

KNR CONSTRUCTIONS LIMITED

ANNUAL REPORT

19/20



25 Years
and Beyond..

Report

THIS REPORT

CORPORATE OVERVIEW 1-12

Outlining Our Success	2-3
Creating Shared Value	4-5
Our Strategic Imperatives	6-7
Message from Managing Director	8-9
Review by the Executive Director	10-11
Strong Performance and Progress	12
Corporate Information	13

STATUTORY REPORTS 14-76

Management Discussion and Analysis	14-19
AGM Notice	20-26
Directors' Report	27-52
Report on Corporate Governance	53-70
Business Responsibility Report	71-76

FINANCIAL SECTIONS 78-207

Standalone	78-142
Consolidated	143-207

Please find our
online version at:
[http://www.knrcl.com/
annualreports.html](http://www.knrcl.com/annualreports.html)



Or simply scan to download

DISCLAIMER:

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

INVESTOR INFORMATION

Market Capitalisation as on March 31, 2020	₹ 27,631.30 Mn
CIN	L74210TG1995PLC130199
BSE Code	532942
NSE Symbol	KNRCON
Dividend Declared & Paid	₹ 0.50 per share of face value ₹ 2/- each
AGM Date	September 28, 2020
AGM Mode	Video Conferencing (VC)/Other Audio-Visual Means (OAVM)



**TAKING ON OUR
25 YEAR LEGACY,
WE ONLY PROMISE
TO GET BETTER AND
BIGGER AS WE ACHIEVE
GREATER MILESTONES**

Tracing our genesis back in 1995 as an Engineering, Procurement and Construction (EPC) business, we have come a long way in the journey of success. We marked another achievement among many triumphs in 2006, after bagging our first Build-Operate-Transfer (BOT) project, only to bring the next one back in the following year. The year 2008 was another eventful year as we got listed on BSE and NSE. The fund raised through Initial Public Offering (IPOs) was effectively utilised and its fruition came about in the advancing year. In 2016 we touched a vital milestone revenue of ₹ 10,000 Mn on a standalone basis. This further led to an acceleration of our growth owing to robust order book and aided the revenue numbers to cross over ₹ 20,000 Mn mark in 2019 on a standalone basis.

We honour the visionary leaders who made the impactful impressions of success and ensured the affluence of KNR in the long term. Our journey transformed on the backdrop of India's growth story which witnessed a major structural change since 1990's. Also, the country's consistent economic growth is greatly reliant on its infrastructural development. To facilitate the same, the Government is placing immense emphasis in creating an avant-garde infrastructure for the country. Our strong project track records, inhouse, financial and timely execution capabilities has positioned us to meet the prerequisite set by the Government agencies, municipal corporation and corporate houses. We can only anticipate the next 25 years to bring greater prosperity and explore distinct avenues of success.

OUTLINING OUR Success

DEFINING OUR CREDIBILITY

40+ years

Experience in project execution

Certification

ISO 14001:2015
ISO 9001:2015
ISO 45001:2018

**~6,000+
lane kms**

Road projects successfully executed

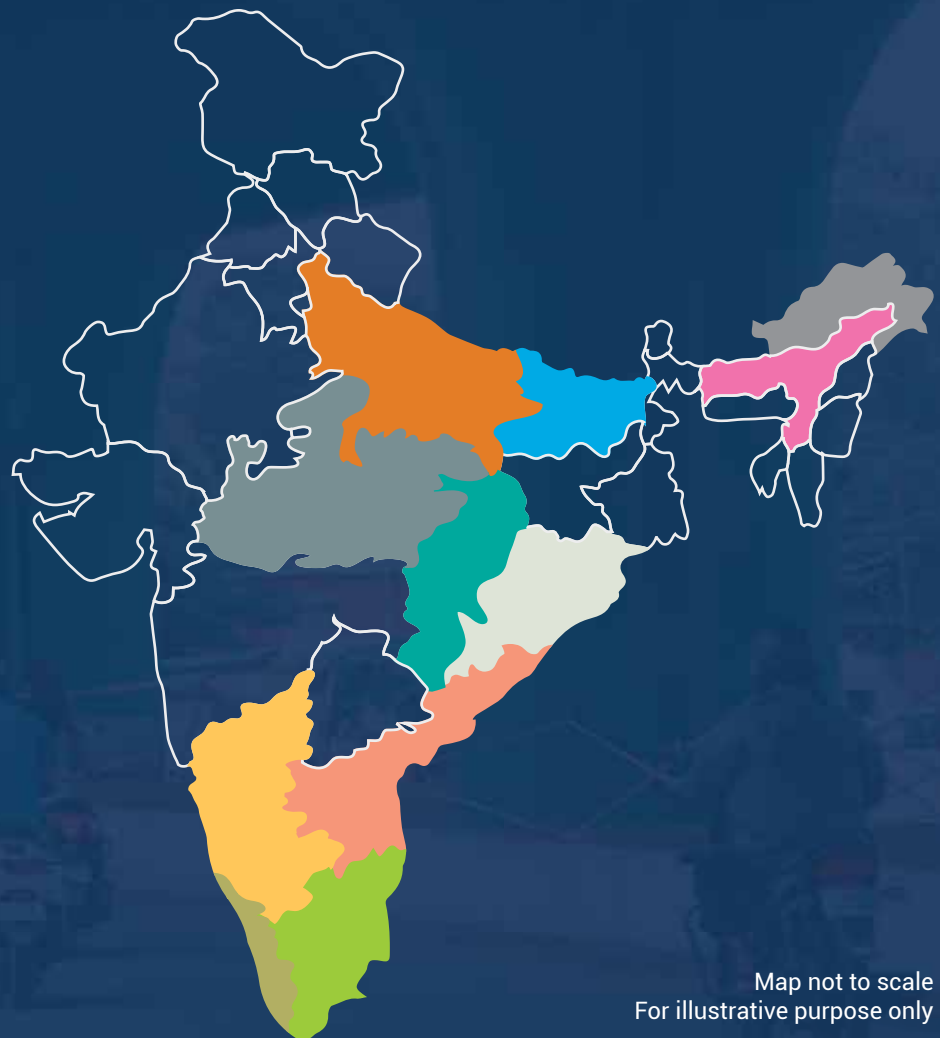
Involvement

of the top Management across the value chain

KNR is a multi domain infrastructure developer with an experience and capability of executing technically complex on an individual or a joint venture basis. Marking 25 years of successful existence, the Company has made a huge strides in winning and executing orders across different segments and regions of India. Today we are the leading name when it comes to construction of roads, highways, bridges and flyovers on EPC, BOT and Hybrid Annuity Model (HAM) basis. Our factor of success of the ongoing legacy consists of recurrent efforts to excel and emerge in the avenues including irrigation projects, urban water infrastructure management and agriculture.

PAN INDIA PRESENCE: 47 no. of Projects Executed in the Last 5 Years

Locations	No. of Projects	Value of Projects
Uttar Pradesh	4	₹ 1,704 Mn
Madhya Pradesh	5	₹ 7,941Mn
Karnataka	14	₹ 21,084 Mn
Kerala	4	₹ 16,645 Mn
Bihar	1	₹ 1,411Mn
Tamil Nadu	6	₹ 7,071Mn
Arunachal Pradesh	1	₹ 920 Mn
Assam	2	₹ 1,913 Mn
Chhattisgarh	1	₹ 264 Mn
Odisha	1	₹ 2,313 Mn
AP & Telangana	8	₹ 15,771Mn



Map not to scale
For illustrative purpose only

CREATING SHARED Value

Key Financial Numbers in 2019-20

₹ **22,442** Mn
REVENUES

₹ **4,871** Mn
EBITDA

₹ **2,252** Mn
PAT

₹ **16,239** Mn
NET WORTH

12.26
PE RATIO

13.9 %
ROE

16.02
EPS

0.13
DEBT TO EQUITY








EBITDA Earnings before interest taxes depreciation and amortisation
PAT Profit After Taxes
EPS Earning Per Share
ROE Return on Equity
PE Price Earnings Ratio
EPS Earnings Per Share



GIVING BACK

Economic Value Addition in 2019-20

At KNR, we are committed at improving human life by building a culture with all our projects that helps transform society and contribute to economic growth at large.

	Suppliers Payments made to our suppliers for the purchase of utilities, goods, assets and services	₹ 17,488 Mn	Total economic contribution: ₹ 24,224 Mn
	Employees Employee expenses for salary, wages and incentives	₹ 1,252 Mn	
	Shareholders and lenders Dividend payments and interest payments	₹ 601 Mn	
	Governments Income Taxes and other payments to government	₹ 4,815 Mn	
	Social contribution CSR Spent	₹ 68 Mn	

OUR STRATEGIC Imperatives

Thinking beyond what we are today

STRONG Foresightedness



Our Mission

To add more business verticals to the organisation in the fields of construction of elevated metro rail and railway projects



Our Vision

To develop KNR as a centre of excellence in the field of infrastructural services by striving to provide eco-friendly solutions by adopting state-of-the-art practices and commitment to quality through motivated human resources

Clear Strategies...

- Capitalise on opportunities of infrastructure development in country as a developer
- Focus on bagging EPC contracts from reputed clients
- Focus on projects involving higher degree of engineering skills
- Explore strategic Joint Venture (JVs) opportunities
- Execute all the projects on time or ahead of schedule
- Focus on asset monetisation

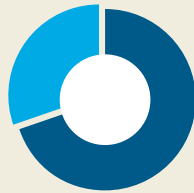
Progress So Far as on March 31, 2020

Portfolio of BOT/HAM Projects

- 778 lane Kms Projects in Telangana, Karnataka, Kerala & Bihar
- 2 Annuity-based Projects and 2 Toll-based projects completed so far
- 5 HAM projects with a total Bid Project cost of ₹ 60,491.7 Mn is under construction/development

Strong EPC order Book (₹ in Mn)

Road sector	Irrigation sector
36,561	15,736
Total	₹ 52,297 Mn



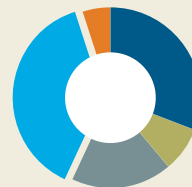
Solid in-house capabilities

CONSTRUCTION EQUIPMENT'S
₹ **10,951 Mn**
GROSS BLOCK OF PLANT & MACHINERY

Diverse Framework

1,964
TOTAL EMPLOYEES

Project Engineers	31%
Site Supervisors	8%
Site Engineers	18%
Equipment Operators	38%
Admin & Office Staff	5%



Executed Work for a Top-Notch Clientele



National Highways
Authority of India
(NHAI)



Ministry of Road
Transport &
Highways (MoRTH)



Karnataka State
Highway Improvement
Project (KSHIP)



Madhya Pradesh Road
Development Corporation
Limited (MPRDCL)



Government of
Telangana

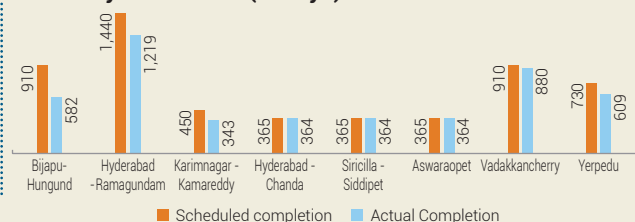
& Many more

Share Purchase Agreement (SPA)

1.8 TIMES

EXPECTED RETURN FROM 3 (HAM PROJECTS)
SPA SIGNED WITH CUBE HIGHWAYS AND
INFRASTRUCTURE III PTE. LTD

Time: Key to Success (In days)



MESSAGE FROM Managing Director



I heartily appreciate the containment efforts of the Governments and the untiring efforts of the health professionals to manage the outbreak of such a large scale.

Dear Shareholders,

As I pen down my thoughts for this year's report, I still see the world suffering from the outbreak of the COVID-19 pandemic. While India was already navigating through challenging macro-economic environment, the emergence of pandemic in the last few weeks of the financial year, made the situation even worse. I heartily appreciate the containment efforts of the Governments and the untiring efforts of the health professionals to manage the outbreak of such a large scale.

At KNR, we selflessly undertook a series of measures to ensure safety and well-being of our employees and communities. We also focussed on conserving and augmenting our liquidity position through cost rationalisation and avoiding non-critical spends. Your Company's continued commitment to engineering excellence in construction ushered in sustained growth in construction segments such as Highways, Irrigation and Flyovers.

Performance snapshot

Your Company clocked an annual standalone revenue of ₹ 22,442 Mn as against ₹ 21,373 Mn, a growth of 5% on year-on-year basis. The standalone net worth stood at ₹ 16,239 Mn reflecting a good financial health of the Company.

Overview of India's infrastructure development

Construction companies contribute to over 10% of GDP. They are the backbone for economic upliftment as they generate large scale employment for labours, engineers, machine operators and drivers. It also aids several industries like capital goods, cement, steel, petrol, diesel and bitumen. Under Phase-I of the

Bharatmala Pariyojana Highway Development Programme, the Government has approved implementation of 34,800 km of national highways projects out of the development of about 65,000 km national highways, with an outlay of ₹ 5.35 Lakhs Crores, both in EPC and HAM model. With Government's vision of making India a USD 5 Tn economy by 2025, infrastructure development will play a pivotal role. A National Infrastructure Pipeline (NIP) with an expected investment of ₹ 111 Tn during the period 2020-25 has been framed in which road sector is the largest beneficiary, with projects worth ₹ 19.6 Tn identified (19%). Further, Government also announced a scheme to reach to every household with piped water supply- Jal Jeevan Mission (JJM) by 2022 at a total budget of ₹ 3,300 Bn.

Current scenario

COVID-19 pandemic and subsequent nationwide lockdown in the country disrupted the growth of infrastructure companies for the fiscal year 2020. Though NHAI was expected to step up ordering in 4Q, the momentum waned in March-20, partially because of COVID19. Given the recent disruption, we expect ordering activity to remain muted at least in 1HFY21 – though expect some activity picking up from 2QFY21, if not later. To address the Pandemic Govt. rolled out the ₹ 20 Lakhs Crores stimulus package under the 'Atmanirbhar Bharat Abhiyan'. It aimed at spurring growth and building a self-reliant India. For roads & highways companies, an extension of up to 6 months (without costs to contractor) will be provided by all central agencies. It will cover obligations like completion of work, intermediate milestones and extension of concession period in PPP contracts. It also stated to classify the lockdown event as a *Force Majeure* for the projects impacted due to lockdown. Besides, the Government agencies were also asked to release partial bank guarantees, to the extent of project completion, to ease cash flow problems. Very recently, The Ministry of Road Transport and Highways (MoRTH) has decided to release ₹ 7,500-8,000 Crores of retention money to provide liquidity support to the EPC contractors.

Post COVID-19 Pandemic our Company has given a holistic approach to the issue with regard to the wellness of the workers, safety norms, social distancing and necessary precautions at all the projects sites.

Our positioning

With a present order book of ₹ 78,489 Mn, which includes an EPC value of ₹ 29,049 Mn worth of HAM projects, EPC of irrigation projects worth ₹ 38,699 Mn and EPC of other central and state projects worth ₹ 10,741 Mn, the Company has a book-to-bill ratio of 2.5x LTM revenue. It also includes highway and irrigation projects in Telangana. KNR is at present executing 4 HAM projects out of which 3 are from NHAI and one from Karnataka State Government. With our strong balance sheet and proposed monetisation of assets, there shall be enough liquidity to bid for NHAI's new projects. Our committed, dedicated construction professionals and workers are our great supporting strength in achieving sustainable growth.

I would like to acknowledge our management, staff, customers, bankers, investors, vendors and Government agencies for their continued support. It allows us to capture the underlying potential and deliver long term sustainable value.

Best wishes,

K. Narsimha Reddy

Founder Promoter and Managing Director

REVIEW BY THE Executive Director



With adequate orders on hand, efficient and qualified manpower and large fleet of modern construction equipment, the performance of the Company is set to excel.



Dear Shareholders,

The COVID-19 pandemic has taken a huge toll on lives and livelihoods across the world. On behalf of all of us at KNR, I want to extend our sincere appreciation and gratitude to all those who are in the frontline, working to keep us safe and healthy. Our heartfelt sympathy to all who are battling the virus or have someone close to them who is. While India managed to control the speed of infection spread by imposing series of lockdowns, it also ensured uninterrupted supply of essential services.

The challenge of keeping the operations running was a demanding task for us. The disruption by way of COVID-19 and the nationwide lockdown impacted the Company's construction activities at the project sites in the last week of March 2020 and during April, May and June 2020 in the financial year 2020-21. All possible steps are taken to protect the workforce and to minimise the spread of the infection. Our strategic principle of quoting projects with reasonable EBITDA and avoid accumulating projects with sound planning and timely execution has resulted in mitigating risks and strengthen bottom line. The Government of India's massive push to the transport infrastructure, combined with prestigious Bharatmala Pariyojana Scheme, Kaleswaram Irrigation Projects and multi-level flyover projects, KNR is perfectly poised to gain from these developments.

Projects review

Our present order book of ₹ 78,489 Mn includes four NHAI HAM projects and one HAM project from KSHIP. The construction work is progressing as per schedule in all the four HAM projects and appointed day is awaited for one NHAI HAM project. We successfully completed two BOT Toll (NHAI) projects and two annuity (NHAI) projects. Our foray into irrigation paid rich dividends as the Company bagged two more projects in JV to the tune of ₹ 23,300 Mn.

Way forward

KNR continued to enjoy strong credit rating of AA- on account of lower dependence on external borrowing, adequate working capital cycle and financial risk remaining strong. With adequate orders on hand, efficient and qualified manpower and large fleet of modern construction equipment, the performance of the Company is set to excel.

Before closing, I would like to thank our management team and our employees for their hard work and contribution. I would also like to acknowledge our Board Members for their continuous mentoring and support. We will be delighted to have your continuous faith on us while we move forward towards building a strong and resilient organisation.

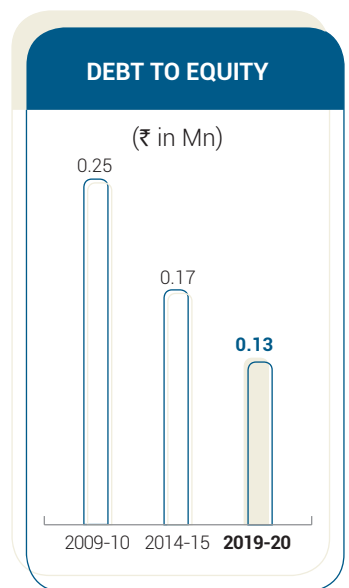
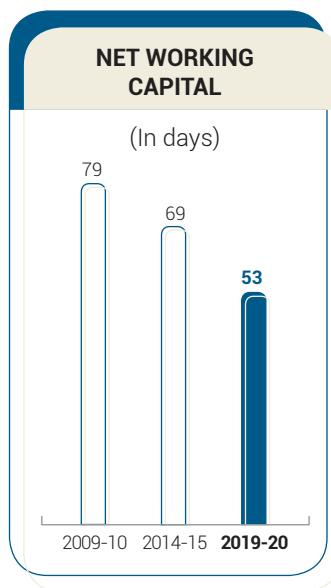
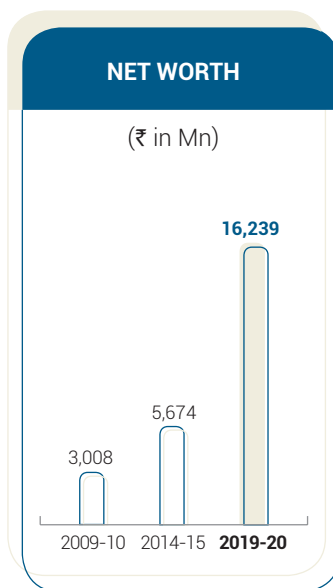
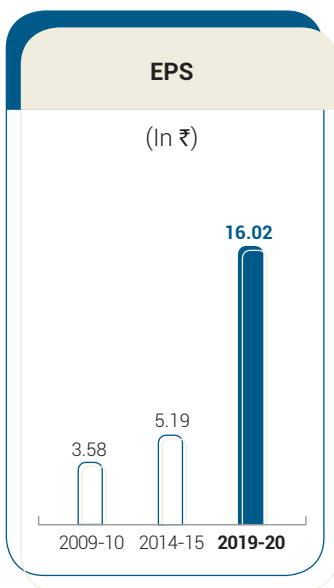
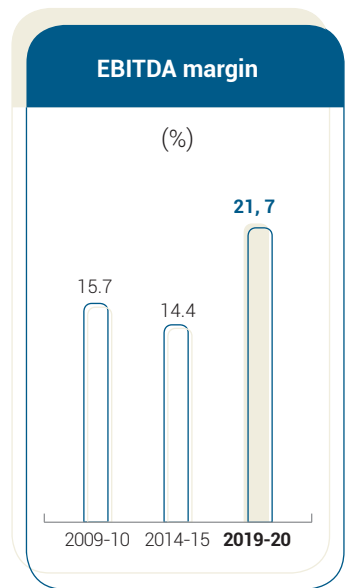
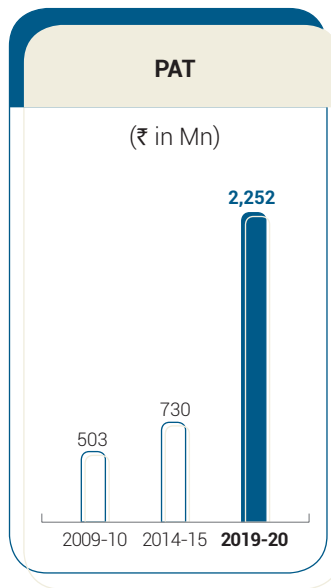
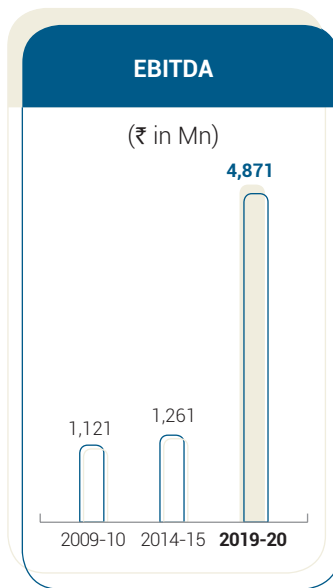
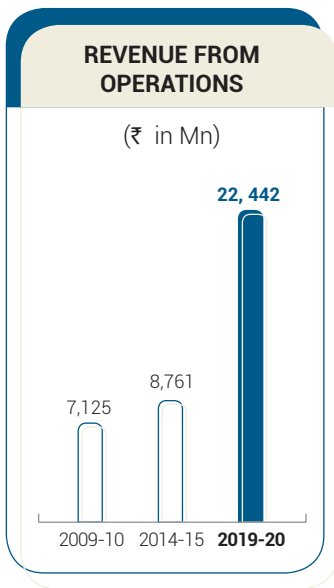
Best wishes,

K. Jalandhar Reddy

Promoter and Executive

Strong PERFORMANCE AND PROGRESS

(Standalone basis)



CORPORATE Information

BOARD OF DIRECTORS

Executive Directors

Shri K Narsimha Reddy
Shri K Jalandhar Reddy

Non-Executive Directors

Shri B V Rama Rao
Shri L B Reddy
Smt. K Yashoda
Smt. G C Rekha

AUDIT COMMITTEE

Shri L B Reddy, Chairman
Shri B V Rama Rao, Member
Shri K Jalandhar Reddy, Member

NOMINATION & REMUNERATION COMMITTEE

Shri L B Reddy, Chairman
Shri B V Rama Rao, Member
Smt. K Yashoda, Member

STAKEHOLDERS RELATIONSHIP COMMITTEE

Smt. K Yashoda, Chairman
Shri K Jalandhar Reddy, Member
Smt. G C Rekha

STATUTORY AUDITORS

M/s K P Rao & Co.,
Chartered Accountants, Bangalore

INVESTOR SERVICE CENTRE

"KNR House", 3rd Floor, Plot No. 114, Phase I,
Kavuri Hills, Hyderabad - 500033
E-mail: investors@knrcl.com

VICE PRESIDENT (F & A)

Shri S Vaikuntanathan

COMPANY SECRETARY

Shri M V Venkata Rao

REGISTERED & CORPORATE OFFICE

KNR House, 3rd & 4th Floors,
Plot No. 114, Phase I, Kavuri Hills,
Hyderabad - 500033

BANKERS

State Bank of India
IDBI Bank
Oriental Bank of Commerce (Now Punjab National Bank)
Axis Bank Limited
ICICI Bank Limited
Kotak Mahindra Bank Limited
Central Bank of India
HDFC Bank Limited
RBL Bank Limited

Management Discussion and Analysis

THE ECONOMIC LANDSCAPE

The Global Scenario

Globalisation has immensely aided utility optimisation on a major scale owing to the free flow of capital, goods, people and ideas across national boundaries. Nonetheless on the contrarian grounds, the upsurge in the inequality of income and wealth in different countries has led to public and industrial outrage. Protectionism being favoured by leaders is one of the greatest contributors to the reversal of globalisation on multiple levels. This in turn has led to various global issues including sanction imposition, trade war escalation, Brexit, geopolitical tension and social unrest. These issues further account for the decrease in the global growth to 2.9% in 2019, from 3.6% in 2018. While these global issues have fanned the air of tension, on the brighter note, the world also witnessed stabilised crude oil prices, US-China phase-I trade talk and central banks around the world resorting to accommodative monetary policy stance to boost money supply. However, the light of positivity was further shadowed with the prevalence of the COVID-19 outbreak, which led to a synchronised contraction, and a sudden global shutdown in 2020. Going forward, it would be imperative for the Governments to respond consciously to minimise the damage, as there is a no 'one size fits all' policy to this situation. Hence, the recovery path of global economy is expected to be shallower for the year 2020.

The Indian Landscape

India witnessed a GDP growth of 4.2% in 2019-20 as compared to 6.1% in 2018-19. The slowdown in manufacturing activity, export contraction, deceleration in private expenditure and subdued consumption were among the leading factors causing the downtrend in growth. Despite the above-mentioned bars, agriculture grew at 4% in 2019-20 owing to record production of food grains, which was supported by ample rains and rise in Minimum Support Prices (MSP). India also notched ranks in 'World's Bank Ease of Doing Business', moving from 77th spot in 2018 to 63rd in 2019. This along with a friendly FDI policy aided country's Forex to witness an uptick by USD 64,060 Mn to USD 4,57,470 Mn in 2019, as compared to a year from now. However, comprehensively, the confidence from demand and supply side

remained low during the fiscal. To counter this, the Government resorted to the imposition of GST, income and corporate tax rate cuts as well as hiked tariff duty on several imported items. Before, these measures could bring in any optimism, the global outbreak of the novel COVID-19 induced lockdown, severely impacted the Indian economic activity towards the end of 2019-20. Going forward, it is also anticipated to have a major impact on the remaining period of 2020-21. To tide over this crisis, the Government and RBI acted swiftly by announcing a mix of fundamental reforms, fiscal support and monetary support along with easing of lockdown in phases and placing emphasis on localisation.

THE INDUSTRY LANDSCAPE

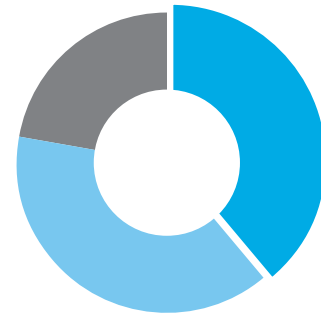
Infrastructural Sector

Infrastructure accounts for 8.24% of India's GDP and is responsible for the employment of 12% of the country's workforce (Source: *Economic Times, 2020*). This, along with its underlying link to various sectors like steel, cement, pipes, among others makes the sector synonymous to being a cornerstone for the economic growth. The National Infrastructure Pipeline (NIP) possibly can bridge the gap, considering that ₹ 111 trillion has been envisaged over 2020-25, which is almost double of the ~ ₹ 57 trillion incurred over 2013-19 (Source: *Anandrathi Report, 2020*). Thus, NIP would act as a major growth driver for the sector wherein; the key focus would be on the energy, roads, urban infrastructure, railways and irrigation segments. Further, it is believed that through mega reforms like Public-private Partnership model, land and asset monetisation, NIP can overcome the chronic challenges of funding, land acquisition, regulatory clearances and time/cost overruns. This looks promising in terms of economic revival and prodding job creation amidst various headwinds. Going forward, in coming months, there is a possibility of loss of income and diversion of the Government fund towards COVID-19 management. However, the sector is expected for a quick revival to keep the masses employed, enhance quality of life and meet project timelines.

Management Discussion and Analysis (Contd.)

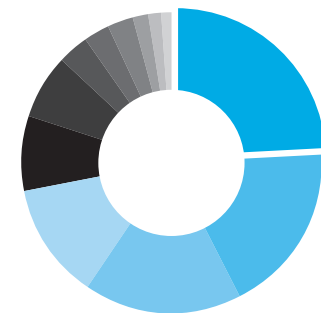
Funding Share in NIP

● State	39 %
● Centre	39 %
● Private	22 %



% of Total CAPEX Outlay Under NIP

● Energy	24.2
● Road	18.3
● Urban infra	17.2
● Railways	12.3
● Irrigation	8.0
● Rural Infra	7.0
● Social Infra	3.5
● Industrial Infra	2.8
● Digital Infra	2.8
● Agriculture and Food Processing Infra	1.5
● Airport	1.3
● Ports	1.1



(Source: BOBCAPS report, 2020)

Road Construction Sector

The road construction industry in India is going through a paradigm shift in terms of investments and policy support. The usage of advanced and intelligent road construction technologies is consistently improving the quality of roads. The constant monetary and technological support has greatly benefitted all the stakeholders right from road users, the authority/government, concessionaires to developers. Several powerful initiatives have been driven by the Government in the sector including limited use of plastic waste in bituminous pavement construction, use of project monitoring information systems (PMIS) for real time project tracking and monitoring; and electronic toll collection via FASTag.

The Indian road network spans across 5.89 Mn Kilometres

(Km) making it the second largest in the world (Source: IBEF, 2020). The rising number of industrial activities and vehicles has aided the growth in the road construction sector. Also, these have spurred National Highway Authority of India (NHAI) to achieve construction of 3,979 km of national highways in 2019-20, the highest ever in any fiscal by NHAI. This was majorly achieved on the back of ambitious highway development program 'Bharatmala Pari Yojana'. In addition to this, a host of policy initiatives undertaken by the Government in recent past including the announcement of the land acquisition act, the fast track process of arbitration claims, introduction of the new EPC (Engineering, Procurement and Construction) policy, bringing in models such as Hybrid Annuity Model (HAM), Toll Operate Transfer (TOT), among others are adding to the overall development of the sector.

Management Discussion and Analysis (Contd.)

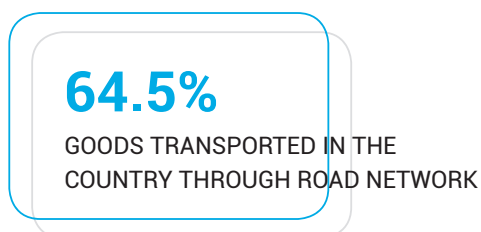
Going forward, the NHAI has set a promising target of constructing 4,500 km of national highways in 2020-21. However there lies a possibility of them facing a fund crunch owing to high arbitration pay-out and debt, including interest. For this, NHAI will have to explore an effective alternative route to pool the fund. In the near term, the COVID-19 pandemic is expected to have an impact on the road construction sector in terms of toll revenue collection, road asset monetisation programme and supply constraint of labourers for construction activities. However, with the ease of lockdown, the ongoing projects would pick up pace and the highway traffic density would result in increase in toll collection.

Country's Road Development

Year	Length in Km	Pace (Km/day)
2014-15		12.08
2015-16		16.56
2016-17		22.55
2017-18		26.93
2018-19		29.74
2019-20		25.23

*Till February 2020

(Source: Ministry of Road Transport & Highways)



(Source: IBEF, 2020)

10,676 KM

AWARDED UNDER BHARATMALA
PAROYOJANA AS OF MARCH 31, 2020

Union Budget: 2020-21

The Government allocated ₹ 91,823 crore (USD 13,140 Mn) under the Ministry of Road Transport and Highways.

(Source: IBEF, 2020)

Company Overview

KNR is a multidomain infrastructure development organisation with over two-and-a-half decades of experience executing the construction of technically complex and high-value projects across segments, such as expressways, national highways, flyovers, bridges and viaducts, irrigation projects such as dams, reservoirs and canals and urban development including civic amenities and water infrastructure, among others with ₹ 11,000 Mn of own sophisticated construction plant and machinery and mines and quarries for aggregates. With the track record on the complex project management capabilities, PAN India presence, experienced technical professionals and strong liquidity. KNR is positioned to take advantage of emerging infrastructure sector opportunities in EPC and HAM projects from NHAI and Irrigation, water management schemes and metro flyovers. KNR is at present executing 4 HAM projects out of which 3 are from NHAI and one from State Govt of Karnataka out of the total 9 projects of BOT (Toll), HAM and BOT (Annuity) projects.

KNR has successfully completed 2 BOT –Toll (NHAI) projects and 2 Annuity (NHAI) projects.

Management Discussion and Analysis (Contd.)

Order book

KNR's outstanding order book position as on March 31, 2020 is ₹ 52,297 Mn, which includes an EPC value of ₹ 24,518 Mn worth of HAM projects, EPC of irrigation projects worth ₹ 15,735 Mn Bn and EPC of other central and state projects worth ₹ 12,044 Mn, and ₹ 26,581 Mn worth of orders are not included in the order book. The Company has a book-to-bill ratio of 2.5x LTM revenue.

Major Projects awarded during the 2019-20:

Sr. No.	Client	Description of work	Project value (In ₹)
1	Navayuga Engg Co Ltd	Execution of Palamuru Rangareddy Lift Irrigation scheme Package -10 in Nagarkurnool District, Telangana - Formation of Venkatadri Reservoir bund from Km 6.900 to Km 11.550 at Vateem (V), Bijinepally (M), Nagarkurnool (Dist)	8,474 Mn
2	Megha Eng & Infrastructure Ltd	Construction and completion of Earthen Bund works in the reach from 12.800/12.665 Km to 14.270/14.135 Km which are part and parcel of "Kaleshwaram Project-Formation of Sri Komuravelli Mallana Sagar with a capacity of 50.00 TMC"	8,500 Mn
3	Greater Hyderabad Municipal Corporation	Comprehensive Road Maintenance Plan for Maintenance of mail roads in Khairatabad Zone- I, of GHMC under Comprehensive Road Maintenance Contract (CRMC) for 5 years	1,657 Mn
4	Greater Hyderabad Municipal Corporation	Comprehensive Road Maintenance Plan for Maintenance of mail roads in Secunderabad Zone of GHMC under Comprehensive Road Maintenance Contract (CRMC) for 5 years	2,406 Mn

Opportunities & Threat

Infrastructure is the backbone for economic upliftment of the country. Government has announced Under Phase-I of the Bharatmala Pariyojana highway development programme in addition to various other programmes to give impetus to economy. With the strong balance sheet and execution capacity KNR is at an advantageous position to bring greater prosperity.

With our strong balance sheet and proposed monetization of assets, there shall be enough liquidity to bid for NHAI's HAM projects.

Other operational Highlights:

KNR continue to enjoy strong credit rating of AA- on account of lower dependence on external borrowing, adequate working capital cycle and financial risk remaining strong.

RISK MANAGEMENT

At KNR, we recognise that every business has its inherent risks and it is required to possess a proactive approach to identify and mitigate them. The Company has embedded an efficient Enterprise Risk Management System (ERMS), which regularly scans the internal and external environment to identify risks, decide on possible mitigation plans and incorporate them in its strategic plans.

Risk	Impact	Mitigation
Competition Risk:	With increased project awarding by the government, the road and construction industry is expected to attract several domestic as well as international players. This increase in competition may lead to an aggressive bidding environment, resulting in price cut and low operating margins as well as lower market share of project awards.	With two and half decades of industry experience and led by a proven management team, who have honed their project managing skills right from the drawing board to the final execution, the Company is confident of meeting present and future competition and enjoy continued growth. To further mitigate this risk, where considered prudent, the Company forms strategic partnerships and joint ventures with quality players. This facilitates synergies both in the financial and technical arenas and enables it to compete with the larger players.

Management Discussion and Analysis (Contd.)

Risk	Impact	Mitigation
Slowdown in Road Sector	Any slowdown on part of the government to award road projects could adversely affect growth prospects.	The present government has taken focused steps to ensure that infrastructure creation moves at an accelerated pace, thus reducing the possibility of this risk to a considerable extent. Moreover, the Company already has sufficient order backlog to ensure growth momentum in the medium term.
Construction Risk	Infrastructure projects involve complex design and engineering, significant procurement of equipment and supplies and extensive construction management and other activities conducted over extended time periods, sometimes in remote locations. This could lead to cost-time overruns, thereby impacting profitability.	KNR with its vast experience of project management, balanced capital structuring and efficient cost control measures is well geared to mitigate this risk. Further, inhouse repository of specialised construction equipment reduces dependence on external sources, expedite execution and sustain margins.
Raw Material Risk	Increase in the cost of raw materials, particularly steel and cement, or their unavailability over the tenor of the contract can impact schedules and profit margins.	The Company enters into long-term arrangement with suppliers for requisite raw materials for the tenure of the project, thus guaranteeing a continuous flow. Backward integration by sourcing aggregates from its mines, for road projects under execution also enables it to control costs. Also, leveraging its industry experience, the Company effectively supervises the availability of raw materials thus keeping the cost escalation risk to a minimum.
Interest Rates	Rising interest rates during the life span of a project, fuelled by inflation, can decrease profit margins.	The Company factors this risk into the cost of project before bidding for it. Despite this, the Company is open to resorting to interest rate hedging in case the need arises.
Traffic Growth Risk	Revenue from the Company's Toll-based BOT projects are subject to risks associated with unpredictability of traffic growth.	The Company's operational toll-based BOT project caters to traffic plying between South India's economically vibrant cities and towns. Major industries are also located on this stretch. With the anticipated uptick in economic activity, commercial traffic is expected to maintain a positive growth momentum, thus reducing the possibility of low toll revenues.
Regulatory Risk	The complex nature of infrastructure projects means that the Company has to interface with various regulatory authorities throughout the project life cycle, making them especially vulnerable to regulatory action. These requirements are complex and subject to frequent changes as well as new restrictions. Failure to comply with these requirements may result in significant liability to the Company.	To deal with this risk effectively, the Company has a regulatory compliance review mechanism in place. Through this the Company gets regular updates and makes changes in its compliance on a real time basis.
Political Risk	Political disharmony can interrupt or disturb the settled commercial terms of a project, as infrastructure projects with their high visibility have a strong element of public interest.	With greater thrust on infrastructure by successive governments, this risk has been alleviated to a considerable extent. Further to ensure minimal intrusion from the political machinery, the Company ensures that its work speaks for itself. Also, years of experience in working with various Governments and its agencies in its life span, has made KNR fully capable of handling any changes in the political setup.

Management Discussion and Analysis (Contd.)

Risk	Impact	Mitigation
Pandemic Risk	Coronavirus (COVID-19) brought disruption to infrastructure sector during the operational phase due to unavailability/shortage of staff due to public health measures and/or sickness ,supply chain disruption and Government action, e.g. lock-down of the project area.	COVID-19-related notices claiming extension of time (force majeure claim) and cost consequences (as a change of law, government risk/action or political force majeure claim), potential relief under the contract, Notifications to lenders under information covenants in finance documents, Consideration of efficacy of time limits on claims notification and review of termination rights based on COVID-19. Leverage full technological capabilities of project management platforms to facilitate remote working and make digital capital products and cloud collaboration the standard in projects, Revisit procurement strategy and consider whether delaying certain procurement activities (commodities, fuel, service providers, subcontractors) may yield more competitive pricing.

Financial Highlights

Revenues

The total income from the operations posted by the company on standalone basis for the year ended March 31, 2020, is ₹ 22,442.39 Mn as against ₹ 21,372.56 Mn during the same period in the last financial year thereby recording an increase in turnover by 5%.

Profits

EBITDA increased from ₹ 4,269.65 Mn for the year ended March 31, 2019 to ₹ 4,870.70 Mn in the current year ended March 31, 2020. EBITDA on turnover has stabilised at 21.70% as compared to 19.98% in previous year. The net profit after tax of the current year ended is ₹ 2,252.23 Mn as against ₹ 2,632.65 Mn in the corresponding previous year. The profit after tax as a percentage of turnovers has gone down from 12.32% to 10.04 % due to:

- Higher Depreciation in Irrigation projects as per Management Estimate
- Revenue from Non 80 IA projects has been increased; hence the Tax liability has gone up.

Net Worth

The Net Worth has gone up from ₹ 14,143.09 Mn to ₹ 16,238.88 Mn in the current year thereby recording an increase of about 14.82%. Earnings per Share is down from ₹ 18.72 to ₹ 16.02 in the current year due to reason mentioned above

Loan Funds

The Debt-Equity ratio has remained almost the same as 0.13 times.

Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, net worth along with detailed explanation

During the year on a standalone and consolidated basis there was no significant change in the financial ratios ,net worth compared to previous year.

Human resources

The Human Resource (HR) strategy at KNR is focused on creating a performance-driven culture in the Company, where innovation is encouraged, performance is recognised and employees are motivated, to realise their potential. Company's HR department creates all HR strategies along with senior management and BOD so as to influence change, attract talent and build capabilities. HR department is fully specialised to respond to varied human resource needs of KNR's business units to enable each division to maintain the human strategic advantage. The Company employed a total of 1,964 employees during the year.

Cautionary statement

Statements in the Management Discussion and Analysis describing the KNR's objectives, projections, estimates, expectations may be forward-looking statements. Actual results may differ materially from those expressed or implied. Important factors that could make difference to the KNR's operations include economic conditions in which the KNR operates, change in government regulations, tax laws, statutes and other incidental factors.

