PNC Infratech Limited

August 17, 2026

Through the Press Information Bureau (PIB), National Highways Authority of India (NHAI) issued a press release dated August 05, 2026, highlighting slippage of ~300-metre length out of the total length of 45.24 km built by "Awadh Expressway Private Limited" (AEPL), special purpose vehicle (SPV) sponsored by PNC Infratech Limited (PIL, rated 'CARE AA+; Stable/CARE A1+') on hybrid annuity model (HAM) basis. AEPL achieved provisional commercial operation date (PCOD) for the entire project stretch on October 01, 2025, and upon completion of the outstanding works, AEPL received final completion certificate on February 08, 2026.

The press release further highlighted that NHAI has issued show-cause notice to the concessionaire and proposed its declaration as a non-performer, under which the concessionaire will not be eligible to participate in bidding for future NHAI projects. The concessionaire was also directed to undertake complete rectification of the affected stretch at its own cost, which is estimated at ~₹3.00 crore without financial implications on NHAI. Toll collection on the expressway has been suspended until complete rectification, with associated losses to be recovered from the concessionaire. NHAI has also engaged an expert committee and ordered a comprehensive technical investigation into underlying causes of the failure.

Against these issues raised in the PIB press release, PIL issued a clarification on stock exchanges on August 06, 2026, where it contested that the show-cause notice was issued to the concessionaire, AEPL, and not PIL. It further clarified that PIL has neither been debarred nor declared a non-performer by NHAI. As articulated by the company management, repair and rectification works at the initially affected locations have been completed and a reply on the show-cause notice has also been submitted to the concerned authorities. CARE Ratings Limited (CareEdge Ratings) notes that PIL has order book of ₹15,670 crore as on June 30, 2026, which provides good revenue visibility of 3.38x of FY26 revenue. Order book is diversified with 77% contribution from state counterparties. CareEdge Ratings shall continue to monitor the developments related to the show-cause notice and its impact on PIL's operational and financial risk profile.

Please refer to the following link for the previous detailed report that captures key rating drivers and rating sensitivities. **(Click here)**

Disclosure on facilities/instruments and name of regulators:

A list of facilities / instruments falling under the purview of financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Contact us

Media Contact	Analytical Contacts
Mradul Mishra Director **CARE Ratings Limited** Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in	Rajashree Murkute Senior Director **CARE Ratings Limited** Phone: +91-22-6837 4474 E-mail: rajashree.murkute@careedge.in
Relationship Contact Saikat Roy Senior Director **CARE Ratings Limited** Phone: +91-22-6754 3404 E-mail: saikat.roy@careedge.in	Maulesh Desai Director **CARE Ratings Limited** Phone: +91-79-4026 5605 E-mail: maulesh.desai@careedge.in Prasanna Krishnan Associate Director **CARE Ratings Limited** Phone: +91-120-4452014 E-mail: prasanna.krishnan@careedge.in

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