However, the said SPA stood lapsed, as the validity of the SPA expired before the closure of the deal and the Parties have decided not to extend the validity further.

Now, the Company along with its co-promoters is in the advanced stage of discussions with another prospective investor, who has evinced interest in the project asset, to move ahead in the process of divestment.

## 8 Non Current trade receivables

₹ in Lakhs

| Particulars                                 | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|---|---------------------------------------|---------------------------------------|
| Trade Receivables considered good-unsecured | 332,462.23                            | 219,596.88                            |
| <b>Total</b>                                | <b>332,462.23</b>                     | <b>219,596.88</b>                     |

# NOTES

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020

## 8 Non Current trade receivables (Contd...)

₹ in Lakhs

| Particulars  | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|--|---------------------------------------|---------------------------------------|
| Trade Receivables considered good-secured            | -                                     | -                                     |
| Trade Receivables considered good-unsecured          | 332,462.23                            | 219,596.88                            |
| Trade Receivables which have increase in credit risk | -                                     | -                                     |
| Credit Impaired                                      | -                                     | -                                     |

## 9 Other Financial assets

₹ in Lakhs

| Particulars  | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|--|---------------------------------------|---------------------------------------|
| <b>Other Bank balances (having maturity of more than 12 months)*</b> |                                       |                                       |
| - Term deposits as margin money for bank guarantees                  | 106.30                                | 113.72                                |
| - Earnest money deposits (in the form of term deposits, NSC etc)     | 305.05                                | 2.84                                  |
| Share Warrants in Ghaziabad Aligarh Expressway Pvt. Limited#         | -                                     | 8,754.83                              |
| <b>(Unsecured, Considered good unless otherwise stated)</b>          |                                       |                                       |
| <b>Retentions &amp; Security Deposits</b>                            |                                       |                                       |
| With government departments & other clients                          | 9,461.98                              | 10,333.55                             |
| with related parties**   | 1,974.91                              | 824.23                                |
| with others  | 67.13                                 | 67.13                                 |
| <b>Total</b>   | <b>11,915.37</b>                      | <b>20,096.30</b>                      |

\* For details refer Note 15(ii)

# In pursuant of agreement dated 12th March, 2020 with GAEPL and Board approval, the said share warrants have been converted into subordinate debt at par on similar commercial terms and conditions as that of the warrants.

\*\* For details refer Note 44

## 10 Deferred Tax

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

₹ in Lakhs

| Particulars                                  | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|--|---------------------------------------|---------------------------------------|
| <b>Deferred Tax Assets/(Liabilities)</b>     |                                       |                                       |
| Property, Plant & Equipments                 | 3,770.86                              | 2,498.11                              |
| Retention Assets                             | (80.76)                               | 139.58                                |
| Retention Liabilities                        | (401.69)                              | 333.32                                |
| Deferred Retention Liabilities               | 710.75                                | (330.79)                              |
| Deferred Retention Assets                    | (55.63)                               | (136.96)                              |
| Gratuity & Leave encashment                  | 395.61                                | 439.80                                |
| Trade receivables                            | (24,921.76)                           | (31,174.74)                           |
| Borrowings                                   | (26.76)                               | (37.44)                               |
| Investments                                  | (325.22)                              | (104.31)                              |
| Preliminary & Pre-operative expenses         | 4.38                                  | 9.96                                  |
| Major Maintenance                            | 6,192.33                              | 5,468.11                              |
| Trade payables                               | 18,470.33                             | 26,123.38                             |
| Lease Liability                              | 237.95                                | -                                     |
| Mat Credit Entitlement                       | 11,865.99                             | 17,267.31                             |
| <b>Net deferred tax Assets/(Liabilities)</b> | <b>15,836.37</b>                      | <b>20,495.33</b>                      |

## NOTES

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020

₹ 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 | Lease Liability | Trade Receivables  | Borrowings     | Total           |
|--------------------------------|------------------|------------------------------|------------------|--------------------------------|-----------------------------|--------------------------------------|-------------------|-----------------------|-----------------|---------------------------|-----------------|--------------------|----------------|-----------------|
| <b>At April 1, 2018</b>        | <b>30,534.19</b> | <b>(563.14)</b>              | <b>125.24</b>    | <b>56.87</b>                   | <b>286.58</b>               | <b>22.11</b>                         | <b>3,536.24</b>   | <b>(46.76)</b>        | <b>(19.44)</b>  | <b>(130.26)</b>           | <b>-</b>        | <b>(32,408.50)</b> | <b>(44.40)</b> | <b>1,348.75</b> |
| (Charged)/credited:-           |                  |                              |                  |                                |                             |                                      |                   |                       |                 |                           |                 |                    |                |                 |
| -to profit & loss              | (4,410.81)       | 3,061.25                     | 14.34            | (397.66)                       | 102.13                      | (12.15)                              | 1,931.87          | 380.08                | (84.87)         | (6.70)                    | -               | 993.47             | 6.96           | 1,564.73        |
| -to Other Comprehensive Income |                  |                              |                  |                                | 51.09                       |                                      |                   |                       |                 |                           |                 |                    |                | 51.09           |
| <b>At March 31, 2019</b>       | <b>26,123.38</b> | <b>2,498.11</b>              | <b>139.58</b>    | <b>(330.79)</b>                | <b>439.80</b>               | <b>9.96</b>                          | <b>5,468.11</b>   | <b>333.32</b>         | <b>(104.31)</b> | <b>(136.96)</b>           | <b>-</b>        | <b>(31,425.03)</b> | <b>(37.44)</b> | <b>2,964.57</b> |
| (Charged)/credited:-           |                  |                              |                  |                                |                             |                                      |                   |                       |                 |                           |                 |                    |                |                 |
| -to profit & loss              | (7,653.05)       | 1,272.75                     | (220.34)         | 1,041.54                       | 85.12                       | (5.56)                               | 724.22            | (735.01)              | (220.91)        | 81.33                     | 237.95          | 6,503.27           | 10.68          | 1,121.96        |
| -to Other Comprehensive Income |                  |                              |                  |                                | (129.32)                    |                                      |                   |                       |                 |                           |                 |                    |                | (129.32)        |
| <b>At March 31, 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>237.95</b>   | <b>(24,921.76)</b> | <b>(26.76)</b> | <b>3,970.38</b> |

## 10.3 Movement in Minimum Alternate Tax (MAT)

₹ in Lakhs

| Particulars                             | Amount           |
|---|------------------|
| <b>At April 1, 2018</b>                 | <b>16,320.01</b> |
| (Charged)/credited:-                    |                  |
| -to profit & loss                       | (677.78)         |
| -to Mat Credit Availability/Utilisation | 1,625.08         |
| <b>At March 31, 2019</b>                | <b>17,267.31</b> |
| (Charged)/credited:-                    |                  |
| -to profit & loss                       | (16.24)          |
| -to Mat Credit Availability/Utilisation | (5,385.08)       |
| <b>At March 31, 2020</b>                | <b>11,865.99</b> |



# NOTES

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020

## 11 Other Non Current Assets

₹ in Lakhs

| Particulars                                 | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|---|---------------------------------------|---------------------------------------|
| Advance tax & tax deducted at source (Net)* | 11,709.38                             | 7,080.98                              |
| Tax & Duty deposited under protest          | 702.25                                | 713.15                                |
| <b>Advances Other than Capital Advance</b>  |                                       |                                       |
| Balance with Government authorities         | 35,420.00                             | 32,247.09                             |
| Mobilization advance to sub-contractors     | 1,116.76                              | 924.19                                |
| <b>Deferred Retention</b>                   |                                       |                                       |
| a. Held with departments                    | 25.91                                 | 255.81                                |
| <b>Others</b>                               |                                       |                                       |
| Deferred Share warrant Assets#              | -                                     | 3,050.14                              |
| <b>Total</b>                                | <b>48,974.30</b>                      | <b>44,271.36</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 pursuant of agreement dated 12<sup>th</sup> March, 2020 with GAEPL and Board approval, the said share warrants have been converted into subordinate debt at par on similar commercial terms and conditions as that of the warrants.

## 12 Inventories

₹ in Lakhs

| Particulars                           | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|---------------------------------------|---------------------------------------|---------------------------------------|
| Raw Materials (construction material) | 21,540.75                             | 32,437.13                             |
| Raw Material in transit               | 118.66                                | 36.75                                 |
| Work-in-progress                      | -                                     | 3,430.83                              |
| Stores and spares                     | 5,069.52                              | 4,450.38                              |
|                                       | <b>26,728.93</b>                      | <b>40,355.09</b>                      |

**NOTES**to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020**13 Current Investments**

₹ in Lakhs

| Particulars   | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|---|---------------------------------------|---------------------------------------|
| Investments In Mutual Funds   |                                       |                                       |
| Axis Mutual Fund- Nil (P.Y. 55,058.533 Units)                         | -                                     | 1,141.65                              |
| Kotak Money Market Fund- 4,11,517.89 Units (P. Y. 2,09,945.882 Units) | 13,633.92                             | 6,480.10                              |
| HDFC Liquid Fund Investment- Nil (P.Y. 3,74,445.353 Units)            | -                                     | 13,773.17                             |
| Kotak low duration Funds- 4,57,967.719 Units (P.Y. 9,551.354 Units)   | 11,320.72                             | 227.04                                |
| HDFC Floating rate Debt Fund- 2,85,53,544.208 Units (P.Y. Nil)        | 10,133.40                             | -                                     |
| Axis Ultra short term Mutual Fund- 5,03,70,476.372 Units (P.Y. Nil)   | 5,713.06                              | -                                     |
| BOB Treasury Adv Fund- Nil (P.Y. 74,182.513 Units)                    | -                                     | 1,642.05                              |
|   | <b>40,801.10</b>                      | <b>23,264.01</b>                      |

₹ in Lakhs

| Particulars                                      | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|--|---------------------------------------|---------------------------------------|
| Aggregate book value of quoted investments       | 40,801.10                             | 23,264.01                             |
| Aggregate market value of quoted investments     | 40,801.10                             | 23,264.01                             |
| Aggregate book value of unquoted investments     | -                                     | -                                     |
| Provision for diminution in value of investmentS | -                                     | -                                     |
|  | <b>40,801.10</b>                      | <b>23,264.01</b>                      |

**14 Trade Receivables**

₹ in Lakhs

| Particulars   | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|---|---------------------------------------|---------------------------------------|
| <b>Trade Receivable considered good-unsecured</b>   |                                       |                                       |
| Related Parties*                                    | 10,758.00                             | 2,023.44                              |
| Other   | 17,647.79                             | 49,917.82                             |
|   | <b>28,405.79</b>                      | <b>51,941.26</b>                      |
| Trade Receivable considered good-secured            | -                                     | -                                     |
| Trade Receivable considered good-un secured         | 28,405.79                             | 51,941.26                             |
| Trade Receivable which have increase in credit risk | -                                     | -                                     |
| Credit Impaired                                     | -                                     | -                                     |