Notice

Notice is hereby given that the 25th Annual General Meeting of KNR Constructions Limited will be held on Monday the 28th day of September 2020 at 3:00 PM through Video Conferencing (VC)/Other Audio-Visual Means (OAVM) to transact the following items of business::

ORDINARY BUSINESS

- 1 To receive, consider and adopt
 - (a) the audited Statement of Profit and Loss for the financial year ended March 31, 2020 and the Balance Sheet as on that date together with the Report of the Board of Directors and Auditors thereon; and
 - (b) the audited consolidated Statement of Profit and Loss for the financial year ended March 31, 2020 and the Balance Sheet as on that date.
- 2 To confirm the Interim Dividend declared @ ₹ 0.50 Per Equity shares of ₹ 2.00 Each to the Shareholders for the financial year 2019-2020.
- 3 To appoint a Director in place of Smt K Yashoda (DIN:05157487), who retires by rotation and being eligible, offers herself for reappointment.

SPECIAL BUSINESS

4. To consider and, if though fit, to pass the following resolution as an Ordinary Resolution:

To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2021 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force, Shri D Zitendra Rao, Cost Auditors to audit the Cost records maintained by the Company for the financial year ending March 31, 2021, on a remuneration of ₹ 3,00,000 excluding taxes as may be applicable, be and is hereby ratified."

By Order of the Board of Directors

Place: Hyderabad
Date: 18.08.2020

M. V. Venkata Rao
Company Secretary

NOTES FOR MEMBERS:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing ("VC") / Other Audio- Visual Means ("OAVM"), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM 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 proposed to be held pursuant to the said 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 AGM and hence the Attendance Slip and Proxy Form are not attached to this Notice.

3. Statement as required under section 102 of the Companies Act, 2013, in respect of items of special business is annexed hereto.
4. In case you are holding the Company's shares in dematerialised form, please contact your depository participant and give suitable instructions to update your bank details in your demat account and to notify any changes with respect to their addresses, email id, ECS mandate etc. In case you are holding Company's shares in physical form, please inform Company's RTA viz. M/s. Link Intime India Private Limited (RTA), C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai – 400083 by enclosing a photocopy of blank cancelled cheque of your bank account.
5. As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialised form. M/s. Link Intime India Private Limited

Notice (Contd.)

(RTA), C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai – 400083 are the Registrar & Share Transfer Agents (RTA) of the Company. All communications in respect of share transfers, dematerialisation and change in the address of the members may be communicated to the RTA.

6. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to the RTA/Company.
7. Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the Company a certified copy of the Board resolution authorising their representative to attend and vote on their behalf at the meeting.
8. Members who hold shares in physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest to avail the nomination facility. Members holding shares in dematerialised form may contact their respective depository participant(s) for recording nomination in respect of their shares.
9. **Transfer of Unclaimed/Unpaid amounts to the Investor Education and Protection Fund (IEPF):**

Members are requested to note that dividends not encashed or remaining unclaimed for a period of 7 (seven) years from the date of transfer to the Company's Unpaid Dividend Account, shall be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Further, pursuant to the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') as amended from time to time, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.

The Members/Claimants whose shares, unclaimed dividend have been transferred to IEPF may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF 5 which is available on www.iepf.gov.in and on the website of the Company www.knrc.com along with requisite fee as decided by it from time to time.

Members who have not yet encashed the dividend warrants from the financial year ended 31st March 2013 onwards are requested to forward their claims to the Company's Registrar and Share Transfer Agents without any further

delay. It is in Members' interest to claim any un-encashed dividends and for future, opt for Electronic Clearing Service, so that dividends paid by the Company are credited to the Members' account on time.

It may be noted that once the unclaimed dividend is transferred to IEPF as above, no claim shall rest with the Company in respect of such amount. It may also be noted that the unclaimed dividend amount which were lying with the Company upto and in respect of the year ended on 31st March 2012, have already been transferred to IEPF. The details of the unclaimed dividends are available on the Company's website at www.knrc.com and on the website of Ministry of Corporate Affairs at www.mca.gov.in. Members are requested to contact the Company's Registrar and Share Transfer Agent or the Company to claim the unclaimed/unpaid dividends.

10. Members seeking any information or clarification on the accounts are requested to send their queries to the Company, in writing, at least one week before the date of the meeting. Replies will be provided in respect of such written queries at the meeting.
11. Pursuant to the directions/notifications of Securities and Exchange Board of India (SEBI) and Depositories, the demat account holders can operate their accounts if they had already provided Income Tax Permanent Account Number either at the time of opening of the account or at any time subsequently. In case they have not furnished the Income Tax Permanent Account Number to the Depository Participants, such demat account holders are requested to contact their DPs with a photocopy of the PAN Card (with original PAN Card for verification), so that the frozen demat accounts would be available for operation and further consequences of non-compliance with the aforesaid directives would be obviated. SEBI, vide Circular ref.no. MRD/Dop/Cir-05/2009 dated May 20, 2009 made it mandatory to have PAN particulars for registration of physical share transfer requests. Based on the directive contained in the said circulars, all share transfer requests are therefore to be accompanied with PAN details. Members holding shares in physical form can submit their PAN details to the Company / RTA.
12. Members may also note that the Notice of the 25th Annual General Meeting is available on the Company's website: www.knrc.com. All documents referred to in the accompanying Notice and the Statement pursuant to Section 102(1) of the Companies Act, 2013 shall be open for inspection in electronic mode by the Members by

Notice (Contd.)

writing an e-mail to the Company Secretary at investors@knrc.com.

In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with Annual Report 2019-20 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / Depository Participants. Members may note that the Notice and the Annual Report 2019-20 will also be available on the Company's website at www.knrc.com, on the website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of CDSL www.evotingindia.com.

To support 'Green Initiative', members who have not registered their email addresses are requested to register the same with the Company's Registrar and Share Transfer Agent/ their Depository Participants in respect of shares held in physical/electronic mode, respectively.

13. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
14. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to the Notice.
15. Additional information pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to Secretarial Standards on general meetings, information in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting is furnished in the annexure and forms part of the notice. The Directors have furnished the requisite consent / declaration for their appointment / re-appointment.
16. Retirement of Directors by rotation: Mrs K Yashoda, Non-Executive Director of the Company, retire by rotation at the ensuing AGM and, being eligible, offer herself for re-appointment. The Board of Directors recommend the re-appointment of Mrs. K Yashoda, whose office is liable to retire by rotation.

E-VOTING

CDSL e-Voting System – For Remote e-voting and e-voting during AGM/EGM

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No.

14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM/EGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM through VC/OAVM.

2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorised e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM/AGM will be provided by CDSL.
3. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM/EGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.

Notice (Contd.)

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM/EGM has been uploaded on the website of the Company at www.knrc.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM/EGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. www.evotingindia.com.
7. The AGM/EGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
 - (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
 - (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
 - (iv) Click on "Shareholders" module.
 - (v) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from **Login - Myeasi** using your login credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:

- (i) The voting period begins on <Date and Time> and ends on <Date and Time>. During this period shareholders' of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date (record date) of <Record Date> may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Shareholders holding shares in Demat Form and Physical Form

PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

Notice (Contd.)

- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app "**m-Voting**". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **Company/RTA email id**.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE EGM/ AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the EGM/AGM through VC/OAVM through the CDSL e-Voting

system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.

2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at investors@knrc.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at investors@knrc.com. These queries will be replied to by the Company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM/EGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the EGM/AGM through VC/OAVM 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 system available during the EGM/AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during

Notice (Contd.)

the meeting is available only to the shareholders attending the meeting.

4. Shareholders who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.

(xx) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorised signatory who are authorised to vote, to the Scrutinizer and to the Company at the email address viz; investors@knrcl.com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services

(India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

C. General Instructions:

- i. The voting rights of Members shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on September 21, 2020.
- ii. Mr. Vikas Sirohiya, Practicing Company Secretary (ACS: 15116 CP:5246) and Partner M/s. P S Rao & Associates, Company Secretaries has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- iii. The Scrutinizer, after scrutinising the votes cast at the meeting through remote e-voting and during AGM will, not later than 48 hours from the conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.knrcl.com and on the website of CDSL www.cdslindia.com. The results shall simultaneously be communicated to the Stock Exchanges.
- iv. The voting result will be announced by the Chairman or any other person authorised by him within two days of the AGM.

EXPLANATORY STATEMENT SETTING OUT MATERIAL FACTS AS REQUIRED BY SECTION 102 (2) OF THE COMPANIES ACT, 2013

ITEM NO. 4

Pursuant to the recommendation of the Audit Committee, the Board of Directors had at its meeting held on August 18, 2020, approved the appointment of the Cost Auditors, D Zitendra Rao, Cost Accountants and remuneration payable to them, as set out in the Resolution under this Item of the Notice.

In accordance with Rule 14 of Companies (Audit and Auditors) Rules 2014, the appointment of and remuneration payable to the Cost Auditors requires ratification by the Shareholders and hence this resolution is put for the consideration of the shareholders.

None of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested in the Resolution.

Your Directors recommend the Resolution for your approval.

Notice (Contd.)

Information in respect of Director seeking appointment/ re-appointment as required under SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 read with Secretarial Standards on General Meetings issued by ICSI.

Name	K Yashoda
Date of Birth	01-05-1952
Experience (including expertise in specific functional area)/Brief Resume	Please refer Company's website: www.knrcl.com for detailed profile.
Terms and Conditions of Appointment / Reappointment	In terms of Section 152(6) of the Companies Act, 2013 Smt K Yashoda who was appointed as Non Executive Director by the members in the AGM held on 30.09.2014, is liable to retire by rotation.
Details of Remuneration sought to be paid and the remuneration last drawn by such person	Being a Non-Executive Director, she is entitled to sitting fee for each Meeting of Board / Committee attended by her For last drawn remuneration, please refer remuneration details provided in the Report on Corporate Governance. Currently, proposed for reappointment by virtue of retirement by rotation.
Date of first appointment on the Board	30.05.2014
Shareholding in the Company as on March 31, 2020	60,07,505
Relationship with other Directors/Key Managerial Personnel	Wife of Shri K Narsimha Reddy, Managing Director and Mother of Shri K Jalandhar Reddy, Executive Director & CFO and not related to any other Director/ Key Managerial Personnel
Number of meetings of the Board attended during the year (2019-20)	6 meetings
Directorships of other Boards as on March 31, 2020	Is the Non-Executive Director of KNR Constructions Limited and Director of Smitha Agro Developers Private Limited and Siriadhvaitah Agri Solutions Private Limited, Vishnu Publicity Solutions Private Limited, KNR Infrastructure Projects Private Limited, Nag Talent Ventures and Infotech Private Limited, Asara Construction & Projects Private Limited, Mesmeric Software Solutions Private Limited, KNR Agrotech and Beverages Private Limited, Gradient Estates Private Limited, KNR Energy Limited, KNRC Holdings and Investments Private Limited as on March 31, 2020
Membership / Chairmanship of Committees of other Boards as on March 31, 2020	Nil

By Order of the Board of Directors

Place: Hyderabad
Date: 18.08.2020

M. V. Venkata Rao
Company Secretary

Directors' Report

Dear Members,

Your Directors are pleased to present the Twenty Fifth Annual Report and the Company's audited financial statement for the financial year ended March 31, 2020.

FINANCIAL RESULTS

The Company's financial performance, for the year ended March 31, 2020 is summarised below:

Particulars	(₹ in Lakhs)	
	Year Ended March 31, 2020	Year Ended March 31, 2019
Total revenue (including other income)	2,30,082.75	2,20,064.20
Profit before interest, depreciation and tax	53,293.71	48,780.08
Less: Interest and financial charges	4,741.07	2,910.25
Profit Before depreciation	48,552.64	45,869.83
Less: Depreciation and amortization	19,184.77	16,810.65
Profit before tax	29,367.87	29,059.18
Provision for tax (including Deferred Tax)	6,845.56	2,732.68
Profit after tax	22,522.31	26,326.50
Profit brought forward from previous year	1,23,261.19	97,612.78
Profit available for appropriation	1,45,783.50	1,23,939.28
Appropriations:		
Dividend	(1265.56)	(562.47)
Dividend tax	(260.14)	(115.62)
Balance carried forward	1,44,257.80	1,23,261.19
Paid Up capital	2,812.35	2,812.35
Other Equity	1,59,576.49	1,38,618.54

RESULTS OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS

The highlights of the Company's performance are as under:

Revenue from operations ₹ 2,24,423.89 Lakhs

PBDIT (Excluding Other Income) increased by 12.24 % to ₹ 47,634.85 Lakhs

Profit before Tax increased by 1.06% to ₹ 29,367.87 Lakhs

Cash Profit decreased by -3.32% to ₹ 41,707.08 Lakhs

Net Profit decreased by -14.45% to ₹ 22,522.31 Lakhs

The order book position as on March 31, 2020 stands at ₹ 5, 22,966 Lakhs.

Reserves

The Company is not proposing to transfer any amount to the General Reserves of the Company out of the profits made during the year. The total Other Equity (including securities premium Reserves, General Reserves, Surplus in statement of profit

and loss and other comprehensive income) as on 31st March 2020 is ₹ 1,59,576.49 Lakhs as against the Paid-up capital of ₹ 2,812.35 Lakhs

Dividend

The Board of Directors has not recommended any final dividend. The Interim Dividend declared at ₹ 0.50 /- per Equity Share for the financial year ended 31st March 2020, amounting to ₹ 703.09 Lakhs. The dividend has been paid to the members whose names appear in the Register of Members as on 20th March 2020 in respect of shares held in the dematerialised form, it was paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.

The dividend payout for the year under review has been formulated in accordance with the Company's policy linked with long term performance, keeping in view the Company's need for capital for its growth plans and the intent to finance such

Directors' Report (Contd.)

plans through internal accruals to the maximum. The Dividend Distribution Policy of the Company is annexed herewith marked as **Annexure IV** to this Report. There has been no change in the policy during the year.

Management Discussion and Analysis Statement

Management's Discussion and Analysis report for the year under review as stipulated under Regulation 34(2) (e) SEBI (LODR) Regulation, 2015 of the LODR Regulations 2015 is presented in a separate section forming part of the Annual report

Transfer to the Investor Education and Protection Fund

In terms of Section 125 of the Companies Act, 2013, an amount of ₹ 28,813/- being unclaimed dividend for the Financial Year 2011-2012 was transferred to the Investor Education and Protection fund (IEPF) established by the Central Government during the year under review.

Company has transferred 8552 unclaimed equity shares to IEPF account.

Members are requested to note that dividends not encashed or remaining unclaimed for a period of 7 (seven) years from the date of transfer to the Company's Unpaid Dividend Account, shall be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Further, pursuant to the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') as amended from time to time, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.

The Members/Claimants whose shares, unclaimed dividend have been transferred to IEPF may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF 5 which is available on www.iepf.gov.in and on the website of the Company www.knrcl.com along with requisite fee as decided by it from time to time.

Members who have not yet encashed the dividend warrants from the financial year ended 31st March 2011 onwards are requested to forward their claims to the Company's Registrar and Share Transfer Agents without any further delay. It is in Members' interest to claim any un-encashed dividends and for future, opt for Electronic Clearing Service, so that dividends paid by the Company are credited to the Members' account on time.

It may be noted that once the unclaimed dividend is transferred to IEPF as above, no claim shall rest with the Company in respect of such amount. It may also be noted that the unclaimed

dividend amount which were lying with the Company upto the year ended on March 31, 2011, have already been transferred to IEPF. The details of the unclaimed dividends are available on the Company's website at www.knrcl.com and on the website of Ministry of Corporate Affairs at www.mca.gov.in. Members are requested to contact the Company's Registrar and Share Transfer Agent or the Company to claim the unclaimed/unpaid dividends.

Subsidiaries, Joint Ventures and Associate Companies

During the year under review, 1 company has ceased to be company's subsidiary as per the provisions of section 129 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, a separate statement containing the salient features of the financial statements of the subsidiary Companies and Joint Ventures is prepared in Form AOC-1 and it forms part of the consolidated financial statements and hence not repeated here for the sake of brevity.

The Policy for determining material subsidiaries as approved by the Board may be accessed on the Company's website: www.knrcl.com

Consolidated Financial Statements

The consolidated financial statements, in terms of Section 129 of the Companies Act, 2013 and pursuant to Regulation 33 of SEBI(LODR) Regulations 2015 and prepared in accordance with Accounting Standard 21 as specified in the Companies (Accounting Standards) Rules, 2014 forms a part of this annual report.

As per the provisions of Section 136 of the Companies Act, 2013, the Company has placed separate audited accounts of its Subsidiaries on its website www.knrcl.com and copy of separate audited accounts of its Subsidiaries will be provided to the members at their request.

Directors' Responsibility Statement

Pursuant to the requirements under Section 134 (3) (c) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, Your Directors hereby confirmed that:

- (a) in the preparation of the annual accounts for the year ended March 31, 2020, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a

Directors' Report (Contd.)

true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit of the Company for the year ended on that date;

- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a 'going concern' basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Corporate Governance

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI. The report on Corporate Governance as stipulated under the LODR Regulations forms an integral part of this Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of corporate governance is attached to the report on Corporate Governance.

Corporate Social Responsibility (CSR)

The Corporate Social Responsibility Committee (CSR Committee) has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board.

The CSR Policy may be accessed on the Company's website at the link: http://www.knrc.com/images/knrc_CSR.pdf

Name	Designation	Category
Shri L. B. Reddy	Chairman	Non-Executive and Independent Director
Shri B. V. Rama Rao	Member	Non-Executive and Independent Director
Shri K. Jalandhar Reddy	Member	Executive and Non-Independent Director

Composition of the CSR Committee

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

1. Promoting education, including special education and employment enhancing vocation skills especially among

children, women, elderly and the differently abled and livelihood enhancement projects

2. Rural development projects
3. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

The Company as part of its Corporate Social Responsibility (CSR) initiative, undertook projects like promotion of education in rural areas, infrastructure and maintenance and renovation of old age homes.

The Annual Report on CSR activities is annexed herewith as "Annexure I" to this report and CSR Policy is posted on the website of the Company and the web link is http://www.knrc.com/images/knrc_CSR.pdf

Directors

In accordance with the requirements of the Companies Act, 2013 Smt K.Yashoda, Director of the Company is liable to retire by rotation at the Annual General Meeting and, being eligible, offer themselves for reappointment at the ensuing Annual General Meeting.

Brief resume of the Director proposed to be reappointed, nature of their expertise in specific functional areas, names of the companies in which they hold directorships and relationships between directors inter-se, as stipulated under LODR Regulations entered with the Stock Exchanges in India, are provided in the Report on Corporate Governance.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under the Act and LODR Regulations entered with the Stock Exchanges.

The Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which include criteria for performance evaluation of the non-executive directors and executive directors.

The Board of Directors has complete access to the information within the Company. Independent Directors have the freedom to interact with the Company's management. Interactions happen during Board / Committee meetings, when MD / ED are asked to make presentations about performance of the Company to the Board. Apart from this, they also have independent interactions with the Statutory Auditors, the Internal Auditors and external advisors appointed from time to time. Further, they meet without the presence of any management personnel and their meetings

Directors' Report (Contd.)

are conducted informally to enable the Independent Directors to discuss matters pertaining to the Company's affairs and put forth their combined views to the Board of Directors of the Company.

Statutory Auditors

M/s K P Rao & Co., Chartered Accountants, were appointed as Statutory Auditors of the Company at the 22nd Annual General Meeting held on 28th September, 2017 for a period of 5 years i.e., upto conclusion of 27th AGM to be held in the year 2022. Pursuant to Notification issued by the Ministry of Corporate Affairs on 7th May, 2018 amending section 139 of the Companies Act, 2013 and the Rules framed thereunder, the mandatory requirement for ratification of appointment of Auditors by the Members at every Annual General Meeting ("AGM") has been omitted, and hence the Company is not proposing an item on ratification of appointment of Auditors at this AGM.

Internal Auditor & Controls

The Board of Directors based on the recommendation of the Audit Committee has re-appointed M/s. K. P. Rao Associates, Chartered Accountants, Hyderabad, as the Internal Auditors of your Company. The Internal Auditors are submitting their reports on quarterly basis. Internal Auditors findings are discussed and suitable corrective actions are taken as per the directions of Audit Committee on an on-going basis to improve efficiency in operations.

The Company's internal control systems are well established and commensurate with the nature of its business and the size and complexity of its operations. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations. The recommendations/suggestions of the internal auditors are discussed in the Audit Committee meetings periodically.

Cost Auditors

In accordance with Section 141 of the Companies Act, 2013 (corresponding Section 233B of the Companies Act, 1956) and the MCA General Circular No. 15/2011 dated April 11, 2011, (as amended vide General Circular No. 36/2012 dated November 6, 2012), the Audit Committee has recommended and the Board of Directors had appointed D.Zitendra Rao, Cost Accountants, Hyderabad, being eligible and having sought appointment, as Cost Auditors of the Company, to carry out the cost audit for the Company during the financial year 2020-21.

Secretarial Auditor

In accordance with Section 204 of the Companies Act, 2013

the Board has appointed M/s. VCSR & Associates, Company Secretaries, to conduct Secretarial Audit for the 2019 - 20. The Secretarial Audit Report for the financial year ended March 31, 2020 is annexed herewith marked as Annexure II to this Report.

Contracts and arrangements with Related parties

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: http://www.knrc.com/images/policy_on_materiality.pdf Your Directors draw attention of the members to Notes to the financial statement which sets out related party transactions and disclosures.

Conservation of energy, technology absorption and foreign exchange earnings and out go:

The particulars relating to Conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo as required under section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 are as follows

a) Conservation of Energy

The Company has taken suitable measures for conservation of energy. The core activity of the company is civil construction that is not an energy intensive activity.

b) Technology absorption, Adoption and Innovation

There is no information to be furnished regarding Technology Absorption as your Company has not undertaken any research and development activity in any manufacturing activity nor any specific technology is obtained from any external sources, which needs to be absorbed or adopted.

Innovation is a culture in the Company to achieve cost efficiency in the construction activity to be more and more competitive in the prevailing environment that cannot be quantified.

Foreign Exchange Earnings and Outgo

Foreign Exchange Inwards - Nil

Directors' Report (Contd.)

Foreign Exchange outgo towards

- Travel – ₹ 2.80 Lakhs (P.Y Nil Lakhs)
- Import of capital goods and Stores & Spares ₹ 340.45 Lakhs (P.Y ₹ 70.40 Lakhs)
- Advance / Loan to Subsidiaries – Nil (P.Y Nil Lakhs)
- Term Loan Repayment and interest – Nil (P.Y Nil Lakhs)

Fixed Deposits

Your Company has not accepted any deposits covered by the provisions of Section 73 of the Companies Act, 2013 and the Rules framed there under.

Industrial Relations

Your Directors are happy to report that the Industrial Relations have been extremely cordial at all levels throughout the year. Your Directors record their appreciation for sincere efforts, support and co-operation of all employees being extended from time to time to accelerate the growth of the Company.

Disclosures

Audit Committee

The Audit Committee comprises majority Independent Directors namely Shri L. B Reddy (Chairman), Shri B V Rama Rao, and Shri K Jalandhar Reddy as other members. All the recommendations made by the Audit Committee were accepted by the Board.

Vigil Mechanism

The Company has a Vigil mechanism and Whistle blower policy in terms of the LODR Regulations, under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. Protected disclosures can be made by a whistle blower through a dedicated e-mail, or a letter to the Chairman of the Audit Committee. The Policy on vigil mechanism and whistle blower policy may be accessed on the

Company's website at the link: http://www.knrc.com/images/knrc_whistleblower.pdf

Meetings of the Board

Seven meetings of the Board of Directors were held during the year under review. For further details, please refer report on Corporate Governance of this Annual Report.

Code of Conduct

A declaration regarding compliance with the code of conduct signed by the Company's Managing Director is published in the Corporate Governance Report which forms part of the annual report.

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

Particulars of loans given, investments made, guarantees given and securities provided are provided in the standalone financial statement.

Extract of Annual Return

Extract of Annual Return of the Company is annexed herewith as **Annexure III** to this Report and the same is available on the Company's website www.knrc.com

Particulars of Employees

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is as follows:

The percentage of increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2019 - 20, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019 - 20 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sl. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2019-20 (₹ in lakhs)*	% increase in Remuneration in the Financial Year 2019-20	Ratio of remuneration of each Director/ to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1	K Narsimha Reddy Managing Director	792.00	41.94%	300	Profit before Tax and exceptional item increased by 3.84% and Profit After Tax and comprehensive income decreased by 14.59% in financial Year 2019-20
2	K Jalandhar Reddy Executive Director and CFO	528.00	41.94%	200	
3	M V Venkata Rao Company Secretary	15.84	20%	6	
4	S.Vaikuntanathan, V.P (F&A)	33.30	12.12%	13	

* Remuneration is excluding Employer PF contribution and Gratuity.

Directors' Report (Contd.)

During the period under review, no employee of the Company is employed throughout the financial year and in receipt of ₹ 102.00 Lakhs or more, or employed for part of the year and in receipt of ₹ 8.5 Lakhs or more a month or was in receipt of remuneration in excess of that drawn by the managing director or whole time director or manager and holds by himself or long with his spouse and dependent children, not less than two percent of the equity shares of the Company under Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Further details of top ten employees in terms of remuneration drawn during the financial year ended March 31, 2020 as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and as amended are:

Sl. no.	Name of the Employee & Designation	Age (years)	Qualification	* Gross Remuneration in ₹	Experience (years)	Date of Commencement of Employment	Previous Employment	% of holding in the Company
1	Sri K. Narsimha Reddy Managing Director	72	B.A	79,200,000	51 Yrs	11.07.1995	-	32.53%
2	Sri K.Jalandhar Reddy Executive Director & CFO	49	B.E Computers	54,960,000	23 Yrs	11.07.1995	-	13.96%
3	Sri.V.Narasimha Ramana Sr.Vice President – Technical	57	M.Tech Civil	67,64,400	32 Yrs	09.06.2018	BSCPL	--
4	Sri K.Shankar Reddy Vice President	49	B.Tech Civil	65,00,000	23 Yrs	01.10.1999	Rani Constructions	--
5	Sri Maj. T.L. Varma Sr.Vice President – Technical	64	B.E. Civil	60,00,000	40 Yrs	12.07.2011	LANCO	--
6	Sri. T. Bhaskar Rao Sr.Vice President – Technical	53	M.Tech Civil	52,80,000	33 Yrs	06.08.2018	GVR Infra Projects	--
7	Sri V. Venugopal Reddy Director Projects	43	B.E	50,34,000	19 Yrs	21.08.2000	-	0.09%
8	Sri.E.Srinivasa Rao Vice President - Technical	56	B.E Civil	39,00,000	25 Yrs	02.12.2012	Navayuga	--
9	Sri K Venkata Ram Rao	46	FCA and FCS	34,20,000	17 Yrs	28.09.2015	Ramky Infrastructure Limited	--
10	Sri. S. Vaikuntanathan Vice President (F&A)	65	FCA	33,30,000	39 Yrs	07.01.2016	Vaibhav Jyothi Power	--

- None of the above employees were relative of any Directors except Sri K Jalandhar Reddy who is son of Sri K Narsimha Reddy.
- All appointments are / were contractual in accordance with terms and conditions as per Company rules.
- * Gross Remuneration includes perquisites and contribution to Provident fund by the employer.
- ii) The median remuneration of employees of the Company during the financial year was ₹ 2.64 Lakhs;
- iii) In the financial year, there was increase of 45.70% in the median remuneration of employees;
- iv) There were 1,964 employees on the rolls of Company as on March 31, 2020
- v) Relationship between average increase in remuneration and company performance: - The Profit before tax and exceptional items for the financial year ended March 31, 2020 increased by 3.84% whereas the increase in median remuneration was 45.70%
- vi) Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:
The total remuneration of Key Managerial Personnel was ₹ 1,391.69 Lakhs whereas the Profit before tax and after exceptional item was ₹ 29,367.87 Lakhs in 2019-20

Directors' Report (Contd.)

- vii) a) Variations in the market capitalisation of the Company: The market capitalisation as on March 31, 2020 at NSE was ₹ 2,76,312.99 Lakhs (₹ 3,64,901.89 Lakhs as on March 31, 2019)
- b) Price Earnings ratio of the Company at NSE was 12.26 as at March 31, 2020 and was 13.86 as at March 31, 2019;
- viii) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2019-20 was 34.02% whereas the increase in the managerial remuneration for the same financial year was 40.73%
- ix) The key parameters for any variable component of remuneration availed by the directors: Not applicable
- x) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but received remuneration in excess of the highest paid director during the year – Not Applicable; and
- xi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

Policy on Sexual Harassment

The Company has adopted policy on Prevention of Sexual Harassment of women at Workplace in accordance with The Sexual Harassment of women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year under review, the Company has not received any complaints pertaining to Sexual Harassment.

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:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOP referred to in this Report.
4. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
5. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

Appreciation and Acknowledgements

Your Directors wish to place on record their gratitude to the Company's shareholders, customers, vendors and bankers for their continued support to KNRCL's growth initiatives. Your Directors also wish to place on record, their appreciation of the contribution made by employees at all levels, who through their competence, sincerity, hard work, solidarity and dedicated support, have enabled your Company to make rapid strides in its business initiatives. Your Directors also thank the Central and State Governments and their various agencies, particularly, the National Highway Authority of India and other Governmental agencies for extending their support during the year, and look forward to their continued support.

On behalf of the Board of Directors
of **KNR Constructions Limited**

K Narsimha Reddy
Managing Director

K Jalandhar Reddy
Executive Director

Place: Hyderabad
Date: 18.08.2020

Annexure – I

Annual Report on Corporate Social Responsibility (CSR) activities for the FY 2019-20 as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014.

1	A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes	Refer Section: Corporate Social Responsibility in this Report for the composition of the Committee. CSR Policy can be accessed at the link http://www.knrcl.com/images/knrcL_CSR.pdf
2	Average net profit of the Company for last three financial years	₹ 28,287.88 Lakhs
3	Prescribed CSR Expenditure (two percent of the amount as in item 2 above)	₹ 565.76 Lakhs
4	Details of CSR spent for the financial year 2019-20	Details given below
	Total amount spent for the financial year 2019-20	₹ 675.69 Lakhs
	Cumulative unspent amount (including pervious years)	₹ 444.86 Lakhs
	Manner in which the amount spent during the financial year	Details given below

Manner in which the amount spent during the financial year is detailed below:

₹ in Lakhs

S No	CSR projects or activities identified	Sector in which the Project is covered	Projects or programs(1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (₹ in Lakhs)	Amount spent on the projects Sub heads: (1) Direct expenditure on projects or programs (2) Overheads (₹ in Lakhs)	Cumulative expenditure up to the reporting period (₹ in Lakhs)	Amount spent: Direct or through implementing agency
1	School & college fees	Promotion of Education	Hyderabad	62.40	62.40	62.40	By the Company
2	Construction of School Building	Promotion of Education	Varanasi	40.00	40.00	40.00	Sautwa Baba Nyas, Varanasi
3	Construction of Class Room	Promotion of Education	Bangalore	10.00	10.00	10.00	Rotary Bangalore
4	Say No to Plastic	Environment Protection		17.50	17.50	17.50	Utkarsh Star Mitra Mandal
5	Water Facility with Bore and Pump	Safe Drinking Water	Tirumala	0.60	0.60	0.60	By the Company
6	School Furniture	Promotion of Education	Vettam	0.73	0.73	0.73	By the Company
7	Hearing Aids	Health Care	Hyderabad	4.50	4.50	4.50	Ashray Akruiti
8	Health Centre, Wardhannapet	Health Care	Wardhannapet	150.00	150.00	150.00	Government of Telangana
9	CC road. Dammanapeta	Rural Development	Dammanapeta	388.58	388.58	388.58	By the Company
10	COVID -19	Health Care	Hyderabad	1.38	1.38	1.38	By the Company
	Total				675.69	675.69	

Annexure – I (Contd.)

RESPONSIBILITY STATEMENT

The Responsibility Statement of the Corporate Social Responsibility (CSR) Committee of the Board of Directors of the Company is reproduced below:

"The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company."

On behalf of the Board of Directors
of **KNR Constructions Limited**

Place: Hyderabad
Date: 18.08.2020

K Narasimha Reddy
Managing Director

L B Reddy
Chairman, CSR Committee

Annexure – II

FORM.NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

[Pursuant to Section 204 (1) of the Companies Act, 2013 and the Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
KNR CONSTRUCTIONS LIMITED
Hyderabad

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions of the Acts, Rules and Regulations as mentioned below and the adherence to good corporate practices by M/s. KNR CONSTRUCTIONS LIMITED (herein called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 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 M/s. KNR CONSTRUCTIONS LIMITED ('the Company') for the financial year ended on March 31, 2020 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made thereunder as applicable;
- II. The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1956 and the Regulations and the Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;
- 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 (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;
 - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and 2018;
 - e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - f. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (2018)
 - g. Not applicable to the Company During the audit period);
 - h. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period);
 - i. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the audit period);
 - j. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2009 (Not applicable to the Company during the audit period);

Annexure – II (Contd.)

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) applicable w.e.f. July 01, 2015
- (ii) The Listing Agreements entered by the company with National Stock Exchange of India and BSE Limited upto November 30, 2015

During the period under review, the company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc.

The Company has identified the following Industry specific laws are applicable to them:

1. The Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996
2. Inter-State Migrant Workmen (Regulation of Employment & Conditions of Service) Act, 1979

We report that during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above;

We further report that:

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.

Adequate notices are given to all directors to schedule the Board meetings, agenda and detailed notes on agenda were sent at least seven days in advance, 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.

Majority decisions are carried through and as informed by the Company, there were no dissenting views of members of the Board at any Board / Committee meeting held during the financial year.

We further report that we rely on the statutory auditors and other professionals for the compliance by the Company of the applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts.

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

We further report that during the audit period there were no specific events /actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For VCSR & Associates
Company Secretaries

(Ch. Veeranjanyulu)

Partner

FCS No. 6121, CP No. 6392

Place: Hyderabad

Date:18.08.2020

Note: This report is to be read with our letter of even date which is annexed as and forms an integral part of this report.

Annexure – II (Contd.)

(ANNEXURE)

To
The Members
KNR CONSTRUCTIONS LIMITED
Hyderabad

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record 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, were followed to provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We further report that, based on the information provided by the Company its officers, authorised representatives during the conduct of the audit and also on the review of quarterly compliance report by the respective departmental heads/Company Secretary/Managing Director taken on record by the Board of the Company, in our opinion adequate systems and process and control mechanism exist in the Company to monitor compliance with applicable general laws like labour laws & Environment laws and Data protection policy.
8. We further report that the Compliance by the Company of applicable fiscal laws like Direct & Indirect tax laws has not been reviewed in this audit since the same has been subject to review by the statutory financial audit and other designated professionals.

For VCSR & Associates
Company Secretaries

(Ch. Veeranjanyulu)
Partner

FCS No. 6121, CP No. 6392

Place: Hyderabad
Date:18.08.2020

Annexure – III

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

(i)	CIN:	L74210TG1995PLC130199
(ii)	Registration Date	11-07-1995
(iii)	Name of the Company	KNR Constructions Limited
(iv)	Category / sub-category of the Company	Public Company / Limited by Shares
(v)	Address of the Registered office and contact details	KNR House, 3rd & 4th floor, Plot no: 114, Kavuri Hills, Hyderabad – 500033 +91 40 40268761 / 62 +91 40 40268760 (Fax) investors@knrcl.com www.knrcl.com
(vi)	Whether listed company	Yes / No
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mill Compound, LBS Marg, Bhandup (West) Mumbai - 400078 Maharashtra +91 22 25960320 + 91 22 25960329(Fax) rnt.helpdesk@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: -

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1	CONSTRUCTIONS	45 - CONSTRUCTION (45203)	100 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

– Attachment - A

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i)	Category wise shareholding	–	Attachment - B
ii)	Shareholding of Promoters	–	Attachment - C
iii)	Change in Promoters' Shareholding	–	Attachment - D
iv)	Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)	–	Attachment - E
v)	Shareholding of Directors and Key Managerial Personnel	–	Attachment - F

V. INDEBTEDNESS

– Attachment - G

Annexure – III (Contd.)

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

- A. Remuneration to Managing Director, Whole-time Directors and/or Manager – Attachment - H
- B. Remuneration to other directors – Attachment - I
- C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD – Attachment - J

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

– Attachment - K

Attachment - A

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. NO	Name of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of Holding	Applicable Section
1	KNR Agrotech and Beverages Private Limited	U74999TG2008PTC058829	Wholly owned subsidiary	100%	2 (87)
2	KNR Infrastructure Projects Private Limited	U45200TG2005PTC045323	Wholly owned subsidiary	100%	2 (87)
3	KNR Energy Limited	U40108TG2011PLC074236	Wholly owned subsidiary	100%	2 (87)
4	KNR Walayar Tollways Private Limited	U45209TG2012PTC082527	Wholly owned subsidiary	100%	2 (87)
5	KNRC Holdings and Investments Private Limited	U465100TG2011PTC077131	Wholly owned subsidiary	100%	2 (87)
6	Patel KNR Heavy Infrastructures Limited	U70102TG2006PLC049949	Associate company	40%	2 (6)
7	Patel KNR Infrastructures Limited	U45201MH2006PLC162856	Associate company	40%	2 (6)
8	Mesmeric Software Solutions Private Limited	U72900TG2008PTC058813	Subsidiary of KNRCHIPL	100%	2 (87)
9	Nag Talent Ventures and Infotech Private Limited	U7220TG2005PTC048640	Subsidiary of KNRCHIPL	100%	2 (87)
10	Gradient Estates Private Limited	U70102TG2008PTC062280	Subsidiary of KNRCHIPL	100%	2 (87)
11	Asara Construction and Projects Private Limited	U45209TG2007PTC056847	Subsidiary of KNRCHIPL	100%	2 (87)
12	KNR Muzaffarpur Holdings Private Limited	U65923TG2011PTC077094	Subsidiary of KNRCHIPL	100%	2 (87)
13	KNR Muzaffarpur Barauni Tollway Private Limited	U45209TG2011PTC077925	Subsidiary of KMHPL	51 %	2 (87)
14	KNR Srirangam Infra Private Limited	U45209TG2018PTC123100	Wholly owned subsidiary	100 %	2 (87)
15	KNR Tirumala Infra Private Limited	U45500TG2018PTC123857	Wholly owned subsidiary	100 %	2 (87)
16	KNR Shankarampet Project Private Limited	U45309TG2018PTC123778	Wholly owned subsidiary	100 %	2 (87)
17	KNR Somwarpet Infraproject Private Limited	U45500TG2018PTC125405	Wholly owned subsidiary	100 %	2 (87)
18	KNR Palani Infra Private Limited	U45209TG2020PTC131730	Wholly owned subsidiary	100 %	2 (87)

Annexure – III (Contd.)

Attachment - B

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-wise Share Holding

Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2019				Shareholding at the end of the year - 2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	77580705	0	77580705	55.1715	77580705	0	77580705	55.1715	0.0000
(b)	Central Government / State Government(s)	0	0	0	0	0	0	0	0.0000	0.0000
(c)	Financial Institutions / Banks	0	0	0	0	0	0	0	0.0000	0.0000
(d)	Any Other (Specify)				0				0.0000	0.0000
	Sub Total (A)(1)	77580705	0	77580705	55.1715	77580705	0	77580705	55.1715	0.0000
[2]	Foreign				0.0000				0.0000	0.0000
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(b)	Government	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Institutions	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Any Other (Specify)				0.0000				0.0000	0.0000
	Sub Total (A)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	77580705	0	77580705	55.1715	77580705	0	77580705	55.1715	0.0000
(B)	Public Shareholding				0.0000				0.0000	0.0000
[1]	Institutions				0.0000				0.0000	0.0000
(a)	Mutual Funds / UTI	41619896	0	41619896	29.5980	45241991	0	45241991	32.1738	2.5759
(b)	Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Alternate Investment Funds	389	0	389	0.0003	260686	0	260686	0.1854	0.1851
(d)	Foreign Venture Capital Investors	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Foreign Portfolio Investor	4277343	0	4277343	3.0418	2693323	0	2693323	1.9154	-1.1265
(f)	Financial Institutions / Banks	88787	0	88787	0.0631	129327	0	129327	0.0920	0.0288
(g)	Insurance Companies	0	0	0	0.0000	156978	0	156978	0.1116	0.1116
(h)	Provident Funds/ Pension Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(i)	Any Other (Specify)				0.0000				0.0000	0.0000
	Sub Total (B)(1)	45986415	0	45986415	32.7032	48482305	0	48482305	34.4782	1.7750
[2]	Central Government/ State Government(s)/ President of India				0.0000				0.0000	0.0000
	Sub Total (B)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
[3]	Non-Institutions				0.0000				0.0000	0.0000
(a)	Individuals				0.0000				0.0000	0.0000
(i)	Individual shareholders holding nominal share capital upto ₹ 1 Lakhs.	8437890	70	8437960	6.0007	7859762	70	7859832	5.5895	-0.4111
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 Lakhs	3077668	0	3077668	2.1887	2510258	0	2510258	1.7852	-0.4035

Annexure – III (Contd.)

Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2019				Shareholding at the end of the year - 2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(b)	NBFCs registered with RBI	540	0	540	0.0004	0	0	0	0.0000	-0.0004
	Trust Employee	0	0	0	0.0000	500	0	500	0.0004	0.0004
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Any Other (Specify)				0.0000				0.0000	0.0000
	IEPF	8302	0	8302	0.0059	8302	0	8302	0.0059	0.0000
	Trusts	500	0	500	0.0004	5221	0	5221	0.0037	0.0034
	Foreign Nationals	21071	0	21071	0.0150	36200	0	36200	0.0257	0.0108
	Hindu Undivided Family	338159	0	338159	0.2405	295728	0	295728	0.2103	-0.0302
	Non Resident Indians (Non Repat)	186870	0	186870	0.1329	226098	0	226098	0.1608	0.0279
	Non Resident Indians (Repat)	458133	0	458133	0.3258	375637	0	375637	0.2671	-0.0587
	Clearing Member	107950	0	107950	0.0768	177385	0	177385	0.1261	0.0494
	Bodies Corporate	4413027	0	4413027	3.1383	3059129	0	3059129	2.1755	-0.9628
	Sub Total (B)(3)	17050110	70	17050180	12.1252	14554220	70	14554290	10.3503	-1.7750
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	63036525	70	63036595	44.8285	63036525	70	63036595	44.8285	0.0000
	Total (A)+(B)	140617230	70	14061730	100.0000	140617230	70	14061730	100	0.0000
(C)	Non Promoter - Non Public				0.0000				0	0.0000
	(C1) Shares Underlying DRs				0.0000				0	0.0000
[1]	Custodian/DR Holder	0	0	0	0.0000	0	0	0	0	0.0000
	(C2) Shares Held By Employee Trust				0.0000				0	0.0000
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.0000	0	0	0	0	0.0000
	Total (A)+(B)+(C)	140617230	70	14061730	100.0000	140617230	70	14061730	100	

Attachment - C

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

ii. Shareholding of Promoter

Sr No	Shareholder's Name	Shareholding at the beginning of the year - 2019			Shareholding at the end of the year - 2020			% change in shareholding during the year
		No. of Shares Held	% of total Shares of the Company	% of Shares Pledged /encumbered to total shares	No. of Shares Held	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	Kamidi Narasimha Reddy	45743595	32.5306	0.0000	45743595	32.5306	0.0000	0.0000
2	Jalandhar Reddy Kamidi	19629605	13.9596	0.0000	19629605	13.9596	0.0000	0.0000
3	Mereddy Rajesh Reddy	6200000	4.4091	0.0000	6200000	4.4091	0.0000	0.0000
4	Kamidi Yashoda	6007505	4.2722	0.0000	6007505	4.2722	0.0000	0.0000
	Total	77580705	55.1715	0.0000	77580705	55.1715	0.0000	0.0000

Annexure – III (Contd.)

Attachment - D

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

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

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No. of Shares Held	% of total Shares of the Company
1	Kamidi Narasimha Reddy	45743595	32.5306			45743595	32.5306
	At the end of the year					45743595	32.5306
2	Jalandhar Reddy Kamidi	19629605	13.9596			19629605	13.9596
	At the end of the year					19629605	13.9596
3	Mereddy Rajesh Reddy	6200000	4.4091			6200000	4.4091
	At the end of the year					6200000	4.4091
4	Kamidi Yashoda	6007505	4.2722			6007505	4.2722
	At the end of the year					6007505	4.2722

Attachment - E

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

iv) Shareholding Pattern of top ten Shareholders:

(other than Directors, Promoters and Holders of GDRs and ADRs):

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No. of Shares Held	% of Total Shares of the Company
1	ICICI PRUDENTIAL EQUITY & DEBT FUND	9379988	6.6706			9379988	6.6706
	Market Sell			12 Apr 2019	-112856	9267132	6.5903
	Market Sell			19 Apr 2019	-79755	9187377	6.5336
	Market Sell			26 Apr 2019	-22655	9164722	6.5175
	Market Buy			17 May 2019	105004	9269726	6.5922
	Market Buy			24 May 2019	219398	9489124	6.7482
	Market Sell			31 May 2019	-28109	9461015	6.7282
	Market Sell			14 Jun 2019	-19725	9441290	6.7142
	Market Sell			21 Jun 2019	-377	9440913	6.7139
	Market Sell			29 Jun 2019	-747	9440166	6.7134
	Market Sell			05 Jul 2019	-65375	9374791	6.6669
	Market Buy			26 Jul 2019	37506	9412297	6.6936
	Market Buy			02 Aug 2019	26802	9439099	6.7126
	Market Buy			09 Aug 2019	51452	9490551	6.7492
	Market Buy			16 Aug 2019	62249	9552800	6.7935
	Market Sell			23 Aug 2019	-36773	9516027	6.7673
	Market Buy			30 Aug 2019	76912	9592939	6.822
	Market Buy			06 Sep 2019	52629	9645568	6.8594

Annexure – III (Contd.)

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No. of Shares Held	% of Total Shares of the Company
	Market Sell			13 Sep 2019	-36115	9609453	6.8338
	Market Sell			20 Sep 2019	-67639	9541814	6.7857
	Market Buy			27 Sep 2019	3144	9544958	6.7879
	Market Sell			30 Sep 2019	-56921	9488037	6.7474
	Market Sell			04 Oct 2019	-87600	9400437	6.6851
	Market Buy			11 Oct 2019	32	9400469	6.6851
	Market Buy			18 Oct 2019	4	9400473	6.6851
	Market Buy			25 Oct 2019	3919	9404392	6.6879
	Market Sell			08 Nov 2019	-26290	9378102	6.6692
	Market Sell			22 Nov 2019	-36226	9341876	6.6435
	Market Buy			29 Nov 2019	60721	9402597	6.6867
	Market Sell			06 Dec 2019	-6690	9395907	6.6819
	Market Buy			13 Dec 2019	51998	9447905	6.7189
	Market Sell			20 Dec 2019	-28495	9419410	6.6986
	Market Buy			27 Dec 2019	29	9419439	6.6986
	Market Sell			03 Jan 2020	-28882	9390557	6.6781
	Market Sell			10 Jan 2020	-129652	9260905	6.5859
	Market Sell			17 Jan 2020	-161274	9099631	6.4712
	Market Sell			24 Jan 2020	-165415	8934216	6.3536
	Market Sell			31 Jan 2020	-123518	8810698	6.2657
	Market Buy			07 Feb 2020	22012	8832710	6.2814
	Market Buy			14 Feb 2020	8480	8841190	6.2874
	Market Buy			21 Feb 2020	2424	8843614	6.2891
	Market Sell			28 Feb 2020	-70197	8773417	6.2392
	Market Buy			06 Mar 2020	59223	8832640	6.2813
	Market Buy			13 Mar 2020	213456	9046096	6.4331
	Market Buy			20 Mar 2020	379853	9425949	6.7033
	Market Buy			27 Mar 2020	105460	9531409	6.7783
	Market Buy			31 Mar 2020	91169	9622578	6.8431
	AT THE END OF THE YEAR					9622578	6.8431
2	HDFC TRUSTEE COMPANY LTD - A/C HDFC MID - CAOPPORTUNITIES FUND	8999300	6.3999			8999300	6.3999
	AT THE END OF THE YEAR					8999300	6.3999
3	DSP EQUITY & BOND FUND	9027249	6.4197			9027249	6.4197
	Market Sell			05 Apr 2019	-3671	9023578	6.4171
	Market Sell			12 Apr 2019	-5300	9018278	6.4133
	Market Sell			24 May 2019	-47101	8971177	6.3799
	Market Sell			31 May 2019	-110080	8861097	6.3016
	Market Sell			26 Jul 2019	-57449	8803648	6.2607
	Market Sell			30 Aug 2019	-37850	8765798	6.2338

Annexure – III (Contd.)

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No. of Shares Held	% of Total Shares of the Company
	Market Buy			13 Sep 2019	1744	8767542	6.235
	Market Sell			28 Feb 2020	-13810	8753732	6.2252
	Market Sell			06 Mar 2020	-35213	8718519	6.2002
	Market Sell			13 Mar 2020	-37472	8681047	6.1735
	AT THE END OF THE YEAR					8681047	6.1735
4	FRANKLIN INDIA SMALLER COMPANIES FUND	2429126	1.7275			2429126	1.7275
	Market Buy			30 Aug 2019	376501	2805627	1.9952
	AT THE END OF THE YEAR					2805627	1.9952
5	L AND T MUTUAL FUND TRUSTEE LTD-L AND T INDIA VALUE FUND	3115425	2.2155			3115425	2.2155
	Market Sell			17 May 2019	-50000	3065425	2.18
	Market Sell			07 Jun 2019	-27510	3037915	2.1604
	Market Sell			04 Oct 2019	-5660	3032255	2.1564
	Market Sell			11 Oct 2019	-50000	2982255	2.1208
	Market Sell			29 Nov 2019	-28740	2953515	2.1004
	Market Sell			06 Dec 2019	-5984	2947531	2.0961
	Market Sell			17 Jan 2020	-74400	2873131	2.0432
	Market Sell			06 Mar 2020	-20000	2853131	2.029
	Market Sell			31 Mar 2020	-55500	2797631	1.9895
	AT THE END OF THE YEAR					2797631	1.9895
6	UTI- VALUE OPPORTUNITIES FUND	1611098	1.1457			1611098	1.1457
	Market Buy			17 May 2019	1736	1612834	1.147
	Market Buy			26 Jul 2019	57734	1670568	1.188
	Market Buy			09 Aug 2019	238330	1908898	1.3575
	Market Buy			23 Aug 2019	49178	1958076	1.3925
	Market Buy			30 Aug 2019	150000	2108076	1.4992
	Market Buy			20 Sep 2019	81509	2189585	1.5571
	Market Buy			27 Sep 2019	150000	2339585	1.6638
	Market Buy			30 Sep 2019	100000	2439585	1.7349
	Market Sell			31 Jan 2020	-49351	2390234	1.6998
	Market Buy			27 Mar 2020	169538	2559772	1.8204
	AT THE END OF THE YEAR					2559772	1.8204
7	TATA INFRASTRUCTURE FUND	2401500	1.7078			2401500	1.7078
	AT THE END OF THE YEAR					2401500	1.7078
8	ITPL - INVESCO INDIA CONTRA FUND	1241578	0.8829			1241578	0.8829
	Market Buy			05 Apr 2019	21197	1262775	0.898
	Market Buy			12 Apr 2019	94328	1357103	0.9651
	Market Buy			19 Apr 2019	13000	1370103	0.9743
	Market Buy			26 Apr 2019	16475	1386578	0.9861

Annexure – III (Contd.)

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No. of Shares Held	% of Total Shares of the Company
	Market Buy			03 May 2019	16773	1403351	0.998
	Market Buy			17 May 2019	2607	1405958	0.9998
	Market Buy			24 May 2019	2275	1408233	1.0015
	Market Buy			07 Jun 2019	4920	1413153	1.005
	Market Sell			21 Jun 2019	-4118	1409035	1.002
	Market Sell			29 Jun 2019	-67289	1341746	0.9542
	Market Buy			19 Jul 2019	5573	1347319	0.9581
	Market Buy			26 Jul 2019	23818	1371137	0.9751
	Market Sell			20 Sep 2019	-20926	1350211	0.9602
	Market Buy			30 Sep 2019	317	1350528	0.9604
	Market Buy			11 Oct 2019	48255	1398783	0.9947
	Market Buy			18 Oct 2019	7005	1405788	0.9997
	Market Buy			01 Nov 2019	55142	1460930	1.0389
	Market Buy			08 Nov 2019	17236	1478166	1.0512
	Market Sell			13 Dec 2019	-50171	1427995	1.0155
	Market Buy			31 Dec 2019	300000	1727995	1.2289
	Market Buy			03 Jan 2020	75981	1803976	1.2829
	Market Buy			17 Jan 2020	19474	1823450	1.2967
	Market Buy			24 Jan 2020	35416	1858866	1.3219
	Market Buy			31 Jan 2020	146224	2005090	1.4259
	Market Buy			07 Feb 2020	39912	2045002	1.4543
	Market Buy			21 Feb 2020	87712	2132714	1.5167
	Market Buy			06 Mar 2020	30680	2163394	1.5385
	Market Buy			13 Mar 2020	178867	2342261	1.6657
	Market Buy			31 Mar 2020	2102	2344363	1.6672
	AT THE END OF THE YEAR					2344363	1.6672
9	TATA AIA LIFE INSURANCE CO LTD- WHOLE LIFE MID CAP EQUITY FUND- ULIF 009 04/01/07 WLE 110	2155495	1.5329			2155495	1.5329
	Market Buy			05 Apr 2019	15000	2170495	1.5435
	Market Sell			07 Jun 2019	-72751	2097744	1.4918
	Market Sell			05 Jul 2019	-100000	1997744	1.4207
	AT THE END OF THE YEAR					1997744	1.4207
10	AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL FUND A/C AXIS SMALL CAP FUND	0	0			0	0
	Market Buy			27 Sep 2019	22376	22376	0.0159
	Market Buy			30 Sep 2019	7358	29734	0.0211
	Market Buy			04 Oct 2019	142182	171916	0.1223
	Market Buy			11 Oct 2019	135133	307049	0.2184

Annexure – III (Contd.)

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No. of Shares Held	% of Total Shares of the Company
	Market Buy			25 Oct 2019	30092	337141	0.2398
	Market Buy			01 Nov 2019	198655	535796	0.381
	Market Buy			08 Nov 2019	5296	541092	0.3848
	Market Buy			28 Feb 2020	198870	739962	0.5262
	Market Buy			06 Mar 2020	354472	1094434	0.7783
	Market Buy			13 Mar 2020	64423	1158857	0.8241
	Market Buy			20 Mar 2020	200318	1359175	0.9666
	Market Buy			27 Mar 2020	271211	1630386	1.1594
	AT THE END OF THE YEAR					1630386	1.1594
11	SARAH FAISAL HAWA	1182499	0.8409			1182499	0.8409
	Market Sell			30 Aug 2019	-5057	1177442	0.8373
	Market Sell			06 Sep 2019	-10985	1166457	0.8295
	Market Sell			13 Sep 2019	-1069	1165388	0.8288
	Market Sell			27 Mar 2020	-22980	1142408	0.8124
	Market Sell			31 Mar 2020	-2062	1140346	0.811
	AT THE END OF THE YEAR					1140346	0.811

Attachment - F

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

v) Shareholding of Directors and Key Managerial Personnel:

Sr No.		Opening 31.03.2019			Closing 31.03.2020			Increase/Decrease in shareholding
		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	
1	Kamidi Narasimha Reddy	45743595	32.5306	NIL	45743595	32.5306	NIL	Nil
2	Jalandhar Reddy Kamidi	19629605	13.9596	NIL	19629605	13.9596	NIL	Nil
3	K. Yashoda	6007505	4.2722	NIL	6007505	4.2722	NIL	Nil
4	Merreddy Rajesh Reddy	6200000	4.4091	NIL	6200000	4.4091	NIL	Nil
5	Bandhakavi Venkata Ramarao	NIL	0.0000	NIL	NIL	0.0000	NIL	Nil
6	Lodugu Balaram Reddy	NIL	0.0000	NIL	NIL	0.0000	NIL	Nil
7	M V Venkata Rao	1350	0.0010	NIL	1350	0.0010	NIL	Nil
	Total	77582055	55.1725		77582055	55.1725		

Annexure – III (Contd.)

Attachment - G

INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in ₹)

	Secured Loans excluding deposits *	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	42,59,78,360.00	204,60,32,704.70	-	2,472,011,064.70
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	5,73,047.00	3,85,54,721.00	-	39,127,768.00
Total (i+ii+iii)	42,65,51,407.00	208,45,87,425.70	-	2,511,138,832.70
Change in Indebtedness during the financial year				
* Addition	9,91,792	12,93,00,000.00	-	13,02,91,792.00
* Reduction	25,95,78,563.35	38,21,00,412.80	-	64,16,78,976.15
Net Change	(25,85,86,771.35)	(25,28,00,412.80)	-	(51,13,87,184.15)
Indebtedness at the end of the financial year				
i) Principal Amount	16,73,91,588.65	179,32,32,291.90	-	1,96,06,23,880.55
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	18,10,641.43	1,02,92,841.20	-	12,103,482.63
Total (i+ii+iii)	16,92,01,230.08	180,35,25,133.10	-	1,97,27,27,363.18

* Secured loans are excluding working capital facilities.

Attachment - H

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL -

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in ₹)

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		K Narasimha Reddy	K Jalandhar Reddy	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7,92,00,000	5,49,60,000	13,41,60,000
	(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	-	-	-
	- as % of profit	-	-	-
	- others, specify...	-	-	-
	Total Managerial Remuneration	7,92,00,000	5,49,60,000	13,41,60,000
	Overall Ceiling as per the Act			31,49,58,000

Annexure – III (Contd.)

Attachment - I

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

B. Remuneration to other directors

(Amount in ₹)

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		B V Rama Rao	L B Reddy	K Yashoda	G.C.Rekha *	
1	Independent Directors	Yes	Yes	No	Yes	
	Fee for attending board committee meetings	15,00,000	15,00,000	-	6,00,000	36,00,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	15,00,000	15,00,000	-	6,00,000	36,00,000
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	-	-	7,00,000	-	7,00,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	7,00,000	-	7,00,000
	Total	15,50,000	15,50,000	7,00,000	6,00,000	43,00,000

*Appointed on May 30, 2019

Attachment - J

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

(Amount in ₹)

SN	Particulars of Remuneration	Key Managerial Personnel		Total Amount.
		CS	VP (F&A)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	15,84,000	33,30,000	49,14,000
	(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			
	- as % of profit	-	-	-
	others, specify...	-	-	-
5	Others, please specify			
	- PF Employer Contribution	95,040	-	95,040
	Total	16,79,040	33,30,000	50,09,040

Annexure – III (Contd.)

Attachment - K

PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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)
A. COMPANY					
Penalty					
Punishment			NIL		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			NIL		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			NIL		
Compounding					

Annexure – IV

DIVIDEND DISTRIBUTION POLICY

This Policy will regulate the process of dividend declaration and its pay-out by KNR Constructions Limited ("the Company") in accordance with the provisions of Act, 2013 read with the applicable Rules framed there under, as may be in force for the time being (" Companies Act ") and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the amendments made there to [" SEBI (LODR) "] and / or other applicable Legislations, Rules and Regulations as may be inforce at the relevant time.

OBJECTIVE

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 shall put in necessary efforts to ensure that apart from Dividend the other benefits such as Scrip Dividend (Bonus Issue) Buy Back of Shares, Stock Split etc., are extended to the shareholders subject to compliance of the applicable regulations both stipulated under the Companies Act, 2013, SEBI Regulations and other applicable enactments / regulations.

The Company believes that it operates in an Industry/ Environment where Working Capital requirements are high.

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.

The Board may, at its sole discretion, declare / recommend a Special Dividend under certain circumstances such as extraordinary profits from sale of any major asset(s) or any special occasion or significant event.

FACTORS TO BE CONSIDERED WHILE RECOMMENDING / DECLARING DIVIDEND

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among the 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 and market value of the shares.

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

Internal Factors:-

The Board will take into account various internal factors while recommending / declaring Dividend, which inter alia will include-

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

External Factors:-

Apart from the various internal factors aforementioned the Board will take into account the various external factors while recommending / declaring dividend which inter alia include the following-

- 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.
- Capital Markets- when the markets are favorable, dividend pay-out can be liberal.

However, in case of unfavorable market conditions, Board may resort to a conservative dividend pay-out in order to conserve cash outflows.

Annexure – IV (Contd.)

- Statutory Restrictions - The Board will keep in mind the restrictions imposed under the applicable legislations and the covenants stipulated by Lenders, if any with regard to recommendation and /or declaration of dividend.

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 by it in its business and investing activity, with 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 to a business and external to it.

Report on Corporate Governance

The Directors present the Company's Report on Corporate Governance pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations 2015).

1. COMPANY'S PHILOSOPHY

KNR Constructions Limited ("KNRCL") is committed to implement sound corporate governance practices with a view to bring transparency, accountability and equity in all facets of its operations and maximising shareholders value. KNRCL is committed to achieve the good standards of Corporate Governance on continuous basis by laying emphasis on ethical corporate citizenship and establishment of good corporate culture which aims at true Corporate Governance.

2. BOARD OF DIRECTORS:

The present composition of Board of Directors consists of Six Directors out of which two are Whole Time Directors and four are Non-Executive Directors. The composition and the category of Directors are as under:

Sl No.	Name	Designation	Category
1.	Shri B. V. Rama Rao	Chairman	Independent / Non- Executive Director
2.	Shri L. B. Reddy	Director	Independent / Non- Executive Director
3.	Shri K. Narsimha Reddy	Managing Director	Promoter/ Executive Director
4.	Shri K. Jalandhar Reddy	Executive Director	Promoter/ Executive Director
5.	Smt. K Yashoda	Director	Promoter / Non-Executive Director
6.	Smt G C Rekha *	Director	Independent / Non- Executive Director

* appointed w.e.f 30.05.2019

Conduct of Board Proceedings

The day to day business is conducted by the executives of the Company under the directions of Managing Director and Executive Directors and the supervision of the Board. The Board holds periodical meetings every year to review

and discuss the performance of the Company, its future plans, strategies and other pertinent issues relating to the Company.

The Board performs the following specific functions in addition to the oversight of the business and the management.

- Review, monitor and approve major financial and business strategies and corporate actions
- Assess critical risk facing the company and review options for their mitigation
- Ensure that processes are in place for maintaining the integrity of
 - o the Company;
 - o the financial statements;
 - o compliance with laws;
 - o relationship with customers, suppliers and other stakeholders;
- Delegation of appropriate authority to the committees / executive directors / senior executives of the company for effective management of operations

Governance Policies

At KNRCL, we strive to conduct our business and strengthen our relationships in a manner that is dignified, distinctive and responsible. We adhere to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. Therefore, we have adopted various codes and policies to carry out our duties in an ethical manner. Some of these codes and policies are:

- Code of Conduct
- Code of Conduct for Prohibition of Insider Trading
- Whistle Blower Policy
- Code of Conduct for Board of Directors and Officers of Senior Management
- Corporate Social Responsibility Policy
- Sexual Harassment Policy

Number of Board Meetings held

Seven Board Meetings were held during the year 2019-2020. The intervening period between two Board Meetings was well within the maximum gap of four months prescribed under regulations.

Report on Corporate Governance (Contd.)

The details of the Board Meetings are as under:

Sl. No.	Dates	Board Strength	No. of Directors Present
1	30.05.2019	5	5
2	14.08.2019	6	6
3	30.09.2019	6	5
4	14.11.2019	6	6
5	13.02.2020	6	6
6	10.03.2020	6	6
7	18.03.2020 *	3	3

* meeting of independent directors only

Attendance of Directors at the Board Meetings, last Annual General Meeting (AGM) and number of other directorships and chairmanships / memberships of each Director in various companies as on 31st March 2020 is as under:

Name	Attendance of the meetings during the Year		No. of other Directorships ^	No. of Memberships / chairmanships of other companies @
	Board Meetings	Last AGM		
Shri B. V. Rama Rao	7	Yes	Nil	Nil
Shri L. B. Reddy	7	Yes	1	Nil
Shri K. Narsimha Reddy	5	No	2	Nil
Shri K. Jalandhar Reddy	6	Yes	1	Nil
Smt. K Yashoda	6	Yes	1	Nil
Smt G C Rekha	6	Yes	Nil	Nil

^ The Directorships held by Directors as mentioned above, do not include Alternative Directorships and Directorships of Foreign Companies, Section 25 Companies and Private Limited Companies

@ in accordance with Listing Regulations, Memberships / chairmanships of only the Audit Committee and Shareholders' / Investors Grievance Committees of all Public Limited Companies (excluding KNR Constructions Limited) have been considered.

- Apart from receiving sitting fee for attending meetings, the Independent Directors do not have any material pecuniary relationships or transactions with the Company, its promoters, Directors, senior management or its holding company, subsidiaries and associates which may affect the independence of the Director.
- The Independent Directors are not related to the promoters or persons occupying management positions at the Board level or at one level below the Board.
- The Independent Directors have not been executives of the Company in the immediately preceding three financial years.
- They are not partners or executives or were not so during the preceding three years of the
 - Statutory audit firm or the internal audit firm associated with the Company.
 - Legal firm(s) and consulting firm(s) that have a material association with the Company.
- The Independent Directors are not material suppliers, service providers or customers or lessors or lessees of the Company, which may affect their independence.
- They are not the substantial shareholders of the Company i.e. do not own 2 per cent or more of the block of voting shares.

Familiarisation programmes for Board Members

The Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarise with the Company's procedures and practices.

Report on Corporate Governance (Contd.)

Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved. Detailed presentations on the Company's business segments were made at the separate meetings of the Independent Directors held during the year and information in this regard can be viewed from the our company's website www.knrcil.com

Quarterly updates on relevant statutory changes and landmark judicial pronouncements encompassing important laws are regularly circulated to the Directors.

Meetings of Independent Directors

The Company's Independent Directors meet at least once in every financial year without the presence of Executive Directors or management personnel. Such meetings are conducted formally to enable Independent Directors to discuss matters pertaining to the Company's affairs and put forth their views. The Independent Directors takes appropriate steps to present their views to the Managing Director.

One such meeting of Independent Directors was held during the year on 18th March 2020 without the presence of Executive Directors and management personnel. The details of the attendance of the Independent Directors in the meeting are as below.

Name	No. of meetings held during the year 2019-2020	
	Held	Attended
Shri B. V. Rama Rao	1	1
Shri L. B. Reddy	1	1
Smt G C Rekha	1	1

Details of Directors

Brief resume of all the Directors of the company are furnished hereunder:

Shri B. V. Rama Rao, aged 80 years, is Non-Executive and Independent Chairman of our Company. He holds a Masters Degree in Economics from Osmania University, Master's in Public Administration from Kennedy School of Government, Harvard, USA and was also conferred the title of Overseas Fellow Member of the Economic Development Institute, by the World Bank. Shri B V Rama Rao joined the Indian Administrative Service in 1973 and has over 36 years of experience in areas such as development, administration and industrial management. During his stint with the Indian Administrative Service, Shri B V Rama Rao has served in various positions including Chief Secretary

to the Government of Andhra Pradesh and Chairman and Managing Director, Nizam Sugars Limited until his retirement in 1997.

Shri B V Rama Rao joined the Board of Directors of the Company with effect from December 26, 2005 and he is currently the Chairman of the Board and Member of Audit Committee, Remuneration Committee and Corporate Social Responsibility Committee

Shri B V Rama Rao does not hold any Equity Shares in the Company as on 31st March 2020

Shri L. B Reddy, aged 78 years, is the Non-Executive and Independent Director of the Company. Shri Reddy is a Fellow Member of The Institute of Chartered Accountants of India and is a Senior Partner in M/s L. B Reddy & Co., a Chartered Account Firm. Shri L. B Reddy started his career with Syndicate Bank and has worked in various capacities in the Bank before retiring as General Manager. He has over three decades of experience in areas such as planning, accounts, inspection, computer policy and development. He was also on deputation from Syndicate Bank to Rayalaseema Grameena Bank as Chairman for six years.

Shri L B Reddy joined the Board of Directors of the Company with effect from December 26, 2005 and he is currently the Chairman of Audit Committee, Member of Remuneration Committee and Corporate Social Responsibility Committee in the Company and Director of New Era Insurance Services Private Limited, Indira Television Limited and Virtual Agri Services Private Limited as on 31st March 2020

Shri L B Reddy does not hold any Equity Shares in the Company as on 31st March 2020

Smt. G C Rekha, aged 45 years, Non-Executive and Independent Director of the Company. Smt. G C Rekha is a B.Com, Graduate and has worked as billing and coding specialist and administrator in health sector

Smt G C Rekha joined the Board of Directors of the Company with effect from 30th May 2019 and she is currently member of Stakeholders and Grievance Committee and Risk Management Committee.

Smt G C Rekha does not hold any Equity Shares in the Company as on 31st March 2020

Shri K. Narsimha Reddy aged 72 years, is the Founder Promoter and the Managing Director of the Company. He holds a Bachelor's degree in Arts from Kakatiya University. He has over 50 years of experience in the roads and infrastructure sector, and has been the driving force behind

Report on Corporate Governance (Contd.)

the Company's establishment and growth, and Company has grown to the current size and scale under his able leadership. He started his career in 1968 as sub-contractor for other construction companies. In 1979, he formed a partnership in the name and style of M/s K Narsimha Reddy & Company, which was engaged in the business of undertaking civil and mechanical contracts. Shri Reddy has extensive knowledge and experience in project planning, scheduling, cost controls, and quality surveying in addition to overall construction project management. Shri Reddy oversees the implementation of all the projects and has formulated the corporate vision of the Company.

Shri K Narsimha Reddy is presently the Managing Director of KNR Constructions Limited and director of Patel KNR Heavy Infrastructures Limited, Patel KNR Infrastructures Limited, KNR Muzaffarpur Barauni Tollway Private Limited, KNR Srirangam Infra Private Limited, KNR Shankarampet Projects Private Limited, KNR Tirumala Infra Private Limited, KNR Somwarpet Infraproject Private Limited and KNR Palani Infra Private Limited as on 31st March 2020

Shri Narsimha Reddy is holding 4,57,43,595 Equity Shares in the Company as on 31st March 2020.

Smt. K Yashoda, aged 68 years, is the Promoter and Non-Executive Director of KNR Constructions Limited. She is the wife of the Company's founder Promoter and Managing Director, Shri K Narsimha Reddy.

Smt. K Yashoda is the Non-Executive Director of KNR Constructions Limited and Director of Smitha Agro Developers Private Limited and Siriadhvaitah Agri Solutions Private Limited, Vishnu Publicity Solutions Private Limited, KNR Infrastructure Projects Private Limited, Nag Talent Ventures and Infotech Private Limited, Asara Construction & Projects Private Limited, Mesmeric Software Solutions Private Limited, KNR Agrotech and Beverages Private Limited, Gradient Estates Private Limited, KNR Energy Limited, KNRC Holdings and Investments Private Limited as on 31st March 2020

Smt. K Yashoda is holding 60,07,505 Equity Shares in the Company as on 31st March 2020.

Shri K Jalandhar Reddy, aged 49 years, is the Promoter and Executive Director of KNR Constructions Limited. He is the son of the Company's founder Promoter and Managing Director, Shri K Narsimha Reddy. He holds a Bachelor's Degree in Computer Engineering from Bangalore University. He has over 24 years of experience in the roads and infrastructure sector. He started his career with KNR

Constructions as a project manager and was elevated as Executive Director from the year 1997. He heads the tendering and bidding activities of the company, as also is in charge of the projects execution.

Shri Jalandhar Reddy is presently the Executive Director & CFO of KNR Constructions Limited and Director of Vishnu Publicity Solutions Private Limited, KNR Muzaffarpur Holdings Private Limited, Siriadhvaitha Agrotech Private Limited, KNR Muzaffarpur Barauni Tollway Private Limited, KNR Walayar Tollways Private Limited, KNR Srirangam Infra Private Limited, KNR Shankarampet Projects Private Limited, KNR Tirumala Infra Private Limited, KNR Somwarpet Infraproject Private Limited and KNR Palani Infra Private Limited as on 31st March 2020

Shri Jalandhar Reddy is holding 1,96,29,605 Equity Shares in the Company as on March 31, 2020.

3. COMMITTEES OF THE BOARD

Currently, there are four Board Committees – the Audit Committee, the Nomination & Remuneration Committee, the Stakeholders Relationship Committee and the CSR Committee. The terms of reference of the Board Committees are determined by the Board from time to time, other than the Independent Directors Committee, the terms of reference of which have been adopted as prescribed under law. Meetings of each Board Committee are convened by the respective Committee Chairman. Matters requiring the Board's attention / approval, as emanating from the Board Committee meetings, are placed before the Board with clearance of the Committee Chairman. The role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below.

a. Audit Committee

Composition, Name of the Members and Chairman

Audit Committee comprising of Two Non-Executive and Independent Directors and One Executive Director.

Name	Designation	Category
Shri L. B. Reddy	Chairman	Non-Executive and Independent Director
Shri B. V. Rama Rao	Member	Non-Executive and Independent Director
Shri K. Jalandhar Reddy	Member	Executive and Non-Independent Director

Report on Corporate Governance (Contd.)

Mr. M. V. Venkata Rao is the Secretary to the Audit Committee.

The Minutes of the meetings of the Audit Committee are circulated to all the members of the Board along with the Agenda.

Terms of reference of the Committee are as follows:

- Review the un-audited quarterly results and Annual accounts of the company
- Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct and credible.
- Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment of any other services
- Reviewing with the management, the annual financial statements before submission to the Board focusing primarily on:
 - (i) Any changes in accounting policies and practices
 - (ii) Major accounting entries based on exercise of judgment by the management
 - (iii) Qualifications in draft audit reports
 - (iv) Significant adjustments arising out of the audit
 - (v) The going concern assumption
 - (vi) Compliance with accounting standards
- Any related party transactions i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the company at large
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval
- Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
- Discussion with internal auditors any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspicion of fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the board
- Discussion with external auditors before the audit commences, on the nature and scope of audit and also post-audit to ascertain any areas of concern
- Reviewing the company's financial and risk management policies
- To look into and review the reasons for substantial defaults, if any, in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

Attendance of the members at the Audit Committee Meetings:

During the current financial year 2019-2020 Four Audit Committee Meetings were held and the details of the Audit Committee Meetings are as under:-

Sl. No.	Dates	Committee Strength	No. of Directors Present
1	30.05.2019	3	3
2	14.08.2019	3	3
3	14.11.2019	3	3
4	13.02.2020	3	3

b. Nomination and Remuneration Committee

The Nomination and Remuneration Committee has been constituted to formulate and recommend to the Board all elements of the remuneration package of the Managing Director and Executive Directors, including performance / achievement bonus and perquisites payable to the whole time directors.

This Committee comprising of all the Three Members being Non-Executive and majority being Independent Directors:

Name	Designation	Category
Shri L B Reddy	Chairman	Non-Executive and Independent Director
Shri B V Rama Rao	Member	Non-Executive and Independent Director

Report on Corporate Governance (Contd.)

Name	Designation	Category
Smt. K Yashoda	Member	Non-Executive and Non-Independent Director

Mr. M. V. Venkata Rao is the Secretary to the Remuneration Committee.

The Minutes of the meetings of the Remuneration Committee are circulated to all the members of the Board along with the Agenda.

The terms of reference of the Nomination and Remuneration Committee are as follows:

- The Remuneration Committee recommends to the board the compensation terms of the executive directors
- Framing and implementing on behalf of the Board and the shareholders, a credible and transparent policy on remuneration of executive directors including ESOP, Pension Rights and any compensation payment
- Considering approving and recommending to the Board the changes in designation and increase in salary of the executive directors

- Ensuring the remuneration policy is good enough to attract, retain and motivate directors
- Bringing about objectivity in fixing the remuneration package while striking a balance between the interest of the Company and the shareholders
- 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.

Remuneration paid to the Directors during 2019-2020:

				Amount in ₹
Name	Position	Sitting Fee	Salary & Perquisite	Total
INDEPENDENT DIRECTORS / NON EXECUTIVE DIRECTORS				
Shri B. V. Rama Rao	Chairman /Director	15,00,000	-	15,00,000
Shri L. B. Reddy	Director	15,00,000	-	15,00,000
Smt. K Yashoda	Director	7,00,000	-	7,00,000
Smt. G.C.Rekha *	Director	6,00,000	-	6,00,000
WHOLE TIME DIRECTORS				
Shri K. Narsimha Reddy	Managing Director	-	7,92,00,000	7,92,00,000
Shri K. Jalandhar Reddy	Executive Director	-	5,49,60,000	5,49,60,000

* Appointed on 30-05-2019.

Report on Corporate Governance (Contd.)

Shares held by the Non-Executive Directors as on 31st March 2020 are as under:

Name of the Non-Executive Directors	No. of shares held as on the date
Shri B. V. Rama Rao	Nil
Shri L. B. Reddy	Nil
Smt. K. Yashoda	60,07,505
Smt. G.C. Rekha	Nil

c. Stakeholders Relationship Committee

This Committee comprises of the following members

Name	Designation	Category
Smt. K. Yashoda	Chairman	Non-Executive and Non-Independent Director
Shri K. Jalandhar Reddy	Member	Executive and Non-Independent Director
Smt. G. C. Rekha	Member	Independent Director

The terms of reference of the Stakeholders Relationship Committee are as follows:

To allot the equity shares of the Company, and to supervise and ensure:

- (i) Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
- (ii) Redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc;
- (iii) Issue of duplicate / split / consolidated share certificates;
- (iv) Review of cases for refusal of transfer / transmission of shares and debentures;
- (v) Reference to statutory and regulatory authorities regarding investor grievances;
- (vi) And to otherwise ensure proper and timely attendance and redressal of investor queries and grievances.

Shareholders complaints Status:

Opening	Nil
Received During the Period	Nil
Resolved During the Period	Nil
Pending	Nil

Name and designation of Compliance Officer

Mr. M. V. Venkata Rao, Company Secretary

KNR Constructions Limited

KNR House, Plot No. 114, Phase I,

Kavuri Hills, Hyderabad – 500033

Contact No. + 91 40 4026 8761 / 62

E-mail - investors@knrcl.com

Fax - +91 40 4026 8760

4. GENERAL BODY MEETINGS:

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

Financial Year	Date and Time	Venue
2016-17	September 30, 2017 11:00 a.m	Hotel Maple Emerald, NH-8, Rajokri, New Delhi – 110038
2017-18	September 29, 2018 11:00 a.m	Hotel Maple Emerald, NH-8, Rajokri, New Delhi – 110038
2018-19	September 30, 2019 11:00 a.m	Hotel Lemon Tree, HITECH City, Madhapur, Hyderabad

No Special Resolutions were passed in the Annual General Meetings during the last 3 years.

5. POSTAL BALLOT:

No Special Resolutions was passed through Postal Ballots during the Financial Year 2019-2020. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through postal ballot.

6. DISCLOSURES;

a. Related Party Transactions

During the year ended March 31, 2020 there were no materially significant related party transactions, which could have potential conflict with the Company's interests at large. Statement in summary form of transactions with related parties is placed before the audit committee for review. All related party transactions are negotiated on an arms length basis, and are intended to further the Company's interests. In compliance with the Indian Accounting Standard 24, transactions with related parties are disclosed in the notes to accounts.

Report on Corporate Governance (Contd.)

b. Details of non-Compliance etc

The Company complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets; no penalties or strictures were imposed on the Company by the Stock Exchanges or SEBI.

c. Disclosure of Accounting Treatment

The Company has followed the accounting standards in the preparation of its financial statements

d. Board Disclosures

i. Risk Management

Currently, the Company's risk management approach comprises of the following:

- Governance of Risk
- Identification of Risk
- Assessment and control of Risk

The risks are being identified by a detailed study. Senior Management are analysing and working in mitigating them through co-ordination among the various departments. Insurance coverage and personal accident coverage for lives of all employees are also being taken.

Your company puts in place the risk management framework, which helps to identify various risks cutting across its business lines. The risks are identified and are discussed by the representatives from various functions.

Presentation to the Board of Directors and the Audit Committee is made on risk management. The Board and the Audit Committee provides oversight and review the risk management policy periodically.

ii. Internal Control System

Your company has in place adequate systems of internal control commensurate with its size

and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorised use or losses, executing transactions with proper authorisation and ensuring compliance of internal policies. The Company has a well-defined delegation of power and defined limits for approving revenue as well as capital expenditure. Processes for formulating and reviewing annual and long term business plans have been laid down to ensure adequacy of the control system, adherence to the management instructions and legal compliances.

e. Code of Conduct

The Board has laid down a Code of Conduct covering the ethical requirements to be complied with covering all the Board Members and Senior Management Personnel of the company. An affirmation of compliance with the code is received from them on an annual basis

f. CEO / CFO Certification

The CEO / CFO Certification on the financial statements and internal control are separately annexed.

g. No Disqualification Certificate from Company Secretary in Practice

Certificate from Practicing Company Secretary, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as director of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other statutory authority as stipulated under Regulation 34 of the Listing Regulations, is attached to this report.

Report on Corporate Governance (Contd.)

Disclosures of compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations are as follows

Regulation	Particulars of regulations	Compliance status (Yes/No)
17	Board of directors	Yes
18	Audit committee	Yes
19	Nomination and Remuneration committee	Yes
20	Stakeholders Relationship committee	Yes
21	Risk Management committee	NA
22	Vigil mechanism	Yes
23	Related party transactions	Yes
24	Corporate Governance requirements with respect to Subsidiary of listed entity	Yes
25	Obligations with respect to Independent directors	Yes
26	Obligation with respect to Directors and Senior Management	Yes
27	Other Corporate Governance requirements	Yes
46(2) (b) to (i)	Website	Yes

7. COMPLIANCE WITH NON-MANDATORY REQUIREMENTS

- a. Non-Executive Chairman's Office:** The Company doesn't maintain any office of the Non-executive chairman and any expenditure incurred by him in performance of his duties will be reimbursed by the Company.
- b. Tenure of Independent Directors:** In terms of the Governance Policy of the Company, all Directors including Independent Directors except Managing Director are appointed / re-appointed for a period of five years or a shorter duration in accordance with retirement guidelines as determined by the Board from time to time. No maximum tenure for Independent Directors has been specifically determined by the Board.
- c. Remuneration Committee:** The Company has a Remuneration Committee under the nomenclature "Remuneration Committee", the details of which are provided in this Report under the section "Committees of Board – Remuneration Committee"
- d. Shareholders Rights:** The Quarterly, half-yearly and annual financial results of the Company are published in newspapers on all India basis and complete set of annual report is sent to every Shareholder of the Company
- e. Training of Board Members:** Strategic supervision of the Company is the responsibility of the Board. To achieve this, the Board undertakes periodic review of

various matters including business-wise performance and related matters, risk management, borrowings, internal & external audit findings etc., Directors are also briefed on changes / developments in the domestic / global corporate and industry scenario including those pertaining to statutes / legislation and economic development.

- f. Mechanism for evaluation of Non-Executive Directors:** The role of the Board of Directors is to provide direction and exercise control to ensure that the Company is managed in a manner that fulfills stakeholders' aspirations and societal expectations. The Board has not evolved any method/mechanism for appointment of non-executive directors.
- g. Whistle Blower Policy:** The Company encourages open door policy where every employee have access to the Head of the Business / Department, employees are free to report existing / probable violation of laws, regulations or unethical conduct in the organisation.

8. MEANS OF COMMUNICATION

Quarterly results:

The Company's quarterly results are published in Financial Express, Telangana - Telugu and are displayed on website www.knrc.com.

News releases, presentations, among others:

Official news releases and official media releases are sent to Stock Exchanges.

Report on Corporate Governance (Contd.)

Presentations to institutional investors / analysts:

Detailed presentations are made to institutional investors and financial analysts on the Company's unaudited quarterly as well as audited annual financial results through earnings call. The transcripts of the earnings call are also uploaded on the Company's website www.knrcl.com

Website:

The Company's website www.knrcl.com contains a separate dedicated section 'Investor Relations' where shareholders' information is available. The Company's Annual Report is also available in a user-friendly and downloadable form.

Annual Report:

The Annual Report containing, inter alia, Audited Standalone Financial Statement, Consolidated Financial Statement, Directors' Report, Auditors' Report, Corporate Governance Report and other important information is circulated to members and others entitled thereto.

Management Discussion and Analysis (MDA) Report

The report on MDA is annexed to the Director's Report and forms part of the Annual Report.

Disclosures to Stock Exchanges:

The Company informs BSE and NSE all price sensitive

matters or such other matters which in its opinion are material and of relevance to the members.

NSE Electronic Application Processing System (NEAPS):

The NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NEAPS.

BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):

BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

SEBI Complaints Redress System (SCORES):

The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

Dedicated e-mail ID

Investors@knrcl.com

9. GENERAL SHAREHOLDERS INFORMATION

i.	Annual General Meeting	:	25th Annual General Meeting Monday the September 28, 2020
	Time	:	3.00PM
	Venue	:	through Video Conferencing (VC)/Other Audio-Visual Means (OAVM)
ii.	Financial Year	:	April 01, 2019 to March 31, 2020
iii.	Book closure dates	:	September 24, 2019 to September 30, 2019 (both days inclusive)
iv.	Dividend Payment date	:	Credit / dispatch of interim dividend between 17th March 2020 and 30th March 2020
v.	Financial Calendar for the year 2020-2021	:	
	Financial Reporting for the first quarter ended June 30, 2020	:	on or before August 14, 2020
	Financial Reporting for the second quarter / half-year ended September 30, 2020	:	on or before November 14, 2020

Report on Corporate Governance (Contd.)

Financial Reporting for the
third quarter / nine months ended
December 31, 2020

on or before February 14, 2021

Financial Reporting for the
fourth quarter / year ended
March 31, 2021

on or before May 30, 2021

vi. Listing on Stock Exchanges

Name and Address of the Stock Exchange

BSE Limited (BSE)
1st Floor, New Trading Ring,
Rotunda Building, P J Towers,
Dalal Street, Fort,
Mumbai – 400001
Tel: +91 22 2272 1233 / 34
Fax: +91 22 2272 2037 / 39 / 41 / 61

Name and Address of the Stock Exchange

National Stock Exchange of India Limited (NSE)
Exchange Plaza, Floor 5, Plot #C/1,
Bandra Kurla Complex,
Bandra (E), Mumbai – 400051
Tel: +91 22 2659 8235 / 8236
Fax: +91 22 2659 8237 / 38

The listing fees payable to BSE and NSE for 2019-2020 have been paid in full.

vii. Script Code / Symbol

a. Stock Exchanges

Bombay Stock Exchange Limited : 532942
National Stock Exchange of India Limited : KNRCON

b. Demat ISIN Number in NSDL and CDSL for the equity shares : **INE634I01029**

The annual custodian fee for the financial year 2020-2021 have been paid to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

c. Corporate Identity Number (CIN)

The CIN allotted by the Ministry of Corporate Affairs, Government of India is **L74210TG1995PLC130199**, and the Company is registered within the jurisdictions of the Registrar of Companies, Telangana.

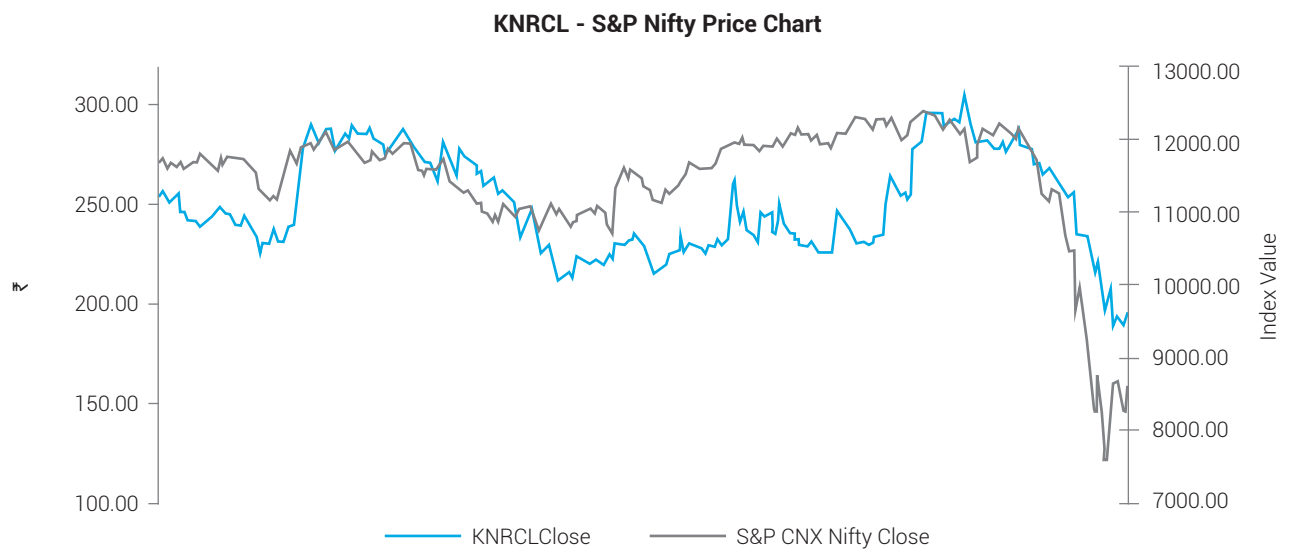
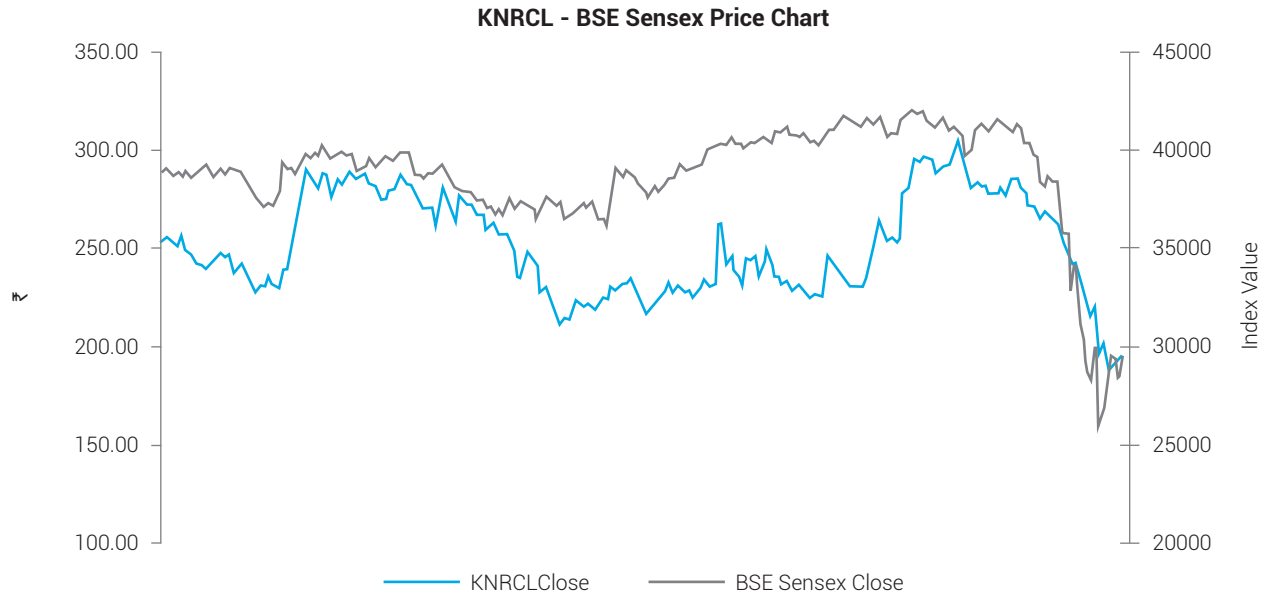
viii. Market Price Data:

in ₹

Month	BSE Limited (BSE)		National Stock Exchange of India Limited (NSE)	
	High Price	Low Price	High Price	Low Price
Apr-19	261.45	233.15	263.90	235.50
May-19	303.30	224.00	303.35	223.00
Jun-19	291.50	268.25	292.80	268.00
Jul-19	289.30	258.00	289.70	257.10
Aug-19	273.15	206.20	274.40	206.00
Sep-19	245.00	211.55	237.20	210.35
Oct-19	250.00	215.00	238.85	214.50
Nov-19	288.00	223.20	288.00	222.00
Dec-19	256.10	220.25	256.50	221.60
Jan-20	311.05	244.15	311.80	242.80
Feb-20	308.70	258.35	308.95	258.10
Mar-20	274.00	171.65	271.85	171.00

Report on Corporate Governance (Contd.)

ix. Performance in comparison to broad based indices – Sensex (BSE) and Nifty (NSE)



Report on Corporate Governance (Contd.)

- x. Registrar & Share Transfer Agents:
(for shares held in both Physical and Demat mode)
Link Intime India Pvt Ltd
C-101, 247 Park,
LBS Marg, Vikhroli (West),
Mumbai – 400083
Phone: +91 – 22 -25960320
Fax: +91 – 22 – 25960329

- xi. Share Transfer System:

The Physical share transfers are processed and the share certificates are returned to the shareholders within a maximum period of one month from the date of receipt, subject to the documents being valid and complete in all respects.

Any transferee who wishes to demat the shares may approach a Depository participant along with a duly filled Demat Request Form, who shall, on the basis of the Share Certificate, generate a demat request and send the same to the Registrar and Shares Transfer Agents (RTA). On receipt, the Depository Registrar confirms the request.

All requests for Dematerialisation of shares are processed and the confirmation is given to the respective Depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within 21 days of receipt.

EQUITY SHARES IN SUSPENSE ACCOUNT

As per LODR Regulations, the Company reports that there are no shares lying in the suspense account as on 31st March 2020. Company has transferred 8552 unclaimed equity shares to IEPF account.

SECRETARIAL AUDIT

A Practicing Company Secretary of the Institute of Company Secretaries of India, has carried out secretarial audit every quarter to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/ paid-up capital is in agreement with the aggregate total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL

- xii. **Distribution of shareholding as on 31st March, 2020**

Range		No. of Shareholders		No of shares held	
From	To	Number	% of total	Number	% of total
1	500	32161	90.15	3331704	2.3693
501	1000	1890	5.30	1422664	1.0117
1001	2000	851	2.39	1235747	0.8788
2001	3000	285	0.80	721910	0.5134
3001	4000	89	0.25	312156	0.2220
4001	5000	90	0.25	421386	0.2997
5001	10000	129	0.36	930632	0.6618
10001	And above	180	0.50	132241101	94.0433
Total		35675	100.00	140617300	100.0000

Report on Corporate Governance (Contd.)

xiii. Pattern of Shareholding as on 31st March 2020

Sr. No.	Category	Total Securities	Total Holders	% of Capital
1	Clearing Members	177385	65	0.1261
2	Other Bodies Corporate	3059129	406	2.1755
3	Financial Institutions	129077	1	0.0918
4	Hindu Undivided Family	295728	600	0.2103
5	Mutual Funds	45241991	66	32.1738
6	Nationalised Banks	250	1	0.0002
7	Foreign Nationals	36200	2	0.0257
8	Non Resident Indians	375637	858	0.2671
9	Non Resident (Non Repatriable)	226098	310	0.1608
10	Public	10370090	33323	7.3747
11	Promoters	77580705	4	55.1715
12	Trusts	5221	2	0.0037
13	Insurance Companies	156978	4	0.1116
14	Foreign Portfolio Investors (Corporate)	2693323	30	1.9154
15	Alternate Investment Funds	260686	1	0.1854
16	Investor Education And Protection Fund	8302	1	0.0059
17	Trust (Employees)	500	1	0.0004
	TOTAL	140617300	35675	100.0000

xiv. Dematerialisation of Shares & Liquidity

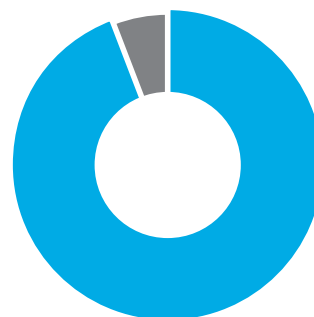
The Company's shares are available for dematerialisation on both the Depositories viz., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL)

As on 31st March 2020 a total of 14,06,17,230 Equity Shares were dematerialised representing 99.99 % of the total paid up equity share capital of the Company.

Dematerialisation of Shares and Liquidity as on 31st March 2020

	No. of Shares	% of Total
NSDL	132664373	94.34
CDSL	7952857	5.66
Physical	70	0.00
Total	140617300	100.00

● NSDL	94.34%
● CDSL	5.66%
● Physical	0.00%



Report on Corporate Governance (Contd.)

xv. Address for Correspondence:

(Query on the Annual Report shall reach 15 days before the AGM)

Company Secretary

KNR Constructions Limited
"KNR House", 3rd Floor,
Plot No. 114, Phase I, Kavuri Hills,
Hyderabad – 5000033
Telangana, India
Ph: + 91 - 40 - 40268759 / 61 / 62
Fax: + 91 - 40 – 40268760

Registrar & Share Transfer Agents:

(for shares held in both Physical and Demat mode)

Link Intime India Pvt Ltd

(Unit: KNR Constructions Limited)
C-101, 247 Park,
LBS Marg, Vikhroli (West),
Mumbai – 400083
Phone: +91 – 22 -25960320
Fax: +91 – 22 – 25960329

xvi. Unclaimed Dividend

Section 124 of the Companies Act, 2013, mandates that companies shall transfer dividend that has been unclaimed for a period of seven years from the unpaid dividend account to the investors education and protection fund (IEPF). In accordance with the following schedule, the dividend for the years

mentioned as follows, if unclaimed within a period of seven years, will be transferred to the IEPF:

Year	Type of Dividend	Dividend Per Share	Date of Declaration	Due date for transfer	Amount in ₹ *
2013	Final	1	14.09.2013	14.10.2020	27,754
2014	Final	1	30.09.2014	30.10.2021	31,085
2015	Final	1	30.09.2015	30.10.2022	18,493
2016	Interim	1	15.03.2016	15.04.2023	47,502
2017	Final	0.25	30.09.2017	30.10.2024	64,401
2018	Final	0.40	29.09.2018	29.10.2025	60,628
2019	Final	0.40	30.09.2019	30.10.2026	-
2020	Interim	0.50	10.03.2020	10.04.2027	18,501

* as on 31.03.2020

xvii. Credit Rating

The Company has obtained credit rating from CRISIL "BBB + / Stable / P2 for various bank facilities of our company.

DECLARATION

As provided under regulation 26(3) of the SEBI (LODR) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for Board of Directors and Senior Management for the year ended March 31, 2019.

For **KNR Constructions Limited**

K Narsimha Reddy
Managing Director

Place: Hyderabad
Date: 18.08.2020

Auditor's Certificate on Corporate Governance

To

The Members of

KNR Constructions Limited

We have examined the compliance of conditions of Corporate Governance by **KNR Constructions Limited** ("the Company") for the year ended on March 31, 2020, as stipulated in regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

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

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We conducted our examination in accordance with Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India (the ICAI). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

In our opinion and according to the best of our information and according to the explanations given to us and based on our reliance upon the representations made by the Directors and the Management, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations referred above.

We state that such compliance 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 **K.P. Rao & Co.**

Chartered Accountants

Firm Reg. No. 003135S

K. Viswanath

Partner

Membership No. 022812

Place: Bangalore

Date: August 17, 2020

UDIN: 20022812AAAAAZ4354

CEO and CFO Compliance Certificate

In relation to the Audited Financial Accounts of the Company as at 31st March, 2020, we hereby certify that

- a. We have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or volatile of the company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which are aware and the steps have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit committee
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. 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 over financial reporting

For **KNR Constructions Limited**

K. Narsimha Reddy
Managing Director

K Jalandhar Reddy
Executive Director & CFO

S Vaikuntanathan
VP (F&A)

Place: Hyderabad

Date: June 11, 2020

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

KNR Constructions Limited

Hyderabad

We, M/s. VCSR & Associates, Company Secretaries have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. KNR Constructions Limited having (CIN: L74210TG1995PLC130199) and having registered office at KNR House, 3rd & 4th Floors, Plot No. 114 Phase - I, Kavuri Hills, Hyderabad, Telangana- 500033 (hereinafter referred to as 'the Company'), produced before me/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 as amended.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 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.

S. No.	Name of the Director	DIN	Designation
1	Kamidi Narsimha Reddy	00382412	Managing Director
2	Jalandhar Reddy Kamidi	00434911	Wholetime Director
3	Balarami Lodugu Reddy	00956445	Director
4	Bandhakavi Venkata Ramarao	00972552	Director
5	Yashoda Kamidi	05157487	Director
6	Gottipulla Chandra Rekha	08464587	Director

Ensuring the eligibility of 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 **VCSR & Associates**
Company Secretaries

Ch Veeranjanyulu
Partner

Place: Hyderabad

Date: August 18, 2020

CP NO. 6392, FCS No. 6121

Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L74210TG1995PLC130199
2	Name of the Company	KNR CONSTRUCTIONS LIMITED
3	Registered address	KNR House, 3RD & 4TH Floors, Plot No. 114, Phase -I, Kavuri Hills, Hyderabad - 500033
4	Website	www.knrcl.com
5	e-mail id	investors@knrcl.com
6	Financial Year reported	2019-2020
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Construction, Engineering and Infrastructure Development activities
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Construction, Engineering and Infrastructure Development activities
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	Company executes construction projects in most of the States in India
10	Markets served by the Company – Local/ State/ National/ International/	National

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital	₹ 2,812.35 Lakhs
2	Total Turnover	₹ 2,24,423.89 Lakhs
3	Total profit after taxes	₹ 22,522.31 Lakhs
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	As stipulated under Section 135 of the Companies Act, 2013, 2% of the average net profit of the last three years are provided for CSR activities
5	List of activities in which expenditure in 4 above has been incurred.	Please refer CSR report provided as annexure to directors report

SECTION C: OTHER DETAILS

1	Does the Company have any Subsidiary Company/ Companies?	Yes
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)	Yes, through their own BRR initiatives
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

Business Responsibility Report (Contd.)

SECTION D: BR INFORMATION

1 Details of Director/ Directors responsible for BR	
(a) Details of the Director/ Directors responsible for implementation of the BR policy/policies	
DIN Number	00434911
Name	K Jalandhar Reddy
Designation	Executive Director
(b) Details of the BR head	
DIN Number (if applicable)	00382412
Name	K Narasimha Reddy
Designation	Managing Director
Telephone number	+91 40 40268761
e-mail id	knr@knrc.com

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

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

Principle 3: Businesses should promote the well-being of all employees

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

Principle 5: Businesses should respect and promote human rights

Principle 6: Business should respect, protect and make efforts to restore the environment

Principle 7: Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner

Principle 8: Businesses should support inclusive growth and equitable development

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

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

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for BR	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Policies formulated after internal consultation covering all functional areas								
3	Does the policy conform to any national / international standards?	The Policies conform to statutory provisions								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	Policies hosted on the Company's website http://www.knrc.com/policy.html								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y

Business Responsibility Report (Contd.)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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 evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: Not Applicable

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.	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?	Yes, the Company publishes BR Report as part of the Annual Report and also hosts the same on the Company's website. http://www.knrc.com/policy.html annually

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 policy is basically applicable to the Company. The group companies have adopted similar policies
2 How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?	Please refer Corporate Governance section

Principle 2

1 List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	Construction, Engineering and Infrastructure Development activities
2 For each such product, provide the following details in respect of resource use (energy, water, raw material etc.):	The Company is not engaged in the business of manufacturing goods and consumer products. The Company however takes necessary steps to ensure efficient use of the raw materials and goods required for execution of the projects including in relation to energy, water, raw material and etc.,
3 Does the Company have procedures in place for sustainable sourcing (including transportation)?	Yes
4 Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?	Yes. During the execution of the projects awarded to the Company, the Company to the extent possible / permitted under the contracts awarded procures raw materials from local & small produces / suppliers. The Company also utilises the services of locals to the extent possible / permitted under the contacts awarded to it.
5 Does the Company have a mechanism to recycle products and waste?	Recycling of the products is not applicable as the Company is not engaged in manufacturing activities. Hazardous wastes are disposed off as per the statutory provisions

Business Responsibility Report (Contd.)

Principle 3

1	Total number of permanent employees as on 31.03.2020	1964
2	Total number of employees hired on temporary/ contractual/ casual basis.	Depending upon the requirements of each of the projects awarded to the Company, the Company engages employees on contractual basis
3	Number of permanent women employees.	12
4	Number of permanent employees with disabilities	3
5	Employee association	Nil
6	What percentage of your permanent employees is members of this recognised employee association?	Nil
7	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.	Nil
8	Brief details of training Programme held for employees with respect to safety & skill up-gradation training in the last year	In major sites, the training programmes in respect of Environment & Health, Safety Awareness, Personal and Organisation Development, Time Management, Team building etc. was conducted. GETs and DETs Training On-the-job training was imparted to 97 GETs and 52 DETs at various sites. Health Awareness Programmes During the FY 2019-20, the Company has also conducted General health checkup and Covid19 awareness programme etc.

Principle 4

1	Has the Company mapped its internal and external stakeholders? Yes/No	Yes
2	Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders.	For the Internal Stakeholders
3	Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders?	As Applicable

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 policy is basically applicable to the Company. Same are extended to the group Companies
2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	Nil

Business Responsibility Repot (Contd.)

Principle 6

1	Does the policy related to Principle 6 cover only the Company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others.	The policy is basically applicable to the Company. The group companies have adopted similar policies
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.	Yes. The Company addresses issues such as climate change, global warming through conservation of natural resources. To protect the environment hazardous wastes are disposed off as per the statutory provisions
3	Does the Company identify and assess potential environmental risks? Y/N	Yes
4	Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	Wherever the projects awarded to the Company permit adoption of Clean Development Mechanism, the Company strictly adheres to the same.
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.	As part of the project execution the Company has undertaken initiatives relating to clean technology, energy efficiency, renewable energy, etc.
6	Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes, Complied to the extent applicable
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:	Yes 1. National Highway Builders Federation 2. Builders Association of India
2	Have you advocated/ lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas	Whenever policy guidelines are issued, the Company has been providing its suggestion to the Government and above Associations. The Company officials have also attended seminars /workshops organised by the apex organisations for facilitating view on the policies.

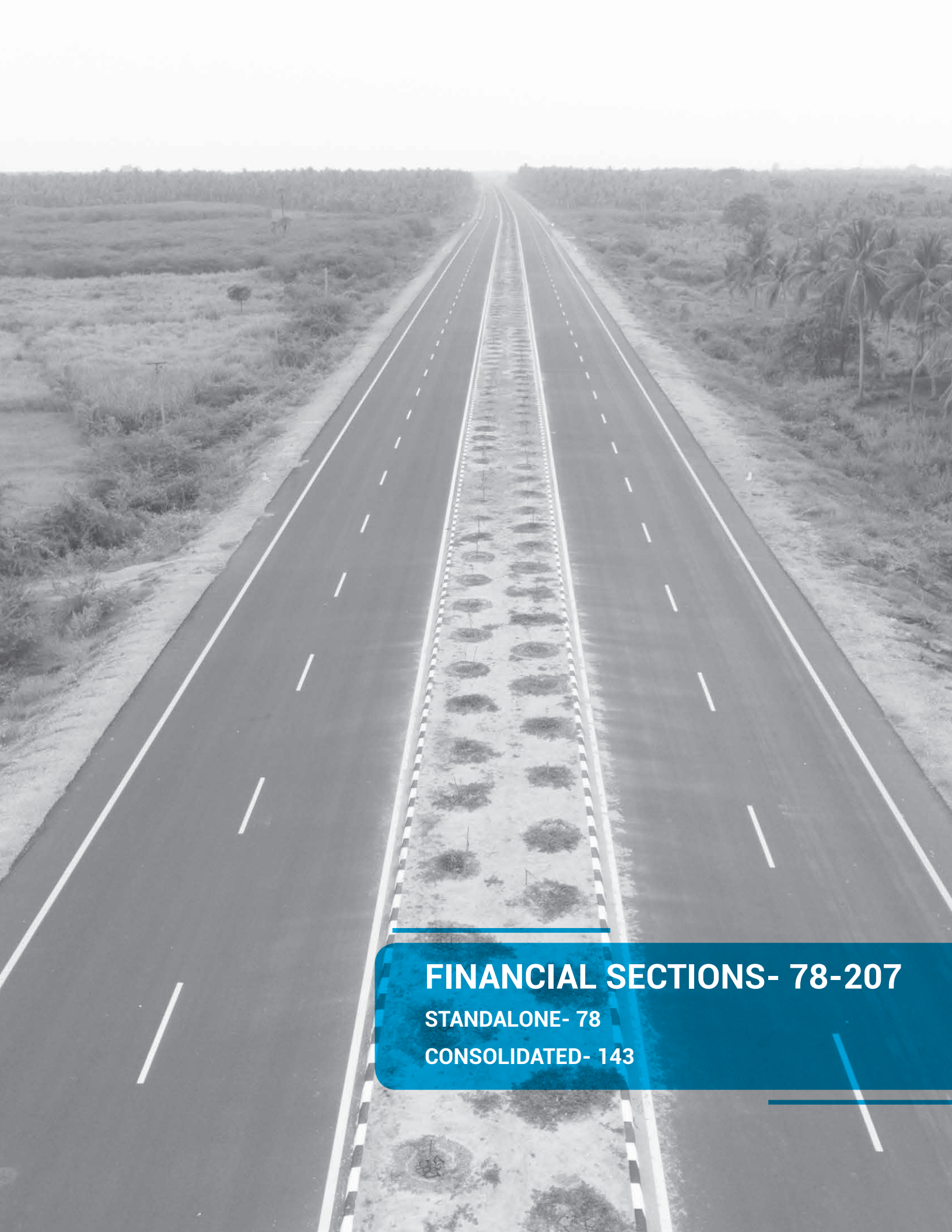
Principle 8

1	Does the Company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8?	Yes. The Company has adopted the CSR policy pursuant to Section 135/Schedule VII of the Companies Act, 2013. The details of the CSR projects undertaken by the Company is provided in the annexure IV to the Directors' Report
2	Are the programmes/ projects undertaken through in-house team/ own foundation/ external NGO/ government structures/ any other organisation?	In house team
3	What is your company's direct contribution to community development projects.	₹ 675.69 Lakhs
4	Have you taken steps to ensure that this community development initiative is successfully adopted by the community?	Yes

Business Responsibility Report (Contd.)

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?	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.	No
4	Did your company carry out any consumer survey/ consumer satisfaction trends?	Not Applicable



FINANCIAL SECTIONS- 78-207

STANDALONE- 78

CONSOLIDATED- 143

Independent Auditor's Report

To the Members of

KNR CONSTRUCTIONS LIMITED

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone Financial Statements of **KNR CONSTRUCTIONS 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 Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information. (Hereinafter referred to as the "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of joint operations and management certified accounts in respect of four joint operations referred to in the Other Matters paragraph below, the aforesaid 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit (including other comprehensive income), changes in equity and its cash flows 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 Companies

Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules 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 on the standalone Financial Statements.

Emphasis of Matter

We draw attention to Note No. 54 of the standalone financial statements, which describes the uncertainties and the possible effects of Covid-19 on the operations of the Company. Our opinion is not modified in respect of this matter.

Key Audit Matters:

Key audit matters 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.

Independent Auditor's Report (Contd.)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>A) Revenue Recognition of long term contracts</p> <p>The Company has significant revenue from construction contracts and long-term operating and maintenance agreements. These long-term contracts are often complex customised solutions and meet the definition of a contract as per Ind AS 115.</p> <p>Revenue related to these construction contracts is recognised using the percentage of completion method, where progress is determined by comparing actual costs incurred to date, with the total estimated costs of the project. Revenue recognition for construction contracts includes management judgment in the form of estimates, which are subject to management experience and expectations of future events. The most important judgment relates to the estimated total costs of the project.</p> <p>Revenue recognition of long-term contracts is a key audit matter in the audit due to the high level of management judgement involved in the project estimates.</p>	<p>Our revenue testing included both testing of the Company's controls, as well as substantive audit procedures targeted at selected major long-term projects. Our substantive testing focused on estimates applied by management in the accounting.</p> <p>Our procedures included, among others things, the following:</p> <ul style="list-style-type: none"> • Ensured that the revenue recognition method applied was appropriate based on the terms of the arrangement; • Agreed the total project revenue estimates to sales agreements, including amendments as appropriate; • We obtained an understanding of the processes and tested relevant controls, which impact the revenue recognition; • We assessed the reliability of management's estimates by comparing the actual results of delivered projects to previous estimates;
<p>B) Litigation and Claims</p> <p>Considering the nature of the Company's operations, it can be exposed to a number of litigations and claims. The recognition and measurement of provisions, contingent liabilities and contingent assets as well as making the necessary disclosures in respect of litigation and claims requires significant judgment by the management in assessing the outcome of each legal case which is based on management's discussion with legal advisors. Due to the significance of the litigations and claims and the difficulty in assessing and measuring the resulting outcome, this is considered as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • evaluating the Company's policies, procedures and controls in relation to litigation, claims and provision assessments; • independent enquiries to understand the background of each case, legal position and the material risks that may impact the Company's standalone financial statements; and • assessing reasonableness of judgment made by management, determining the adequacy of the level of provisioning or disclosure in the standalone financial statements.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not

cover the other information and we do not express any form of assurance 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 financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report (Contd.)

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 Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism

throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 financial statements including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Independent Auditor's Report (Contd.)

to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

1. We did not audit the financial information of 10 joint operations included in the Statement whose financial information reflect total assets (before consolidation adjustments) of ₹ 28,138.28 Lakhs as at March 31, 2020, total revenue (before consolidation adjustments) of ₹ 49,241.11 Lakhs and total net profit after tax (net) (before consolidation adjustments) of ₹ 1,117.89 Lakhs for the year ended March 31, 2020, as considered in the Statement. The financial information of these joint operations have been audited by the other auditors whose reports has been furnished to us by the management, and our opinion in so far as it relates to the amounts and disclosures included in respect of these joint operations, is based solely on the report of such other auditors.

Our opinion on the Statement is not modified in respect of this matter with respect to our reliance on the work done and reports of such other auditors.

2. The Statement also includes the financial information of 4 joint operations which have not been audited, whose financial information reflect total assets (before consolidation adjustments) of ₹ 2,577.19 Lakhs as at 31 March 2020, total revenue (before consolidation adjustments) of ₹ 1,413.72 Lakhs and total net profit after tax (net) (before consolidation adjustments) of ₹ 71.53 Lakhs for the year ended March 31, 2020.

The financial information of these joint operations has been unaudited and has been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these joint operations, is based solely on such unaudited financial information which is certified by management. In our opinion and according to the information and explanation given to us by the Management, the financial information

of these joint operations are not material to the Company.

Our opinion on the Statement is not modified in respect of this matter with respect to our reliance on the financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

- A. As required by the Companies (Auditor's Report) Order, 2016, ('the Order'), issued by the Central Government of India in terms of Sub-section 11 of Section 143 of the Act, we give in the **"Annexure 1"** a statement on the matters specified in paragraphs 3 and 4 of the said order.
- B. 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 purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income) the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India.
 - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 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 control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure 2"**. Our Report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's financial controls over financial reporting.
 - 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

Independent Auditor's Report (Contd.)

according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act, read with Schedule V to the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 if any, of pending litigations as at March 31, 2020 on its financial position in its Standalone Financial Statements – Refer Note No. 37.

- ii. The Company did not have any long term contracts, including derivative contracts, for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For K.P.Rao & Co.,
Chartered Accountants
Firm's Registration No. 003135S

K. Viswanath
Partner
Membership No. 022812
UDIN: 20022812AAAAAV2927

Place: Bengaluru
Date: June 11, 2020

Annexure 1

to the Independent Auditor's Report of even date on the Standalone Ind AS Financial Statements of KNR Constructions Limited

WE REPORT THAT;

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) A major portion of fixed assets have been physically verified by the management in accordance with the programme of verification, which, in our opinion, provides for physical verification of all fixed assets at reasonable interval having regard to the size of the Company and nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification of fixed assets and have been properly dealt with in the books of account.
- c) According to the information and explanations given to us, the title deeds of the immovable properties disclosed in the Note no. 3 & 3.1 to Standalone Financial Statements held by the Company are in the name of the Company except following assets.

Total No. of cases (lands)	Whether leasehold/freehold	Gross block and net block as on 31-03-2020 (₹ in Lakhs)	Remarks
54	Freehold	870.48	Lands are registered in the name of directors, relatives of directors for and on behalf of the company due to restrictions in registration of lands in the name of the Company, by the land laws of respective states in which the land is situated.*

*The Company has taken undertaking from respective parties for having no interest in the lands.

2. According to the information and explanations given to us, inventories have been physically verified at regular intervals by the Management during the year. In our opinion, the frequency of such verification is reasonable. No material discrepancies were noticed on such physical verification.
3. According to the information and explanations given to us, the company has granted unsecured loans to Subsidiary

Companies during the year and maximum amount involved during the period and the balance of said loans were aggregating to ₹ 1,855.24 Lakhs and ₹ 1,037.11 Lakhs respectively covered in the register maintained under section 189 of the Companies Act, 2013.

These loans have been given on "On Account" basis. In the absence of agreements for these loans, the terms and conditions and their impact on the interest of the Company cannot be ascertained. Hence the question of regularity of payment of principal and interest does not arise.

4. In our opinion and according to the information and explanations given to us, the Company has not advanced any loan to any director, given any guarantee, provided any security in connection with any loan taken by any director or made investment through more than two layers of investment companies as per the provisions of section 185 and 186 of the Act. Accordingly, reporting under clause (iv) of paragraph 3 of the Order is not applicable.
5. In our opinion and according to the information and explanation given to us, the Company has not accepted deposits to which directions issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 were applicable. Accordingly, reporting under clause (v) of paragraph 3 of the Order is not applicable.
6. The maintenance of cost records has been specified by the Central Government under section 148(1) (d). We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate and complete.
7. According to the information and explanations given to us, in respect of records of statutory dues:
 - a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax/ Goods and Services Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues applicable to it with the appropriate authorities.

Annexure 1 to the Independent Auditor's Report of even date on the Standalone Ind AS Financial Statements of KNR Constructions Limited (Contd.)

- b) There were no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Cess and other statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
- c) Disputed statutory dues that have not been deposited on account of matters pending before appropriate authorities are as under :

Name of the Statute	Nature of the Dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	Paid under protest	FY 2006-07	Income Tax Appellate Tribunal, Hyderabad
Income Tax Act, 1961	Income Tax	Paid under protest	FY 2002-03	Income Tax Appellate Tribunal, Hyderabad
Income Tax Act, 1961	Income Tax	4.60	FY 2000-01	Income Tax Appellate Tribunal, Hyderabad
Income Tax Act, 1961	Income Tax	Paid under protest	FY 2012-13	Income Tax Appellate Tribunal, Hyderabad
Income Tax Act, 1961	Income Tax	Paid under protest	FY 2013-14	Income Tax Appellate Tribunal, Hyderabad
Income Tax Act, 1961	Tax Deducted at Source	9.86	FY 2009-10	Deputy Commissioner of Income Tax (TDS), Hyderabad
Income Tax Act, 1961	Income Tax	36.57	FY 2015-16	Deputy Commissioner of Income Tax, Hyderabad
Income Tax Act, 1961	Income Tax	171.91	FY 2016-17	Deputy Commissioner of Income Tax, Hyderabad
Income Tax Act, 1961	Income Tax	22.99	FY 2010-11	Commissioner of Income Tax (Appeals) Hyderabad
Income Tax Act, 1961	Income Tax	45.73	FY 2014-15	Deputy Commissioner of Income Tax, Hyderabad
Income Tax Act, 1961	Income Tax	281.38	FY 2017-18	Deputy Commissioner of Income Tax, Hyderabad
Andhra Pradesh Value Added Tax Act, 2005	Value Added Tax	Paid under protest	FY 2010-11	Telangana Value Added Tax Appellate Tribunal
Andhra Pradesh Value Added Tax Act, 2005	Central Sales Tax	193.10	FY 2015-16	Additional Commissioner (Appeals) Hyderabad
Madhya Pradesh Value Added Tax Act, 2002	Entry Tax	41.13	FY 2010-11	Commissioner (Appeals) Gwalior
	Entry Tax	40.68	FY 2013-14	Additional Commissioner (Appeals) Gwalior
	Entry Tax	41.06	FY 2016-17	Additional Commissioner (Appeals) Gwalior
Odisha Sales Tax and VAT Laws	Entry Tax	28.87	FY 2009-10 to 11-12	Odisha High Court
	Entry tax	22.00	FY 2012-13 to 14-15	Joint Commissioner Appeals, Bhubaneswar
	Value Added Tax	171.81	FY 2012-13 to 14-15	
	Central Sales Tax	6.03	FY 2012-13 to 14-15	
Finance Act 1994	Service Tax	303.53	FY 2016-17 to June 2017	Assistant Commissioner (Audit), Central Tax GST

Annexure 1 to the Independent Auditor's Report of even date on the Standalone Ind AS Financial Statements of KNR Constructions Limited (Contd.)

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of its dues to Banks & Financial Institutions. The Company has not issued debentures.
9. The Company has not raised any monies, during the reporting period, by way of initial public offer (including debt instruments) or further public offer. The Company has not raised any monies, by way of term loans during the year.
10. According to the information and explanations given to us, no fraud by, or by its officers or employees on the Company has been noticed or reported during the year.
11. According to the information and explanations given to us and based on our examination of the records of the Company, managerial remuneration has been paid/ provided during the year in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act 2013.
12. In our opinion and according to the information given to us, the Company is not a Nidhi Company. Accordingly, reporting under clause (xii) of paragraph 3 of the Order is not applicable.
13. In our opinion and according to the information and explanations given to us and based on our examination of the records, all transactions with the related parties are in compliance with Section 177 and Section 188 of the Act where applicable, and the details have been disclosed in the Standalone Financial Statements, as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or convertible debentures during the reporting period. Accordingly, reporting under clause (xiv) of paragraph 3 of the Order is not applicable.
15. In our opinion and according to the information and explanations given to us and based on our examination of the records, the Company has not entered into any non-cash transactions with any directors or persons connected with him. Accordingly, reporting under clause (xv) of paragraph 3 of the Order is not applicable.
16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For K.P.Rao & Co.,
Chartered Accountants
Firm's Registration No. 003135S

K. Viswanath
Partner
Membership No. 022812
UDIN: 20022812AAAAAV2927

Place: Bengaluru
Date: June 11, 2020

Annexure 2

to the Independent Auditor's Report of even date on the Standalone Financial Statements of KNR Constructions 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 **KNR CONSTRUCTIONS 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by 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 judgement, including the assessment of the risks of material misstatement of the Standalone 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 authorisations of management and directors of the Company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls 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.

Annexure 2 to the Independent Auditor's Report of even date on the Standalone Financial Statements of KNR Constructions Limited (Contd.)

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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, 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".