\* For details refer Note 44

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

₹ in Lakhs

| Particulars                           | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|---------------------------------------|---------------------------------------|---------------------------------------|
| <b>Cash &amp; Cash Equivalents</b>    |                                       |                                       |
| Cash on hand                          | 227.59                                | 500.38                                |
| Bank Balances with Scheduled Bank:    |                                       |                                       |
| In Current Account                    | 29,503.34                             | 11,335.24                             |
| In Term Deposits (Less than 3 months) | 54,900.00                             | 17,905.00                             |
|                                       | <b>84,630.93</b>                      | <b>29,740.62</b>                      |

# NOTES

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020

## 15(ii) Other Bank Balances

₹ in Lakhs

| Particulars  | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|--|---------------------------------------|---------------------------------------|
| <b>(with maturity less than 3 months maturity)</b>             |                                       |                                       |
| Earmarked Term deposits as Margin money for bank guarantee     | 1,221.40                              | 1,198.45                              |
| Earnest money deposits (in the form of term deposits, NSC etc) | 276.05                                | 291.27                                |
| <b>(with maturity more than 3 months but upto 12 months)</b>   |                                       |                                       |
| Earmarked Term deposits as Margin money on bank guarantee      | 3,935.50                              | 3,944.96                              |
| Earnest money deposits (in the form of term deposits, NSC etc) | 347.72                                | 320.43                                |
| Fixed Deposits   | 1,700.00                              | 5,345.00                              |
|  | <b>7,480.67</b>                       | <b>11,100.11</b>                      |
| <b>Current Account</b>   |                                       |                                       |
| Earmarked balances-unclaimed dividend                          | 0.78                                  | 0.42                                  |
|  | <b>7,481.45</b>                       | <b>11,100.53</b>                      |

## Details of FDR kept as security

₹ in Lakhs

| Particulars   | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|---|---------------------------------------|---------------------------------------|
| <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 | 5,263.20                              | 5,257.13                              |
| Earnest money (in form of term deposits ) deposits in favour of customer                  | 928.82                                | 614.54                                |
| Fixed Deposits (With maturity less than 3 months)   | 1,700.00                              | 5,345.00                              |
| Add: Interest accrued but not due on margin money & Earnest money deposit                 | 251.53                                | 228.67                                |
| Less: Interest accrued but not due on margin money & Earnest money deposit                | (251.53)                              | (228.67)                              |
| <b>Total Deposits</b>   | <b>7,892.02</b>                       | <b>11,216.67</b>                      |
| Fixed Deposits  | 106.30                                | 113.72                                |
| Earnest Money Deposits  | 305.05                                | 2.84                                  |
| <b>Total Non-Current Deposits</b>   | <b>411.35</b>                         | <b>116.56</b>                         |
| <b>Total Current Deposits</b>   | <b>7,480.67</b>                       | <b>11,100.11</b>                      |

## 16 Loans

₹ in Lakhs

| Particulars   | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|---|---------------------------------------|---------------------------------------|
| <b>Unsecured and considered good- unless otherwise stated</b> |                                       |                                       |
| Loans and advances to related parties*                        | 25,651.81                             | 8,285.09                              |
|   | <b>25,651.81</b>                      | <b>8,285.09</b>                       |

**NOTES**to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020

₹ in Lakhs

| Particulars   | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|---|---------------------------------------|---------------------------------------|
| Loans and advances considered good-secured            | -                                     | -                                     |
| Loans and advances considered good-unsecured          | 25,651.81                             | 8,285.09                              |
| Loans and advances which have increase in credit risk | -                                     | -                                     |
| Credit Impaired                                       | -                                     | -                                     |

\* The Company has given non-interest bearing unsecured loan to its associate for financial assistance.

# In pursuant of agreement dated 12th March, 2020 with GAEPL and Board approval, the said share warrants have been converted into subordinate debt at par on similar commercial terms and conditions as that of the warrants.

\* For details Refer Note 44

**17 Other current financial assets**

₹ in Lakhs

| Particulars  | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|--|---------------------------------------|---------------------------------------|
| Retentions & Security Deposits   |                                       |                                       |
| with government and other clients  | 7,119.80                              | 8,463.19                              |
| with others  | -                                     | 0.91                                  |
| Balance with Government Authorities  |                                       |                                       |
| Others   | 31.89                                 | 679.54                                |
| Interest accrued but not due on Margin money, earnest money deposits & FDR | 710.48                                | 414.18                                |
|  | <b>7,862.17</b>                       | <b>9,557.82</b>                       |

**18 Other Current assets**

₹ in Lakhs

| Particulars  | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|--|---------------------------------------|---------------------------------------|
| <b>Retentions &amp; Security Deposits-unsecured, considered good unless otherwise stated</b> |                                       |                                       |
| with government and other clients  | 122.99                                | 48.13                                 |
| Balance with Government Authorities  | 5,819.71                              | 7,348.85                              |
| Mobilization advance to sub-contractors  | 1,096.86                              | 877.84                                |
| <b>Advances to suppliers/Contractors</b>   |                                       |                                       |
| Considered good - secure   | -                                     | -                                     |
| Considered good - unsecure   | 7,576.18                              | 8,751.45                              |
| Other advances   | 2,216.07                              | 2,712.92                              |
|  | <b>16,831.81</b>                      | <b>19,739.18</b>                      |

# NOTES

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020

## 19 Share Capital

₹ in Lakhs

| Particulars                                    | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|--|---------------------------------------|---------------------------------------|
| <b>Authorised</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>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 period:

| Particulars                  | Nos.               | Nos.               |
|------------------------------|--------------------|--------------------|
| Opening                      | 256,539,165        | 256,539,165        |
| Add: Issued during the year  | -                  | -                  |
| Less: Deductions during year | -                  | -                  |
| <b>Closing</b>               | <b>256,539,165</b> | <b>256,539,165</b> |

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

| Particulars  | As at 31 <sup>st</sup> March, 2020 |            | As at 31 <sup>st</sup> March, 2019 |            |
|--|------------------------------------|------------|------------------------------------|------------|
|  | No of Shares                       | % Holdings | No of Shares                       | % Holdings |
| CN Infrabuild Private Limited<br>(formerly known NCJ Infrastructural<br>Consultants Private Limited) | 25,534,008                         | 9.95       | 25,534,008                         | 9.95       |
| NCJ Infrastructural Private Limited*   | 24,765,000                         | 9.65       | 24,765,000                         | 9.65       |
| HDFC Mutual Fund   | 19,837,806                         | 7.73       | 14,971,550                         | 5.84       |
| Naveen Kumar Jain  | 18,096,000                         | 7.05       | 18,096,000                         | 7.05       |
| Madhavi Jain   | 17,998,500                         | 7.02       | 17,998,500                         | 7.02       |
| Yogesh Kumar Jain  | 16,794,000                         | 6.55       | 16,794,000                         | 6.55       |
| Pradeep Kumar Jain   | 15,349,500                         | 5.98       | 15,349,500                         | 5.98       |

### C Rights and restrictions attached to equity shares

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

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

**NOTES**to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020**20 Other Equity**

₹ in Lakhs

| Particulars   | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|---|---------------------------------------|---------------------------------------|
| <b>Securities premium*</b>                                  |                                       |                                       |
| Opening Balance   | 59,012.74                             | 59,009.67                             |
| (+) Addition During the year                                | 3.30                                  | 3.07                                  |
| <b>Closing Balance</b>                                      | <b>59,016.04</b>                      | <b>59,012.74</b>                      |
| <b>General Reserve*</b>                                     |                                       |                                       |
| Opening Balance   | 128.96                                | 128.96                                |
| (+) Current period Transfer from Statement of Profit & Loss |                                       | -                                     |
| (-) Adjustment during the year                              | -                                     | -                                     |
| <b>Closing Balance</b>                                      | <b>128.96</b>                         | <b>128.96</b>                         |
| <b>Surplus in Statement of Profit and Loss*</b>             |                                       |                                       |
| Balance as at the beginning of the year                     | 138,165.80                            | 104,601.79                            |
| (+) Net Profit for the year                                 | 54,988.48                             | 35,137.31                             |
| - Remeasurement of Defined Benefit Obligation               | 257.75                                | (94.72)                               |
| Amount available for appropriation                          | 193,412.03                            | 139,644.38                            |
| (-) Final Dividend paid on Equity Shares                    | (1,282.70)                            | (1,282.70)                            |
| (-) Interim Dividend paid on Equity Shares                  | (1,282.70)                            | -                                     |
| (-) Dividend Distribution tax                               | (527.44)                              | (263.72)                              |
| (+) Adjustment during the year                              | 0.88                                  | 1.62                                  |
| (+) Arising on account of consolidation                     | 830.12                                | 66.22                                 |
| <b>Closing Balance</b>                                      | <b>191,150.20</b>                     | <b>138,165.80</b>                     |
| <b>Total</b>  | <b>250,295.20</b>                     | <b>197,307.50</b>                     |

\*Refer Statement of Changes In Equity

**Nature and purposes of Reserves****Securities Premium**

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

**General Reserve**

This represents appropriation of profit by the company.

**Retained Earnings**

This comprise company's undistributed profit after taxes.

**21 Long Term Borrowings**

₹ in Lakhs

| Particulars   | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|---|---------------------------------------|---------------------------------------|
| <b>Secured</b>  |                                       |                                       |
| Term loans -from banks (For Maturity Pattern refer details below) | 322,234.87                            | 246,447.28                            |
| Term loans -from NBFCs (For Maturity Pattern refer details below) | 2,366.95                              | 5,059.99                              |
|   | <b>324,601.82</b>                     | <b>251,507.27</b>                     |

# NOTES

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020

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

₹ in Lakhs

| Particulars          | Total Loan Outstanding | Non - Current Maturity | Current Maturity*  |
|----------------------|------------------------|------------------------|--------------------|
| Term Loan From Banks | <b>346,189.72</b>      | <b>322,234.87</b>      | <b>23,954.85</b>   |
|                      | (268,635.22)           | (246,447.28)           | (22,187.94)        |
| Term Loan from NBFC  | <b>3,685.13</b>        | <b>2,366.95</b>        | <b>1,318.18</b>    |
|                      | (6,934.94)             | (5,059.99)             | (1,874.94)         |
|                      | <b>349,874.85</b>      | <b>324,601.82</b>      | <b>25,273.03</b>   |
|                      | <b>(275,570.15)</b>    | <b>(251,507.27)</b>    | <b>(24,062.88)</b> |

### Common Conditions:-

- The above loans are secured by way of hypothecation of asset financed out of said loans.
- The above loans are repayable in monthly installment over the period of loan.
- Figures in brackets represent previous year figures.
- A first mortgage and charge on all the borrowers immovable properties both present and future save and except the project assets.
- A first charge by way of hypothecation of the borrower movable, including current and non current assets save and except the project assets.
- A first charge on borrowers receivables save and except the project assets.
- A first charge over all the bank accounts of the borrower, the escrow account, sub accounts, major maintenance account debt service reserve account.
- A first charge on all the intangible assets excluding the project assets
- A first charge by way of assignment or otherwise creation of security interest in all the rights, title, interests, benefits, claims and demands.
- The above Loans carry Interest rates ranging from 7.90% to 9.90%.