For K.P.Rao & Co.,
Chartered Accountants
Firm's Registration No. 003135S

K. Viswanath
Partner
Membership No. 022812
UDIN: 20022812AAAAAV2927

Place: Bengaluru
Date: June 11, 2020

Balance Sheet

as at March 31, 2020

Particulars	Note	(₹ in Lakhs)	
		As at March 31, 2020	As at March 31, 2019
I ASSETS			
1) Non-current assets			
a) Property, plant and equipment	3	37,777.49	37,091.68
b) Capital work-in-progress		1,015.48	0.99
c) Right of Use Asset		260.00	-
d) Investment property	3.1	6,587.97	6,299.84
e) Other Intangible assets	3.2	14.93	10.95
f) Financial Assets			
i) Investments	4	18,605.71	11,826.71
ii) Other Investments	4	13,810.86	10,433.33
iii) Loans	5	283.51	260.57
iv) Other financial assets	6	122.57	254.98
g) Deferred tax assets (Net)	7	16,098.54	17,390.76
h) Non current tax assets (Net)	8	2,164.88	1,378.28
i) Other non-current assets	9	8,932.76	11,833.43
Total Non-current assets		1,05,674.70	96,781.52
2) Current assets			
a) Inventories	10	12,316.27	9,509.32
b) Financial assets			
i) Investments in Associates held for sale	4	39,069.47	39,741.00
ii) Investments	4	-	9.99
iii) Trade receivables	11	47,610.80	23,440.67
iv) Cash and cash equivalents	12	2,019.25	582.83
v) Bank balances, other than (iv) above	13	1,285.72	718.92
vi) Loans	5	286.74	394.18
vii) Other financial assets	6	21,211.36	20,709.31
c) Current tax assets (Net)	8	1,806.38	-
d) Other current assets	14	40,497.88	35,144.35
Total Current assets		1,66,103.87	1,30,250.57
Total Assets		2,71,778.57	2,27,032.09
II EQUITY AND LIABILITIES			
Equity			
a) Equity Share capital	15	2,812.35	2,812.35
b) Other equity	16	1,59,576.49	1,38,618.54
Total equity		1,62,388.84	1,41,430.89
Liabilities			
1) Non-current liabilities			
a) Financial liabilities			
i) Borrowings	17	18,045.73	22,124.33
ii) Lease Liability		107.53	-
iii) Other financial liabilities	18	15.36	15.36
b) Provisions	20	587.82	466.85
c) Other non-current liabilities	21	1,052.09	1,324.53
Total non-current liabilities		19,808.53	23,931.07
2) Current liabilities			
a) Financial liabilities			
i) Borrowings	17	3,364.42	1,694.14
ii) Trade Payables			
Dues to Micro & Small Enterprises	19	478.26	550.23
Dues to other than Micro & Small Enterprises	19	24,631.73	21,810.41
iii) Other financial liabilities	18	16,524.26	16,662.99
b) Provisions	20	1,733.99	1,175.94
c) Other current liabilities	22	42,807.38	19,382.42
d) Current Tax liabilities (Net)	23	41.16	394.00
Total current liabilities		89,581.20	61,670.13
Total Equity and Liabilities		2,71,778.57	2,27,032.09
Corporate information and Significant accounting policies	1&2		
See accompanying notes forming part of the financial statements			

As per our report of even date attached
For **K. P. Rao & Co.,**
Chartered Accountants
(Firm Regn. No.003135S)

K. Viswanath
Partner,
Membership No: 022812
UDIN: 20022812AAAAAV2927

Place : Bengaluru
Date : 11-06-2020

For and on behalf of the Board

K. Narsimha Reddy
Managing Director
DIN: 00382412

S. Vaikuntanathan
Vice President (F&A)

Place: Hyderabad
Date: 11-06-2020

K. Jalandhar Reddy
Executive Director & CFO
DIN: 00434911

M.V.Venkata Rao
Company Secretary

Statement of Profit and Loss

for the year ended March 31, 2020

(₹ in Lakhs)

Particulars	Note	Year ended March 31, 2020	Year ended March 31, 2019
I Revenue from Operations	24	2,24,423.89	2,13,725.62
II Other income	25	5,658.86	6,338.58
III Total Revenue (I + II)		2,30,082.75	2,20,064.20
IV Expenses			
Cost of materials consumed	26	75,328.14	64,320.14
Construction Expenses	27	82,378.27	93,634.97
Employee benefits expense	28	12,521.92	9,285.73
Finance costs	29	4,741.07	2,910.25
Depreciation and amortisation expense	30	19,184.77	16,810.65
Other expenses	31	5,488.57	3,788.32
Total expenses (IV)		1,99,642.74	1,90,750.06
V Profit/(Loss) before exceptional items and tax (III - IV)		30,440.01	29,314.14
VI Exceptional items	32	1,072.14	254.96
VII Profit/(Loss) before tax (V - VI)		29,367.87	29,059.18
VIII Tax expense	33		
1) Current tax		9,774.20	6,046.55
2) Adjustment of tax relating to earlier periods		6.45	49.58
3) Deferred tax		(2,935.09)	(3,363.45)
		6,845.56	2,732.68
IX Profit/(Loss) for the year (VII - VIII)		22,522.31	26,326.50
X Other comprehensive income / (loss)	34		
a) Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		(58.97)	(1.18)
Deferred Tax on above items		20.31	0.41
b) Items that will be reclassified to profit or loss		-	-
XI Total Comprehensive Income for the period (IX+X) (Comprising Profit(Loss) and Other Comprehensive Income for the period)		22,483.65	26,325.73
XII Earnings per equity share : (In ₹)	39		
1) Basic		16.02	18.72
2) Diluted		16.02	18.72
Corporate information and Significant accounting policies	1&2		
See accompanying notes forming part of the financial statements			

As per our report of even date attached
For **K. P. Rao & Co.,**
Chartered Accountants
(Firm Regn. No.003135S)

K. Viswanath
Partner,
Membership No: 022812
UDIN: 20022812AAAAAV2927

Place : Bengaluru
Date : 11-06-2020

For and on behalf of the Board

K. Narsimha Reddy
Managing Director
DIN: 00382412

S. Vaikuntanathan
Vice President (F&A)

Place: Hyderabad
Date: 11-06-2020

K. Jalandhar Reddy
Executive Director & CFO
DIN: 00434911

M.V.Venkata Rao
Company Secretary

Statement of Changes in Equity

for the year ended March 31, 2020

A - Equity Share Capital

(₹ in Lakhs)

Particulars	Number of Shares	Amount
Balance as at April 1, 2018	14,06,17,300	2,812.35
Add: Equity shares allotted during the year	-	-
Balance as at March 31, 2019	14,06,17,300	2,812.35
Add: Equity shares allotted during the year	-	-
Balance as at March 31, 2020	14,06,17,300	2,812.35

B - Other Equity

(₹ in Lakhs)

Particulars	Reserves and Surplus			Other items of Other Comprehensive Income	Total
	Securities Premium Reserve	General Reserve	Surplus in the statement of profit and loss		
Balance as at 1st, April, 2018	12,599.31	2,849.00	97,612.78	(90.19)	1,12,970.90
Profit for the year	-	-	26,326.50	-	26,326.50
Other Comprehensive Income/loss for the year (Net of Taxes)	-	-	-	(0.77)	(0.77)
Payment of Dividend	-	-	(562.47)	-	(562.47)
Payment of Dividend Distribution tax	-	-	(115.62)	-	(115.62)
Balance as at March 31, 2019	12,599.31	2,849.00	1,23,261.19	(90.96)	1,38,618.54
Balance as at 1st, April, 2019	12,599.31	2,849.00	1,23,261.19	(90.96)	1,38,618.54
Profit for the year	-	-	22,522.31	-	22,522.31
Other Comprehensive Income/loss for the year (Net of Taxes)	-	-	-	(38.66)	(38.66)
Payment of Dividend	-	-	(1,265.56)	-	(1,265.56)
Payment of Dividend Distribution tax	-	-	(260.14)	-	(260.14)
Balance as at March 31, 2020	12,599.31	2,849.00	1,44,257.80	(129.62)	1,59,576.49

See accompanying notes forming part of financial statements

As per our report of even date attached
For **K. P. Rao & Co.,**
Chartered Accountants
(Firm Regn. No.003135S)

K.Viswanath
Partner,
Membership No: 022812
UDIN: 20022812AAAAAV2927

Place : Bengaluru
Date : 11-06-2020

For and on behalf of the Board

K. Narsimha Reddy
Managing Director
DIN: 00382412

S.Vaikuntanathan
Vice President (F&A)

Place: Hyderabad
Date: 11-06-2020

K. Jalandhar Reddy
Executive Director & CFO
DIN: 00434911

M.V.Venkata Rao
Company Secretary

Cash Flow Statement

for the Year Ended March 31, 2020

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A) Cash flow from Operating Activities		
Profit before tax	29,367.87	29,059.18
Adjustments for:		
Depreciation and Amortisation	19,232.77	16,810.65
Loss/(Profit) on sale of Property, Plant and Equipment, Investment Property(Net)	(264.21)	(845.08)
Liabilities no longer required Written Back	(658.65)	(1,514.95)
Provision for Doubtful Advances written back	-	(620.53)
Bad Debts / Advances Written Off	591.54	346.94
(Gain) / Loss on Mutual Funds	-	(336.12)
Un winding Interest on Fair Value of Financial Instruments	(22.93)	(16.43)
Exceptional Item	1,072.14	254.96
Dividend received on current investments	(0.03)	(297.28)
Un winding Interest on Lease liability	10.93	-
Finance cost	4,730.14	2,910.25
Interest Income	(3,118.93)	(444.78)
Operating profit before working capital changes	50,940.64	45,306.81
Changes in working capital:		
(Increase)/Decrease in Trade and Other Receivables and prepayments	(28,172.31)	(14,361.09)
(Increase)/Decrease in Inventories	(2,806.95)	(2,390.94)
Increase/(Decrease) in Trade and other Payables	27,888.36	1,794.33
Cash generated/ (used) from Operations	47,849.74	30,349.11
Income Taxes (paid) / Refund	(8,435.20)	(5,498.00)
Net Cash flows from / (used in) Operating Activities- (A)	39,414.54	24,851.11
B) Cash flow from Investing Activities		
Proceeds from sale of property, plant and equipment	417.01	1,215.92
Payments for property, plant and equipment and Capital Work-in-Progress	(20,780.11)	(21,554.59)
Interest Received	2,849.20	400.64
Bank Balances not considered as cash and cash equivalents	(566.80)	(40.68)
Loans/Advances to Subsidiaries, Associates and others	107.43	1,978.72
Investments in Subsidiaries, Associates and Others	(10,981.54)	(10,930.34)
Dividend received on current investments	0.03	297.28
TDS on Interest Received	(43.65)	(58.87)
Net Cash flows from / (used in) Investing Activities- (B)	(28,998.43)	(28,691.92)

Cash Flow Statement for the Year Ended March 31, 2020 (Contd.)

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
C) Cash flow from Financing Activities		
Proceeds from borrowings	1,302.92	6,820.99
Repayment of borrowings	(6,416.81)	(4,139.65)
Increase / (decrease) in short term borrowings	1,670.28	1,694.14
Finance cost paid	(4,010.38)	(2,980.20)
Dividend and Dividend Tax Paid	(1,525.70)	(678.09)
Net Cash Flows from / (used in) Financing Activities- (C)	(8,979.69)	717.19
Net increase/(decrease) in cash and cash equivalents - (A+B+C)	1,436.42	(3,123.62)
Cash & Cash Equivalents at the beginning of the year	582.83	3,706.45
Cash & Cash Equivalents at end of the year(Refer note: 1)	2,019.25	582.83

Note:

- 1 Cash & Cash equivalents

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Cash on hand	55.24	45.43
Bank Balance and Cheques on Hand - Current Account	1,964.01	537.40
Total Cash & Cash equivalents	2,019.25	582.83

- 2 The Cash flow statement is prepared in accordance with the Indirect Method stated in Ind-AS7 on Cash Flow Statements and presents the cash flows by operating, investing and financing activities.
 - 3 Previous year's figures have been regrouped, wherever necessary.
 - 4 Figures in brackets represent cash outflows.
- See accompanying notes forming part of financial statements

As per our report of even date attached
For **K. P. Rao & Co.,**
Chartered Accountants
(Firm Regn. No.003135S)

K.Viswanath
Partner,
Membership No: 022812
UDIN: 20022812AAAAAV2927

Place : Bengaluru
Date : 11-06-2020

For and on behalf of the Board

K. Narsimha Reddy
Managing Director
DIN: 00382412

S.Vaikuntanathan
Vice President (F&A)

Place: Hyderabad
Date: 11-06-2020

K. Jalandhar Reddy
Executive Director & CFO
DIN: 00434911

M.V.Venkata Rao
Company Secretary

Notes

forming part of the Financial Statements

1. REPORTING ENTITY INFORMATION :

KNR Constructions Limited ('the Company') is a company domiciled in India with its registered office at 'KNR House' 3rd & 4th Floor, Plot No: 114, Phase-I, Kavuri Hills, Hyderabad – 500 033. The Company has been incorporated in 1995 under the provisions of Indian Companies Act. The shares of the Company are listed on the both the stock exchanges (BSE & NSE) India in 2008 pursuant to the Public offer of Equity Shares. The Company is engaged in the business of infrastructure sector, primarily in the construction of roads, bridges, flyovers and irrigation projects.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

2.2 Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been presented ₹ in lakhs rounded-off to two decimal, unless otherwise indicated.

2.3 Basis of Preparation & Presentation

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

2.4 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, of 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

2.5 Operating cycle for Current and non-current classification

All the assets and liabilities have been classified as current or non-current, wherever applicable, as per the operating cycle of the Company as per Schedule III to the Act. 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 realisation of receivables (including retention monies) within the credit period normally applicable to the respective project.

2.6 Fair Value Measurement

The company measures certain financial instruments, such as derivatives and other items in its financial statements at fair value at each balance sheet date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within fair value hierarchy based on the low level of input that is significant to the fair value measurement as a whole:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (observable inputs).

Level 3 – Inputs for the assets and liabilities that are not based on observable market data (unobservable inputs).

Notes forming part of the Financial Statements (Contd.)

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.7 Property, plant and equipment (PPE)

Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended

use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation is calculated on cost of items of property, plant and equipment in the manner and as per the useful life prescribed under Schedule-II to the Act except the below mentioned assets, and is generally recognised in the statement of profit and loss. Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed of).

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

For the Assets costing up to ₹ 5,000 are depreciated fully in the year of purchase.

The following asset category has useful life different from the life specified in Schedule II of the Companies Act, 2013 based on the management's assessment

S. No.	Description	Useful life given as per Companies Act 2013	Company's estimated useful life
1.	Buildings		
	RCC structure	60 years	60 years
	Temporary structure	3 Years	3 Years
2.	Plant and Machinery		
	Concreting, crushing, piling equipment's and road making equipment's	12 Years	7 Years *
	Heavy Lift equipment's		
	- Cranes < 100 tons	15 Years	7 Years *
	- Earth-moving equipment's	9 Years	7 Years *
	Construction Accessories	12 Years	3 Years **
	Others including Material Handling / Pipeline / Welding Equipment's	12 Years	7 Years *
3.	Furniture and fittings	10 Years	10 Years

Notes forming part of the Financial Statements (Contd.)

S. No.	Description	Useful life given as per Companies Act 2013	Company's estimated useful life
4.	Motor Vehicles		
	Motor cycles, Scooters and other mopeds	10 Years	10 Years
	Motor buses, motor lorries, motor cars and motor taxis	8 Years	8 Years
5.	Office equipment's	5 Years	5 Years
6.	Computers and data processing units		
	Servers and networks	6 Years	6 Years
	End user devices, such as, desktops, laptop etc.,	3 Years	3 Years
7.	Laboratory equipment's	10 years	7 years *

* The Company estimated life of the asset as 7 years.

** The Company estimated life of the asset as 3 years as the assets have been used for more number of times / shifts as compared to the other ones.

Where cost of a part of the asset ("asset component") is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately and such asset component is depreciated over its separate useful life.

Gains or losses arising from the retirement or disposal of property, plant and equipment are determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset and are recognised in the income statement on the date of retirement or disposal.

2.8 Capital Work-in-progress

Capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost less refundable taxes.

2.9 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with the Ind AS 16's requirement for cost model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no further economic benefits expected from disposal. Any gain or loss arising on de recognition of the property is included in profit or loss in the period in which the property is derecognised.

2.10 Intangible assets

Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Pre-operative expenses including administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets. Intangible assets are amortised over their useful life.

Asset	Useful life
Computer Software	3 Years

2.11 Investment in Subsidiaries, Associates, Joint Ventures and Mutual Funds

On initial recognition, these investments are recognised at fair value plus any directly attributable transaction cost. Subsequently, they are measured at cost.

Investments in mutual funds are carried at fair value through profit and loss.

Investments are classified as 'held for sale' when all of the following criteria's are met:

- decision has been made to sell,
- the assets are available for immediate sale in its present condition,

Notes forming part of the Financial Statements (Contd.)

- (iii) the assets are being actively marketed and
- (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such investments classified as held for sale are measured at the lower of its carrying value and fair value less impairment.

Investments in joint operations are recognised at cost with adjustment to respective share of profit/loss.

2.12 Inventories

Raw Materials, construction materials and stores & spares are valued at weighted average cost or net realisable value whichever is less. Cost includes all charges in bringing the materials to the place of usage, excluding refundable duties and taxes.

2.13 Financial instruments

i. Classification and subsequent measurement

Financial assets

Financial asset is

- Cash / Equity Instrument of another Entity,
- Contractual right to –
 - a) receive Cash / another Financial Asset from another Entity, or
 - b) exchange Financial Assets or Financial Liabilities with another Entity under conditions that are potentially favourable to the Entity.

On initial recognition, a financial asset is classified as measured at

- Amortised cost;
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets 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.

Financial liabilities

Financial liability is Contractual Obligation to

- deliver Cash or another Financial Asset to another Entity, or
- exchange Financial Assets or Financial Liabilities with another Entity under conditions that are potentially unfavorable to the Entity

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on de-recognition is also recognised in profit or loss.

ii. De-recognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

Notes forming part of the Financial Statements (Contd.)

iii. Impairment

Impairment of financial instruments

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are measured at amortised cost
- Trade receivables

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The amount of ECL losses for the year ended March 31, 2020 was Nil.

Impairment of non-financial assets

The Company's non-financial assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised, if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the

carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

2.14 Cash and cash equivalents

Cash and cash equivalents includes Cash in hand, bank balances and cheques on hand, Short term and liquid investments being not free from more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

2.15 Other Bank balances

Other bank balances include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation.

2.16 Leases

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.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment.

Notes forming part of the Financial Statements (Contd.)

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses borrowing rate. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease, the Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 Leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees. The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company has not restated comparative information.

2.17 Provisions

Provisions are recognised only when:

- a) An entity has a present obligation (legal or constructive) as a result of a past event
- b) It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

- c) A reliable estimate can be made of the amount of the obligation.

Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

2.18 Contingent liability, Contingent Assets and Commitments

- i) Contingent liability is disclosed in case of
 - a) A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation
 - b) A present obligation arising from past events, when no reliable estimate is possible.
- ii) Contingent assets are disclosed where an inflow of economic benefits is probable.
- iii) Commitments are future liabilities for contractual expenditure. Commitments are classified and disclosed as follows:
 - a) Estimated amount of contracts remaining to be executed on capital account and not provided for
 - b) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.
 - c) Other commitments related to sales/ procurements made in the normal course of business are not disclosed to avoid excessive details.

Contingent liabilities, Contingent assets and Commitments are reviewed at each Balance Sheet date.

Notes forming part of the Financial Statements (Contd.)

2.19 Revenue recognition

Accounting for Construction contracts

The Company constructs infrastructure projects on behalf of clients. Delivering the project as per the contractual terms is the only performance obligation that has been identified. Under the terms of the contracts, the Company will perform its obligations on time to time as per the timing schedule indicated in the contract with the asset having no alternative use to the entity and the Company having an enforceable right to receive payment for the work done. Hence, Revenue is therefore recognised over time on a cost to cost method, i.e. based on the proportion of contract costs incurred for the work performed to date relative to the estimated total contract costs. The management considers that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under Ind AS 115.

Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

As per the contract, when there is a right to consideration in exchange for goods or services that have been transferred to a customer when that right is conditioned on something other than the passage of time, a contract asset is recognised to the extent of the consideration due.

Similarly, when there is an obligation to transfer goods or services to a customer for which the entity has received consideration from the customer, a contract liability is recognised to the extent of the obligation.

Accounting for Claims

Claims are accounted as income in the period of receipt of arbitration award and acceptance by client or evidence of acceptance received. Interest awarded, being in the nature of additional compensation under the terms of the contract, is accounted as other Income on receipt of favourable arbitration award.

Other Income

Interest income: Finance income is accrued on a time proportion basis, by reference to the principal outstanding and the applicable Effective interest rate (EIR). Other income is accounted for on accrual

basis. Where the receipt of income is uncertain, it is accounted for on receipt basis.

Dividend income: Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

Other Items of Income: Other items of income are accounted as and when the right to receive arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

2.20 Employee benefits

a) Short term employee benefits:

All employee benefits falling due wholly within twelve months of rendering the service are classified as short-term employee benefits. The benefits like salaries, wages, and short term compensated absences etc. Expenses on non-accumulating compensated absences is recognised in the period in which the absences occur.

b) Post-employment benefits:

i. **Defined contribution plans:** The state governed provident fund scheme, employee state insurance scheme and employee pension scheme are defined contribution plans. The contribution paid/payable under the schemes is recognised during the period in which the employee renders the related service.

ii. **Defined benefit plans:** The employees' group gratuity fund schemes are managed by Life Insurance Corporation of India (L.I.C), and post-retirement provident fund scheme are the Company's defined benefit plans. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans,

Notes forming part of the Financial Statements (Contd.)

is based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the related obligations at the Balance Sheet date.

Re measurement, comprising actuarial gains and losses, the return on plan assets (excluding net interest) and any change in the effect of asset ceiling (wherever applicable) are recognised in other comprehensive income and is reflected immediately in retained earnings and is not reclassified to profit and loss.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Past service cost is recognised as expense at the earlier of the plan amendment or curtailment and when the Company recognises related restructuring costs or termination benefits.

2.21 Taxes on Income

Income tax comprises of current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are

offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary differences arise from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

iii. Minimum Alternate Tax (MAT)

Minimum Alternative Tax ("MAT") under the provisions of the Income-tax Act, 1961 is recognised as current tax in the statement of profit and loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against

Notes forming part of the Financial Statements (Contd.)

the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

2.22 Foreign currencies

- a) The Functional Currency of the Company is Indian Rupees (INR), and these financial statements are presented in Indian rupees (Lakhs).
- b) Foreign Currency transactions are recorded on initial recognition in the reporting currency, using the exchange rate on the date of the transaction.
- c) At each Balance Sheet date, foreign currency monetary items are reported using the closing rate or at amount likely to be realised from or required to disburse. Exchange differences that arise on settlement of Long Term monetary items or on reporting of Long Term Monetary items at each Balance sheet date, at the closing rate are charged to Statement of Profit and loss.

2.23 Cash Flow Statement

The Cash flow statement is prepared in accordance with Ind AS 7 by using indirect method by segregating as cash flows from operating, investing and financing activities. Under the Cash flow from operating activities, the net profit is adjusted for the effects of Non-cash items, Changes in working capital and other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) are reflected as such in the Cash Flow Statement.

Cash comprises cash on hand. Cash equivalents are balances with banks including cheques on hand and short-term balances (with an original maturity of three months or less from the date of acquisition).

2.24 Dividend to equity shareholders

Dividend to equity shareholders is recognised as a liability and deducted from shareholders equity, in period in which the dividends are approved by the equity shareholders in general meeting.

2.25 Earnings per share

a) Basic Earnings per share

Basic earnings per share are calculated by dividing:

- the profit attributable to owners of the Company

- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury share.

b) Diluted earnings per share

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.26 Borrowing Costs

Borrowing costs include interest expense calculated using the effective interest method. Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.27 Exceptional Items

Exceptional Items represents the nature of transactions which are not in recurring nature during the ordinary course of business but lead to increase / decrease in profit / loss for the year.

2.28 Key accounting estimates and judgements

The preparation of these financial statements in conformity with Ind AS requires the management to make estimates and assumptions considered in the reported amounts of assets, liabilities (including contingent liabilities), income and expenses. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise. Estimates include the property plant and equipment,

Notes forming part of the Financial Statements (Contd.)

inventory, future obligations in respect of retirement benefit plans, provisions, fair value measurement and taxes etc.

a) Revenue Recognition

The Company follows the percentage completion method, based on the proportion that contract cost incurred as on reporting date to the total estimated contract cost including escalations/ variations, 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 labor costs and productivity efficiencies. Because the financial reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, recognised 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.

b) Property, plant and equipment

The Company reviews the estimated useful lives of property plant and equipment at the end of each reporting period. During the current year, there has been no change in life considered for the assets.

c) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

d) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses

significant judgement in assessing the lease term including anticipated renewals and the applicable discount rate

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option.

In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate.

e) Provision for employee benefits

The Company uses actuarial assumptions to determine the obligations for employee benefits at each reporting period. These assumptions include the discount rate, expected long-term rate of return on plan assets, rate of increase in compensation levels and mortality rates.

f) Income Taxes

Significant judgments are required in determining the provision for income taxes, including the amount expected to be paid/ recovered for uncertain tax positions.

g) Estimation of net realisable value of inventories

In estimating the net realisable value of Inventories the Company makes an estimate of future selling prices and costs necessary to make the sale.

h) Impairment of trade receivables and advances

Significant estimates are required in ascertaining the provision to be made for impairment of trade receivables and advances.

Notes forming part of the Financial Statements (Contd.)

3. PROPERTY, PLANT AND EQUIPMENT

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Tangible Assets		
Land - Free Hold *	4,351.80	3,294.02
Buildings	1,573.88	1,415.46
Plant and Equipment	30,902.71	31,307.50
Furniture and Fixtures	73.05	71.59
Vehicles	757.38	886.51
Office equipment	84.70	77.61
Computers & Accessories	33.97	38.99
	37,777.49	37,091.68

Particulars	(₹ in Lakhs)							Total
	Land - Free Hold *	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Computers & Accessories	
Cost or Deemed Cost :								
As at April 01, 2019	3,294.02	2,636.54	92,268.70	305.58	2,285.94	251.94	169.89	1,01,212.61
Additions	1,109.96	408.25	18,111.99	24.08	219.46	54.01	26.19	19,953.94
Disposals/Adjustments	(52.18)	-	(867.69)	-	(141.12)	-	-	(1,060.99)
As at March 31, 2020	4,351.80	3,044.79	1,09,513.00	329.66	2,364.28	305.95	196.08	1,20,105.56
Accumulated Depreciation								
As at April 01, 2019	-	1,221.08	60,961.20	233.99	1,399.43	174.33	130.90	64,120.93
Charge for the period #	-	249.83	18,462.08	22.62	302.67	46.92	31.21	19,115.33
Disposals/Adjustments	-	-	(812.99)	-	(95.20)	-	-	(908.19)
As at March 31, 2020	-	1,470.91	78,610.29	256.61	1,606.90	221.25	162.11	82,328.07
Net Carrying Amount								
As at March 31, 2020	4,351.80	1,573.88	30,902.71	73.05	757.38	84.70	33.97	37,777.49
As at March 31, 2019	3,294.02	1,415.46	31,307.50	71.59	886.51	77.61	38.99	37,091.68

Includes depreciation of ₹ 48.00 Lakhs (PY ₹ Nil) related to machineries used for CSR activities, hence transferred to CSR expenses.
Note: Refer note 17 for details of assets pledged.

Notes forming part of the Financial Statements (Contd.)

3. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

Particulars	Tangible Assets								Total
	Land - Free Hold *	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Computers & Accessories		
Cost or Deemed Cost :									
As at April 01, 2018	1,075.52	2,354.41	75,867.31	278.79	1,814.37	202.42	134.27		81,727.09
Additions	2,291.93	282.13	17,966.87	26.79	471.57	49.52	35.62		21,124.43
Disposals/Adjustments	(73.43)	-	(1,565.48)	-	-	-	-		(1,638.91)
As at March 31, 2019	3,294.02	2,636.54	92,268.70	305.58	2,285.94	251.94	169.89		1,01,212.61
Accumulated Depreciation									
As at April 01, 2018	-	1,039.41	45,965.51	215.07	1,123.73	137.77	108.61		48,590.10
Charge for the period	-	181.67	16,263.76	18.92	275.70	36.56	22.29		16,798.90
Disposals/Adjustments	-	-	(1,268.07)	-	-	-	-		(1,268.07)
As at March 31, 2019	-	1,221.08	60,961.20	233.99	1,399.43	174.33	130.90		64,120.93
Net Carrying Amount									
As at March 31, 2019	3,294.02	1,415.46	31,307.50	71.59	886.51	77.61	38.99		37,091.68
As at March 31, 2018	1,075.52	1,315.00	29,901.80	63.72	690.64	64.65	25.66		33,136.99

(₹ in Lakhs)

Notes forming part of the Financial Statements (Contd.)

3.1 INVESTMENT PROPERTY

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Investment Property *	6,587.97	6,299.84
	6,587.97	6,299.84

* Land and investment property includes ₹ 870.48 Lakhs (P.Y ₹ 798.42 Lakhs) held in the name of Directors, relatives of Directors for and on behalf of the Company.

As at March 31, 2020		As at March 31, 2019	
(₹ in Lakhs)		(₹ in Lakhs)	
Particulars	Amount	Particulars	Amount
Cost / Deemed Cost		Cost / Deemed Cost	
As at April 01, 2019	6,299.84	As at April 01, 2018	6,203.76
Additions	288.13	Additions	96.08
Disposals / Adjustments	-	Disposals / Adjustments	-
As at March 31, 2020	6,587.97	As at March 31, 2019	6,299.84
Accumulated Depreciation		Accumulated Depreciation	
As at April 01, 2019	-	As at April 01, 2018	-
Charge for the period	-	Charge for the period	-
Disposals / Adjustments	-	Disposals / Adjustments	-
As at March 31, 2020	-	As at March 31, 2019	-
Net block As at March 31, 2020	6,587.97	Net block As at March 31, 2019	6,299.84
Net block As at March 31, 2019	6,299.84	Net block As at March 31, 2018	6,203.76

Fair Value of Investment Property

Details and fair value of the investment property as on March 31, 2020 and March 31, 2019 is given below

Particulars	Fair value Hierarchy	(₹ in Lakhs)	
		As at March 31, 2020	As at March 31, 2019
Investment Property	Level 3	12,486.15	11,710.79
		12,486.15	11,710.79

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Notes forming part of the Financial Statements (Contd.)

3.2 OTHER INTANGIBLE ASSETS

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Computer Software	14.93	10.95
Total	14.93	10.95

As at March 31, 2020		
(₹ in Lakhs)		
Particulars	Computer software	Total
Cost / Deemed Cost		
As at April 01, 2019	37.88	37.88
Additions	15.12	15.12
Disposals / Adjustments	-	-
As at March 31, 2020	53.00	53.00
Accumulated Depreciation		
As at April 01, 2019	26.93	26.93
Charge for the period	11.14	11.14
Disposals	-	-
As at March 31, 2020	38.07	38.07
Net block		
As at March 31, 2020	14.93	14.93
As at March 31, 2019	10.95	10.95

As at March 31, 2019		
(₹ in Lakhs)		
Particulars	Computer software	Total
Cost / Deemed Cost		
As at April 01, 2018	30.63	30.63
Additions	7.25	7.25
Disposals / Adjustments	-	-
As at March 31, 2019	37.88	37.88
Accumulated Depreciation		
As at April 01, 2018	15.18	15.18
Charge for the period	11.75	11.75
Disposals	-	-
As at March 31, 2019	26.93	26.93
Net block		
As at March 31, 2019	10.95	10.95
As at March 31, 2018	15.45	15.45

4. INVESTMENTS

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Non-Current		
Trade - Unquoted		
a) Equity instruments of subsidiaries (At cost):		
KNR Agrotech & Beverages Pvt Ltd.	1.00	1.00
10,000 (10,000) equity shares of ₹ 10/- each, fully paid		
KNR Infrastructure Projects Pvt Ltd	1.00	1.00
10,000 (10,000) equity shares of ₹ 10/- each, fully paid		
KNR Energy Ltd	5.00	5.00
50,000 (50,000) equity shares of ₹ 10/- each, fully paid		
KNRC Holdings & Investments Private Ltd	1.00	1.00
10,000 (10,000) equity shares of ₹ 10/- each, fully paid		
KNR Muzaffarpur Barauni Tollway Pvt Ltd (Refer note 4.1)	45.90	45.90
4,59,000 (4,59,000) equity shares of ₹ 10/- each, fully paid		
KNR Chidambaram Infra Pvt Ltd (Refer note 4.3)	-	835.00
Nil (83,500) equity shares of ₹ 1,000/- each, fully paid		

Notes forming part of the Financial Statements (Contd.)

4. INVESTMENTS (CONTD.)

(₹ in Lakhs)		
Particulars	As at March 31, 2020	As at March 31, 2019
KNR Srirangam Infra Pvt Ltd (Refer note 4.4)	4,811.50	1,100.00
4,81,150 (1,10,000) equity shares of ₹ 1,000/- each, fully paid		
KNR Shankarampet Project Pvt. Ltd. (Refer note 4.5)	5,211.50	1,309.00
5,21,150 (1,30,900) equity shares of ₹ 1,000/- each, fully paid		
KNR Tirumala Infra Pvt Ltd. (Refer note 4.6)	7,162.50	7,162.50
7,16,250 (7,16,250) equity shares of ₹ 1,000/- each, fully paid		
KNR Somwarpet Infraproject Pvt Ltd (Refer note 4.7)	10.00	10.00
1,000 (1,000) equity shares of ₹ 1,000/- each, fully paid		
KNR Palani Infra Pvt Ltd. (Refer note 4.8)	10.00	10.00
1,000 (1,000) equity shares of ₹ 1,000/- each, fully paid		
Total Unquoted Investments in Subsidiaries	17,259.40	10,480.40
b) Equity instruments of associates (At Cost):		
Patel KNR Infrastructures Ltd.	1,480.00	1,480.00
1,48,00,000 (1,48,00,000) equity shares of ₹ 10/- each, fully paid		
Patel KNR Heavy Infrastructures Ltd	952.95	952.95
95,29,500 (95,29,500) equity shares of 10/- each, fully paid		
Total Un quoted Investments in Associates	2,432.95	2,432.95
Less : Impairment Made	(1,086.64)	(1,086.64)
Net Un quoted Investments in Associates	1,346.31	1,346.31
Total equity Investments (a+b)	18,605.71	11,826.71
c) Other Investment In Subsidiaries & Associates (Quasi Equity)		
Subsidiaries		
KNR Muzaffarpur Barauni Tollway Pvt Ltd.,	5,276.50	5,276.50
KNR Agrotech & Beverages Pvt Ltd.,	12.85	12.85
KNR Energy Limited	34.90	34.90
KNRC Holdings and Investments Pvt Ltd	3,985.39	3,985.39
KNR Shankarampet Project Pvt. Ltd.	1,544.50	-
KNR Tirumala Infra Pvt Ltd.	90.00	90.00
KNR Somwarpet Infraproject Pvt Ltd	677.32	-
KNR Palani Infra Pvt Ltd	395.71	-

Notes forming part of the Financial Statements (Contd.)

4. INVESTMENTS (CONTD.)

		(₹ in Lakhs)	
Particulars		As at March 31, 2020	As at March 31, 2019
Associates			
Patel KNR Heavy Infrastructures Ltd.,		1,793.69	1,033.69
Total other Investments		13,810.86	10,433.33
Total non-current investments (a+b+c)		32,416.57	22,260.04
Current - Held for Sale			
Trade - Unquoted			
d) Equity instruments and Other Investment (Quasi Equity) of Subsidiaries :			
KNR Walayar Tollways Pvt Ltd (Refer note 4.2)		90.00	90.00
9,00,000 (9,00,000) equity shares of ₹ 10/- each, fully paid			
KNR Walayar Tollways Pvt Ltd (Quasi Equity)		39,651.00	39,651.00
Less: Impairment Made		(671.53)	-
Total Un quoted Investments in Subsidiaries		39,069.47	39,741.00
Trade - Quoted - at fair value			
e) Investments in Mutual Funds			
	No.of Units		
ICICI Mutual fund	Nil (PY 9974.793)	-	9.99
Total quoted Investments		-	9.99
Total current investments (d+e)		39,069.47	39,750.99
Total Investments			
i) Aggregate amount of Unquoted equity investments in Subsidiaries - Non Current (a)		17,259.40	10,480.40
ii) Aggregate amount of Unquoted equity investments in Associates - Non Current (b)		2,432.95	2,432.95
iii) Aggregate amount of impairment in value of investments - Non Current (b)		(1,086.64)	(1,086.64)
iv) Aggregate amount of amortised cost of unquoted investments - Non Current (c)		13,810.86	10,433.33
v) Aggregate amount of Unquoted investments in Subsidiaries - Current (d)		39,741.00	39,741.00
vi) Aggregate amount of impairment in value of investments - Current (d)		(671.53)	-
vii) Aggregate value of quoted investments - Current (e)		-	9.99
Total		71,486.04	62,011.03

Note : Aggregate market value of quoted investments is ₹ Nil (March 31, 2019 ₹ 9.99)

- 4.1** 1,44,000 Shares (P.Y. 1,44,000) equity share have been pledged with Punjab National Bank for the term loan availed by KNR Muzaffarpur Barauni Tollway Pvt Ltd.,
- 4.2** 4,59,000 Shares (P.Y. 4,59,000) equity share have been pledged with Central Bank of India for the term loan availed by KNR Walayar Tollways Pvt Ltd.,
- 4.3** Nil Shares (P.Y. 300) equity share have been pledged with Axis Trustee services Ltd. for the term loan availed by KNR Chidambaram Infra Pvt Ltd.,
- 4.4** 2,45,387 Shares (P.Y. 300) equity share have been pledged with Axis Trustee services Ltd. for the term loan availed by KNR Srirangam Infra Pvt Ltd.,
- 4.5** 2,65,787 Shares (P.Y. 300) equity share have been pledged with Axis Trustee services Ltd. for the term loan availed by KNR Shankarampet Projects Pvt Ltd.,
- 4.6** 3,65,288 Shares (P.Y. 300) equity share have been pledged with Axis Trustee services Ltd. for the term loan availed by KNR Tirumala Infra Pvt Ltd.,

Notes forming part of the Financial Statements (Contd.)

- 4.7 300 Shares (P.Y. Nil) equity share have been pledged with Catalyst Trusteeship Ltd. for the term loan availed by KNR Somwarpet Infra Project Pvt Ltd.,
- 4.8 300 Shares (P.Y. Nil) equity share have been pledged with Axis Trustee services Ltd. for the term loan availed by KNR Palani Infra Pvt Ltd.,

5. LOANS

(₹ in Lakhs)		
Particulars	As at March 31, 2020	As at March 31, 2019
Non-current		
Unsecured, considered good:		
Loans to related parties (Refer note : 5.1)		
- Subsidiaries (Refer note : 45)	283.51	260.57
Total Non-Current Loans	283.51	260.57
Current		
Unsecured, considered good:		
Loans to		
- Joint Venture Partners	286.74	394.18
Total Current Loans	286.74	394.18
Total	570.25	654.75

- 5.1 - Loans due by subsidiaries have common directors.
- Intercorporate loans to related parties carried at fair value(Amortised cost) as per Ind AS
 - All the above loans are interest bearing

6. OTHER FINANCIAL ASSETS

(₹ in Lakhs)		
Particulars	As at March 31, 2020	As at March 31, 2019
Non-current		
Unsecured, considered good:		
Retention deposits & With Held	59.50	59.50
Advances to Sub-contractors	63.07	195.48
Total Non-Current Other Financial Assets	122.57	254.98
Current		
Unsecured, considered good:		
Advances to related parties (Refer note : 45)	767.21	356.25
Retention Deposits & Withheld	15,501.72	14,442.55
Interest receivable	474.89	205.16
Security Deposits	863.65	1,615.83
TDS Refund Receivable from Joint Venture's	194.35	721.97
Others	3,409.54	3,367.55
Total Current Other Financial Assets	21,211.36	20,709.31
Total	21,333.93	20,964.29

Notes forming part of the Financial Statements (Contd.)

7. DEFERRED TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred tax assets	16,243.57	17,507.18
Deferred tax liability	(145.03)	(116.42)
Total	16,098.54	17,390.76

7.1 Components of deferred income tax assets and liabilities arising on account of temporary differences are:

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred tax asset		
Expenditure disallowed under Income Tax Act, 1961	731.43	511.04
Provision for doubtful advances	-	264.81
Deferred tax on fair value of investment of properties	1,374.63	1,285.74
Property, plant and equipment	10,487.68	7,548.14
MAT credit entitlement	3,649.83	7,897.45
	16,243.57	17,507.18
Deferred tax liability		
Interest income recognised on Intercorporate loans	(56.33)	(48.03)
On OCI (Gratuity)	(88.70)	(68.39)
	(145.03)	(116.42)
Total	16,098.54	17,390.76

8. TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Non-current		
Advance Tax	2,164.88	1,378.28
Total Non-current Tax Asset	2,164.88	1,378.28
Current		
Advance Tax	17,653.62	-
Less: Provision for Income Tax	(15,847.24)	-
Total Current Tax Asset	1,806.38	-
Total	3,971.26	1,378.28

Notes forming part of the Financial Statements (Contd.)

9. OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Un-secured Considered good		
Capital advances	302.45	794.02
Security Deposits	454.32	189.11
Dues from Statutory authorities	8,175.99	10,850.30
Total	8,932.76	11,833.43

10. INVENTORIES

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Raw materials	7,480.64	5,327.96
Goods-in transit	273.10	522.72
	7,753.74	5,850.68
Stores and spares	4,339.90	3,541.44
Goods-in transit	222.63	117.20
	4,562.53	3,658.64
Total	12,316.27	9,509.32

10.1 The above inventories are valued at weighted average cost or net realisable value whichever is less.

11. TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Unsecured, considered good		
Trade Receivables (Refer note : 11.1)	47,610.80	23,440.67
Total Current Trade Receivables	47,610.80	23,440.67
Total	47,610.80	23,440.67

11.1 Includes ₹ 33,655.69 Lakhs (P.Y ₹ 19,045.98 Lakhs) due from company/Joint Ventures in which Company/Directors are interested.

Notes forming part of the Financial Statements (Contd.)