### Common Conditions:-

| Subsidiary Name                            | Other Conditions   | Repayment Schedule   |
|--|--|--|
| MP Highways (P) Limited                    | Pledge of equity shares held by the sponsor aggregating to 51%.  | Borrowings are repayable in 115 unequal monthly installments which commenced from september 2013.  |
| PNC Bareilly Nainital Highways (P) Limited | Pledge of equity shares held by the sponsor aggregating to 51%.  | Borrowings are repayable in 115 unequal monthly installments which commenced from september 2013.  |
| PNC Raebareli Highways (P) Limited         | Pledge of equity shares of the borrower shall be reduced from 51% to 26% subject to compliance of all the provisions of financing documents. | The loan is repayable in 25 unequal half yearly installments commencing from July 2017. The loan is repayable in 23 structured bollooning half yearly installments starting from July 2018 |
| PNC Rajasthan Highways (P) Limited         | Pledge of shares held by the promoter and or any other person aggregating to 51%.  | The loan is repayable in 24 unequal half yearly installments commencing after 6 months from date of Scheduled completion date .  |
| PNC Kanpur Highways Limited                | Pledge of equity shares held by the sponsor aggregating to 51%   | The loan is repayable in 97 unequal monthly installments commencing from January 2016.   |
| PNC Delhi Industrialinfra (P) Limited      | Pledge of equity shares held by the sponsor aggregating to 51%   | The loan is repayable in 121 unequal monthly instalments commencing from December 2013.  |

**NOTES**to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020

| Subsidiary Name                         | Other Conditions   | Repayment Schedule  |
|---|--|---|
| PNC Chitradurga Highways (P) Limited    | Pledge of equity shares held by the sponsor aggregating to 51% | The loan is repayable in 24 unequal half yearly installments commencing after 6 months from date of Scheduled completion date . |
| PNC Bundelkhand Highways (P) Limited    | Pledge of equity shares held by the sponsor aggregating to 51% | The loan is repayable in 26 unequal half yearly installments commencing after 7 months from date of Scheduled completion date.  |
| PNC Khajuraho Highways (P) Limited      | Pledge of equity shares held by the sponsor aggregating to 30% | The loan is repayable in 24 unequal half yearly installments commencing after 6 months from date of Scheduled completion date.  |
| PNC Aligarh Highways (P) Limited        | Pledge of equity shares held by the sponsor aggregating to 51% | The loan is repayable in 27 unequal half yearly installments commencing after 7 months from date of Scheduled completion date.  |
| PNC Triveni Sangam Highways (P) Limited | Pledge of equity shares held by the sponsor aggregating to 51% | The loan is repayable in 25 unequal half yearly installments commencing after 7 months from date of Scheduled completion date.  |

**22 Trade Payables**

₹ in Lakhs

| Particulars                                  | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|--|---------------------------------------|---------------------------------------|
| Micro & Small enterprises* (Refer Note 22.1) | -                                     | -                                     |
| Other than Micro & Small enterprises         | 63,428.35                             | 83,728.71                             |
|  | <b>63,428.35</b>                      | <b>83,728.71</b>                      |

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

₹ in Lakhs

| Particulars  | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|--|---------------------------------------|---------------------------------------|
| - 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 | -                                     | -                                     |

**23 Other financial liabilities excluding provisions**

₹ in Lakhs

| Particulars                                 | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|---|---------------------------------------|---------------------------------------|
| Retention from contractors/suppliers        | 20,227.18                             | 11,077.22                             |
| Security received from contractor/suppliers | 47.06                                 | 42.82                                 |
| Lease Liability                             | 680.94                                | -                                     |
|   | <b>20,955.18</b>                      | <b>11,120.04</b>                      |



# NOTES

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020

## 24 Long Term Provisions

₹ in Lakhs

| Particulars                             | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|---|---------------------------------------|---------------------------------------|
| <b>Provision for employee benefits*</b> |                                       |                                       |
| Gratuity (Funded)                       | 533.34                                | 669.09                                |
| Gratuity (Unfunded)                     | 12.69                                 | 12.64                                 |
| Leave Encashment (Unfunded)             | 216.63                                | 315.86                                |
| <b>Other Provisions</b>                 |                                       |                                       |
| Major Maintenance**                     | 23,816.67                             | 17,510.08                             |
|   | <b>24,579.33</b>                      | <b>18,507.67</b>                      |

\*For details refer Note 46.

\*\*The company has a constructive obligation to maintain and manage the revenue generating infrastructure due to which it is probable that economic resources will be required to settle the obligation. The management estimated the carrying amount of provisions of major maintenance that are subject to change to actual maintenance to be held in prospective years.

### 24.1 Movement of provision for Major Maintenance

₹ in Lakhs

| Particulars                                   | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|---|---------------------------------------|---------------------------------------|
| Carrying amount at the beginning of the year  | 17,510.08                             | 11,431.22                             |
| Additional provision made during the year     | 6,306.59                              | 6,078.86                              |
| Amount used during the year                   | -                                     | -                                     |
| Amount reversed during the year               | -                                     | -                                     |
| <b>Carrying amount at the end of the year</b> | <b>23,816.67</b>                      | <b>17,510.08</b>                      |

## 25 Other Non current Liabilities

₹ in Lakhs

| Particulars            | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|------------------------|---------------------------------------|---------------------------------------|
| Advance from customers | 36,602.37                             | 42,890.14                             |
| Deferred Retentions    | 2,039.08                              | 946.83                                |
|                        | <b>38,641.45</b>                      | <b>43,836.97</b>                      |

## 26 Short Term Borrowings

₹ in Lakhs

| Particulars                                 | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|---|---------------------------------------|---------------------------------------|
| <b>Unsecured</b>                            |                                       |                                       |
| Loan repayable on demand from Related party | 1,629.41                              | 1,949.67                              |
|   | <b>1,629.41</b>                       | <b>1,949.67</b>                       |

## NOTES

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020

## 27 Trade Payables

₹ in Lakhs

| Particulars                                 | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|---|---------------------------------------|---------------------------------------|
| Micro & Small Enterprises (Refer note 26.1) | 1,210.50                              | 375.49                                |
| Other than Micro & Small Enterprises        | 46,365.54                             | 47,503.56                             |
|   | <b>47,576.04</b>                      | <b>47,879.05</b>                      |

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

₹ in Lakhs

| Particulars  | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|--|---------------------------------------|---------------------------------------|
| - Principal amount due to suppliers  | 1,210.50                              | 375.49                                |
| - Interest accrued due to suppliers on the above amount and unpaid.  | -                                     | -                                     |
| - The amount of interest paid by the company in terms of Section 16 of the MSMED Act 2006, along with the amount of the payment made to the supplier beyond the appointed date during each accounting year.  | -                                     | -                                     |
| - The amount of interest due and payable for the period of delay in making payment(which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.                                | -                                     | -                                     |
| - Interest accrued and remaining unpaid at the end of the each accounting year.  | -                                     | -                                     |
| - Amount of further interest remaining due and payable in succeeding years,until such date when the interest dues above are actually paid to small enterprise, for the purpose of disallowance of a deductible expenditure u/s 23 of MSMED Act, 2006 | -                                     | -                                     |

## 28 Other financial Current Liabilities

₹ in Lakhs

| Particulars                                      | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|--|---------------------------------------|---------------------------------------|
| Current maturities of long-term debt             |                                       |                                       |
| From Banks                                       | 23,954.85                             | 22,187.94                             |
| From NBFCs                                       | 1,318.18                              | 1,874.94                              |
| <b>Total Current maturity of long term debt*</b> | <b>25,273.03</b>                      | <b>24,062.88</b>                      |
| <b>Others</b>                                    |                                       |                                       |
| Due to employees                                 | 1,374.18                              | 2,177.04                              |
| Creditors - Capital Goods                        |                                       |                                       |
| Micro & Small enterprises (Refer Note 28.1)      | -                                     | -                                     |
| Other than Micro & Small enterprises             | 1,587.04                              | 6,809.76                              |
| Retention money payable                          | 6,119.08                              | 6,273.65                              |
| Unpaid Dividend                                  | 0.71                                  | -                                     |
| Expenses payable                                 | 6,317.99                              | 7,002.17                              |
| <b>Total Others</b>                              | <b>15,399.00</b>                      | <b>22,262.62</b>                      |
| <b>Total</b>                                     | <b>40,672.03</b>                      | <b>46,325.50</b>                      |

\*For Detail refer Note 21

## Note 28.1

There are no dues payable to parties to the extent of information received by Company under the Micro, small & medium Enterprises Development Act, 2006.

# NOTES

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020

## 29 Other Current Liabilities

₹ in Lakhs

| Particulars                                       | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|---|---------------------------------------|---------------------------------------|
| Advance received from contract customers & others | 28,444.48                             | 14,827.20                             |
| Statutory dues                                    | 1,337.32                              | 1,403.86                              |
| Dividend payable                                  | 0.07                                  | -                                     |
|   | <b>29,781.87</b>                      | <b>16,231.06</b>                      |

## 30 Short Term Provisions

₹ in Lakhs

| Particulars                             | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|---|---------------------------------------|---------------------------------------|
| Provision for Income Tax                | 1,312.63                              | 1,595.34                              |
| <b>Provision for employee benefits*</b> |                                       |                                       |
| Gratuity (Funded)                       | 341.65                                | 236.73                                |
| Gratuity (Unfunded)                     | 2.32                                  | 1.33                                  |
| Leave Encashment (unfunded)             | 81.91                                 | 79.22                                 |
|   | <b>1,738.51</b>                       | <b>1,912.62</b>                       |

\*For details refer Note No. 46

## 31 REVENUE FROM OPERATIONS

₹ in Lakhs

| Particulars                     | Year ended<br>31 <sup>st</sup> March, 2020 | Year ended<br>31 <sup>st</sup> March, 2019 |
|---------------------------------|--|--|
| Contract Revenue*               | 484,389.13                                 | 300,413.99                                 |
| Toll collection                 | 54,688.26                                  | 54,814.83                                  |
| <b>Other operating revenues</b> |  |  |
| Sale of material and others     | 138.47                                     | 1,288.20                                   |
| Sale of scrap material          | 35.09                                      | 123.78                                     |
| Other                           | -  | 3,953.34                                   |
| Interest on annuity receivable  | 21,006.41                                  | 16,841.68                                  |
|                                 | <b>560,257.36</b>                          | <b>377,435.82</b>                          |

\* During the F.Y. 2019-20 Arbitration Award of ₹ 10,948.40 Lakhs received from NH-24 Moradabad (P.Y. ₹ 164.35 Lakhs from AFS Jorhat Project ).

### Bifurcation of Contract Revenue are as under:

₹ in Lakhs

| Particulars             | Year ended<br>31 <sup>st</sup> March, 2020 | Year ended<br>31 <sup>st</sup> March, 2019 |
|-------------------------|--|--|
| <b>Contract Revenue</b> |  |  |
| Road                    | 482,368.83                                 | 290,391.22                                 |
| Airport Runways         | 1,941.38                                   | 9,515.32                                   |
| Power Projects          | 78.92                                      | 102.37                                     |
| Others                  | -  | 405.09                                     |
|                         | <b>484,389.13</b>                          | <b>300,413.99</b>                          |

**NOTES**to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020**32 OTHER INCOME**

₹ in Lakhs

| Particulars   | Year ended<br>31 <sup>st</sup> March, 2020 | Year ended<br>31 <sup>st</sup> March, 2019 |
|---|--|--|
| <b>Interest Income:</b>   |  |  |
| From Bank   | 2,047.14                                   | 767.34                                     |
| From Others*  | 4,073.20                                   | 493.56                                     |
| Gain on disposal of Fixed Asset (Net)                                     | -  | 1,264.57                                   |
| Profit on sale of Investments (Net)                                       | -  | 39.63                                      |
| Gain on fair valuation of Investments                                     | 86.34                                      | 416.16                                     |
| Profit on sale of Mutual funds  | 2,224.37                                   | 977.15                                     |
| Other non-operating income (net of expenses )                             | 9,131.87                                   | 703.16                                     |
| (includes income arising on account of fair valuation of Retention money) |  |  |
|   | <b>17,562.92</b>                           | <b>4,661.57</b>                            |

\*Includes Interest on Arbitration Award of ₹ 3,555.26 Lakhs (P.Y. Nil)

**33 COST OF MATERIALS CONSUMED**

₹ in Lakhs

| Particulars                | Year ended<br>31 <sup>st</sup> March, 2020 | Year ended<br>31 <sup>st</sup> March, 2019 |
|----------------------------|--|--|
| Cost of Materials Consumed | 216,105.38                                 | 145,931.91                                 |
|                            | <b>216,105.38</b>                          | <b>145,931.91</b>                          |

**34 EMPLOYEE BENEFIT EXPENSE**

₹ in Lakhs

| Particulars                                     | Year ended<br>31 <sup>st</sup> March, 2020 | Year ended<br>31 <sup>st</sup> March, 2019 |
|---|--|--|
| Salaries and Wages                              | 28,548.89                                  | 20,907.64                                  |
| Contributions to - Provident fund & other funds | 622.01                                     | 579.01                                     |
| Staff welfare expenses                          | 152.65                                     | 88.06                                      |
|   | <b>29,323.55</b>                           | <b>21,574.71</b>                           |

**35 FINANCE COSTS**

₹ in Lakhs

| Particulars                  | Year ended<br>31 <sup>st</sup> March, 2020 | Year ended<br>31 <sup>st</sup> March, 2019 |
|------------------------------|--|--|
| <b>Interest expense on:</b>  |  |  |
| Loan                         | 40,881.02                                  | 24,105.03                                  |
| Retention money              | 1,024.40                                   | 9,398.10                                   |
| Lease liability              | 98.71                                      | -  |
| <b>Other borrowing costs</b> |  |  |
| Loan processing charges      | 82.07                                      | 54.96                                      |
| Guarantee charges            | 1,577.16                                   | 1,010.07                                   |
| Other                        | 266.46                                     | 230.19                                     |
|                              | <b>43,929.82</b>                           | <b>34,798.35</b>                           |

# NOTES

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020

## 36 DEPRECIATION AND AMORTIZATION EXPENSE

₹ in Lakhs

| Particulars                                    | Year ended<br>31 <sup>st</sup> March, 2020 | Year ended<br>31 <sup>st</sup> March, 2019 |
|--|--|--|
| Depreciation on Property, Plant and Equipments | 12,407.00                                  | 8,828.16                                   |
| Amortization on Intangible Assets              | 22,433.69                                  | 25,407.94                                  |
| Amortization of Deferred Retention Assets      | 232.73                                     | 410.14                                     |
|  | <b>35,073.42</b>                           | <b>34,646.24</b>                           |

## 37 OTHER EXPENSES

₹ in Lakhs

| Particulars  | Year ended<br>31 <sup>st</sup> March, 2020 | Year ended<br>31 <sup>st</sup> March, 2019 |
|--|--|--|
| Consumption of Stores & Spares*  | 7,135.72                                   | 4,937.09                                   |
| Power & Fuel   | 1,326.66                                   | 1,023.73                                   |
| Contract Paid incl. construction cost                                      | 122,768.22                                 | 66,117.49                                  |
| Hire charges of Machineries  | 1,963.80                                   | 907.79                                     |
| Other Construction expenses  | 5,553.74                                   | 2,398.06                                   |
| Rent   | 499.65                                     | 926.05                                     |
| Insurance  | 1,022.67                                   | 754.09                                     |
| Repairs to Buildings   | 108.13                                     | 190.55                                     |
| Travelling and Conveyance  | 424.20                                     | 385.59                                     |
| Postage & Telephone  | 17.66                                      | 20.30                                      |
| Legal & Professional Expenses  | 1,586.31                                   | 1,202.20                                   |
| Rates and Taxes**  | 29,372.04                                  | 20,213.59                                  |
| Printing & Stationery  | 11.56                                      | 14.13                                      |
| Auditor's Remuneration   |  |  |
| Audit Fees   | 35.66                                      | 38.07                                      |
| Donation to Political Party  | -  | 500.00                                     |
| Advertisement Expenses   | 1.13                                       | 4.75                                       |
| Tender & Survey Expenses   | 60.62                                      | 145.12                                     |
| Hire charges of Vehicles   | 92.36                                      | 66.36                                      |
| Director's sitting fees  | 7.70                                       | 6.50                                       |
| Impairment Allowance for advances  | 482.50                                     | 332.50                                     |
| Loss on disposal of Fixed assets (Net)                                     | 47.56                                      | -  |
| Pre Initial Public Offer/Private Equity & Preliminary Expenses written off | -  | 9.86                                       |
| Corporate Social Responsibility***   | 536.67                                     | 432.90                                     |
| Miscellaneous and General Expenses****                                     | 2,748.27                                   | 2,543.11                                   |
| Investments written off  | 0.65                                       | -  |
| Major Maintenance Cost   | 6,306.58                                   | 6,078.86                                   |
| <b>Total</b>   | <b>182,110.06</b>                          | <b>109,248.69</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 ₹ 23,022.42 lakhs (Previous year ₹ 18,042.68 lakhs)

\*\*\* CORPORATE SOCIAL RESPONSIBILITY

The Holding company planned towards CSR activities at least two per cent of the average net profits of the Holding company made during the three immediately preceding financial years. Accordingly, Holding company was required to spend ₹ 514.60 Lakhs (P.Y. ₹ 420.00 lakhs) for the Financial Year 2019-20 and the Company has spent ₹ 515.27 Lakhs (P.Y. ₹ 432.90 Lakhs).

PNC Raebareli Highways Pvt. Ltd. spent ₹ 10.70 Lakhs (P.Y. Nil) towards CSR activities.

PNC Delhi Industrialinfra Pvt. Ltd. spent ₹ 10.70 Lakhs (P.Y. Nil) towards CSR activities.

\*\*\*\*Includes Foreign Exchange Loss of ₹ 168.72 lakhs (P.Y. Gain of ₹ 275.11 Lakhs).

# NOTES

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020

## 38 Tax Expense

### A. Income Tax Expense

₹ in Lakhs

| Particulars                                     | Year ended<br>31 <sup>st</sup> March, 2020 | Year ended<br>31 <sup>st</sup> March, 2019 |
|---|--|--|
| <b>(a) Current tax</b>                          |  |  |
| Current tax on profit for the period            | 18,451.10                                  | 9,650.53                                   |
| Adjustments for current tax of prior periods    | (374.55)                                   | (6,577.03)                                 |
| <b>Total Current tax expense</b>                | <b>18,076.56</b>                           | <b>3,073.50</b>                            |
| <b>(b) Deferred tax</b>                         |  |  |
| Decrease/(Increase) in deferred tax assets      | 188.96                                     | 500.65                                     |
| (Decrease)/Increase in deferred tax Liabilities | (1,310.92)                                 | (2,065.38)                                 |
| <b>Total Deferred Tax Expenses</b>              | <b>(1,121.96)</b>                          | <b>(1,564.73)</b>                          |
| <b>(c) MAT</b>                                  |  |  |
| Mat Credit Entitlement                          | (16.24)                                    | (677.78)                                   |
| <b>Total Income tax Expense</b>                 | <b>16,938.35</b>                           | <b>830.99</b>                              |

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

₹ in Lakhs

| Particulars   | Year ended<br>31 <sup>st</sup> March, 2020 | Year ended<br>31 <sup>st</sup> March, 2019 |
|---|--|--|
| Profit before tax   | 71,278.05                                  | 35,897.49                                  |
| <b>Tax at Indian tax rate of 34.944% (F.Y. 2018-19-34.944%)</b> | <b>24,907.40</b>                           | <b>12,423.40</b>                           |
| <b>Tax Adjustments for earlier years</b>                        |  |  |
| Tax of earlier years  | (374.55)                                   | (6,577.03)                                 |
| <b>Others:</b>  |  |  |
| Income Tax Exempt under Tax Holiday                             | (8,709.68)                                 | (4,512.52)                                 |
| Expenses not allowed for tax purposes                           | 1,291.11                                   | 765.40                                     |
| Minimum Alternative tax paid                                    | 1,023.88                                   | 296.46                                     |
| Deferred tax  | (1,199.82)                                 | (1,564.73)                                 |
| <b>Income Tax expense Charged to P/L</b>                        | <b>16,938.35</b>                           | <b>830.99</b>                              |

## 39 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:

₹ in Lakhs

| Particulars  | Year ended<br>31 <sup>st</sup> March, 2020 | Year ended<br>31 <sup>st</sup> March, 2019 |
|--|--|--|
| Weighted Average number of Equity Shares outstanding | 2,565.39                                   | 2,565.39                                   |
| Profit after tax as per Profit & Loss A/c            | 54,988.48                                  | 35,137.31                                  |
| Nominal value per share (In ₹)                       | 2.00                                       | 2.00                                       |
| Basic & Diluted Earning per share                    | 21.43                                      | 13.70                                      |

# NOTES

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020

## 40 CONTINGENT LIABILITIES & ASSETS

### 40.1 Contingent Liabilities

₹ in Lakhs

| Particulars  | Year ended<br>31 <sup>st</sup> March, 2020 | Year ended<br>31 <sup>st</sup> March, 2019 |
|--|--|--|
| <b>Claims against the Holding Company not acknowledged as debts</b>  |  |  |
| Disputed demand of Income Tax A.Y. 2010-11 {During the previous year disputed demand of Income tax (includes, net of advance tax & TDS under verification, adjusted from demand of ₹ 33.51 crores 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  | 9,835.99                                   | 9,870.06                                   |
| Disputed demand of Service Tax for which company preferred appeal  | 192.76                                     | 572.57                                     |
| Disputed demand of Entry Tax for which company preferred appeal  | 592.79                                     | 592.79                                     |
| Others (including motor accident, labour & civil matters)  | 396.04                                     | 421.04                                     |
| (Interest and penalties, if any, in above cases will be decided at the time of settlement)   |  |  |

### 40.2 Contingent Assets

The status of various project claims in arbitration is as under:

- The Holding Company had initiated arbitral proceedings against the Uttar Pradesh Public Works Department (UP PWD) for compensation of ₹ 851.31 lakhs (including interest) towards extra cost incurred on procurement of different material, distant source in relation to the project "rehabilitation Road (Gomat) under Uttar Pradesh State Road Project. The arbitral Tribunal has pronounced its unanimous award dt. March 07, 2014 for ₹ 702.31 lakhs (including interest) in favour of the Company. The respondent UP PWD has preferred objection against the aforesaid award before the Hon. Distt. Judge, Mathura and the case is still pending with Hon. Distt. Judge, Mathura. Treatment of the same will be done on final settlement.
- The Holding Company had initiated arbitral proceedings against the HSRDC for compensation of ₹ 3091.00 lakhs (including interest). The arbitral Tribunal has pronounced its unanimous award dt. 03.02.2019 for ₹ 3091.00 lakhs in favour of the Company. The respondent HSRDC has challenged this award with Distt. Judge, Chandigarh and the case is still pending with Distt. Judge, Chandigarh. Treatment of the same will be done on final settlement.
- Further, the Holding Company has filed six arbitration claims including claims for delay damages and interest which are pending at arbitration stage. The same will be accounted for on final settlement.
- PNC Kanpur Highways Ltd. has a pending arbitration case against National Highways Authority of India (NHAI) arising out of the Concession agreement executed on 11.03.2011 for development of "Two laning with paved shoulders of Kanpur to Kabrai section of NH-86 from Km. 7.430 to Km. 130.100 in the state of Uttar Pradesh on design, build, finance, operate, transfer (DBFOT) on toll basis". The company has raised claims for total amount of ₹ 61,876.10 Lakhs including interest in the said arbitration against NHAI. The arbitration proceedings are underway.
- PNC Raebareli Highways Pvt. Ltd. has a pending arbitration case against National Highways Authority of India (NHAI) arising out of the Concession agreement executed on 09.11.2012 for development of "Two laning with paved shoulders of Raebareli to Jaunpur section of NH-231 from Km. 0.000 to Km. 166.400 in the state of Uttar Pradesh under NHDP Phase-IV A on design, build, finance, operate, transfer (DBFOT) on Annuity basis". The company has raised EPC claims for total amount of ₹ 38,925.93 Lakhs including interest in the said arbitration against NHAI. The arbitration proceedings are underway.

**NOTES**to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020**41 Guarantees**

₹ in Lakhs

| Particulars   | Year ended<br>31 <sup>st</sup> March, 2020 | Year ended<br>31 <sup>st</sup> March, 2019 |
|---|--|--|
| (i) Bank Guarantees - Executed in favour of National Highways Authority of India and others   | 254,239.85                                 | 245,456.76                                 |
| (ii) Corporate guarantee -<br>- 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)* | 6,928.25                                   | 8,641.85                                   |

\* For details refer Note 44

**42 Commitments**

₹ in Lakhs

| Particulars  | Year ended<br>31 <sup>st</sup> March, 2020 | Year ended<br>31 <sup>st</sup> March, 2019 |
|--|--|--|
| (a) Estimated amount of contracts remaining to be executed on capital account and not provided for | 216.79                                     | 7,911.12                                   |
| (b) Capital Commitment for Equity and others (Net of Investment)                                   |  |  |
| PNC Rajasthan highways Private Limited   | -  | 642.00                                     |
| PNC Chitradurga Highways Pvt Ltd   | 4,501.00                                   | 5,201.00                                   |
| PNC Bundelkhand Highways Pvt Ltd   | 3,000.00                                   | 6,400.00                                   |
| PNC Khajurao Highways Pvt Ltd  | 3,910.00                                   | 6,110.00                                   |
| PNC Triveni Sangam Highways Pvt Ltd  | 11,555.00                                  | 18,885.00                                  |
| PNC Aligarh Highways Pvt Ltd   | 6,275.00                                   | 12,175.00                                  |
| PNC Challakere Highways Pvt Ltd  | 10,200.00                                  | 10,675.00                                  |

**42 Disclosure pursuant to Indian Accounting Standard-115 " Revenue form Contracts"**

₹ in Lakhs

|   |                                    |
|---|------------------------------------|
| (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               | ₹ 2,71,538.14 (In lakhs)           |
| (i) Closing Trade receivables               | ₹ 3,60,868.03 (In lakhs)           |
| (j) Contract Assets                         | Nil                                |
| (k) Contract Liabilities                    | Nil                                |



# NOTES

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020

## 44 Related Party Disclosures

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

### A. List of Related Parties and Relationships

#### Associates

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

#### Key Managerial Personal (KMP)

- 1 Pradeep Kumar Jain (Chairman and Managing Director)
- 2 Chakresh Kumar Jain (Managing Director & Chief Financial Officer)
- 3 Yogesh Kumar Jain (Managing Director)
- 4 Anil Kumar Rao (Whole Time Director)
- 5 Talluri Raghupati Rao (Whole Time Director from 10.08.2019)
- 6 Tapan Jain (Company Secretary)

#### Relatives of KMP

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

#### Other related parties whom Transactions have taken place during the period

- 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

### B. Transactions with Related Parties

₹ in Lakhs

| Sr. No. | Particulars   | Year ended 31 <sup>st</sup> March, 2020 | Year ended 31 <sup>st</sup> March, 2019 |
|---------|---|---|---|
|         | <b>Transactions during the Year</b>                 |   |   |
| 1       | <b>Receipt on account of EPC and Other Contract</b> |   |   |
|         | <b>Associates Company</b>                           |   |   |
|         | Ghaziabad Aligarh Expressway Private Limited        | 2,044.36                                | 563.64                                  |
|         | <b>Total</b>  | <b>2,044.36</b>                         | <b>563.64</b>                           |

## NOTES

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020

₹ in Lakhs

| Sr. No.     | Particulars  | Year ended<br>31 <sup>st</sup> March, 2020 | Year ended<br>31 <sup>st</sup> March, 2019 |
|-------------|--|--|--|
| <b>2</b>    | <b>Payment of Rent/Services</b>  |  |  |
|             | <b>Associates</b>  |  |  |
|             | Pradeep Kumar Jain HUF   | 18.00                                      | 12.75                                      |
|             | Naveen Kumar Jain HUF  | 15.00                                      | 10.63                                      |
|             | Yogesh Kumar Jain HUF  | 12.00                                      | 8.50                                       |
|             | <b>Key Managerial Personnel (KMP)</b>  |  |  |
|             | Pradeep Kumar Jain   | 13.50                                      | 9.56                                       |
|             | Naveen Kumar Jain  | 13.50                                      | 9.56                                       |
|             | Chakresh Kumar Jain  | 15.00                                      | 10.63                                      |
|             | Yogesh Kumar Jain  | 15.00                                      | 10.63                                      |
|             | <b>Relatives of Key managerial personnel (KMP)</b>   |  |  |
|             | Meena Jain   | 32.75                                      | 24.04                                      |
|             | Madhvi Jain  | 17.75                                      | 13.42                                      |
|             | Renu Jain  | 17.75                                      | 13.42                                      |
|             | Ashita Jain  | 17.75                                      | 13.42                                      |
|             | <b>Other Related parties</b>   |  |  |
|             | Subhash International Private Limited  | 96.61                                      | 99.97                                      |
|             | Exotica Buildtech Private Limited  | 15.75                                      | 8.05                                       |
|             | Shri Mahaveer Infrastructure Private Limited   | 4.80                                       | 3.20                                       |
|             | MA Buildtech Private Limited   | 3.44                                       | 3.00                                       |
|             | Taj Infra Builders Private Limited   | 9.00                                       | 9.00                                       |
|             | Gional Infratech LLP   | 10.00                                      | -  |
|             | <b>Total</b>   | <b>327.60</b>                              | <b>259.78</b>                              |
| <b>3</b>    | <b>Sale/ Purchase of Investment/ Loan and Shares Application Money in Equity Share Capital</b> |  |  |
|             | <b>Associates Company</b>  |  |  |
|             | Ghaziabad Aligarh Expressway Private Limited   | 5,249.25                                   | 4,340.25                                   |
|             | <b>Total</b>   | <b>5,249.25</b>                            | <b>4,340.25</b>                            |
| <b>4</b>    | <b>Compensation to Key Managerial Personal*</b>  |  |  |
| <b>(I)</b>  | <b>Key Managerial Personal (KMP)</b>   |  |  |
|             | Pradeep Kumar Jain   | 809.26                                     | 234.00                                     |
|             | Chakresh Kumar Jain  | 785.26                                     | 210.00                                     |
|             | Yogesh Kumar Jain  | 785.26                                     | 210.00                                     |
|             | Anil Kumar Rao   | 78.19                                      | 71.08                                      |
|             | Talluri Raghupati Rao  | 43.05                                      | -  |
|             | Tapan Jain   | 17.64                                      | 14.04                                      |
|             | <b>Total</b>   | <b>2,518.66</b>                            | <b>739.12</b>                              |
| <b>(II)</b> | <b>Relatives of Key managerial personnel (KMP)</b>   |  |  |
|             | Bijali Rao   | 16.20                                      | 16.20                                      |
|             | Harshvardhan Jain  | 30.00                                      | 25.50                                      |
|             | Ashish Jain  | 39.80                                      | 34.30                                      |
|             | Ishu Jain  | -  | 1.60                                       |
|             | <b>Total</b>   | <b>86.00</b>                               | <b>77.60</b>                               |

\*Actuarial valuation for the gratuity has been done for company as a whole, so segregation for the same has not been done.

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to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020

## c. Transactions with Related Parties

₹ in Lakhs

| Sr. No.  | Particulars  | Year ended<br>31 <sup>st</sup> March, 2020 | Year ended<br>31 <sup>st</sup> March, 2019 |
|----------|--|--|--|
| <b>1</b> | <b>Amount Recoverable</b>                          |  |  |
|          | <b>Associate Company</b>                           |  |  |
|          | Ghaziabad Aligarh Expressway Private Limited       | 36,689.06                                  | 15,718.07                                  |
|          | <b>Relatives of Key managerial personnel (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                                      |
|          | <b>Other Related parties</b>                       |  |  |
|          | Subhash International Private Limited              | 724.23                                     | 724.23                                     |
|          | <b>Total</b>                                       | <b>37,513.29</b>                           | <b>16,542.30</b>                           |
| <b>2</b> | <b>Amount Payable</b>                              |  |  |
|          | <b>Associates</b>                                  |  |  |
|          | Pradeep Kumar Jain HUF                             | 1.35                                       | 1.35                                       |
|          | Naveen Kumar Jain HUF                              | 1.13                                       | 1.13                                       |
|          | Yogesh Kumar Jain HUF                              | 0.90                                       | 0.90                                       |
|          | <b>Key managerial personnel (KMP)</b>              |  |  |
|          | Pradeep Kumar Jain                                 | 1.01                                       | 1.01                                       |
|          | Naveen Kumar Jain                                  | 1.01                                       | 1.01                                       |
|          | Chakresh Kumar Jain                                | 1.13                                       | 1.13                                       |
|          | Yogesh Kumar Jain                                  | 1.13                                       | 1.13                                       |
|          | <b>Relatives of Key managerial personnel (KMP)</b> |  |  |
|          | Meena Jain   | 2.46                                       | 2.26                                       |
|          | Madhvi Jain  | 1.33                                       | 1.14                                       |
|          | Renu Jain  | 1.33                                       | 1.14                                       |
|          | Ashita Jain  | 1.33                                       | 1.14                                       |
|          | <b>Other Related parties</b>                       |  |  |
|          | Shri Mahaveer Infrastructure Private Limited       | 0.36                                       | 0.36                                       |
|          | MA Buildtech Private Limited                       | 0.28                                       | 0.22                                       |
|          | Exotica Buildtech Private Limited                  | 1.01                                       | -  |
|          | Gional Infratech LLP                               | 9.00                                       | -  |
|          | Taj Infra Builders Private Limited                 | 0.68                                       | 0.67                                       |
|          | <b>Total</b>                                       | <b>25.44</b>                               | <b>14.59</b>                               |
| <b>3</b> | <b>Corporate Guarantee Given on behalf of**</b>    |  |  |
|          | <b>Associate Company</b>                           |  |  |
|          | Ghaziabad Aligarh Expressway Private Limited       | 6,928.25                                   | 8,641.85                                   |
|          | <b>Total</b>                                       | <b>6,928.25</b>                            | <b>8,641.85</b>                            |