12. CASH AND CASH EQUIVALENTS

(₹ in Lakhs)		
Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks:		
In current accounts	1,913.96	537.40
Cheques on hand	50.05	-
Cash on hand	55.24	45.43
Total	2,019.25	582.83

13. OTHER BANK BALANCES

(₹ in Lakhs)		
Particulars	As at March 31, 2020	As at March 31, 2019
Margin Money & Other Deposits (Refer Note: 13.1)	1,283.04	716.59
Un-claimed Dividend	2.68	2.33
Total	1,285.72	718.92

13.1 Margin Money Deposits have been lodged with Banks against Guarantees / Letters of credit issued by them.

14. OTHER CURRENT ASSETS

(₹ in Lakhs)		
Particulars	As at March 31, 2020	As at March 31, 2019
Un-secured Considered good		
Advances to Sub-contractors	12,635.54	10,584.69
Advances to Suppliers (Other than capital advances)	1,846.71	1,621.91
Staff Imprest & Salary Advances	251.66	274.98
Prepaid expenses	420.52	469.59
Due from Customers	24,770.17	22,106.00
Receivables from Others	569.35	84.88
Security Deposits	3.93	2.30
Considered doubtful		
Other Receivables	-	757.80
Less: Provision for doubtful trade receivables	-	(757.80)
Total	40,497.88	35,144.35

Notes forming part of the Financial Statements (Contd.)

15. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Authorised Share capital				
Equity Shares of ₹ 2/- each	17,50,00,000	3,500.00	17,50,00,000	3,500.00
Issued, subscribed & fully paid share capital				
Equity Shares of ₹ 2/- each	14,06,17,300	2,812.35	14,06,17,300	2,812.35
Total		2,812.35		2,812.35

15.1 Reconciliation of the number of shares outstanding at the beginning and at the end of the year is set out below

(₹ in Lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Number of Equity Shares at the beginning of the year	14,06,17,300	2,812.35	14,06,17,300	2,812.35
Add:- Number of Shares Issued	-	-	-	-
Less: Number of Shares Bought Back	-	-	-	-
Number of Equity Shares at the end of the year	14,06,17,300	2,812.35	14,06,17,300	2,812.35

Terms/ Rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of ₹ 2/- Each holder of equity shares is entitled to one vote per share.

During the Year ended March 31, 2020 the Company has declared and paid Interim dividend of ₹ 0.50 per share (i.e 25% of face value of ₹ 2/- each) at the Board Meeting held on March 10, 2020.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

15.2 The details of shareholder holding more than 5% shares as at March 31, 2020 and March 31, 2019 is set out below:

Name of the shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	% holding	No. of Shares	% holding
Kamidi Narsimha Reddy	4,57,43,595	32.53	4,57,43,595	32.53
Kamidi Jalandhar Reddy	1,96,29,605	13.96	1,96,29,605	13.96
HDFC Trustee Company Ltd	89,99,300	6.40	89,99,300	6.40
DSP equity & bond Fund	86,81,047	6.17	90,27,249	6.42
ICICI Prudential Equity & Debt Fund	94,25,949	6.70	93,79,988	6.67

Notes forming part of the Financial Statements (Contd.)

16. OTHER EQUITY

(₹ in Lakhs)		
Particulars	As at March 31, 2020	As at March 31, 2019
a) Securities premium reserve	12,599.31	12,599.31
b) General reserve	2,849.00	2,849.00
c) Surplus in the statement of profit and loss		
Balance at the beginning of the period	1,23,261.19	97,612.78
Add: Profit/(Loss) for the period	22,522.31	26,326.50
Less: Dividend paid /Payable	(1,265.56)	(562.47)
Dividend Tax paid / Payable	(260.14)	(115.62)
	1,44,257.80	1,23,261.19
d) Other Comprehensive Income - Gratuity	(129.62)	(90.96)
Total (a+b+c+d)	1,59,576.49	1,38,618.54

17. BORROWINGS

(₹ in Lakhs)		
Particulars	As at March 31, 2020	As at March 31, 2019
Non-current		
Secured loans		
Term Loans		
From banks		
Equipment and vehicle loans (Refer note 17.1)	113.41	1,664.00
	113.41	1,664.00
Unsecured loans		
From related parties (Refer note 17.2)	17,932.32	20,460.33
	17,932.32	20,460.33
Total non-current borrowings	18,045.73	22,124.33
Current		
Secured loans		
From banks (Refer note 17.3 & 17.4)		
Working capital demand loans	600.14	-
Cash credits	2,764.28	1,694.14
Total current borrowings	3,364.42	1,694.14
Total	21,410.15	23,818.47

Notes forming part of the Financial Statements (Contd.)

17. BORROWINGS (CONTD.)**17.1 Details of Secured loans with rate of interest & Maturity Dates**

(₹ in Lakhs)

Particulars	Effective Interest rate(p.a)	Maturity	As at March 31, 2020	As at March 31, 2019
Non-current Borrowings				
- From Banks				
- HDFC Bank Ltd	9.05%	07-Apr-21	113.41	1,400.03
- Axis Bank Ltd	8.75%	20-May-20	-	263.97
			113.41	1,664.00
Current maturities				
- From Banks				
- HDFC Bank Ltd	9.05%	07-Apr-21	1,296.53	1,090.06
- Axis Bank Ltd	8.75%	20-May-20	263.97	1,505.73
Total			1,560.50	2,595.79
Total Secured loans			1,673.91	4,259.79

Terms of Security**From Banks**

- i) HDFC Bank Ltd.,
 - Secured by Hypothecation of specific assets purchased out of the loan, comprising Plant & Machinery
- ii) Axis Bank Ltd.,
 - Secured by Hypothecation of specific assets purchased out of the loan, comprising Plant & Machinery

17.2 Un-secured Loans

The Company availed un-secured loan from directors, which are repayable on demand and carries interest at SBI 1 year MCLR with a spread of 0.2%, and the interest rate will be changed according to the changes in SBI MCLR from time to time.

17.3 Working Capital Facilities: Cash Credit facilities from consortium of banks are secured by: (Repayable on demand)

- a. Hypothecation of entire current assets on pari passu basis with other participating banks,
- b. First pari passu charge on equitable mortgage of certain land & buildings
- c. Hypothecation of certain equipment's of written down value as on 30.09.2018 is ₹ 65.03 Crores
- d. Personal guarantee of Director.

17.4 The interest rate for working capital demand loan and cash credit facilities varies from 8.60% to 10.00 % per annum

18. OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Non-current		
Retention Deposits and Withheld Amount	15.36	15.36
Total non-current other financial liabilities	15.36	15.36
Current		
Current maturities of long-term debts:		
Equipment and vehicle loans - from banks (Refer note: 17.1)	1,560.50	2,595.79
Interest accrued but not due other than Mobilisation Advance (Refer note 18.1)	121.04	391.28

Notes forming part of the Financial Statements (Contd.)

18. OTHER FINANCIAL LIABILITIES (CONTD.)

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Interest accrued but not due on Mobilisation Advance	990.00	-
Unclaimed dividend (Refer note 18.2)	2.76	2.41
Retention Deposits and With held	11,751.68	11,697.52
Security Deposits	516.09	481.89
Outstanding Expenses	1,582.19	1,418.59
Current account balances with JV's	-	75.51
Total current other financial liabilities	16,524.26	16,662.99
Total	16,539.62	16,678.35

18.1 Interest accrued includes interest on un-secured loans received from Directors ₹ 102.93 Lakhs (March 31, 2019 ₹ 385.55 Lakhs)

18.2 During the current year, an un-paid dividend amount of ₹ 28,813 /- for relating to F.Y 2011-12 has been transferred to Investor Education and Protection Fund. The balance un-paid dividend is not due for transfer to the Investor Education and Protection Fund as at Balance Sheet date.

19. TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Non-current	-	-
Current		
Trade payables (Refer note 19.1)		
Sundry Creditors (Suppliers)	17,413.24	14,380.42
Bills Payable (Sub-contractors/Labour/Service)	7,696.75	7,980.22
Total current trade payables	25,109.99	22,360.64
Total	25,109.99	22,360.64

19.1 Trade payable other than acceptances include certain dues to Micro and Small Enterprises, under the Micro, Small and Medium Enterprises Development Act, 2006 that have been determined based on the information available with the company and the required disclosures are given below:

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
a) Principal amount remaining unpaid	478.26	550.23
b) Interest due thereon	-	-
c) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
d) Interest due and payable for the period of delay in making payment (which have been paid but beyond the day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Notes forming part of the Financial Statements (Contd.)

19. TRADE PAYABLES (CONTD.)

(₹ in Lakhs)		
Particulars	As at March 31, 2020	As at March 31, 2019
e) Interest accrued and remaining unpaid at the end of accounting year	-	-
f) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

20. PROVISIONS

(₹ in Lakhs)		
Particulars	As at March 31, 2020	As at March 31, 2019
Non-current		
Provision for employee benefits		
- Gratuity	587.82	466.85
Total non-current provisions	587.82	466.85
Current		
Provision for Labour Cess	441.93	1,054.97
Provision for Expenses	1,071.00	-
Provision for employee benefits		
- Gratuity	221.06	120.97
Total current provisions	1,733.99	1,175.94
Total	2,321.81	1,642.79

21. OTHER NON-CURRENT LIABILITIES

(₹ in Lakhs)		
Particulars	As at March 31, 2020	As at March 31, 2019
Advance received from clients	808.62	1,058.62
Security Deposits	243.47	265.91
Total	1,052.09	1,324.53

22. OTHER CURRENT LIABILITIES

(₹ in Lakhs)		
Particulars	As at March 31, 2020	As at March 31, 2019
Mobilisation Advance received from clients (Refer note: 45)	11,660.47	7,082.27
Advance received from clients	-	89.10
Due to Customers	27,699.02	9,650.28
Security deposits	1,993.21	1,609.98
Dues to statutory authorities	887.20	823.60
Others	567.48	127.19
Total	42,807.38	19,382.42

Notes forming part of the Financial Statements (Contd.)

23. TAX LIABILITY (NET)

(₹ in Lakhs)		
Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Provision for Income Tax	86.07	6,046.55
Less: Advance tax paid	(44.91)	(5,652.55)
Total	41.16	394.00

24. REVENUE FROM OPERATIONS

(₹ in Lakhs)		
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Income from Contracts	2,22,198.89	2,10,289.46
Other Operating Income	2,225.00	3,436.16
Total	2,24,423.89	2,13,725.62

25. OTHER INCOME

(₹ in Lakhs)		
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest Income	3,118.93	444.78
Un winding interest on fair value of un secured loans	22.93	16.43
Interest on Income tax refunds	55.90	-
Dividend Income on Mutual funds	0.03	297.28
Gain on foreign currency transactions	3.64	12.02
Other non-operating income		
Profit on Sale of Asset	264.21	846.75
Discount received from suppliers	574.02	639.73
Liabilities no longer required written back	658.65	1,514.95
Insurance claim received	123.19	74.60
Profit on Sale of Mutual Funds	-	336.12
Provision for Doubtful advances Written back	-	620.53
Miscellaneous Income	837.36	1,535.39
Total	5,658.86	6,338.58

Notes forming part of the Financial Statements (Contd.)

26. COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Construction Materials, Stores & Spares		
Opening Stock	9,509.32	7,118.38
Add: Net Purchases	78,135.09	66,711.08
	87,644.41	73,829.46
Less: Closing Stock	12,316.27	9,509.32
Total Consumption	75,328.14	64,320.14

27. CONSTRUCTION EXPENSES

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Sub-contract Expenses	7,700.73	17,550.87
Spreading & Assortment Exp.	52,470.79	56,938.65
Power and Fuel	1,228.31	703.34
Seigniorage charges / Royalty	7,304.50	7,439.94
Transport Charges	5,836.14	6,003.48
Hire Charges	2,110.80	1,698.43
Watch & Ward	499.06	355.03
Other Recoveries by Clients	712.97	50.29
Repairs to Buildings & Others	191.15	135.57
Repairs to Machinery	329.17	244.21
Repairs to Vehicles	391.22	293.71
Other Construction expenses	3,603.43	2,221.45
Total	82,378.27	93,634.97

28. EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, Wages and Other Benefits	12,138.67	8,978.38
Contribution to Provident and Other Funds	201.95	180.86
Staff welfare Expenses	181.30	126.49
Total	12,521.92	9,285.73

Note: The Hon'ble Supreme Court of India ("SC") by their order dated February 28 2019, has delivered a judgement in the case of Surya Roshani Limited and Others vs. EPFO wherein they have set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purpose of computation of Provident fund contribution, The Company is reviewing the impact of this decision of policies.

Notes forming part of the Financial Statements (Contd.)

29. FINANCE COSTS

(₹ in Lakhs)		
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest Expense on		
Working Capital Demand Loans and Cash Credit	745.63	105.24
Term Loans	276.98	182.63
Loan from Directors	1,675.73	1,823.81
Interest on Mobilisation Advance	1,100.00	-
Un winding Interest on Lease liability	10.93	-
Others	132.81	20.29
	3,942.08	2,131.97
Other Borrowing Costs		
Processing Charges	150.47	145.37
BG / LC Charges	556.74	549.72
Bank and Other Financial Charges	91.78	83.19
Total	4,741.07	2,910.25

30. DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lakhs)		
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation & amortisation	19,078.47	16,810.65
Depreciation & amortisation - ROU	106.30	-
Total	19,184.77	16,810.65

31. OTHER EXPENSES

(₹ in Lakhs)		
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Travelling & Conveyance (includes Boarding & Lodging Expenses)	293.74	268.69
Postage & Telegrams and Telephones	73.04	80.10
Business promotion expenses	5.48	3.72
Advertisement and publicity	91.34	473.11
Legal & Professional Charges	1,462.04	648.55
Insurance	392.17	368.31
Rates and taxes excluding taxes of Income	591.10	365.36
Auditor's Remuneration (including out of pocket Expenses)	15.60	13.10
Printing & Stationery	110.57	85.87
Tender expenses	31.19	20.83
Office maintenance	75.07	61.44
Rent expenses	516.98	439.01

Notes forming part of the Financial Statements (Contd.)

31. OTHER EXPENSES (CONTD.)

(₹ in Lakhs)

Particulars	Year ended	
	March 31, 2020	March 31, 2019
Electricity charges	167.24	187.66
Directors Sitting Fees	43.00	37.00
Loss on sale of Assets	-	1.67
Bad Debts / Advances Written Off	591.54	346.94
Donation	121.77	21.37
CSR expenses (Refer note: 31.1)	675.69	74.51
Interest on Statutory dues	54.14	50.79
Loss on Foreign Currency Transactions	0.21	-
Miscellaneous expenses	176.66	240.29
Total	5,488.57	3,788.32

31.1 As per Section 135 of Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities.

A CSR committee has been formed by the Company as per the act. The funds were primarily allocated to the corpus and utilised through out the year on these activities in schedule VII of the Companies Act, 2013.

- Gross amount required to be spent by the Company during the year ₹ 478.85 Lakhs (P.Y ₹ 374.12 Lakhs)
- Amount spent during the year on :

(₹ in Lakhs)

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
	In cash	Yet to be paid in cash	In cash	Yet to be paid in cash
1. Construction/ acquisition of any assets				
2. On Purposes other than (1) above	675.69	444.86*	74.51	641.70*

* Including cumulative un-spent amount of previous years.

32. EXCEPTIONAL ITEMS

(₹ in Lakhs)

Particulars	Year ended	
	March 31, 2020	March 31, 2019
Investments written off	400.61	254.96
Impairment of Investment	671.53	-
Total	1,072.14	254.96

Notes forming part of the Financial Statements (Contd.)

33. TAX EXPENSE

(₹ in Lakhs)		
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A - Current Tax		
Current tax on profits for the year	9,774.20	6,046.55
Adjustments in respect of prior years (Refer note 33.1)	6.45	49.58
Sub-Total	9,780.65	6,096.13
B - Deferred Tax		
Deferred Tax Liability / (Asset) due to timing difference	(2,935.09)	(2,772.34)
MAT credit entitlement	-	(591.11)
Sub-Total	(2,935.09)	(3,363.45)
Total	6,845.56	2,732.68

33.1 Reconciliation of tax expenses to accounting profit

(₹ in Lakhs)		
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Accounting profit before tax	29,367.87	29,059.18
Tax @ 34.944% (PY 34.944%)	10,262.31	10,154.44
Adjustments		
Effect of income exempt from taxation	(4,182.99)	(7,058.51)
Effect of expenses that are not deductible in determining taxable profit	3,695.47	2,241.05
Others	(0.59)	-
Short term capital gain on Mutual funds and Long Term Capital gains on lands	-	118.46
Earlier year taxes	6.45	49.58
Deferred tax	(2,935.09)	(2,772.34)
Tax Expenses recognised in the statement of profit and loss	6,845.56	2,732.68
Income tax credit/(expense) recognised in Other Comprehensive Income :		
Tax effect on actuarial gains/losses on defined benefit obligations	(20.31)	(0.41)

34. OTHER COMPREHENSIVE INCOME

(₹ in Lakhs)		
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Items that will not be reclassified to profit or loss		
i) Actuarial Gains & (Losses) on plan benefits	(58.97)	(1.18)
ii) Deferred Tax on above	20.31	0.41
Total	(38.66)	(0.77)

Notes forming part of the Financial Statements (Contd.)

35. CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company, the company's policy is to maintain a strong capital base so as to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and for the future development of the Company. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return on capital to shareholders or issue of new shares.

The Company's adjusted net debt to equity ratio at March 31, 2020 and March 31, 2019 was as follows

Particulars	₹ in Lakhs	
	March 31, 2020	March 31, 2019
Total debt	23,091.69	26,805.54
Less: cash and cash equivalents	3,304.97	1,301.75
Adjusted net debt	19,786.72	25,503.79
Total equity	1,62,388.84	1,41,430.89
Adjusted equity	1,62,388.84	1,41,430.89
Adjusted net debt to adjusted equity ratio	0.12	0.18

Foot note : Total Debt includes Long term Borrowings (Including Current Maturities) and Interest Accrued thereon and Short term Borrowings. Cash and Cash equivalents includes other Bank Balances.

36. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT**A. Accounting fair values classifications and measurement**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Particulars	₹ in Lakhs						
	Carrying amount			Fair Value			
	FVTPL	Amortised Cost	Total carrying amount	Level 1 (Quoted prices in active markets)	Level 2 (Significant observable inputs)	Level 3 (Significant unobservable inputs)	Total
Financial assets							
Investments in Associates	-	18,605.71	18,605.71	-	-	18,605.71	18,605.71
Investments in Associates held for sale		39,069.47	39,069.47			39,069.47	39,069.47
Other Investments	-	13,810.86	13,810.86	-	-	13,810.86	13,810.86
Trade receivables	-	47,610.80	47,610.80	-	-	47,610.80	47,610.80
Cash and cash equivalents	-	3,304.97	3,304.97	-	-	-	-
Loans	-	570.25	570.25	-	-	570.25	570.25
Other financial assets	-	21,333.93	21,333.93	-	-	21,333.93	21,333.93
	-	1,44,305.99	1,44,305.99	-	-	1,41,001.02	1,41,001.02
Financial liabilities							
Secured Bank loans	-	5,038.33	5,038.33	-	-	5,038.33	5,038.33
Un Secured loans	-	17,932.32	17,932.32	-	-	17,932.32	17,932.32
Trade payables	-	25,109.99	25,109.99	-	-	25,109.99	25,109.99
Lease Liability		107.53	107.53			107.53	107.53
Other financial liabilities	-	14,979.12	14,979.12	-	-	14,979.12	14,979.12
	-	63,167.29	63,167.29	-	-	63,167.29	63,167.29

The management assessed the financial assets and liabilities measured at amortised cost are approximate to the fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

Notes forming part of the Financial Statements (Contd.)

36. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTD.)

As at March 31, 2019							(₹ in Lakhs)
Particulars	Carrying amount			Fair Value			Total
	FVTPL	Amortised Cost	Total carrying amount	Level 1 (Quoted prices in active markets)	Level 2 (Significant observable inputs)	Level 3 (Significant unobservable inputs)	
Financial assets							
Investments in Associates	-	11,826.71	11,826.71	-	-	11,826.71	11,826.71
Investments in Associates held for sale	-	39,741.00	39,741.00	-	-	39,741.00	39,741.00
Other Investments	9.99	10,433.33	10,443.32	9.99	-	10,433.33	10,443.32
Trade receivables	-	23,440.67	23,440.67	-	-	23,440.67	23,440.67
Cash and cash equivalents	-	1,301.75	1,301.75	-	-	-	-
Loans	-	654.75	654.75	-	-	654.75	654.75
Other financial assets	-	20,964.29	20,964.29	-	-	20,964.29	20,964.29
	9.99	1,08,362.50	1,08,372.49	9.99	-	1,07,060.75	1,07,070.74
Financial liabilities							
Secured Bank loans	-	5,953.93	5,953.93	-	-	5,953.93	5,953.93
Un Secured loans	-	20,460.33	20,460.33	-	-	20,460.33	20,460.33
Trade payables	-	22,360.64	22,360.64	-	-	22,360.64	22,360.64
Other financial liabilities	-	14,082.56	14,082.56	-	-	14,082.56	14,082.56
	-	62,857.46	62,857.46	-	-	62,857.46	62,857.46

The management assessed the financial assets and liabilities measured at amortised cost are approximate to the fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

B. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- market risk

The Company's focus is to estimate a vulnerability of financial risk and to address the issue to minimise the potential adverse effects of its financial performance.

a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers; loans and investments in debt securities.

The carrying amounts of financial assets represent the maximum credit risk exposure.

Credit risk on trade receivables, is limited as the customers of the Company mainly consists of the Government promoted entities having a strong credit worthiness.

Notes forming part of the Financial Statements (Contd.)

36. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTD.)**b) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimising its cash return on investments.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

As at March 31, 2020					(₹ in Lakhs)
Particulars	Contractual Cash flows				Total
	Carrying Amount	Upto 1 year	1 to 3 Years	More than 3 years	
Non-derivative financial liabilities					
Secured Bank loans	5,038.33	4,924.92	113.41	-	5,038.33
Un Secured loans	17,932.32	-	6,276.31	11,656.01	17,932.32
Trade payables	25,109.99	17,576.99	7,533.00	-	25,109.99
Lease Liability	107.53	91.10	16.43	-	107.53
Other financial liabilities	14,979.12	2,246.87	5,665.88	7,066.37	14,979.12
	63,167.29	24,839.88	19,605.03	18,722.38	63,167.29

As at March 31, 2019					(₹ in Lakhs)
Particulars	Contractual Cash flows				Total
	Carrying Amount	Upto 1 year	1 to 3 Years	More than 3 years	
Non-derivative financial liabilities					
Secured Bank loans	5,953.93	4,289.93	1,664.00	-	5,953.93
Un Secured loans	20,460.33	-	6,138.10	14,322.23	20,460.33
Trade payables	22,360.64	15,652.45	6,708.19	-	22,360.64
Other financial liabilities	14,082.56	2,112.38	4,936.30	7,033.87	14,082.56
	62,857.46	22,054.76	19,446.60	21,356.10	62,857.46

c) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

i) Foreign currency risk

Foreign Currency risk is the risk that fair value or future cash flow of a financial instrument will fluctuate because of changes in foreign exchange rate.

The Company is not exposed to foreign currency risk as it has no borrowing or no material payables in foreign currency.

Notes forming part of the Financial Statements (Contd.)

36. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTD.)

ii) 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. Since the Company has insignificant variable interest bearing borrowings, the exposure to risk of changes in market interest rates is minimal.

iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).

The Company is exposed to price risk due to investments in mutual funds and classified as fair value through profit and loss.

The Company measures risk through sensitivity analysis.

The Company's risk management policy is to mitigate the risk by investments in diversified mutual funds.

The Company's exposure to price risk due to investments in mutual fund is as follows: (₹ in Lakhs)

Particulars	Note	March 31, 2020	March 31, 2019
Investments in Mutual Funds	4	-	9.99

Sensitivity analysis (₹ in Lakhs)

Price Rate Risk Analysis	Impact on profit/ loss after tax	
	Year Ended March 31, 2020	Year Ended March 31, 2019
Increase or decrease in NAV by 2%	-	0.20

Note : In case of Decrease in NAV, Profit will reduce and vice versa

37. CONTINGENT LIABILITY, COMMITMENTS AND CONTINGENT ASSETS

(₹ in Lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
i) Contingent Liabilities		
a) Claims against the company not acknowledged as debt #		
1. Disputed Income tax and Interest on TDS	5,371.17*	4,697.07*
2. Disputed Sales tax/ VAT/ Entry tax	544.68	554.28
3. Disputed Service tax	333.53	333.53
4. Others (Civil cases)	1,341.69	1,341.69
# Interest, if any, not ascertainable after the date of order.		
b) Guarantees		
Corporate guarantees given to banks and financial institutions for financial assistance extended to Subsidiaries, Associates and Joint Ventures		
Subsidiaries	6,220.10	6,220.10
c) Other money for which the company is contingently liable		
Joint and several liabilities in respect of joint venture projects and liquidated damages in respect of delays in completion of projects.	Amount not ascertainable	Amount not ascertainable
Total	13,811.17	13,146.67

Notes forming part of the Financial Statements (Contd.)

37. CONTINGENT LIABILITY, COMMITMENTS AND CONTINGENT ASSETS (CONTD.)

* The Company has got benefit of deduction under Section 80 IA (4) on eligible projects under provisions of Income Tax Act, 1961 for an amount of ₹ 4,474.13 Lakhs, for the A.Y 2006-07 to 2012-13 the department has filed appeals against ITAT orders at the High Court of Judicature at Hyderabad for the States of Telangana and for the AY 2013-14 and AY 2014-15 department filed appeals against CIT(Appeals) at ITAT, Hyderabad.

The Company considers it appropriate not to create a liability for the above said amount on the basis of assessment made by the management.

(₹ in Lakhs)		
ii) Commitments		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for	103.37	532.16
b) Other commitments		
Estimated amount of committed funding by way of equity/loans to subsidiary companies	42,524.97	50,704.50
Total	42,628.34	51,236.66
iii) Contingent Assets		
Arbitration claims awarded, but client not accepted	47,135.16	49,055.89

38. REMUNERATION PAID TO THE STATUTORY AUDITORS

(₹ in Lakhs)		
	2019-20	2018-19
Statutory Audit Fees	12.00	10.00
Taxation	1.50	1.00
Other services (including Out of pocket expenses)	2.10	2.10

39. DISCLOSURE PURSUANT TO IND AS 33 "EARNINGS PER SHARE(EPS)"

(₹ in Lakhs)		
	2019-20	2018-19
i. Profit (loss) attributable to equity shareholders(basic)	22,522.31	26,326.50
ii. Weighted average number of equity shares (basic)	1,406.17	1,406.17
Basic EPS	16.02	18.72
i. Profit (loss) attributable to equity shareholders(diluted)	22,522.31	26,326.50
ii. Weighted average number of equity shares (diluted)	1,406.17	1,406.17
Diluted EPS	16.02	18.72

40. EMPLOYEE BENEFITS

The disclosure is pursuant to the requirements of Ind AS - 19

Defined Benefit plans:

The Company operates gratuity plan through a trust wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement whichever is earlier. The benefit vests after five years of continuous service. During the period, the company has made a contribution to the provident fund for ₹ 198.63 Lakhs (PY 2018-19 is ₹ 178.52 Lakhs).

Notes forming part of the Financial Statements (Contd.)

40. EMPLOYEE BENEFITS (CONTD.)

Changes in the Present Value of Obligation		(₹ in Lakhs)	
	March 31, 2020	March 31, 2019	
Present value of obligations as at beginning of the year	609.41	508.75	
Interest cost	44.19	34.12	
Current Service cost	120.97	66.33	
Benefits paid	-	(1.84)	
Actuarial (gain)/loss on obligations			
- Due to change in financial obligations	(69.04)	(18.81)	
- Due to change in demographic assumption	0.05	-	
- Due to experience adjustments	126.58	20.86	
Past service cost	-	-	
Present value of obligations as at end of year	832.15	609.41	

Changes in Fair value of plan assets		(₹ in Lakhs)	
	March 31, 2020	March 31, 2019	
Fair value of plan assets at beginning of the year	21.58	20.65	
Interest Income	3.06	0.91	
Expected return on plan assets	(1.38)	0.87	
Contributions	-	1.00	
Benefits paid	-	(1.84)	
Actuarial gain/(loss) on obligation	-	-	
Fair value of plan assets at the end of year	23.27	21.59	

Assets recognised in the Balance Sheet		(₹ in Lakhs)	
	March 31, 2020	March 31, 2019	
Liability at the end of the period / year	832.15	609.41	
Fair value of plan assets at the end of the period /year	(23.27)	(21.59)	
Amount to be recognised in Balance Sheet	808.88	587.82	

Expenses recognised in the Statement of Profit & Loss		(₹ in Lakhs)	
	March 31, 2020	March 31, 2019	
Current service cost	120.97	66.33	
Interest cost	41.13	33.21	
Net Actuarial (gain)/loss recognised in the year	-	-	
Expenses recognised in statement of profit and loss	162.10	99.54	

Amount recognised in statement of other comprehensive income (OCI)		(₹ in Lakhs)	
	March 31, 2020	March 31, 2019	
Opening amount recognised in OCI	1.18	194.52	
Remeasurement for the period - Obligation (gain)/loss	58.97	1.18	
Remeasurement for the period - plan assets (gain)/loss	-	-	
Total Remeasurement cost / (credit) for the period recognised in OCI	58.97	1.18	

Notes forming part of the Financial Statements (Contd.)

40. EMPLOYEE BENEFITS (CONTD.)**Assumptions**

Discount Rate	6.55%	7.80%
Salary Escalation	7.00%	10%
Mortality rate	Indian assured lives mortality (2006-08) ultimate	Indian assured lives mortality (2006-08) ultimate
Average future working life time	23.98 years	23.60 years
Attrition rate	13%	13%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Quantities sensitivity analysis for significant assumptions is as below:

(₹ in Lakhs)

1%/0.5% increase	March 31, 2020	March 31, 2019
i. Discount rate	788.89	591.62
ii. Salary escalation rate- over a long-term	875.84	624.20
iii. Attrition rate	831.68	602.48
1%/0.5% decrease		
i. Discount rate	880.55	628.22
ii. Salary escalation rate- over a long-term	791.57	594.30
iii. Attrition rate	832.62	616.59

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation, keeping all other actuarial assumptions constant.

41. PARTICULARS OF LOANS AND ADVANCES IN THE NATURE OF LOANS AS REQUIRED BY REGULATION 34(3) AND 53(F) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

(₹ in Lakhs)

S. No	Name of the Company	Balance as at		Maximum outstanding during the year	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
A	Subsidiaries				
1	KNR Agrotech & Beverages Pvt Ltd.,	179.88	173.66	179.88	207.74
2	KNR Energy Ltd.,	146.53	138.35	146.53	138.35
3	KNRC Holdings and Investments Pvt Ltd.,	217.21	157.56	217.21	445.29
4	KNR Walayar Tollways Pvt Ltd -	63.97	27.82	97.75	52.20
5	Patel KNR Heavy Infrastructures Ltd.,	70.87	59.60	87.78	59.60
6	KNR Muzaffarpur Barauni Tollway Pvt. Ltd.,	37.74	1.47	37.74	36.03
7	KNRCL - FZE	-	-	-	43.25
8	KNR Infrastructure Projects Pvt. Ltd.,	10.20	9.77	10.20	9.77
9	KNR Muzaffarpur Holdings Pvt. Ltd.,	12.85	11.82	12.85	11.82

Notes forming part of the Financial Statements (Contd.)

41. PARTICULARS OF LOANS AND ADVANCES IN THE NATURE OF LOANS AS REQUIRED BY REGULATION 34(3) AND 53(F) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015. (CONTD.)

(₹ in Lakhs)

S. No	Name of the Company	Balance as at		Maximum outstanding during the year	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
10	KNR Chidambaram Infra Pvt. Ltd.,	-	8.97	20.15	118.55
11	KNR Srirangam Infra Pvt. Ltd.,	82.54	3.46	141.82	61.92
12	KNR Tirumala Infra Pvt Ltd.,	207.04	20.47	207.04	280.81
13	KNR Shankarampet Project Pvt Ltd.,	7.09	3.44	7.09	63.35
14	KNR Somwarpet Infra Project Pvt Ltd.,	-	0.23	432.32	0.23
15	KNR Palani Infra Pvt. Ltd.,	1.18	0.14	256.83	0.14
B	Loans and Advances where there is no repayment schedule				
1	KNR Agrotech & Beverages Pvt Ltd.,	179.88	173.66	179.88	207.74
2	KNR Energy Ltd.,	146.53	138.35	146.53	138.35
3	KNRC Holdings and Investments Pvt Ltd.,	217.21	157.56	217.21	445.29
4	KNR Walayar Tollways Pvt Ltd.,	63.97	27.82	97.75	52.20
5	Patel KNR Heavy Infrastructures Ltd.,	70.87	59.60	87.78	59.60
6	KNR Muzaffarpur Barauni Tollway Pvt. Ltd.,	37.74	1.47	37.74	36.03
7	KNRCL - FZE	-	-	-	43.25
8	KNR Infrastructure Projects Pvt. Ltd.,	10.20	9.77	10.20	9.77
9	KNR Muzaffarpur Holdings Pvt. Ltd.,	12.85	11.82	12.85	11.82
10	KNR Chidambaram Infra Pvt. Ltd.,	-	8.97	20.15	118.55
11	KNR Srirangam Infra Pvt. Ltd.,	82.54	3.46	141.82	61.92
12	KNR Tirumala Infra Pvt Ltd.,	207.04	20.47	207.04	280.81
13	KNR Shankarampet Project Pvt Ltd.,	7.09	3.44	7.09	63.35
14	KNR Somwarpet Infra Project Pvt Ltd.,	-	0.23	432.32	0.23
15	KNR Palani Infra Pvt. Ltd.,	1.18	0.14	256.83	0.14

42. DISCLOSURE PURSUANT TO IND AS 115 "REVENUE FROM CONTRACTS WITH CUSTOMERS":

The Company constructs infrastructure projects on behalf of clients. Delivering the project as per the contractual terms is the only performance obligation that has been identified. Under the terms of the contracts, the company will perform its obligations on time to time as per the timing schedule indicated in the contract with the asset having no alternative use to the entity and the company having an enforceable right to receive payment for the work done. Hence, Revenue is therefore recognised over time on a cost to cost method, i.e. based on the proportion of contract costs incurred for the work performed to date relative to the estimated total contract costs. The management consider that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under Ind AS 115.

Contract balances as on:

(₹ in Lakhs)

Particulars	March 31, 2020	March 31, 2019
Receivables	47,610.80	23,440.67
Contract Assets	40,331.39	36,608.05
Contract Liabilities	39,359.49	16,821.65

Notes forming part of the Financial Statements (Contd.)

43. VALUE OF IMPORTS CALCULATED ON CIF BASIS

		(₹ in Lakhs)	
S No.	Particulars	March 31, 2020	March 31, 2019
a	Material Purchases	Nil	Nil
b	Stores & Spares	55.85	70.40
c	Capital goods	284.60	Nil

44. EXPENDITURE/REMITTANCE IN FOREIGN CURRENCY

		(₹ in Lakhs)	
S No.	Particulars	March 31, 2020	March 31, 2019
a	On account of Travel/Other expenses (including boarding & lodging expenses)	2.80	-

45. DISCLOSURE OF RELATED PARTIES/ RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24: RELATED PARTY DISCLOSURE**(a) List of related parties****(i) Subsidiaries :**

1	KNR Agrotech & Beverages Pvt. Ltd.,	8	KNR Shankarampet Project Pvt. Ltd.,
2	KNR Infrastructure Projects Pvt. Ltd.,	9	KNR Somwarpet Infra Project Pvt. Ltd.,
3	KNR Energy Ltd.,	10	KNR Palani Infra Pvt. Ltd.,
4	KNR Walayar Tollways Pvt. Ltd.,	11	KNRC Holdings and Investment Pvt. Ltd.,
5	KNR Srirangam Infra Pvt. Ltd.,	12	KNR – FZE *
6	KNR Chidambaram Infra Pvt. Ltd.,**	13	KNR Constructions LLC #
7	KNR Tirumala Infra Pvt. Ltd.,		

* Foreign subsidiary closed on February 27, 2019

** Subsidiary company closed on March 30, 2020

Foreign subsidiary closed on February 22, 2019

(ii) Step-down Subsidiaries :

1	Mesmeric Software Solutions Pvt. Ltd.,	4	Asara Construction & Projects Pvt. Ltd.,
2	Nag Talent Ventures & Infotech Pvt. Ltd.,	5	KNR Muzaffarpur Holdings Pvt. Ltd.,
3	Gradient Estates Pvt. Ltd.,	6	KNR Muzaffarpur-Barauni Tollway Pvt. Ltd.,

(iii) Associate Companies :

1. Patel KNR Infrastructures Ltd.,
2. Patel KNR Heavy Infrastructures Ltd.,

Notes forming part of the Financial Statements (Contd.)

45. DISCLOSURE OF RELATED PARTIES/ RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24: RELATED PARTY DISCLOSURE (CONTD.)

(iv) Joint Venture :

1. SEL-KNR-JV (At Bangladesh)

(v) Key Management Personnel's (KMPs):

1	Sri. K. Narsimha Reddy	Managing Director
2	Sri K. Jalandhar Reddy	Executive Director & CFO
3	Smt. K. Yashoda	Non Executive Director
4	Sri. B.V. Rama Rao	Independent Director
5	Sri. L.B. Reddy	Independent Director
6	Smt. G.C Rekha *	Independent Director
7	Sri S. Vaikuntanathan	Executive Officer - VP (F&A)
8	Sri M. Venkata Rao	Company Secretary

* Appointed on May 30, 2019

(vi) Relatives of KMPs :

1	Sri. M. Rajesh Reddy	Son-in-law of Sri K. Narsimha Reddy
2	Sri. J.V Panindra Reddy	Son-in-law of Sri K. Narsimha Reddy
3	Sri. V. Krishna Reddy	Brother of Smt. K.Yashoda

(vii) Other Related parties :

1	KNR Constructions Limited Employees group gratuity fund	Post employment benefit plan
---	---	------------------------------

(b) Disclosure of related party transactions :

(₹ in Lakhs)

Sl. No.	Particulars	Subsidiaries (including Step-down subsidiaries)		Associates		Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
1	Work contract receipts received	1,31,584.55	13,899.70	3,696.45	1,155.38	-	-	-	-	-	-
2	Interest Income on Inter corporate loans	22.94	16.43	-	-	-	-	-	-	-	-
3	Misc. Income	-	-	2.61	-	-	-	-	-	-	-
4	Royalty reimbursement income	-	-	-	87.88	-	-	-	-	-	-
5	Credit balance written back	-	-	-	-	-	-	-	3.70	-	-
6	Interest paid on Mob.Adv. Received	1,100.00	-	-	-	-	-	-	-	-	-
7	Investment / (written off)	18,392.44	(254.95)	-	-	-	-	-	-	-	-

Notes forming part of the Financial Statements (Contd.)

45. DISCLOSURE OF RELATED PARTIES/ RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24: RELATED PARTY DISCLOSURE (CONTD.)

(₹ in Lakhs)

Sl. No.	Particulars	Subsidiaries (including Step-down subsidiaries)		Associates		Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
8	Inter corporate Loans - (Investment/ Derecognition)	-	(30.74)	-	-	-	-	-	-	-	-
9	Inter corporate Loans given/ (repaid)	-	81.22	-	-	-	-	-	-	-	-
10	Investment in Equity Shares	6,779.00	10,406.50	-	-	-	-	-	-	-	-
11	Investment (Equity Nature)	2,617.52	880.70	-	-	-	-	-	-	-	-
12	Advance received/(written back)	-	(256.91)	-	-	-	-	-	-	-	-
13	Advance paid/ (written off)	-	(43.25)	-	-	-	-	-	-	-	-
14	Mobilisation advance received/ (recovered)	3,884.21	7,082.29	90.91	-	-	-	-	-	-	-
15	Corporate guarantee	-	6,220.10	-	-	-	-	-	-	-	-
16	Re-imbursement of expenditure incurred/ (Recovered)	72.42	(6.54)	11.27	58.59	-	35.31	(14.88)	-	-	-
17	Advance paid/ (recovered)	313.74	5.89	-	-	-	-	-	-	-	-
18	Materials advance received/ (recovered)	-	-	(89.09)	89.09	-	-	-	-	-	-
19	Retention deposit & Withheld deducted/ (released)	684.94	39.46	-	-	-	-	-	-	-	-
20	Short Term Employee Benefits	-	-	-	-	-	-	1,376.34	980.10	-	-
21	Post-employment Benefits *	-	-	-	-	-	-	22.55	15.19	-	-
22	Other Long-term Benefits	-	-	-	-	-	-	-	-	-	-

Notes forming part of the Financial Statements (Contd.)

45. DISCLOSURE OF RELATED PARTIES/ RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24: RELATED PARTY DISCLOSURE (CONTD.)

(₹ in Lakhs)

Sl. No.	Particulars	Subsidiaries (including Step-down subsidiaries)		Associates		Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
23	Termination Benefits			-	-	-	-	-	-	-	-
24	Share based payment			-	-	-	-	-	-	-	-
25	Interest Paid on un-secured loans			-	-	-	-	1,675.73	1,823.81	-	-
26	Un-secured loan received			-	-	-	-	1,293.00	1,515.00	-	-
27	Un-secured loan (repaid)			-	-	-	-	(3,821.00)	(2,239.18)	-	-
28	Dividend paid			-	-	-	-	699.43	311.52	-	-
29	Land lease rent paid			-	-	-	-	17.29	17.29	-	-
30	Office rent paid			-	-	-	-	10.91	10.10	-	-
31	Directors sitting fee paid			-	-	-	-	43.00	37.00	-	-
32	Contribution to Post-employment Benefit Plans			-	-	-	-	-	-	-	1.00

(c) Related party balances outstanding are as follows :

(₹ in Lakhs)

Sl. No.	Particulars	Subsidiaries (including Stepdown subsidiaries)		Associates		Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
1	Debit balances outstanding										
	KNR Walayar Tollways Pvt. Ltd.,	39,911.50	39,868.72	-	-	-	-	-	-	-	-
	KNR Muzaffarpur Barauni Tollway Pvt. Ltd.,	5,593.93	5,507.21	-	-	-	-	-	-	-	-
	KNR Agrotech & Beverages Pvt. Ltd.,	193.73	187.51	-	-	-	-	-	-	-	-
	KNR Energy Limited	186.43	178.24	-	-	-	-	-	-	-	-
	KNRC Holdings and Investments Pvt. Ltd.,	4,203.60	4,143.95	-	-	-	-	-	-	-	-
	KNR Infrastructure Projects Pvt. Ltd.,	11.21	10.77	-	-	-	-	-	-	-	-

Notes forming part of the Financial Statements (Contd.)