\*\* Refer Note 41

## D Terms and Conditions

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

## NOTES

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020

## 45 Interest in other entities

## (A) Subsidiaries

The group's subsidiaries at March 31, 2020 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

| Name of entity                                      | Place of business/<br>country of incorporation | Ownership interest held by the group |                | Ownership interest held by non-controlling interests |                | Principal activities                |
|---|--|--------------------------------------|----------------|--|----------------|-------------------------------------|
|   |  | March 31, 2020                       | March 31, 2019 | March 31, 2020                                       | March 31, 2019 |                                     |
|   |  | %                                    | %              | %  | %              |                                     |
| Hospet Bellary Highways Private Limited*            | India  | NA                                   | 65             | NA   | 35             | BOT Project                         |
| Ferrovia Transrail Solutions Private Limited        | India  | 51                                   | 51             | 49   | 49             | Infrastructure development          |
| PNC Raebareli Highways Private Limited              | India  | 100                                  | 100            | -  | -              | Annuity Project                     |
| PNC Bareilly Nainital Highways Private Limited      | India  | 100                                  | 100            | -  | -              | BOT Project                         |
| PNC Infra Holdings Limited                          | India  | 100                                  | 100            | -  | -              | Infrastructure development          |
| PNC Kanpur Ayodhya Tollways Private Limited         | India  | 100                                  | 100            | -  | -              | OMT Project                         |
| PNC Kanpur Highways Limited                         | India  | 100                                  | 100            | -  | -              | BOT Project                         |
| MP 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 (Karnataka) Highways Private Limited | India  | 100                                  | 100            | -  | -              | HAM Project                         |

\* Closed on March 19, 2020.

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to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020

## (B) Non-controlling interests (NCI)

Set out below is financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

(₹ In lakhs)

| Summarised balance sheet      | Hospet Bellary Highways Pvt. Ltd.* |                | Ferrovia Transrail Solutions Pvt. Ltd. |                   |
|-------------------------------|------------------------------------|----------------|--|-------------------|
|                               | March 31, 2020                     | March 31, 2019 | March 31, 2020                         | March 31, 2019    |
| Current assets                | NA                                 | -              | 1,763.48                               | 680.67            |
| Current liabilities           | NA                                 | -              | (1,949.28)                             | (2,148.69)        |
| <b>Net Current assets</b>     | <b>NA</b>                          | <b>-</b>       | <b>(185.80)</b>                        | <b>(1,468.02)</b> |
| Non-current assets            | NA                                 | -              | 88.76                                  | 1,371.50          |
| Non-current liabilities       | NA                                 | -              | (1.99)                                 | (1.86)            |
| <b>Net Non-current assets</b> | <b>NA</b>                          | <b>-</b>       | <b>86.77</b>                           | <b>1,369.64</b>   |
| <b>Net assets</b>             | <b>NA</b>                          | <b>-</b>       | <b>(99.03)</b>                         | <b>(98.38)</b>    |

\* Closed on March 19, 2020.

(₹ In lakhs)

| Summarised statement of profit and loss | Hospet Bellary Highways Pvt. Ltd.* |                | Ferrovia Transrail Solutions Pvt. Ltd. |                 |
|---|------------------------------------|----------------|--|-----------------|
|   | March 31, 2020                     | March 31, 2019 | March 31, 2020                         | March 31, 2019  |
| Revenue                                 | NA                                 | -              | 1,551.80                               | 412.71          |
| Profit for the year                     | NA                                 | (0.01)         | (0.65)                                 | (100.66)        |
| Other comprehensive income              | NA                                 | -              | -                                      | 0.49            |
| <b>Total comprehensive income</b>       | <b>NA</b>                          | <b>(0.01)</b>  | <b>(0.65)</b>                          | <b>(100.17)</b> |
| Profit allocated to NCI                 | NA                                 | (0.00)         | (0.32)                                 | (49.08)         |
| Dividends paid to NCI                   | NA                                 | -              | -                                      | -               |

\* Closed on March 19, 2020.

(₹ In lakhs)

| Summarised cash flows                                       | Hospet Bellary Highways Pvt. Ltd.* |                | Ferrovia Transrail Solutions Pvt. Ltd. |                |
|---|------------------------------------|----------------|--|----------------|
|   | March 31, 2020                     | March 31, 2019 | March 31, 2020                         | March 31, 2019 |
| Cash flows from operating activities                        | NA                                 | (0.79)         | (141.15)                               | 288.51         |
| Cash flows from investing activities                        | NA                                 | -              | 0.24                                   | 43.10          |
| Cash flows from financing activities                        | NA                                 | -              | 137.62                                 | (334.50)       |
| <b>Net increase/(decrease) in cash and cash equivalents</b> | <b>NA</b>                          | <b>(0.79)</b>  | <b>(3.29)</b>                          | <b>(2.89)</b>  |

\* Closed on March 19, 2020.

## C Interest in Associates

Set out below are associates of the group as at March 31, 2020 which, are considered material to the group. The entity listed below have share capital of equity shares, which are held directly by the group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

| Name of entity                               | Place of business/ country of incorporation | Ownership interest held by the group |                | Principal activities       |
|--|---|--------------------------------------|----------------|----------------------------|
|  |   | March 31, 2020                       | March 31, 2019 |                            |
|  |   | %                                    | %              |                            |
| Ghaziabad Aligarh Expressway Private Limited | India                                       | 35                                   | 35             | Infrastructure development |

**NOTES**to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020

(₹ In lakhs)

| Summarised balance sheet      | Ghaziabad Aligarh Expressway Pvt. Ltd. |                    |
|-------------------------------|--|--------------------|
|                               | March 31, 2020                         | March 31, 2019     |
| Current assets                | 1,541.76                               | 1,876.28           |
| Current liabilities           | (113,612.37)                           | (63,521.88)        |
| <b>Net Current assets</b>     | <b>(112,070.61)</b>                    | <b>(61,645.60)</b> |
| Non-current assets            | 179,919.40                             | 180,384.91         |
| Non-current liabilities       | (58,298.87)                            | (111,039.85)       |
| <b>Net Non-current assets</b> | <b>121,620.53</b>                      | <b>69,345.06</b>   |
| <b>Net assets</b>             | <b>9,549.92</b>                        | <b>7,699.46</b>    |

(₹ In lakhs)

| Summarised statement of profit and loss | Ghaziabad Aligarh Expressway Pvt. Ltd. |                |
|---|--|----------------|
|   | March 31, 2020                         | March 31, 2019 |
| Revenue                                 | 28,376.54                              | 23,758.90      |
| Profit for the year                     | 1,853.66                               | 183.60         |
| Other comprehensive income              | (3.21)                                 | 16.20          |
| <b>Total comprehensive income</b>       | <b>1,850.45</b>                        | <b>199.80</b>  |

**46 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 Group during the year is ₹ 622.01 Lakhs (previous year ₹ 579.01 lakhs)
- ii) 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**

- i) Liability for retiring gratuity as on March 31, 2020 is ₹ 883.03 Lakhs (Previous year ₹ 917.67 Lakhs). The Liability for Gratuity is actuarially determined and provided for in the books.

# NOTES

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020

**ii) 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

|  | Gratuity        |              |                 |              |
|--|-----------------|--------------|-----------------|--------------|
|  | 2019-20         |              | 2018-19         |              |
|  | Funded          | Unfunded     | Funded          | Unfunded     |
| <b>1. Change in Present Value of Obligation</b>                      |                 |              |                 |              |
| Present value of obligation at the beginning of the period           | 1,329.76        | 13.97        | 931.36          | 5.36         |
| Acquisition cost   |                 |              | -               |              |
| Interest cost  | 93.08           | 0.98         | 74.82           | -            |
| Current service cost   | 225.90          | 7.97         | 245.81          | 6.30         |
| Benefits paid  | 11.11           | -            | 0.31            | -            |
| Actuarial gain/(loss) on obligation                                  | -               | -            | (0.75)          | -            |
| a) Effect of changes in demographic assumptions                      | (12.55)         | (0.36)       | 15.36           | 0.00         |
| b) Effect of changes in financial assumptions                        | (136.27)        | (1.20)       | 27.88           | 0.44         |
| c) Effect of experience adjustments                                  | (69.11)         | (6.35)       | 34.47           | 1.45         |
| <b>Present value of obligation at end of period</b>                  | <b>1,441.92</b> | <b>15.01</b> | <b>1,329.26</b> | <b>13.55</b> |
| Current Obligation   | 342.31          | 2.32         | 235.88          | 1.33         |
| Non Current Obligation   | 1,076.69        | 12.69        | 1,093.38        | 12.21        |
| <b>2. Change in Fair Value of Plan Assets</b>                        |                 |              |                 |              |
| Fair value of plan assets at the beginning of the period             | 425.39          | -            | 299.32          | -            |
| Actual return on plan assets   | -               | -            | -               | -            |
| Interest Income  | 34.49           | -            | 28.92           | -            |
| Contributions  | 137.48          | -            | 98.36           | -            |
| Benefits paid  | -               | -            | -               | -            |
| Actuarial gain/(loss) on plan assets                                 | (34.58)         | -            | (1.21)          | -            |
| <b>Fair value of plan assets at the end of the period</b>            | <b>562.79</b>   | <b>-</b>     | <b>425.39</b>   | <b>-</b>     |
| <b>3. Amount to be recognised in Balance Sheet</b>                   |                 |              |                 |              |
| Present value of obligation as at end of the period                  | 1,430.81        | 15.01        | 1,329.01        | 13.97        |
| Fair value of plan assets as at the end of the period                | (562.79)        | -            | (425.31)        | -            |
| Funded Status  | 57.40           | 15.01        | 80.53           | 13.97        |
| Net Asset/(liability) recognised in Balance Sheet                    | (868.02)        | (15.01)      | (903.70)        | (13.97)      |
| <b>4. Expenses recognised in the statement of profit &amp; loss.</b> |                 |              |                 |              |
| Current service cost   | 225.90          | 7.97         | 246.37          | 6.30         |
| Net Interest cost  | -               | -            | -               | -            |
| Interest Expense on DBO  | 93.08           | 0.98         | 74.38           | 0.43         |
| Interest (income) on plan assets                                     | 34.58           | -            | 28.85           | -            |
| Total Net Interest Cost  | 58.50           | 0.98         | 45.53           | 0.43         |
| Net actuarial (gain)/loss recognised in profit/loss                  | -               | -            | -               | -            |
| Expenses recognised in the statement of Profit & Loss                | 284.39          | 8.95         | 291.90          | 6.73         |
| <b>5. Recognised in other comprehensive income for the year</b>      |                 |              |                 |              |
| a) Effect of changes in demographic assumptions                      | (12.55)         | (0.36)       | 15.36           | 0.00         |
| b) Effect of changes in financial assumptions                        | (136.27)        | (1.20)       | 27.85           | 0.44         |
| c) Effect of experience adjustments                                  | (69.11)         | (6.35)       | 34.79           | 1.45         |
| d) (Return) on plan assets (excluding interest income)               | (34.58)         | -            | (1.21)          | -            |
| e) Changes in asset ceiling (excluding interest income)              | -               | -            | -               | -            |
| f) Total remeasurements included in OCI                              | (183.35)        | (7.91)       | 78.93           | 1.88         |

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to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020

₹ in Lakhs

|   | Gratuity |          |          |          |
|---|----------|----------|----------|----------|
|   | 2019-20  |          | 2018-19  |          |
|   | Funded   | Unfunded | Funded   | Unfunded |
| <b>6. Maturity Profile of Defined Benefit Obligation</b>                            |          |          |          |          |
| 1. Within the next 12 months (next annual reporting period)                         | 559.61   | 10.95    | 208.09   | 7.63     |
| 2. Between 2 and 5 years  | 928.63   | 8.50     | 600.25   | 7.54     |
| 3. Between 6 and 10 years   | 298.02   | 3.41     | 423.01   | 6.29     |
| <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 period                                |          |          |          |          |
| a. Impact due to increase of 100 Basis Points                                       | 1,385.55 | 14.49    | 1,243.97 | 13.28    |
| b. Impact due to decrease of 100 Basis Points                                       | 1,479.29 | 15.57    | 1,358.68 | 14.73    |
| Impact of the change in salary increase   |          |          |          |          |
| Present Value of Obligation at the end of the period                                |          |          |          |          |
| a. Impact due to increase of 1 %  | 1,472.50 | 15.50    | 1,350.26 | 14.64    |
| b. Impact due to decrease of 1 %  | 1,391.15 | 14.55    | 1,250.50 | 13.34    |
| Attrition Rate  |          |          |          |          |
| Present Value of Obligation at the end of the period                                |          |          |          |          |
| a. Impact due to increase of 1 %  | 1,424.95 | 14.92    | 1,285.96 | 13.74    |
| b. Impact due to decrease of 1 %  | 1,436.64 | 15.10    | 1,312.21 | 14.22    |

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.

₹ in Lakhs

| Significant Actuarial assumptions                         | 31.03.2020                   | 31.03.2019                   |
|---|------------------------------|------------------------------|
| a) Economic Assumptions                                   |                              |                              |
| i. Discounting Rate - current year                        | 6.50%                        | 7%                           |
| Discounting Rate - Previous Year                          | 7%                           | 8%                           |
| ii. Salary escalation                                     | 5%                           | 9%                           |
| iii. Attrition rate                                       | 25%                          | 20%                          |
| b) Demographic Assumption                                 |                              |                              |
| i) Retirement Age (Years)                                 | 60                           | 60                           |
| ii) Mortality rates inclusive of provision for disability | IALM (2012 - 14)<br>Ultimate | IALM (2012 - 14)<br>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       |



# NOTES

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020

## (C) Defined Term Employee Benefits Leave Obligation

₹ in Lakhs

| Particulars   | Leave Enchisement |         |
|---|-------------------|---------|
|   | 2019-20           | 2018-19 |
| Present Value of unfunded obligation                | 303.31            | 394.48  |
| Expenses recognised in Statement of Profit and Loss | 79.39             | 180.30  |
| Discount rate (p.a)                                 | 6.50%             | 7%      |
| Salary escalation rate (p.a)                        | 5%                | 9%      |

## 47 Operating Segment Information

- The Chairman and Managing directors of the Holding company have been identified as The Chief Operating Decision Maker (CODM). The Chief operating decision maker identifies two Segment as reportable segment i.e. EPC Contract & BOT (Toll and Annuity)
- The Group has disclosed business segment as the Primery segment. Segment have been identified taking into account the nature of work/ services, risk & return and organisation structure.
- The Group operations predominatly 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:

₹ in Lakhs

| Particulars  | Year Ended        |                   |
|--|-------------------|-------------------|
|  | 31-Mar-20         | 31-Mar-19         |
| <b>Segment Revenue</b>                                 |                   |                   |
| Contract   | 484,562.69        | 305,779.31        |
| Toll and Annuity                                       | 75,694.67         | 71,656.51         |
| <b>Total</b>   | <b>560,257.36</b> | <b>377,435.82</b> |
| Less: Inter-segment revenue                            | -                 | -                 |
| <b>Net revenue from operations</b>                     | <b>560,257.36</b> | <b>377,435.82</b> |
| <b>Segment Results</b>                                 |                   |                   |
| Contract   | 58,993.78         | 24,367.82         |
| Toll and Annuity                                       | 38,651.17         | 41,666.48         |
| <b>Total</b>   | <b>97,644.95</b>  | <b>66,034.30</b>  |
| Less: Other unallocable expenditure                    | 43,929.82         | 34,798.35         |
| Add: Unallocable other income                          | 17,562.92         | 4,661.57          |
| <b>Profit before tax and non-controlling interests</b> | <b>71,278.05</b>  | <b>35,897.52</b>  |
| <b>Segment Assets</b>                                  |                   |                   |
| Contract   | 261,425.54        | 267,487.85        |
| Toll and Annuity                                       | 587,604.43        | 457,949.22        |
| Unallocated  | -                 | -                 |
|  | <b>849,029.97</b> | <b>725,437.07</b> |
| <b>Segment Liabilities</b>                             |                   |                   |
| Contract   | 150,770.90        | 147,936.65        |
| Toll and Annuity                                       | 442,833.09        | 375,061.90        |
| Unallocated  | -                 | -                 |
|  | <b>593,603.99</b> | <b>522,998.55</b> |

## NOTES

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020**Notes on segment information :-****Business segments**

Based on the "management approach" as defined in Ind AS-108 - Operating Segments, the Management evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along with these business segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments.

**48 Fair Value Measurement****Financial instruments by category**

₹ in Lakhs

| Particulars   | As at March 31, 2020 |                   |          | As at March 31, 2019 |                   |          |
|---|----------------------|-------------------|----------|----------------------|-------------------|----------|
|   | Amortised Cost       | FVTPL             | FVTOCI   | Amortised Cost       | FVTPL             | FVTOCI   |
| <b>Financial Assets</b>                               |                      |                   |          |                      |                   |          |
| Investments in Equity instruments {Refer Note 7 (ii)} | -                    | 55.54             | -        | -                    | 55.54             | -        |
| Investments in Mutual Funds (Refer Note 13)           | -                    | 40,801.10         | -        | -                    | 23,264.01         | -        |
| Trade receivables (Refer Note 8 & 14)                 | 28,405.79            | 332,462.23        | -        | 51,941.26            | 219,596.88        | -        |
| Cash and Bank Balances (Refer Note 15)                | 92,112.38            | -                 | -        | 40,841.15            | -                 | -        |
| Loans (Refer Note 16)                                 | -                    | 25,651.81         | -        | -                    | 8,285.09          | -        |
| Others (Refer Note 9 & 17)                            | 19,777.54            | -                 | -        | 29,654.11            | -                 | -        |
| <b>Total Financial Assets</b>                         | <b>140,295.71</b>    | <b>398,970.68</b> | <b>-</b> | <b>122,436.53</b>    | <b>251,201.51</b> | <b>-</b> |
| <b>Financial Liabilities</b>                          |                      |                   |          |                      |                   |          |
| Borrowings (Refer Note 21 & 26)                       | 34,286.25            | 317,218.01        | -        | 1,949.67             | 275,570.15        | -        |
| Trade payables (Refer Note 22 & 27)                   | 47,576.04            | 63,428.35         | -        | 47,879.05            | 83,728.71         | -        |
| Other Financial Liabilities (Refer Note 23 & 28)      | 36,354.18            | -                 | -        | 33,382.66            | -                 | -        |
| <b>Total Financial Liabilities</b>                    | <b>118,216.47</b>    | <b>380,646.36</b> | <b>-</b> | <b>83,211.38</b>     | <b>359,298.86</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) recognised and measured at fair value and (B) measured at amortised cost and for which fair values are disclosed in financial statements. To provide an indication about the reliability of inputs used in determining fair values, the group has classified its financial instruments into three levels prescribed under the accounting standards.

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

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

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

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

# NOTES

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020

₹ in Lakhs

| Particulars  | As at March 31, 2020                    |   |   | As at March 31, 2019                    |   |   |
|--|---|---|---|---|---|---|
|  | 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> |   |   |   |   |   |   |
| -Investments in Equity instruments (Refer Note 7)  | -                                       | -                                       | 55.54                                     | -                                       | -                                       | 55.54                                     |
| -Investments in Mutual Funds (Refer Note 13)   | 40,801.10                               | -                                       | -   | 23,264.01                               | -                                       | -   |
| <b>Total</b>   | <b>40,801.10</b>                        | <b>-</b>                                | <b>55.54</b>                              | <b>23,264.01</b>                        | <b>-</b>                                | <b>55.54</b>                              |
| <b>Financial Assets and Liabilities measured at amortised cost for which fair values are disclosed</b>                   |   |   |   |   |   |   |
| <b>(i) Financial Assets</b>  |   |   |   |   |   |   |
| - Security Deposits (Refer Note 9)   | -                                       | -                                       | 11,504.02                                 | -                                       | -                                       | 11,224.91                                 |
| <b>Total</b>   | <b>-</b>                                | <b>-</b>                                | <b>11,504.02</b>                          | <b>-</b>                                | <b>-</b>                                | <b>11,224.91</b>                          |
| <b>(ii) Financial Liabilities</b>  |   |   |   |   |   |   |
| - Borrowings (Refer Note 21 & 26)  | -                                       | 351,504.26                              | -   | -                                       | 277,519.82                              | -   |
| - Retentions (Refer Note 23)   | -                                       | -                                       | 20,227.18                                 | -                                       | -                                       | 11,077.22                                 |
| - Others (Refer Note 23)   | -                                       | 47.06                                   | -   | -                                       | 42.82                                   | -   |
| <b>Total</b>   | <b>-</b>                                | <b>351,551.32</b>                       | <b>20,227.18</b>                          | <b>-</b>                                | <b>277,562.64</b>                       | <b>11,077.22</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 amortised cost is determined using discounted cash flow analysis.