45. DISCLOSURE OF RELATED PARTIES/ RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24: RELATED PARTY DISCLOSURE (CONTD.)

(₹ in Lakhs)

Sl. No.	Particulars	Subsidiaries (including Stepdown subsidiaries)		Associates		Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
	KNR Muzaffarpur Holdings Pvt. Ltd.,	12.86	11.82	-	-	-	-	-	-	-	-
	KNR Chidambaram Infra Pvt. Ltd.,	-	843.97	-	-	-	-	-	-	-	-
	KNR Srirangam Infra Pvt. Ltd.,	7,975.14	1,103.46	-	-	-	-	-	-	-	-
	KNR Tirumala Infra Pvt. Ltd.,	28,887.06	21,111.72	-	-	-	-	-	-	-	-
	KNR Shankarampet Project Pvt. Ltd.,	12,847.33	1,312.44	-	-	-	-	-	-	-	-
	KNR Palani Infra Pvt. Ltd.,	406.89	10.14	-	-	-	-	-	-	-	-
	KNR Somwarpet Infra Project Pvt. Ltd.,	1,954.08	10.23	-	-	-	-	-	-	-	-
	Patel KNR Heavy Infrastructures Ltd.,			2,202.91	2,189.19	-	-	-	-	-	-
	Patel KNR Infrastructures Ltd.,			1,924.74	1,807.28	-	-	-	-	-	-
	M. Rajesh Reddy			-	-	-	-	1.95	16.83	-	-
2	Credit Balances outstanding										
	KNR Chidambaram Infra Pvt. Ltd.,	-	454.55	-	-	-	-	-	-	-	-
	KNR Srirangam Infra Pvt. Ltd.,	3,981.79	454.55	-	-	-	-	-	-	-	-
	KNR Tirumala Infra Pvt. Ltd.,	3,405.74	5,718.64	-	-	-	-	-	-	-	-
	KNR Shankarampet Project Pvt. Ltd.,	4,568.97	454.55	-	-	-	-	-	-	-	-
	Patel KNR Infrastructures Ltd.,			-	89.09	-	-	-	-	-	-
	Patel KNR Heavy Infrastructures Ltd.,			90.91	-	-	-	-	-	-	-
	K. Narsimha Reddy			-	-	-	-	17,596.08	20,400.81	-	-
	K. Jalandhar Reddy *			-	-	-	-	479.09	480.13	-	-
	S. Vaikuntanathan			-	-	-	-	1.57	1.62	-	-
	M. Venkata Rao *			-	-	-	-	1.21	0.87	-	-
	V. Krishna Reddy			-	-	-	-	0.57	0.57	-	-

Notes forming part of the Financial Statements (Contd.)

45. DISCLOSURE OF RELATED PARTIES/ RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24: RELATED PARTY DISCLOSURE (CONTD.)

(d) Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year :

(₹ in Lakhs)

Sl. No.	Particulars	Subsidiaries (including Step-down subsidiaries)		Associates		Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
1	Work contract receipts received										
	KNR Tirumala Infra Pvt. Ltd.,	55,244.52	12,696.10	-	-	-	-	-	-	-	-
	KNR Srirangam Infra Pvt. Ltd.,	28,717.15		-	-	-	-	-	-	-	-
	KNR Shankarampet Project Pvt. Ltd.,	40,119.46		-	-	-	-	-	-	-	-
2	Interest Income on Inter corporate loans										
	KNR Agrotech & Beverages Pvt Ltd.,	2.40	2.20	-	-	-	-	-	-	-	-
	KNR Energy Limited	7.62	6.98	-	-	-	-	-	-	-	-
	KNRC Holdings and Investments Pvt Ltd	12.92	7.25	-	-	-	-	-	-	-	-
3	Misc. Income										
	Patel KNR Infrastructures Ltd.,	-	-	2.61	-	-	-	-	-	-	-
4	Royalty reimbursement income										
	Patel KNR Heavy Infrastructures Ltd.,	-	-	-	87.88	-	-	-	-	-	-
5	Credit balance written back										
	J.V. Panindra Reddy	-	-	-	-	-	-	-	3.70	-	-
6	Interest paid on Mob. Adv. Received										
	KNR Srirangam Infra Pvt. Ltd.,	287.33	-	-	-	-	-	-	-	-	-
	KNR Tirumala Infra Pvt. Ltd.,	478.10	-	-	-	-	-	-	-	-	-
	KNR Shankarampet Project Pvt. Ltd.,	334.57	-	-	-	-	-	-	-	-	-
7	Investment /(written off)										
	KNR Constructions - LLC	-	(206.07)	-	-	-	-	-	-	-	-
	KNRCL - FZE	-	(48.88)	-	-	-	-	-	-	-	-
	KNR Chidambaram Infra Pvt. Ltd.,	(400.61)	-	-	-	-	-	-	-	-	-

Notes forming part of the Financial Statements (Contd.)

45. DISCLOSURE OF RELATED PARTIES/ RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24: RELATED PARTY DISCLOSURE (CONTD.)

(₹ in Lakhs)

Sl. No.	Particulars	Subsidiaries (including Step-down subsidiaries)		Associates		Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
8	Inter corporate Loans - (Investment/ Derecognition)										
	KNRC Holdings and Investments Pvt Ltd	-	(30.74)	-	-	-	-	-	-	-	-
9	Inter corporate Loans given/(repaid)										
	KNRC Holdings and Investments Pvt Ltd	-	81.22	-	-	-	-	-	-	-	-
10	Investment in Equity Shares										
	KNR Srirangam Infra Pvt Ltd	3,711.50	1,090.00	-	-	-	-	-	-	-	-
	KNR Tirumala Infra Pvt. Ltd.,	-	7,162.50	-	-	-	-	-	-	-	-
	KNR Shankarampet Project Pvt. Ltd.,	3,902.50	1,309.00	-	-	-	-	-	-	-	-
11	Investment (Equity Nature)										
	KNRC Holdings and Investments Pvt Ltd	-	790.70	-	-	-	-	-	-	-	-
	KNR Tirumala Infra Pvt. Ltd.,	-	90.00	-	-	-	-	-	-	-	-
	KNR Shankarampet Project Pvt. Ltd.,	1,544.50	-	-	-	-	-	-	-	-	-
	KNR Palani Infra Pvt. Ltd.,	395.71	-	-	-	-	-	-	-	-	-
	KNR Somwarpet Infra Project Pvt. Ltd.,	677.32	-	-	-	-	-	-	-	-	-
12	Advance received/ (written back)										
	KNR Constructions - LLC	-	(256.91)	-	-	-	-	-	-	-	-
13	Advance paid/(written off)										
	KNRCL - FZE	-	(43.25)	-	-	-	-	-	-	-	-

Notes forming part of the Financial Statements (Contd.)

45. DISCLOSURE OF RELATED PARTIES/ RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24: RELATED PARTY DISCLOSURE (CONTD.)

(₹ in Lakhs)

Sl. No.	Particulars	Subsidiaries (including Step-down subsidiaries)		Associates		Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
14	Mobilisation advance received/(recovered)										
	KNR Tirumala Infra Pvt. Ltd.,	-	5,718.64	-	-	-	-	-	-	-	-
	KNR Srirangam Infra Pvt Ltd	3,268.65	-	-	-	-	-	-	-	-	-
	KNR Shankarampet Project Pvt. Ltd.,	3,813.30	-	-	-	-	-	-	-	-	-
15	Corporate guarantee										
	KNR Muzaffarpur Barauni Tollway Pvt. Ltd.,	-	6,220.10	-	-	-	-	-	-	-	-
16	Re-imbusement of expenditure incurred/ (Recovered)										
	KNR Walayar Tollway Pvt. Ltd.,	36.15	-	-	-	-	-	-	-	-	-
	KNR Muzaffarpur Barauni Tollway Pvt Ltd.,	36.27	-	-	-	-	-	-	-	-	-
	Patel KNR Heavy Infrastructures Ltd.,	-	-	11.27	58.59	-	-	-	-	-	-
	SEL-KNR JV	-	-	-	-	-	35.31	-	-	-	-
	M. Rajesh Reddy	-	-	-	-	-	-	(14.88)	-	-	-
17	Advance paid/ (recovered)										
	KNR Agrotech & Beverages Pvt Ltd.,	-	(32.87)	-	-	-	-	-	-	-	-
	KNRC Holdings and Investments Pvt Ltd	46.73	-	-	-	-	-	-	-	-	-
	KNR Muzaffarpur Holdings Pvt Ltd.,	-	9.88	-	-	-	-	-	-	-	-
	KNR Srirangam Infra Pvt Ltd	79.08	-	-	-	-	-	-	-	-	-
	KNR Tirumala Infra Pvt. Ltd.,	186.57	20.47	-	-	-	-	-	-	-	-
18	Materials advance received/(recovered)										

Notes forming part of the Financial Statements (Contd.)

45. DISCLOSURE OF RELATED PARTIES/ RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24: RELATED PARTY DISCLOSURE (CONTD.)

(₹ in Lakhs)

Sl. No.	Particulars	Subsidiaries (including Step-down subsidiaries)		Associates		Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
	Patel KNR Infrastructures Ltd.,	-	-	(89.09)	89.09	-	-	-	-	-	-
19	Retention deposit & Withheld deducted/ (released)										
	KNR Srirangam Infra Pvt. Ltd.,	334.14	-	-	-	-	-	-	-	-	-
	KNR Tirumala Infra Pvt. Ltd.,	130.14	-	-	-	-	-	-	-	-	-
	KNR Shankarampet Project Pvt. Ltd.,	209.81	-	-	-	-	-	-	-	-	-
20	Short Term Employee Benefits										
	K. Narsimha Reddy	-	-	-	-	-	-	792.00	558.00	-	-
	K. Jalandhar Reddy	-	-	-	-	-	-	528.00	372.00	-	-
21	Post-employment Benefits *										
	K. Jalandhar Reddy	-	-	-	-	-	-	21.60	14.40	-	-
22	Interest Paid on un-secured loans										
	K. Narsimha Reddy	-	-	-	-	-	-	1,637.06	1,784.18	-	-
23	Un-secured loan received										
	K. Narsimha Reddy	-	-	-	-	-	-	1,293.00	1,515.00	-	-
24	Un-secured loan (repaid)										
	K. Narsimha Reddy	-	-	-	-	-	-	(3,821.00)	(2,239.18)	-	-
25	Dividend paid										
	K. Narsimha Reddy	-	-	-	-	-	-	411.69	182.97	-	-
	K. Jalandhar Reddy	-	-	-	-	-	-	176.67	78.52	-	-
26	Land lease rent paid										
	K. Jalandhar Reddy	-	-	-	-	-	-	17.29	17.29	-	-
27	Office rent paid										
	K. Jalandhar Reddy	-	-	-	-	-	-	10.91	10.10	-	-
28	Directors sitting fee paid										
	K. Yashoda	-	-	-	-	-	-	7.00	6.00	-	-
	B.V. Rama Rao	-	-	-	-	-	-	15.00	15.50	-	-

Notes forming part of the Financial Statements (Contd.)

45. DISCLOSURE OF RELATED PARTIES/ RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24: RELATED PARTY DISCLOSURE (CONTD.)

(₹ in Lakhs)

Sl. No.	Particulars	Subsidiaries (including Step-down subsidiaries)		Associates		Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
	L.B. Reddy	-	-	-	-	-	-	15.00	15.50	-	-
	G.C. Rekha	-	-	-	-	-	-	6.00	-	-	-
29	Contribution to Post-employment Benefit Plans										
	KNR Constructions Limited Employees group gratuity fund	-	-	-	-	-	-	-	-	-	1.00

(e) Disclosure in respect of commitments(Equity/Capital Commitment) with related parties as on March 31, 2020 :

(₹ in Lakhs)

Sl. No.	Particulars	Subsidiaries		Associates		Joint Ventures	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
1	KNR Chidambaram Infra Pvt. Ltd.,	-	3,715.00	-	-	-	-
2	KNR Srirangam Infra Pvt. Ltd.,	4,811.50	8,523.00	-	-	-	-
3	KNR Tirumala Infra Pvt. Ltd.,	11,794.50	7,162.50	-	-	-	-
4	KNR Shankarampet Project Pvt. Ltd.,	6,756.00	9,114.00	-	-	-	-
5	KNR Somwarpet Infraproject Pvt. Ltd.,	11,522.68	12,200.00	-	-	-	-
6	KNR Palani Infra Pvt. Ltd.,	7,640.29	9,990.00	-	-	-	-
	Total	42,524.97	50,704.50	-	-	-	-

* As the future liabilities for gratuity is provided on actuarial basis for the group as a whole, the amount pertaining to the KMP's is not ascertainable, therefore not included above.

Note: 1) All Related Party Transactions entered during the year were in ordinary course of the business and are on arm's length basis.

2) The amount of outstanding balances as shown above are unsecured and will be settled/recovered in cash.

46. RECONCILIATION BETWEEN THE OPENING AND CLOSING BALANCES IN THE FINANCIAL STATEMENT FOR FINANCIAL LIABILITIES AND ASSETS ARISING FROM FINANCING ACTIVITIES (IND AS - 7)

(₹ in Lakhs)

Particulars	Secured Loans	Unsecured Loans	Interest	Total
Opening Balance	4,259.79	20,460.33	391.28	25,111.40
Interest/Dividend Accrued during the year	-	-	4,730.14	4,730.14
Cash flows				
Received	9.92	1,293.00	-	1,302.92
Repayment	(2,595.80)	(3,821.01)	-	(6,416.81)
Interest/Dividend paid	-	-	(4,010.38)	(4,010.38)

Notes forming part of the Financial Statements (Contd.)

46. RECONCILIATION BETWEEN THE OPENING AND CLOSING BALANCES IN THE FINANCIAL STATEMENT FOR FINANCIAL LIABILITIES AND ASSETS ARISING FROM FINANCING ACTIVITIES (IND AS – 7) (CONTD.)

(₹ in Lakhs)

Particulars	Secured Loans	Unsecured Loans	Interest	Total
Non Cash items				
Unwinding Interest	-	-	-	-
Closing Balance	1,673.91	17,932.32	1,111.04	20,717.27

47. SEGMENT INFORMATION

The Company's operations predominantly consist of construction / project activities. Hence there are no reportable segments under Ind AS 108. During the year under report, substantial part of the Company's business has been carried out in India. The conditions prevailing in India being uniform, no separate geographical disclosures are considered necessary.

48. During the year, the Company has entered into a Share Purchase Agreement ("the SPA") with CUBE Highways and Infrastructure III Pte. (the "Investor") Ltd. for sale of its 100% shareholding in one of its subsidiary i.e. KNR Walayar Tollways Pvt Ltd., (KWTPL) on 09th January 2020 for an Enterprise value of ₹ 52,927.44 Lakhs and accordingly the company has impaired its investment for an amount of ₹ 671.53 Lakhs, which was shown as exceptional items in the Statement of Profit and Loss. The Proposed transaction is subject to certain conditions precedent including approvals from Lenders and NHAI.

49. During the year, One of the wholly owned subsidiary i.e. KNR Chidambaram Infra Pvt Ltd., (KCIPL), has been notified by NHAI that the Concession Agreement of the KCIPL is deemed terminated w.e.f., 11th April, 2019 "as per clause 4.5 of the Concession Agreement". The Company has written off its investments in KCIPL amounting to ₹ 835.00 Lakhs and written back its liabilities to the tune of ₹ 434.39 Lakhs, accordingly the net impact of ₹ 400.61 Lakhs was shown as exceptional items in the Statement of Profit and Loss, accordingly the EPC Contract has also been deemed terminated.

50. During the previous year, the Company has written off its investments in two foreign subsidiary companies which is amounting to ₹ 254.96 Lakhs, which is reflected as exceptional items in the Statement of Profit and Loss for the FY 2018-19.

51. During the year, the Company has received an Arbitration claim in one of the project for an amount of ₹ 6,170.91 Lakhs (includes Interest of ₹ 2,263.04 Lakhs) respectively, with respect to the above claim an amount ₹ 1,216.36 Lakhs has been adjusted against existing Company Receivables and an amount of ₹ 510.89 Lakhs has been accounted towards expenditure.

52. The Company has adopted Ind AS 116 'Leases' from April 1, 2019 and applied the standard to all lease contracts existing on the date of initial application i.e. April 1, 2019. The Company has used the modified retrospective approach for transitioning to Ind AS 116 with right-of-use asset recognised at an amount equal to the lease liability. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted, and the impact of the same on the statement of profit or loss for the year ended March 31, 2020 is not material.

During the year ended March 31, 2020, the Company recognised in the Statement of Profit and Loss

(₹ in Lakhs)

Depreciation Charge on ROU Asset	106.30
Interest Expense on Lease Liabilities	10.93

Notes forming part of the Financial Statements (Contd.)

The company recognised following lease assets and liabilities in the Balance sheet as at March 31, 2020.

	(₹ in Lakhs)
Carrying Amount of ROU Assets	260.00
Lease liability	107.53

The Maturity Analysis of Lease Liabilities is as follows:-

	(₹ in Lakhs)		
Particulars	< 1 year	1-3 years	>3 years
Lease liability	91.10	16.43	Nil

53. During the Previous year, The Company has entered into Share Purchase Agreements (the "SPAs") with Cube Highways and Infrastructure III Pte. Ltd. (the "Investor") for the following 3 wholly owned subsidiaries (the "SPVs") of HAM Projects

- 1) KNR Srirangam Infra Private Limited on January 28, 2019
- 2) KNR Chidambaram Infra Private Limited on February 11, 2019
- 3) KNR Tirumala Infra Private Limited on February 11, 2019

Pursuant to SPAs, the Company will, in a phased manner (i.e on COD and on lifting of mandatory lock in period as specified in the Concession Agreement), sell to the Investor its entire shareholding in the SPVs, subject to the shareholding transfer restrictions set out in the concession agreement (s) executed between National Highway Authority of India and the respective SPVs and subject to various regulatory and lenders' approvals.

54. The Covid-19 pandemic has impacted business operations due to lockdown and other emergency measures imposed by the State & Central Governments. The operations of the Company were impacted due to shutdown of projects and offices. The Company restarted and continues with its operations in a phased manner in line with directives from the respective authorities. Based on management's review of business operations, liquidity and financial position of the Company and current economic conditions, there is no material impact on its financial results and liquidity position as at March 31, 2020. The future assessment for Impact of Covid-19 is very uncertain due to nature and duration. The Management of the Company will continue to monitor any material changes to the Business & future economic conditions.

55. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by the Board of Directors on June 11, 2020.

56. Previous year's figures have been regrouped/reclassified/rearranged wherever considered necessary.

As per our report of even date attached
For **K. P. Rao & Co.,**
Chartered Accountants
(Firm Regn. No.003135S)

K.Viswanath
Partner,
Membership No: 022812
UDIN: 20022812AAAAAV2927

Place : Bengaluru
Date : 11-06-2020

For and on behalf of the Board

K. Narsimha Reddy
Managing Director
DIN: 00382412

S.Vaikuntanathan
Vice President (F&A)

Place: Hyderabad
Date: 11-06-2020

K. Jalandhar Reddy
Executive Director & CFO
DIN: 00434911

M.V.Venkata Rao
Company Secretary

Independent Auditor's Report

To the Members of

KNR CONSTRUCTIONS LIMITED

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of **KNR CONSTRUCTIONS LIMITED** ("the Holding Company") and its subsidiaries (collectively referred to as 'the Group') which includes 14 Joint operations of the Group accounted on proportionate basis and Group's share of profit in its associates and joint venture, which comprise the consolidated Balance Sheet as at March 31, 2020, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Statement of Changes in Equity and consolidated Statement of Cash Flow for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statement').

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of joint operations, subsidiaries, associates and joint venture referred to in the Other Matters below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("IND AS") and other accounting principles generally accepted in India, of consolidated state of affairs of the Group as at March 31, 2020, of their consolidated financial profit including, other comprehensive income, consolidated statement of changes in equity and its consolidated cash flows 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 Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules 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 and audit evidence obtained by other auditors in terms of their reports referred to in Other Matters section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated Financial Statements.

Emphasis of Matter

We draw attention to Note No 53 of the consolidated financial statements, which describes the uncertainties and the possible effects of COVID-19 on the operations of the Company. Our Opinion is not modified in respect of this matter.

Key Audit Matters:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Independent Auditor's Report (Contd.)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>A) Revenue Recognition of long term contracts of Holding Company</p> <p>The Company has significant revenue from construction contracts and long-term operating and maintenance agreements. These long-term contracts are often complex customised solutions and meet the definition of a contract as per Ind AS 115.</p> <p>Revenue related to these construction contracts is recognised using the percentage of completion method, where progress is determined by comparing actual costs incurred to date, with the total estimated costs of the project. Revenue recognition for construction contracts includes management judgment in the form of estimates, which are subject to management experience and expectations of future events. The most important judgment relates to the estimated total costs of the project.</p> <p>Revenue recognition of long-term contracts is a key audit matter in the audit due to the high level of management judgement involved in the project estimates.</p>	<p>Our revenue testing included both testing of the company's controls, as well as substantive audit procedures targeted at selected major long-term projects. Our substantive testing focused on estimates applied by management in the accounting.</p> <p>Our procedures included, among others things, the following:</p> <ul style="list-style-type: none"> • Ensured that the revenue recognition method applied was appropriate based on the terms of the arrangement; • Agreed the total project revenue estimates to sales agreements, including amendments as appropriate; • We obtained an understanding of the processes and tested relevant controls, which impact the revenue recognition; • We assessed the reliability of management's estimates by comparing the actual results of delivered projects to previous estimates;
<p>B) Litigations and Claims of Holding Company</p> <p>Considering the nature of the Company's operations, it can be exposed to a number of litigations and claims. The recognition and measurement of provisions, contingent liabilities and contingent assets as well as making the necessary disclosures in respect of litigation and claims requires significant judgment by the management in assessing the outcome of each legal case which is based on management's discussion with legal advisors. Due to the significance of the litigations and claims and the difficulty in assessing and measuring the resulting outcome, this is considered as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • evaluating the Company's policies, procedures and controls in relation to litigation, claims and provision assessments; • independent enquiries to understand the background of each case, legal position and the material risks that may impact the Company's consolidated financial statements; and • assessing reasonableness of judgment made by management, determining the adequacy of the level of provisioning or disclosure in the consolidated financial statements.

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

The Holding Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information

is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Act, with respect to the preparation of these consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its associates and joint venture in accordance with the Indian Accounting Standards prescribed under section 133 of the Act

Independent Auditor's Report (Contd.)

read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India.

The respective Board of Directors of the companies included in the group and of its associates and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its associates and joint venture and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding company, as aforesaid.

In preparing the consolidated financial statements, the respective board of directors of the companies included in the group and of its associates and joint venture are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the group and of its associates and joint venture are also responsible for overseeing the financial reporting process of the group and its associates.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, and its associates and joint venture to express an opinion on the consolidated Financial Statements. For the other entities included in the consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Independent Auditor's Report (Contd.)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

1. We did not audit the financial statements and other financial information, in respect of 10 subsidiaries whose financial statements reflect total assets (before consolidation adjustments) of ₹ 1,90,254.02 Lakhs as at March 31, 2020, and total revenues (before consolidation adjustments) of ₹ 1,46,549.01 Lakhs and total net profit after tax (before consolidation adjustments) of ₹ 3,210.32 Lakhs, total comprehensive income (net) of ₹ 3,208.08 Lakhs and net cash inflows of ₹ 1,741.39 Lakhs for the year ended on that date. These financial statements and other financial information have been audited by other auditors, whose financial statements, other financial information and auditor's reports have been furnished to us by the management.

The consolidated financial statements also include the Group's share of net profit after tax (before consolidation adjustments) of ₹ 613.32 Lakhs and Group's share of total comprehensive income (before consolidation adjustments) of ₹ 5,96.24 Lakhs for the year ended March 31, 2020, in respect of 2 associates located in India. In respect of these associates, the financial statements and other financial information have been audited by other auditors and auditor's report have been furnished to us by the management.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements

below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

2. We did not audit the financial information of 10 Joint Operations included in the Standalone financial statements of the Companies including in the Group, whose financial information reflect total assets (before consolidation adjustments) of ₹ 28,138 Lakhs as at March 31, 2020, and total revenues (before consolidation adjustments) of ₹ 49,241.11 Lakhs and total net profit after tax (before consolidation adjustments) of ₹ 1,117.89 Lakhs for the year ended on that date, as considered in the respective standalone financial statements of the Companies included in the Group. These financial statements and other financial information have been audited by other auditors, whose financial statements, other financial information and auditor's reports have been furnished to us by the management.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

3. The consolidated financial statements also includes unaudited financial information of 4 Joint operations whose financial information reflect total assets of ₹ 2,577.19 Lakhs (before consolidation adjustments) as at March 31, 2020 and total revenues of ₹ 1,413.72 Lakhs (before consolidation adjustments), total net profit after tax of ₹ 71.53 Lakhs (before consolidation adjustments) for the year ended March 31, 2020, as considered in the respective standalone audited financial statements of the entities included in the group, whose financials have not been audited by us. These financial information are unaudited and have been reviewed and certified by the management of the group as at end of the year. In our opinion and according to the information and explanations given to us by the Management, the financial information of these joint operations are not material to the Group.

Our opinion on the consolidated financial statements is not modified in respect of the above matters with respect to our reliance on the financial information certified by the management.

4. The consolidated financial statements also include the Group's share of net Profit of ₹ 518.01 Lakhs for the year

Independent Auditor's Report (Contd.)

ended March 31, 2020, in respect of one joint venture located outside India, whose financials have not been audited, and have been reviewed and certified by the management of the group as at end of the year. In our opinion and according to the information and explanations given to us by the Management, the financial information of the joint venture is not material to the Group.

Our opinion on the consolidated financial statements is not modified in respect of the above matters with respect to our reliance on the financial information certified by the management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, associates and joint operations, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss (including other comprehensive income) the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India.
- e) On the basis of the written representations received from the directors of the Holding company as on March 31, 2020, taken on record by the Board of Directors of the Holding Company, and the reports of the statutory auditors of its subsidiary companies, associate companies, none of the directors are disqualified as on March 31, 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 and the operating effectiveness of such controls, refer to our separate Report in "**Annexure 1**", which is based on auditor's report of the parent and its subsidiary companies, associate companies. Our Report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's financial controls over financial reporting.
- 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 based on the consideration of reports of the other statutory auditors of the subsidiaries and associates the managerial remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 read with Schedule V to the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated Financial Statements disclose the impact if any, of pending litigations as at March 31, 2020 on its financial position in its consolidated Financial Statements – Refer Note No. 37.
 - ii. The Group and its associates did not have any long term contracts, including derivative contracts, for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiaries, associate companies.

For K.P. Rao & Co.,
Chartered Accountants
Firm's Registration No. 003135S

K. Viswanath
Partner
Membership No. 022812
UDIN: 20022812AAAAAW6315

Place: Bengaluru
Date: June 11, 2020

Annexure 1

to the Independent Auditor's Report of even date on the Consolidated Financial Statements of KNR Constructions 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 **KNR CONSTRUCTIONS LIMITED** ("the Holding Company") its subsidiary companies and its associate companies, which are incorporated in India, as of March 31, 2020 in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies and its associate companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting with reference to these consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the 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 with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting with reference to these consolidated financial statements.

Meaning of Internal Financial Controls over Financial Reporting With Reference to these Consolidated Financial Statements

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

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or

Annexure 1 to the Independent Auditor's Report of even date on the Consolidated Financial Statements of KNR Constructions Limited (Contd.)

disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting With Reference to these Consolidated Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiary companies and its associate companies, which are companies incorporated in India, have maintained in all material respects, an adequate internal financial controls system over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2020, 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".

Other Matter

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financials controls over financial reporting with reference to these consolidated financial statements of the Holding Company, in so far as it relates to these 10 subsidiary companies, and 2 associate companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary and associate companies.

Our opinion is not modified in respect of the above matters with respect to our reliance on the work done by and the reports of such other auditors.

For K.P. Rao & Co.,
Chartered Accountants
Firm's Registration No. 003135S

K. Viswanath
Partner
Membership No. 022812
UDIN: 20022812AAAAAW6315

Place: Bengaluru
Date: June 11, 2020

Consolidated Balance Sheet

as at March 31, 2020

(₹ in Lakhs)

Particulars	Note	As at March 31, 2020	As at March 31, 2019
I ASSETS			
1) Non-current assets			
a) Property, plant and equipment	3	38,098.31	37,459.68
b) Capital work-in-progress		1,015.48	0.99
c) Right of Use Asset		260.00	-
d) Investment Property	3.1	7,245.30	6,516.41
e) Other Intangible assets	3.2	81,878.48	88,075.44
f) Financial Assets			
i) Investments	4	3,893.42	3,297.18
ii) Other Financial Assets	5	69,902.32	14,167.51
g) Deferred tax assets (Net)	6	16,098.54	17,476.91
h) Non-Current tax assets (Net)	7	4,306.89	1,904.76
i) Other non-current assets	8	17,594.97	16,017.92
Total Non-current assets		2,40,293.71	1,84,916.80
2) Current assets			
a) Inventories	9	12,316.27	10,118.55
b) Financial assets			
i) Investments	4	2,690.49	1,896.24
ii) Trade receivables	10	17,464.88	9,680.10
iii) Cash and cash equivalents	11	4,065.55	990.11
iv) Bank balances, other than (iii) above	12	4,221.68	1,757.33
v) Loans	13	286.74	394.18
vi) Other Financial Assets	5	23,118.94	17,420.03
c) Current tax assets (Net)	7	1,836.44	1,351.87
d) Other current assets	14	44,038.63	44,380.28
Total Current assets		1,10,039.62	87,988.69
Total Assets		3,50,333.33	2,72,905.49
II EQUITY AND LIABILITIES			
Equity			
a) Equity Share capital	15	2,812.35	2,812.35
b) Instruments Entirely Equity in nature	15.3	850.00	850.00
c) Other equity	16	1,52,404.24	1,27,420.26
Equity attributable to the share holders of the Company		1,56,066.59	1,31,082.61
Non-controlling Interests		3,320.22	4,276.60
Total Equity		1,59,386.81	1,35,359.21
Liabilities			
1) Non-current liabilities			
a) Financial liabilities			
i) Borrowings	17	79,171.72	68,991.99
ii) Lease Liability		107.53	-
iii) Other financial liabilities	18	165.62	177.90
b) Provisions	20	4,246.81	2,844.31
c) Other non-current liabilities	21	1,052.09	1,324.53
Total non-current liabilities		84,743.77	73,338.73
2) Current liabilities			
a) Financial liabilities			
i) Borrowings	17	3,364.42	1,694.14
ii) Trade Payables			
Dues to Micro & Small Enterprises	19	478.26	550.23
Dues to other than Micro & Small Enterprises	19	25,818.55	22,509.77
iii) Other financial liabilities	18	20,672.99	20,067.92
b) Provisions	20	3,148.24	1,917.55
c) Other current liabilities	22	52,679.13	17,071.47
d) Current Tax Liabilities (Net)	23	41.16	396.47
Total current liabilities		1,06,202.75	64,207.55
Total Equity and Liabilities		3,50,333.33	2,72,905.49
Corporate information and Significant accounting policies	1&2		
See accompanying notes forming part of the financial statements			

As per our report of even date attached
For **K. P. Rao & Co.,**

Chartered Accountants
(Firm Regn. No.003135S)

K.Viswanath
Partner,
Membership No: 022812
UDIN: 20022812AAAAV2927

Place : Bengaluru
Date : 11-06-2020

For and on behalf of the Board

K. Narsimha Reddy
Managing Director
DIN: 00382412

S.Vaikuntanathan
Vice President (F&A)

Place: Hyderabad
Date: 11-06-2020

K. Jalandhar Reddy
Executive Director & CFO
DIN: 00434911

M.V.Venkata Rao
Company Secretary

Consolidated Statement of Profit and Loss

for the year ended March 31, 2020

(₹ in Lakhs)

Particulars	Note	Year ended March 31, 2020	Year ended March 31, 2019
I Revenue from Operations	24	2,45,168.17	2,29,150.32
II Other income	25	6,568.82	7,434.40
III Total Revenue (I + II)		2,51,736.99	2,36,584.72
IV EXPENSES			
Cost of materials consumed	26	75,328.14	64,378.29
Construction Expenses	27	84,452.71	96,783.13
Change in Work in Progress		-	(130.75)
Construction Cost under Service Concession Arrangements		4,456.81	446.59
Employee benefits expense	28	12,692.15	9,477.35
Finance costs	29	11,023.08	8,906.55
Depreciation and amortisation expense	30	25,412.63	23,013.23
Other expenses	31	5,994.50	4,528.14
Total expenses (IV)		2,19,360.02	2,07,402.53
V Profit/(Loss) before share of (Profit)/Loss from investment in Associates (III-IV)		32,376.97	29,182.19
VI Share of Profit/(Loss) from Associates and Joint controlled entities		1,142.14	308.60
VII Profit/(Loss) before exceptional items and tax (V + VI)		33,519.11	29,490.79
VIII Exceptional items	32	1,072.14	254.96
IX Profit/(Loss) before tax (VII-VIII)		32,446.97	29,235.83
X Tax expense	33		
1) Current tax		9,774.20	6,067.59
2) Adjustment of tax relating to earlier periods		3.06	52.38
3) Deferred tax		(2,924.49)	(3,373.36)
		6,852.77	2,746.61
XI Profit/(Loss) for the year (IX- X)		25,594.20	26,489.22
XII Other comprehensive income/(loss)			
a) Items that will not be reclassified to profit or loss	34		
Remeasurements of the defined benefit plans		(61.21)	(0.25)
Deferred Tax on above items		20.31	0.41
b) Items that will be reclassified to profit or loss		-	-
XIII Total Comprehensive Income for the period (XI+XII) (Comprising Profit/(Loss) and Other Comprehensive Income for the period)		25,553.30	26,489.38
Profit/(loss) attributable to (XI):			
Owners of the Company		26,550.58	27,051.12
Non-controlling interests		(956.38)	(561.90)
		25,594.20	26,489.22
Total comprehensive income attributable to (XIII):			
Owners of the Company		26,509.68	27,051.28
Non-controlling interests		(956.38)	(561.90)
		25,553.30	26,489.38
XIV Earnings per equity share: (In ₹)			
1) Basic	38	18.88	19.24
2) Diluted		18.88	19.24
Corporate information and Significant accounting policies	1 & 2		
See accompanying notes forming part of the financial statements			

As per our report of even date attached
For **K. P. Rao & Co.,**
Chartered Accountants
(Firm Regn. No.003135S)

K. Viswanath
Partner,
Membership No: 022812
UDIN: 20022812AAAAAV2927

Place : Bengaluru
Date : 11-06-2020

For and on behalf of the Board

K. Narsimha Reddy
Managing Director
DIN: 00382412

S. Vaikuntanathan
Vice President (F&A)

Place: Hyderabad
Date: 11-06-2020

K. Jalandhar Reddy
Executive Director & CFO
DIN: 00434911

M.V. Venkata Rao
Company Secretary

Consolidated Statement of Changes in Equity

for the year ended March 31, 2020

A - Equity Share Capital

(₹ in Lakhs)

Particulars	Number	Amount
As at April 01, 2018	14,06,17,300	2,812.35
Issue of equity shares	-	-
As at March 31, 2019	14,06,17,300	2,812.35
Issue of equity shares	-	-
As at March 31, 2020	14,06,17,300	2,812.35

B - Other Equity

(₹ in Lakhs)

Particulars	Attributable to the shareholders of the Company				Items of other comprehensive income/ (loss)	Instrument entirely equity in nature	Total Attributable to the shareholders of the Company	Non-controlling interests	Total
	Reserves and Surplus				Other items of Other Comprehensive Income				
	Securities Premium Reserve	General Reserves	Exchange difference on transaction & translation	Retained Earnings					
Balance as at April 01, 2018	12,599.31	2,849.00	67.19	85,690.92	(92.16)	850.00	1,01,964.26	5,005.93	1,06,970.19
Profit for the year	-	-	-	27,051.12	-	-	27,051.12	(561.90)	26,489.22
Other Comprehensive income/(loss) for the year	-	-	-	-	-	0.16	0.16	-	0.16
Dividends & Dividend tax paid	-	-	-	(678.09)	-	-	(678.09)	-	(678.09)
Exchange Differences on translation of foreign operations	-	-	(67.19)	-	-	-	(67.19)	(167.43)	(234.62)
Balance as at March 31, 2019	12,599.31	2,849.00	0.00	1,12,063.95	(92.16)	850.16	1,28,270.26	4,276.60	1,32,546.86
Balance as at April 01, 2019	12,599.31	2,849.00	0.00	1,12,063.95	(92.16)	850.16	1,28,270.26	4,276.60	1,32,546.86
Profit for the year	-	-	-	26,550.58	-	-	26,550.58	(956.38)	25,594.20
Other Comprehensive income/(loss) for the year	-	-	-	-	-	(40.90)	(40.90)	-	(40.90)
Dividends & Dividend tax paid	-	-	-	(1,525.70)	-	-	(1,525.70)	-	(1,525.70)
Exchange Differences on translation of foreign operations	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2020	12,599.31	2,849.00	0.00	1,37,088.83	(92.16)	809.26	1,53,254.24	3,320.22	1,56,574.46

See accompanying notes forming part of financial statements

As per our report of even date attached
For **K. P. Rao & Co.,**

Chartered Accountants
(Firm Regn. No.003135S)

K.Viswanath
Partner,
Membership No: 022812
UDIN: 20022812AAAAAV2927

Place : Bengaluru
Date : 11-06-2020

For and on behalf of the Board

K. Narsimha Reddy
Managing Director
DIN: 00382412

S.Vaikuntanathan
Vice President (F&A)

Place: Hyderabad
Date: 11-06-2020

K. Jalandhar Reddy
Executive Director & CFO
DIN: 00434911

M.V.Venkata Rao
Company Secretary

Consolidated Cash Flow Statement

for the Year Ended March 31, 2020

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A) Cash Flow from operating Activities		
Profit before tax	32,446.97	29,235.83
Adjustments for :		
Depreciation and Amortisation expense	25,460.63	23,013.23
Liabilities no longer required written back	(681.11)	(1,515.45)
Provision for Doubtful Advances written back	-	(620.53)
Bad debts/advances written off	591.54	348.95
(Gain)/Loss on sale of property, plant and equipment	(264.21)	(865.99)
(Gain)/Loss on sale of Mutual funds	-	10.50
(Gain) / Loss on Fair value of Financial instruments	(111.51)	(398.80)
Exceptional Item	1,072.14	-
Finance Income on Financial Assets	(4,957.70)	-
Provision for Periodic maintenance	1,030.53	931.45
Dividend received on current investments	(0.03)	(297.28)
Un winding Interest on Lease liability	10.93	-
Un Winding Interest on Deferment of NHAI Premium	430.49	455.48
Un Winding Interest on Provision for MMR	246.39	133.50
Un Amortised Processing fee	18.38	41.12
Modification gain/loss	538.30	-
Finance costs	9,778.59	8,276.45
Interest Income	(3,155.46)	(447.03)
	30,007.90	29,065.60
Operating profit/(loss) before working capital changes	62,454.87	58,301.43
Working capital adjustments:		
(Increase)/Decrease in Trade and Other Receivables and prepayments	(66,883.53)	(11,931.66)
(Increase)/Decrease in Inventories	(2,197.72)	(2,613.94)
Increase/(Decrease) in Trade and other Payables	39,146.25	(11,719.18)
Cash generated / (Used in) From Operations	32,519.87	32,036.65
Share of profit/(loss) of an associate and a joint venture	(1,142.14)	(308.60)
Income Taxes (paid) / Refunds	(8,315.39)	(6,136.60)
Net Cash Flows from/(used in) Operating Activities - (A)	23,062.34	25,591.45
B) Cash Flow from Investing Activities		
Proceeds from sale of property, plant and equipment	466.90	1,428.43
Purchase of property, plant and equipment and Capital Work-in-Progress	(21,051.98)	(21,954.50)
Purchase/(Sale) of investments	(136.84)	770.11
Interest Received	2,894.87	400.85
Bank Balances not considered as cash and cash equivalents	(2,464.35)	(1,058.20)
Loans to Joint Venture Partners	107.44	2,059.94
Foreign Exchange Translation	-	(67.19)
Non Controlling Interest	-	(167.43)
Dividend received on current investments	0.03	297.28
TDS on Interest Received	(25.41)	(58.87)
Net Cash Flow from/ (used in) Investing Activities - (B)	(20,209.34)	(18,349.58)

Cash Flow Statement for the Year Ended March 31, 2020 (Contd.)