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

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

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

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

## NOTES

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020

## 49 FINANCIAL RISK MANAGEMENT

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

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

## I. Market risk

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

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

## (a) Interest rate risk

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

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

₹ in Lakhs

| Particulars              | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|--------------------------|---------------------------------------|---------------------------------------|
| Variable rate borrowings | 317,218.04                            | 238,096.74                            |
| Fixed rate borrowings    | 34,286.22                             | 39,423.08                             |
| <b>Total borrowings*</b> | <b>351,504.25</b>                     | <b>277,519.82</b>                     |

\*For Detail refer Note 21 & 26

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

₹ in Lakhs

| Particulars   | As at March 31, 2020           |                   |                  | As at March 31, 2019           |                   |                  |
|---|--------------------------------|-------------------|------------------|--------------------------------|-------------------|------------------|
|   | Weighted average interest rate | Balance           | % of total loans | Weighted average interest rate | Balance           | % of total loans |
| Term Loan   | 9.37%                          | 317,218.04        | 90.25%           | 8.99%                          | 238,096.74        | 85.79%           |
| <b>Net exposure to cash flow interest rate risk</b> |                                | <b>317,218.04</b> |                  |                                | <b>238,096.74</b> |                  |

## (iii) Sensitivity

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

| Particulars | Increase/ Decrease in Basis Points |                | Impact on Profit before Tax |                 |
|-------------|------------------------------------|----------------|-----------------------------|-----------------|
|             | March 31, 2020                     | March 31, 2019 | March 31, 2020              | March 31, 2019  |
| INR         | +50                                | +50            | (1,586.09)                  | (1,190.48)      |
| <b>INR</b>  | <b>- 50</b>                        | <b>- 50</b>    | <b>1,586.09</b>             | <b>1,190.48</b> |

# NOTES

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020

## Reconciliation between the opening & closing balances in the Balance Sheet for Financial Liability

₹ in Lakhs

| Particulars     | As at                        |                              |
|-----------------|------------------------------|------------------------------|
|                 | 31 <sup>st</sup> March, 2020 | 31 <sup>st</sup> March, 2019 |
| Opening Balance | 275,570.15                   | 199,838.40                   |
| Cash Flow       | 74,304.70                    | 75,731.75                    |
| Closing Balance | 349,874.85                   | 275,570.15                   |

### (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 operate internationally and as the Group has not obtained any foreign currency loans but import certain machineries and have foreign currency trade payables outstanding and is therefore, exchange to foreign exchange risk.

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

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

₹ in Lakhs

| Foreign currency exposure as at 31st March, 2020 | As at                        |                              |
|--|------------------------------|------------------------------|
|  | 31 <sup>st</sup> March, 2020 | 31 <sup>st</sup> March, 2019 |
| Trade Payable                                    |                              |                              |
| - Exposure in Euros (In INR)                     | 1,466.66                     | 8,310.27                     |

### 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    | 2019-20     |             | 2018-19     |             |
|----------------|-------------|-------------|-------------|-------------|
|                | 5% increase | 5% decrease | 5% increase | 5% decrease |
| Euros (In INR) | (73.33)     | 73.33       | (415.51)    | 415.51      |

### (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:

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

## NOTES

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020

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, 2020</b>                |                   |                  |   |                    |                   |
| Gross Carrying Amount (Refer Note 8 & 14)  | 360,868.03        | 28,405.79        | 7,071.00                                  | 325,391.23         | 360,868.03        |
| Expected Credit Loss (in ₹)                | -                 | -                | -   | -                  | -                 |
| <b>Carrying Amount (net of impairment)</b> | <b>360,868.03</b> | <b>28,405.79</b> | <b>7,071.00</b>                           | <b>325,391.23</b>  | <b>360,868.03</b> |
| <b>As at March 31, 2019</b>                |                   |                  |   |                    |                   |
| Gross Carrying Amount (Refer Note 8 & 14)  | 271,538.14        | 45,461.26        | 6,480.00                                  | 219,596.88         | 271,538.14        |
| Expected Credit Loss (in ₹)                | -                 | -                | -   | -                  | -                 |
| <b>Carrying Amount (net of impairment)</b> | <b>271,538.14</b> | <b>45,461.26</b> | <b>6,480.00</b>                           | <b>219,596.88</b>  | <b>271,538.14</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 analysed. 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, 2020                   | Carrying Amount   | On Demand       | Less than One Year | More than one year and less than three year | More than 3 Years | Total             |
|--|-------------------|-----------------|--------------------|---|-------------------|-------------------|
| Borrowings (Refer Note 21 & 26)        | 351,504.26        | 1,629.41        | 25,273.03          | 55,741.12                                   | 268,860.71        | 351,504.26        |
| Trade payables (Refer Note 22 & 27)    | 111,004.39        | -               | 47,576.04          | 63,428.35                                   | -                 | 111,004.39        |
| Other Liabilities (Refer Note 23 & 28) | 36,354.18         | -               | 15,399.00          | 20,955.18                                   | -                 | 36,354.18         |
| <b>Total</b>                           | <b>498,862.83</b> | <b>1,629.41</b> | <b>88,248.08</b>   | <b>140,124.65</b>                           | <b>268,860.71</b> | <b>498,862.84</b> |

(₹ In Lakhs)

| As at March 31, 2019                   | Carrying Amount   | On Demand       | Less than One Year | More than one year and less than three year | More than 3 Years | Total             |
|--|-------------------|-----------------|--------------------|---|-------------------|-------------------|
| Borrowings (Refer Note 21 & 26)        | 277,519.82        | 1,949.67        | 24,062.88          | 81,125.08                                   | 170,382.19        | 277,519.82        |
| Trade payables (Refer Note 22 & 27)    | 131,607.75        | -               | 47,879.05          | 83,728.71                                   | -                 | 131,607.76        |
| Other Liabilities (Refer Note 23 & 28) | 33,382.66         | -               | 22,262.62          | 11,120.04                                   | -                 | 33,382.66         |
| <b>Total</b>                           | <b>442,510.23</b> | <b>1,949.67</b> | <b>94,204.56</b>   | <b>175,973.82</b>                           | <b>170,382.19</b> | <b>442,510.24</b> |

# NOTES

to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020

## Financing arrangements

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

₹ in Lakhs

| Particulars  | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|--|---------------------------------------|---------------------------------------|
| Expiring within one year (Bank overdraft and other facilities) |                                       |                                       |
| Cash Credit (Includes Term loan)                               | 315,936.00                            | 75,000.00                             |
| Bank Guarantee   | 245,760.15                            | 81,257.75                             |
| <b>Total</b>   | <b>561,696.15</b>                     | <b>156,257.75</b>                     |

## 50 Capital Management

### (a) Risk Management

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

The group regularly considers other financing opportunities to diversify its debt profile, reduce interest cost.

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

₹ in Lakhs (Except Ratio)

| Particulars                                      | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
|--|---------------------------------------|---------------------------------------|
| Debt (Refer Note 21 & 26)                        | 351,504.26                            | 277,519.82                            |
| Cash & bank balances {Refer Note 15(i) & 15(ii)} | 92,112.38                             | 40,841.15                             |
| Net Debt   | 259,391.87                            | 236,678.67                            |
| <b>Total Equity (Refer Note 19 &amp; 20)</b>     | <b>255,425.98</b>                     | <b>202,438.28</b>                     |
| Net debt to equity ratio (Gearing Ratio)         | 1.02                                  | 1.17                                  |

#### 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.

**NOTES**to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2020**(C) Dividends**

₹ in Lakhs

| Particulars  | Recognized in the year ending         |                                       |
|--|---------------------------------------|---------------------------------------|
|  | As at<br>31 <sup>st</sup> March, 2020 | As at<br>31 <sup>st</sup> March, 2019 |
| <b>(i) Dividends Recognized</b>  |                                       |                                       |
| Final dividend for the year ended 31 <sup>st</sup> March, 2019 of ₹ 0.50/- per equity share of ₹ 2/- each ( 31 <sup>st</sup> March, 2018 ₹ 2.50/- per equity share of ₹ 10/- each)         | 1,546.42                              | 1,546.42                              |
| <b>(ii) Dividend proposed and recognised in the books of accounts</b>  |                                       |                                       |
| Interim dividend for the year ended 31 <sup>st</sup> March, 2020 of ₹ 0.5/- per equity share of ₹ 2/- ( 31 <sup>st</sup> March 2019- Nil)  | 1,546.42                              | -                                     |
| <b>(iii) Dividend proposed but not recognised in the books of accounts*</b>  |                                       |                                       |
| In addition to the above dividends, for the year ended 31 <sup>st</sup> March, 2019 the directors have recommended the payment of a final dividend of ₹ 0.50/- equity share of ₹ 2/- each. | -                                     | 1,546.42                              |

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

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

**52 COVID 19 Impact**

As only 10 days of construction activities have severely been affected in the month of March, 2020 due to the outbreak of COVID-19 pandemic and imposition of lockdowns, the performance of the Company including standalone revenues have not been significantly impacted on this account, during the Financial Year 2019-20. However, as the lockdowns, consequent restrictions, suspension of works and disruptions in the supply chains continued in April 2020 and beyond, the construction operations are adversely affected and could not be restored to the normal levels till date, even though work at majority of the project sites resumed gradually as permitted by the local administrative authorities, from end of third week of April, 2020 onwards.

As the prevalent slowing down of the economic growth and uncertainty is expected to continue further as the situation unfolds, the management will continue to monitor the socio-economic conditions closely, to take necessary measures, going forward.

**53** PNC Infratech Ltd. and S P Singla Constructions Pvt Ltd 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.

**As per our report of even date attached.**

In terms of our report attached  
**For S.S.Kothari Mehta & Co.**  
 Chartered Accountants  
 Firm Registration No. 000756N

**On behalf of the Board of Directors**

**Neeraj Bansal**  
 Partner  
 Membership No. 95960

**Pradeep Kumar Jain**  
 Chairman and Managing Director  
 DIN: 00086653

Place: Agra  
 Date: June 24, 2020

**Tapan Jain**  
 Company Secretary  
 M.No.: A22603

**Chakresh Kumar Jain**  
 Managing Director and Chief Financial Officer  
 DIN: 00086768







# 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  
C. R. Sharma  
Deepika Mittal  
Ashok Kumar Gupta

### Chief Financial Officer

Chakresh Kumar Jain

### Company Secretary & Compliance Officer

Tapan Jain

## AUDITORS

M/s. S.S. Kothari Mehta & Co.  
Chartered Accountants  
146-149 Tribhuvan Complex Ishwar  
Nagar, Mathura Road, New Delhi-  
110065 (India)

## BANKERS

Bank of Baroda  
Canara Bank  
Central Bank of India  
Punjab National Bank  
Union Bank of India  
ICICI Bank  
Axis Bank Limited  
Oriental Bank of Commerce  
Yes Bank  
State Bank of India  
IndusInd Bank

## REGISTRAR AND TRANSFER AGENT

Link Intime India Pvt. Ltd  
Noble Heights 1st Floor  
Plot No. NH-2, C-1 Block,  
LSC Near Savitri Market, Janakpuri,  
New Delhi-110058

## CORPORATE/HEAD OFFICE

PNC House,  
3/22-D, Civil Lines,  
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