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
C) Cash Flow from Financing Activities		
Proceeds from long term borrowings	19,106.60	13,165.42
Increase/(Decrease) from Short term borrowings	1,670.28	1,694.14
Repayment of borrowings	(9,167.23)	(16,575.44)
Deferred Payment of Liability	(1,071.25)	-
Finance cost paid	(8,790.26)	(8,356.52)
Dividends paid and Dividend Tax Paid	(1,525.70)	(678.09)
Net Cash Flow / (used in) Financing Activities - (C)	222.44	(10,750.49)
Net increase/ (decrease) in Cash and Cash Equivalents - (A+B+C)	3,075.44	(3,508.62)
Cash & Cash Equivalents at the beginning of the year	990.11	4,498.73
Cash & Cash Equivalents as at the end of the year (Refer Note 1)	4,065.55	990.11

Note:

- 1 Cash & Cash equivalents includes:

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Cash in Hand	119.26	172.49
Bank Balance and Cheques on hand - current account	3,946.29	817.62
Total Cash & Cash equivalents	4,065.55	990.11

- 2 The Consolidated Cash flow statement is prepared in accordance with the Indirect Method stated in Ind-AS7 on Cash Flow Statements and presents the cash flows by operating, investing and financing activities.
- 3 Previous year's figures have been regrouped, wherever necessary.
- 4 Figures in brackets represent cash outflows.

As per our report of even date attached

For **K. P. Rao & Co.,**
Chartered Accountants
(Firm Regn. No.003135S)

K.Viswanath
Partner,
Membership No: 022812
UDIN: 20022812AAAAAV2927

Place : Bengaluru
Date : 11-06-2020

For and on behalf of the Board

K. Narsimha Reddy
Managing Director
DIN: 00382412

S.Vaikuntanathan
Vice President (F&A)

Place: Hyderabad
Date: 11-06-2020

K. Jalandhar Reddy
Executive Director & CFO
DIN: 00434911

M.V.Venkata Rao
Company Secretary

Notes

forming part of the Consolidated Financial Statements

1) REPORTING ENTITY INFORMATION:

KNR Constructions Limited ('the Company') is a company domiciled in India with its registered office at 'KNR House' 3rd & 4th Floor, Plot No: 114, Phase-I, Kavuri Hills, Hyderabad – 500 033. The Company has been incorporated in 1995 under the provisions of Indian Companies Act. The shares of the Company are listed on the both the stock exchanges (BSE & NSE) in India in 2008 pursuant to the Public offer of equity shares. The Company, its subsidiaries and Associates collectively referred to as the "Group" is engaged in the infrastructure sector and is undertaking Turn key EPC contracts and BOT & HAM projects on public-private partnership basis, group activities are primarily in the construction of roads, bridges, flyovers and irrigation projects.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of Compliance

These financial statements are the Consolidated financial statements of the Group prepared in accordance with Indian Accounting Standards ("Ind AS") as per the Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Rules, 2016 notified under the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

2.2 Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been presented ₹ in Lakhs rounded-off to two decimal, unless otherwise indicated.

2.3 Basis of Preparation & Presentation

These consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

2.4 Basis of Consolidation

The consolidated financial statements have been prepared on the following basis:

i) Subsidiaries

The consolidated financial statements comprise the financial statements of the Holding Company and its subsidiaries as disclosed in Note 43. Subsidiaries are consolidated from the date control commences until the date control ceases. Subsidiaries are consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses on intra-group transactions as per Indian Accounting Standard 110.

ii) Associates

Associates are entities over which the Group has significant influence but not control. Investments in associates are accounted for using the equity method of accounting. The investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the acquisition date.

iii) Joint arrangements

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures; the classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

For joint operations, the group recognises its direct right to the assets, liabilities, contingent liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

For joint venture, A Joint Venture is a joint arrangement whereby the parties that have joint control of the arrangement, have rights to the net assets of the joint arrangement. Investments in

Notes forming part of the Consolidated Financial Statements (Contd.)

Joint Venture are accounted for using the equity method after initially recognised at cost.

- iv) The financial statements of the Subsidiaries, Associates and the Joint ventures used in the consolidation are drawn up to the same reporting date as that of the Holding Company, i.e. March 31, 2020.
- v) Non-controlling interests in the net assets of the consolidated subsidiaries is identified and presented in consolidated balance sheet under the Total Equity.
- vi) Non-controlling interests in the net assets of consolidated subsidiaries consists of:
 - a) The amount of equity attributable to Non-controlling holders at the date on which investment in a subsidiary is made; and
 - b) The Non-controlling holders share of movements in the equity since the date the parent subsidiary relationship came into existence.
- vii) The consolidated financial statements are prepared to the extent possible using uniform accounting policies for like transactions and other events in similar circumstances and are presented to extent possible, in the same manner as the Company's separate financial statements. The Subsidiaries and Associate Companies are considered for consolidated financial statements are given in Note 43.

2.5 Changes in the Group's ownership interest in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to shareholders of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the

fair value of the consideration received and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/ permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

2.6 Operating cycle for Current and Non-Current classification

The group has classified all its assets and liabilities as current or non-current, wherever applicable, as per the operating cycle of the group as per Schedule III to the Act. 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 realisation of receivables (including retention monies) within the credit period normally applicable to the respective project.

2.7 Fair Value Measurement

The group measures certain financial instruments, in its financial statements at fair value at each balance sheet date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within fair value hierarchy based on the low-level of input that is significant to the fair value measurement as a whole:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (observable input).

Level 3 – Inputs for the assets and liabilities that are not based on observable market data (unobservable inputs).

Notes forming part of the Consolidated Financial Statements (Contd.)

When measuring the fair value of an asset or a liability, the group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.8 Property, plant and equipment (PPE)

Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended

use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation is calculated on cost of items of property, plant and equipment in the manner and as per the useful life prescribed under Schedule-II to the Act except the below mentioned assets, and is generally recognised in the statement of profit and loss. Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed off).

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

For the Assets costing up to ₹ 5,000 are depreciated fully in the year of purchase.

The following asset category has useful life different from the life specified in Schedule II of the Companies Act, 2013 based on the management's assessment

S. No.	Description	Useful life given as per Companies Act 2013	Company's estimated useful life
1.	Buildings		
	RCC structure	60 years	60 years
	Temporary structure	3 Years	3 Years
2.	Plant and Machinery		
	Concreting, crushing, piling equipment's and road making equipment's	12 Years	7 Years *
	Heavy Lift equipment's		
	- Cranes < 100 tons	15 Years	7 Years *
	- Earth-moving equipment's	9 Years	7 Years *
	Construction Accessories	12 Years	3 Years **
	Others including Material Handling / Pipeline / Welding Equipment's	12 Years	7 Years *
3.	Furniture and fittings	10 Years	10 Years

Notes forming part of the Consolidated Financial Statements (Contd.)

S. No.	Description	Useful life given as per Companies Act 2013	Company's estimated useful life
4.	Motor Vehicles		
	Motor cycles, Scooters and other mopeds	10 Years	10 Years
	Motor buses, motor lorries, motor cars and motor taxis	8 Years	8 Years
5.	Office equipment's	5 Years	5 Years
6.	Computers and data processing units		
	Servers and networks	6 Years	6 Years
	End user devices such as, desktops, laptop etc.,	3 Years	3 Years
7.	Laboratory equipment's	10 years	7 years *

* The Group estimated life of the asset as 7 years.

** The Group estimated life of the asset as 3 years as the assets have been used for more number of times / shifts as compared to the other ones.

Where cost of a part of the asset ("asset component") is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately and such asset component is depreciated over its separate useful life.

Gains or losses arising from the retirement or disposal of property, plant and equipment are determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset and are recognised in the income statement on the date of retirement or disposal.

2.9 Capital Work-in-progress

Capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost less refundable taxes.

2.10 Intangible Asset under Service Concession Arrangements (SCA)

The Group recognises an intangible asset arising from a service concession arrangement to the extent it has a right to charge for use of the concession infrastructure. The fair value, at the time of initial recognition of such an intangible asset received as consideration for providing construction or upgrade services in a service concession arrangement, is regarded to be its cost. Subsequent to initial recognition the intangible asset is measured at cost, less any accumulated amortisation and accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

The Group has followed life based amortisation for intangible assets which are recognised under service concession arrangements, over the balance concession period.

Government grants – Viability Gap Funding (VGF)

Any VGF in the form of equity support in connection with project construction is accounted as a receivable and is adjusted to the extent of actual receipt.

Accounting for negative grants

The Group is required to make payments to the authority during the period of SCA which is called negative grant as per Ind-AS 115, and the payment is in the form of fixed payment (annual throughout the SCA) and the Group has recognised as a liability with a present value of annual payments payable during the SCA. And the same was capitalised to the intangible assets.

2.11 Rights under Service Concession Arrangements (Hybrid Annuity Projects)

Financial Asset under SCA

Where Group has acquired contractual rights to receive specified determinable amounts, such rights are recognised and classified as "Financial Assets". The Group will recognise a financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset from the Authority/Client for the construction services and

Notes forming part of the Consolidated Financial Statements (Contd.)

such financial assets are classified as "Receivables against Service Concession Arrangements" (Financial Asset Receivable).

Pre-operative expenses including administrative and other general overhead expenses that are directly attributable to the development under service Concession Arrangements are allocated and recognised and classified as "Financial Assets Receivable".

The amount due from the authority including Operation & Maintenance Income is accounted for in accordance with Ind AS 109 as measured at amortised cost and the interest calculated using the effective interest method is recognised in statement of profit and loss.

As per the Concession Arrangement, the support during construction period received on milestone basis is accounted for as part of the transaction price (Financial Asset) as defined in Ind AS 115.

2.12 Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with the Ind AS 16's requirement for cost model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no further economic benefits expected from disposal. Any gain or loss arising on derecognition of the property is included in profit or loss in the period in which the property is derecognised.

2.13 Other Intangible Assets

Other Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Pre-operative expenses including administrative and other general overhead expenses that are specifically attributable

to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets. Intangible assets are amortised over their useful life.

Asset	Useful life
Computer Software	3 Years

2.14 Investment in Associates and Joint Ventures and Mutual Funds

Investments in mutual funds are carried at fair value through profit and loss.

Investments are classified as 'held for sale' when all of the following criterias are met:

- (i) decision has been made to sell,
- (ii) the assets are available for immediate sale in its present condition,
- (iii) the assets are being actively marketed and
- (iv) Sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such investments classified as held for sale are measured at the lower of its carrying value and fair value less impairment.

Investments in joint venture are recognised at cost with adjustment to respective share of profit/loss.

2.15 Inventories

Raw Materials, construction materials and stores & spares are valued at weighted average cost or net realisable value whichever is less. Cost includes all charges in bringing the materials to the place of usage, excluding refundable duties and taxes.

2.16 Financial Instruments

i. Classification and subsequent measurement

Financial assets

Financial asset is

- Cash / Equity Instrument of another Entity,
- Contractual right to –
 - a) receive Cash / another Financial Asset from another Entity, or
 - b) exchange Financial Assets or Financial Liabilities with another Entity under conditions that are potentially favourable to the Entity.

Notes forming part of the Consolidated Financial Statements (Contd.)

On initial recognition, a financial asset is classified as measured at

- Amortised cost;
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- o the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- o 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.

Financial liabilities

Financial liability is Contractual Obligation to

- deliver Cash or another Financial Asset to another Entity, or
- exchange Financial Assets or Financial Liabilities with another Entity under conditions that are potentially unfavourable to the Entity

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on de-recognition is also recognised in profit or loss.

ii. De-recognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from

the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iii. Impairment

Impairment of financial assets

In accordance with Ind AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are measured at amortised cost
- Trade receivables

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition

Impairment of non-financial assets

The Group's non-financial assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication

Notes forming part of the Consolidated Financial Statements (Contd.)

exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised, if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

2.17 Cash and cash equivalents

Cash and cash equivalents includes Cash in hand, bank balances and cheques on hand, Short term and liquid investments being not free from more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

2.18 Other Bank Balances

Other bank balances include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation.

2.19 Leases

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.

Group as a lessee

The Group accounts for each lease component within the contract as a lease separately from non-

lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re measurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses borrowing rate. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease, the Group has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Notes forming part of the Consolidated Financial Statements (Contd.)

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 Leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees. The Group has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Group has not restated comparative information.

2.20 Provisions

Provisions are recognised only when:

- a) An entity has a present obligation (legal or constructive) as a result of a past event
- b) It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- c) A reliable estimate can be made of the amount of the obligation.

Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Provision for contractual obligations

Provisions are taken for contractual obligations to maintain the condition of infrastructure under concession agreement, principally to cover the expense of major road repairs (surface courses, restructuring

of slow lanes, etc.), bridges, tunnels etc. Provision for contractual obligations is determined by discounting the expected maintenance expense spanning several years at a pre-tax rate that reflects the current market assessment of the time value and the risks specific to the liability and is updated annually. Provisions are also taken whenever recognised signs of defects are encountered on identified infrastructure.

2.21 Contingent liability, Contingent Assets and Commitments

- i) Contingent liability is disclosed in case of
 - a) A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation
 - b) A present obligation arising from past events, when no reliable estimate is possible.
- ii) Contingent assets are disclosed where an inflow of economic benefits is probable.
- iii) Commitments are future liabilities for contractual expenditure. Commitments are classified and disclosed as follows:
 - a) Estimated amount of contracts remaining to be executed on capital account and not provided for
 - b) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.
 - c) Other commitments related to sales/ procurements made in the normal course of business are not disclosed to avoid excessive details.

Contingent liabilities, Contingent assets and Commitments are reviewed at each Balance Sheet date.

2.22 Revenue Recognition

Accounting for Construction contracts

The Group constructs infrastructure projects on behalf of clients. Delivering the project as per the contractual terms is the only performance obligation that has been identified. Under the terms of the contracts, the group will perform its obligations on time to time as per the timing schedule indicated in the contract with the

Notes forming part of the Consolidated Financial Statements (Contd.)

asset having no alternative use to the entity and the group having an enforceable right to receive payment for the work done. Hence, Revenue is therefore recognised over time on a cost to cost method, i.e. based on the proportion of contract costs incurred for the work performed to date relative to the estimated total contract costs. The management considers that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under Ind AS 115.

Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

As per the contract, when there is a right to consideration in exchange for goods or services that have been transferred to a customer when that right is conditioned on something other than the passage of time, a contract asset is recognised to the extent of the consideration due.

Similarly, when there is an obligation to transfer goods or services to a customer for which the entity has received consideration from the customer, a contract liability is recognised to the extent of the obligation.

Accounting for Claims

Claims are accounted as income in the period of receipt of arbitration award and acceptance by client or evidence of acceptance received. Interest awarded, being in the nature of additional compensation under the terms of the contract, is accounted as other Income on receipt of favourable arbitration award.

Service concession arrangements (SCA)

For BOT (Toll) Projects

The Group derives revenue primarily from toll collection and other miscellaneous construction contracts. Toll collections from the users of the infrastructure facility constructed by the Company under the Service Concession Arrangement is accounted for based on completion of the performance obligation which largely coincides with actual toll collection from the user. Revenue from sale of smart cards is accounted on recharge basis.

For Hybrid Annuity Projects

The Group constructs or upgrades infrastructure (construction or upgrade services) used to provide

a public service and operates and maintains that infrastructure (operation services) for a specified period of time. The group shall recognise and measure revenue for the services it performs. The nature of the consideration determines its subsequent accounting treatment i.e. as Financial Assets. The group will recognise a financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset from the authority/client for the construction services.

The Financial Asset due from the authority/client is accounted and measured at amortised cost. The interest calculated using the effective interest method is recognised in the statement of profit and loss. As per the Concession Arrangement, support received during construction period are accounted for as part of the transaction price (i.e. Financial Asset).

Other Income

Interest income: Finance income is accrued on a time proportion basis, by reference to the principal outstanding and the applicable Effective interest rate (EIR). Other income is accounted for on accrual basis. Where the receipt of income is uncertain, it is accounted for on receipt basis.

Dividend income: Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

Other Items of Income: Other items of income are accounted as and when the right to receive arises and it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

2.23 Employee Benefits

a) Short term employee benefits:

All employee benefits falling due wholly within twelve months of rendering the service are classified as short-term employee benefits. The benefits like salaries, wages, and short term compensated absences etc. Expenses on non-accumulating compensated absences are recognised in the period in which the absences occur.

Notes forming part of the Consolidated Financial Statements (Contd.)

b) Post-employment benefits:

- i. **Defined contribution plans:** The state governed provident fund scheme, employee state insurance scheme and employee pension scheme are defined contribution plans. The contribution paid/payable under the schemes is recognised during the period in which the employee renders the related service.
- ii. **Defined benefit plans:** The employees' group gratuity fund schemes are managed by Life Insurance Corporation of India (L.I.C), and post-retirement provident fund scheme are the Group's defined benefit plans. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the related obligations at the Balance Sheet date.

Re measurement, comprising actuarial gains and losses, the return on plan assets (excluding net interest) and any change in the effect of asset ceiling (wherever applicable) are recognised in other comprehensive income and is reflected immediately in retained earnings and is not reclassified to profit and loss.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

Gains or losses on the curtailment or

settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Past service cost is recognised as expense at the earlier of the plan amendment or curtailment and when the Group recognises related restructuring costs or termination benefits.

2.24 Taxes on Income

Income tax comprises of current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary differences arise from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition,

Notes forming part of the Consolidated Financial Statements (Contd.)

deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

iii. Minimum Alternate Tax (MAT)

Minimum Alternative Tax ("MAT") under the provisions of the Income-tax Act, 1961 is recognised as current tax in the statement of profit and loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

2.25 Foreign Currencies

Foreign Currency transaction and translation expenditure

- The Functional Currency of the Group is Indian Rupees(INR), and these financial statements are presented in Indian rupees(Lakhs)
- Foreign Currency transactions are recorded on initial recognition in the reporting currency, using the exchange rate on the date of the transaction.
- At each Balance Sheet date, foreign currency monetary items are reported using the closing rate or at amount likely to be realised from or required to disburse. Exchange differences that arise on settlement of Long Term monetary items or on reporting of Long Term Monetary items at each Balance sheet date, at the closing rate are charged to Statement of Profit and loss.

2.26 Cash flow statement

The Consolidated Cash flow statement is prepared in accordance with Ind AS 7 by using indirect method by segregating as cash flows from operating, investing and financing activities. Under the Cash flow from operating activities, the net profit is adjusted for the effects of Non-cash items, Changes in working capital and other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) are reflected as such in the Cash Flow Statement. Those amounts which are not considered in cash and cash equivalents as on the date of Balance Sheet are included in investing activities.

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition).

2.27 Dividend to equity shareholders

Dividend to equity shareholders is recognised as a liability and deducted from shareholders equity, in period in which the dividends are approved by the equity shareholders in general meeting.

2.28 Earnings per share

a) Earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury share.

b) Diluted earnings per share

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

Notes forming part of the Consolidated Financial Statements (Contd.)

2.29 Borrowing Costs

Borrowing costs include interest expense calculated using the effective interest method. Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.30 Exceptional Items

Exceptional Items represents the nature of transactions which are not in recurring nature during the ordinary course of business but lead to increase / decrease in profit / loss for the year.

2.31 Key accounting estimates and judgements

The preparation of these consolidated financial statements in conformity with Ind AS requires the management to make estimates and assumptions considered in the reported amounts of assets, liabilities (including contingent liabilities), income and expenses. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialize. Estimates include the property plant and equipment, inventory, future obligations in respect of retirement benefit plans, provisions, fair value measurement and taxes etc.

a) Revenue Recognition

The Group follows the percentage completion method, based on the proportion that contract cost incurred as on reporting date to the total estimated contract cost including escalations/ variations, 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, recognised 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.

b) Property, plant and equipment

The Group reviews the estimated useful lives of property plant and equipment at the end of each reporting period. During the current year, there has been no change in life considered for the assets.

c) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

d) Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term including anticipated renewals and the applicable discount rate.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option.

In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate.

Notes forming part of the Consolidated Financial Statements (Contd.)

e) Provision for employee benefits

The Group uses actuarial assumptions to determine the obligations for employee benefits at each reporting period. These assumptions include the discount rate, expected long-term rate of return on plan assets, rate of increase in compensation levels and mortality rates.

f) Income Taxes

Significant judgments are required in determining the provision for income taxes, including the

amount expected to be paid/ recovered for uncertain tax positions.

g) Estimation of net realisable value of inventories

In estimating the net realisable value of Inventories the Group makes an estimate of future selling prices and costs necessary to make the sale.

h) Impairment of trade receivables and advances

Significant estimates are required in ascertaining the provision to be made for impairment of trade receivables and advances.

Notes forming part of the Consolidated Financial Statements (Contd.)

3. PROPERTY, PLANT AND EQUIPMENT

Particulars	As at	
	March 31, 2020	March 31, 2019
Tangible Assets		
Land - Free Hold *	4,435.71	3,421.81
Buildings	1,646.01	1,474.59
Plant and Equipment	31,009.00	31,421.47
Furniture and Fixtures	76.22	75.73
Vehicles	763.64	894.08
Office equipment	128.45	129.95
Computers & Accessories	39.28	42.05
	38,098.31	37,459.68

Particulars	Tangible Assets							Total
	Land - Free Hold *	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Computers & Accessories	
Cost or Deemed cost								
As at April 01, 2019	3,421.81	2,710.50	92,440.61	311.83	2,298.08	318.93	177.75	1,01,679.51
Additions	1,109.96	426.12	18,111.99	24.08	219.46	61.94	30.02	19,983.57
Disposals/adjustments	(96.06)	-	(873.50)	(1.09)	(141.12)	(3.08)	(0.65)	(1,115.50)
As at March 31, 2020	4,435.71	3,136.62	1,09,679.10	334.82	2,376.42	377.79	207.12	1,20,547.58
Depreciation								
As at April 01, 2019	-	1,235.91	61,019.14	236.10	1,404.00	188.98	135.70	64,219.83
Charge for the period #	-	254.70	18,466.09	22.88	303.98	61.83	32.77	19,142.25
Disposals/adjustments	-	-	(815.13)	(0.38)	(95.20)	(1.47)	(0.63)	(912.81)
As at March 31, 2020	-	1,490.61	78,670.10	258.60	1,612.78	249.34	167.84	82,449.27
Net Carrying Amount								
As at March 31, 2020	4,435.71	1,646.01	31,009.00	76.22	763.64	128.45	39.28	38,098.31
As at March 31, 2019	3,421.81	1,474.59	31,421.47	75.73	894.08	129.95	42.05	37,459.68

Includes depreciation of ₹ 48.00 Lakhs (PY ₹ Nil) related to machineries used for CSR activities, hence transferred to CSR expenses.
Note: Refer note 17 for details of assets pledged.

Notes forming part of the Consolidated Financial Statements (Contd.)

3. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

Particulars	Tangible Assets								Total	
	Land - Free Hold *	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Computers & Accessories			
Cost or Deemed cost										
As at April 01, 2018	1,203.32	2,428.37	75,929.47	282.41	1,825.21	234.69	139.87			82,043.34
Additions	2,291.92	282.13	18,076.63	29.42	472.87	84.24	37.88			21,275.09
Disposals/adjustments	(73.43)	-	(1,565.49)	-	-	-	-			(1,638.92)
As at March 31, 2019	3,421.81	2,710.50	92,440.61	311.83	2,298.08	318.93	177.75			1,01,679.51
Depreciation										
As at April 01, 2018	-	1,051.87	46,021.74	216.86	1,127.43	144.34	111.79			48,674.03
Charge for the period #	-	184.04	16,269.05	19.24	276.57	44.64	23.91			16,817.45
Disposals/adjustments	-	-	(1,271.65)	-	-	-	-			(1,271.65)
As at March 31, 2019	-	1,235.91	61,019.14	236.10	1,404.00	188.98	135.70			64,219.83
Net Carrying Amount										
As at March 31, 2019	3,421.81	1,474.59	31,421.47	75.73	894.08	129.95	42.05			37,459.68
As at March 31, 2018	1,203.32	1,376.50	29,907.73	65.55	697.78	90.35	28.08			33,369.31

Note: Refer note 17 for details of assets pledged.

Notes forming part of the Consolidated Financial Statements (Contd.)

3.1 INVESTMENT PROPERTY

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Investment Property *	7,245.30	6,516.41
	7,245.30	6,516.41

* Land and investment property includes ₹ 870.48 Lakhs (P.Y ₹ 798.42 Lakhs) held in the name of Directors, relatives of Directors for and on behalf of the Company.

As at March 31, 2020		As at March 31, 2019	
(₹ in Lakhs)		(₹ in Lakhs)	
Particulars	Amount	Particulars	Amount
As at April 01, 2019	6,516.41	As at April 01, 2018	6,501.42
Additions	728.89	Additions	96.08
Disposals	-	Disposals	(81.09)
As at March 31, 2020	7,245.30	As at March 31, 2019	6,516.41
Depreciation		Depreciation	
As at April 01, 2019	-	As at April 01, 2018	-
Charge for the period	-	Charge for the period	-
Disposal/adjusted	-	Disposal/adjusted	-
As at March 31, 2020	-	As at March 31, 2019	-
Net block		Net block	
As at March 31, 2020	7,245.30	As at March 31, 2019	6,516.41
As at March 31, 2019	6,516.41	As at March 31, 2018	6,501.42

Fair Value of Investment Property

Details and fair value of the investment property as on March 31, 2020 and March 31, 2019 is given below:

	Fair value Hierarchy	(₹ in Lakhs)	
		As at March 31, 2020	As at March 31, 2019
Investment Property	Level 3	13,200.60	11,976.03
		13,200.60	11,976.03

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements except assets pledged. Refer Note 17 for details of assets pledged.

3.2 OTHER INTANGIBLE ASSETS

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Computer Software	14.93	10.95
Carriage way	81,863.55	88,064.49
Total	81,878.48	88,075.44

Notes forming part of the Consolidated Financial Statements (Contd.)

3.2 OTHER INTANGIBLE ASSETS (CONTD.)

(₹ in Lakhs)

Particulars	Computer software	Carriage way	Total
Cost or Deemed cost			
As at April 01, 2019	38.06	1,08,142.68	1,08,180.74
Additions	15.12	-	15.12
Disposals	-	-	-
As at March 31, 2020	53.18	1,08,142.68	1,08,195.86
Depreciation			
As at April 01, 2019	27.11	20,078.19	20,105.30
Charge for the period	11.14	6,200.94	6,212.08
Disposals	-	-	-
As at March 31, 2020	38.25	26,279.13	26,317.38
Net block			
As at March 31, 2020	14.93	81,863.55	81,878.48
As at March 31, 2019	10.95	88,064.49	88,075.44

(₹ in Lakhs)

Particulars	Computer software	Carriage way	Total
Cost or Deemed cost			
As at April 01, 2018	30.81	1,08,142.71	1,08,173.52
Additions	7.25	-	7.25
Disposals	-	(0.03)	(0.03)
As at March 31, 2019	38.06	1,08,142.68	1,08,180.74
Depreciation			
As at April 01, 2018	15.33	13,894.19	13,909.52
Charge for the period	11.78	6,184.00	6,195.78
Disposals	-	-	-
As at March 31, 2019	27.11	20,078.19	20,105.30
Net block			
As at March 31, 2019	10.95	88,064.49	88,075.44
As at March 31, 2018	15.48	94,248.52	94,264.00

Notes forming part of the Consolidated Financial Statements (Contd.)

4. INVESTMENTS

			(₹ in Lakhs)	
Particulars	As at March 31, 2020	As at March 31, 2019		
Non-Current				
Trade - Unquoted				
a) Investment In Associate (Quasi Debt)				
Patel KNR Heavy Infrastructures Ltd.,	1,793.69	1,793.69		
Total	1,793.69	1,793.69		
Trade - Unquoted				
b) Equity instruments of associates				
Patel KNR Infrastructures Ltd.				
1,48,00,000 (1,48,00,000) equity shares of ₹ 10/- each, fully paid	1,480.00	1,480.00		
Add/(Less): Cumulative Share of Profit	423.72	204.24		
Net Investment (I)	1,903.72	1,684.24		
Patel KNR Heavy Infrastructures Ltd.,				
95,29,500 (95,29,500) equity shares of ₹ 10/- each, fully paid	952.95	952.95		
Add/(Less): Cumulative Share of Profit	329.70	(47.06)		
Net Investment (II)	1,282.65	905.89		
Total Equity investment on associates (III=I + II)	3,186.37	2,590.13		
Less : Impairment Made (IV)	1,086.64	1,086.64		
Net Equity investment on associates (III-IV)	2,099.73	1,503.49		
Total Non-current Investments (a+b)	3,893.42	3,297.18		
Current				
Trade - Quoted - at fair value				
c) Investments in Mutual Funds				
	Units			
ICICI Bank Mutual Funds	3,19,494.24(PY 46,211.94)	938.62	110.16	
UTI Mutual Funds	6,792.13(PY 26,168.535)	220.84	800.95	
Total current investments		1,159.46	911.11	
Trade - Unquoted				
d) Current Accounts in Joint Venture				
SEL - KNR JV		1,531.03	985.13	
Total Current Investments (c+d)		2,690.49	1,896.24	
Total Investments				
i) Aggregate amount of amortised cost of unquoted investments - Non Current (a)		1,793.69	1,793.69	
ii) Aggregate amount of unquoted investments - Non - Current (b)		3,186.37	2,590.13	
iii) Aggregate amount of impairment in value of investments (b)		(1,086.64)	(1,086.64)	
iv) Aggregate book value of quoted investments - Current (c)		1,159.46	911.11	
v) Aggregate amount of unquoted investments - Current (d)		1,531.03	985.13	
Total		6,583.91	5,193.42	

Note : Aggregate market value of quoted investments is ₹ 1,159.46 Lakhs (March 31, 2019 ₹ 911.11 Lakhs)

Notes forming part of the Consolidated Financial Statements (Contd.)

5. OTHER FINANCIAL ASSET

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Non-current		
Financial Asset Receivable	69,779.75	13,912.53
Retention deposit & With Held	59.50	59.50
Advances to Sub-contractors	63.07	195.48
Total Non-Current Other Financial Assets	69,902.32	14,167.51
Current		
Advances to related parties (Refer note : 40)	84.48	67.39
Retention Deposits & Withheld	16,602.02	13,538.50
Interest receivable	474.89	214.30
Security Deposits	863.66	1,640.89
Others Receivable	4,899.54	1,797.62
TDS Refund Receivable from Joint Ventures	194.35	161.33
Total Current Other Financial Assets	23,118.94	17,420.03
Total	93,021.26	31,587.54

6. DEFERRED TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred tax assets	16,243.57	17,593.33
Deferred tax liability	(145.03)	(116.42)
Total	16,098.54	17,476.91

6.1 Components of deferred income tax assets and liabilities arising on account of temporary differences are:

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred tax asset		
Expenditure disallowed under Income Tax Act, 1961	731.43	521.65
Provision for doubtful advances	-	264.81
Deferred tax on fair value of investment of properties	1,374.63	1,285.74
Property, plant and equipment	10,487.68	7,548.14
MAT credit entitlement	3,649.83	7,972.99
	16,243.57	17,593.33
Deferred tax liability		
Interest income recognised on Intercompany loans	(56.33)	(48.03)
On OCI (Gratuity)	(88.70)	(68.39)
	(145.03)	(116.42)
Total	16,098.54	17,476.91

Notes forming part of the Consolidated Financial Statements (Contd.)

7. TAX ASSETS (NET)

(₹ in Lakhs)		
Particulars	As at March 31, 2020	As at March 31, 2019
Non-current		
Advance Tax	4,306.89	1,904.76
	4,306.89	1,904.76
Current		
Advance Tax	17,683.68	1,351.87
Less: Provision for Income Tax	(15,847.24)	-
	1,836.44	1,351.87
Total	6,143.33	3,256.63

8. OTHER NON-CURRENT ASSETS

(₹ in Lakhs)		
Particulars	As at March 31, 2020	As at March 31, 2019
Un-secured Considered good		
Capital advances	377.45	1,067.54
Security Deposits	455.96	421.39
GST/WCT Receivable	16,757.74	14,525.17
Other Receivables	3.82	3.82
Total	17,594.97	16,017.92

9. INVENTORIES

(₹ in Lakhs)		
Particulars	As at March 31, 2020	As at March 31, 2019
Raw materials	7,480.64	5,374.24
Goods-in transit	273.10	522.72
Stores and spares	4,339.90	3,541.44
Goods-in transit	222.63	117.20
Work in Progress	-	562.95
Total	12,316.27	10,118.55

10. TRADE RECEIVABLES

(₹ in Lakhs)		
Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Unsecured, considered good		
Trade Receivables	17,464.88	9,680.10
Total Current Trade Receivables	17,464.88	9,680.10
Total	17,464.88	9,680.10

Notes forming part of the Consolidated Financial Statements (Contd.)

11. CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks:		
in current accounts	3,896.24	807.62
Cheques on hand	50.05	10.00
Cash on hand	119.26	172.49
Total	4,065.55	990.11

12. OTHER BANK BALANCES

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Earmarked balances with Banks		
Margin Money & Other fixed deposits (Refer note: 12.1)	4,219.00	1,755.00
Un-claimed Dividend	2.68	2.33
Total	4,221.68	1,757.33

12.1 Margin money deposits have been lodged with Banks against Guarantees/ Letters of Credit issued by them.

13. LOANS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Unsecured, considered good:		
Loans to		
Joint Venture Partners (Refer note : 13.1)	286.74	394.18
Total Current Loans	286.74	394.18
Total	286.74	394.18

13.1 All the loans to joint venture partners are interest bearing.

14. OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Un-secured Considered good		
Advances to Sub-contractors	15,966.66	19,222.89
Advances to Suppliers (Other than capital advances)	1,846.71	1,687.30
Staff Imprest & Salary Advances	255.61	301.01
Prepaid expenses	626.12	657.51
Due from Customers	24,770.17	22,106.00
Receivables from Others	573.36	405.57

Notes forming part of the Consolidated Financial Statements (Contd.)

14. OTHER CURRENT ASSETS (CONTD.)

(₹ in Lakhs)

Particulars	As at	
	March 31, 2020	March 31, 2019
Considered doubtful		
Other Receivables	-	757.80
Less: Provision for doubtful trade receivables	-	(757.80)
Total	44,038.63	44,380.28

15. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Authorised Share capital				
Equity Shares of ₹ 2/- each	17,50,00,000	3,500.00	17,50,00,000	3,500.00
Issued, subscribed & fully paid share capital				
Equity Shares of ₹ 2/- each	14,06,17,300	2,812.35	14,06,17,300	2,812.35
Total		2,812.35		2,812.35

15.1 The reconciliation of the number of shares outstanding at the beginning and at the end of the year is set out below

(₹ in Lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares (FV of ₹ 2)	Amount	No. of Shares (FV of ₹ 2)	Amount
Number of Equity Shares at the beginning	14,06,17,300	2,812.35	14,06,17,300	2,812.35
Add:- Number of Shares Issued	-	-	-	-
Less: Number of Shares Brought Back	-	-	-	-
Number of Equity Shares at the end of the year	14,06,17,300	2,812.35	14,06,17,300	2,812.35

Terms/ Rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of ₹ 2/- . Each holder of equity shares is entitled to one vote per share.

During the Year ended March 31, 2020 the Company has declared and paid Interim dividend of ₹ 0.50 per share (i.e 25% of face value of ₹ 2/- each) at the Board Meeting held on March 10, 2020.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes forming part of the Consolidated Financial Statements (Contd.)

15. EQUITY SHARE CAPITAL (CONTD.)

15.2 The details of shareholder holding more than 5% shares as at March 31, 2020 and March 31, 2019 set out below:

Name of the shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of Shares held	% holding	No. of Shares held	% holding
Kamidi Narsimha Reddy	4,57,43,595	32.53	4,57,43,595	32.53
Kamidi Jalandhar Reddy	1,96,29,605	13.96	1,96,29,605	13.96
HDFC Trustee Company Ltd	89,99,300	6.40	89,99,300	6.40
DSP Blackrock Balanced Fund	86,81,047	6.17	90,27,249	6.42
ICICI Prudential Infrastructure Fund	94,25,949	6.70	93,79,988	6.67

15.3 Instruments Entirely equity in nature

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Loan from Promoter of SPV	850.00	850.00
Total	850.00	850.00

16. OTHER EQUITY

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
a) Securities premium reserve	12,599.31	12,599.31
b) General reserve	2,849.00	2,849.00
d) Surplus in the statement of profit and loss		
Balance at the beginning of the period	1,12,063.95	85,690.92
Add: (Loss)/ Profit for the period	26,550.58	27,051.12
Less:		
Dividend Paid/Payable	(1,265.56)	(562.47)
Dividend Tax	(260.14)	(115.62)
	1,37,088.83	1,12,063.95
d) Other Comprehensive Income - Gratuity	(132.90)	(92.00)
Total	1,52,404.24	1,27,420.26

17. BORROWINGS

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Non-current		
Secured loans		
From banks		
Term loans (Refer note : 17.5)	57,181.57	42,820.78
Equipment and vehicle loans (Refer note : 17.1)	113.41	1,664.00
	57,294.98	44,484.78

Notes forming part of the Consolidated Financial Statements (Contd.)

17. BORROWINGS (CONTD.)

(₹ in Lakhs)		
Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured loans		
From related parties (Refer note : 17.2)	17,932.32	20,460.33
Deferred Payment Liability - NHAI Premium	3,944.42	4,046.88
	21,876.74	24,507.21
Total non-current borrowings	79,171.72	68,991.99
Current		
Secured loans		
From banks (Refer note : 17.3 and 17.4)		
Working capital demand loans	600.14	-
Cash credits	2,764.28	1,694.14
Total current borrowings	3,364.42	1,694.14
Total	82,536.14	70,686.13

17.1 Details of Secured loans with Rate of interest (ROI) & Maturity Dates

(₹ in Lakhs)				
Particulars	Effective Interest rate (p.a)	Maturity	As at March 31, 2020	As at March 31, 2019
Non-current Borrowings				
- From Banks				
- HDFC Bank Ltd	9.05%	07-Apr-21	113.41	1,400.03
- Axis Bank Ltd	8.75%	20-May-20	-	263.97
			113.41	1,664.00
Current maturities				
- From Banks				
- HDFC Bank Ltd	9.05%	07-Apr-21	1,296.53	1,090.06
- Axis Bank Ltd	8.75%	20-May-20	263.97	1,505.73
			1,560.50	2,595.79
Total Secured loans			1,673.91	4,259.79

Terms of Security

From Banks

- i) HDFC Bank Ltd.
 - Secured by Hypothecation of specific assets purchased out of the loan, comprising Plant & Machinery
- ii) Axis Bank Ltd.
 - Secured by Hypothecation of specific assets purchased out of the loan, comprising Plant & Machinery

Notes forming part of the Consolidated Financial Statements (Contd.)

17. BORROWINGS (CONTD.)

17.2 Un secured Loans

The Company availed un-secured loan from directors, which are repayable on demand and carries interest at SBI 1 year MCLR with a spread of 0.2%, and the interest rate will be changed according to the changes in SBI MCLR from time to time.

17.3 Working Capital Facilities: Cash Credit facilities from consortium of banks are secured by: (Repayable on demand)

- Hypothecation of entire current assets on pari passu basis with other participating banks,
- First pari passu charge on equitable mortgage of certain land & buildings.
- Hypothecation of certain equipment's of written down value as on 30.09.2018 is ₹ 65.03 Crores.
- Personal guarantee of Director.

17.4 The interest rate for working capital demand loan and cash credit facilities varies from 8.60% to 10.00 % p.a

17.5 Term Loans of Subsidiaries:

for KNR Muzaffarpur Barauni Tollway Private Limited

Project Loan of ₹ 31,800 Lakhs sanctioned by Banks to this fellow subsidiary, and the outstanding amount as on March 31, 2020 is ₹ 29,955 Lakhs and the Company has commenced its commercial operations in the FY 2016-17, and achieved 100% PCOD on August 24, 2017.

Terms of security and repayment

- Mortgage /charge over the Company's immovable and movable properties (other than project assets but including all receivables) both present and future;
- Charge/assignment of revenues receivables
- Charge over /assignment of the rights, titles and interests of the Company in to and in respect of all project agreements (in accordance with concession agreement).
- Assignment of insurance policies, interest, benefits, claims, guarantees ,performance bonds and liquidated damages;
- Pledge of 51% of the fully paid up Equity share capital of the Company;
- The aforesaid charge will rank Pari - Passu with the mortgages and charges created/to be created in favour of participating institutions/banks.

The above loan is repayable in fifty quarterly unequal installments ranging from ₹ 0.16 crores to ₹ 10.94 crores beginning from January 1, 2017 to April 1, 2028. The numbers of balance installments as on March 31, 2020 are 37. The interest charged by the lenders is at 10%. Interest is payable monthly.

for KNR Walayar Tollways Private Limited

Project Loan of ₹ 50,000 Lakhs sanctioned by banks, and the outstanding as on March 31, 2020 is ₹ 13,858 Lakhs and the Company has commenced its commercial operations in the FY 2015-16. During the FY 2015-16 and FY 2016-17 the Company has repaid its debt of ₹ 26,150 Lakhs by taking an unsecured loan in the form of Subordinated debt from its holding company.

Terms of security and repayment

- A first mortgage on all immovable assets (if any) and first charge by way of hypothecation on all moveable assets (including but not limited to all current/non-current assets)both present and future, ranking Pari-Passu with other lenders save and except assets forming part of the project assets as defined in the Concession Agreement

Notes forming part of the Consolidated Financial Statements (Contd.)

17. BORROWINGS (CONTD.)

- b. First-charge /assignment on all intangible assets (other than Project Assets as defined in the concession agreement) including but not limited to the goodwill, rights, undertakings and uncalled capital both present and future, ranking pari-passu with other lenders to be availed in the manner and to the extent permissible under the Concession Agreement save and except assets forming part of the Project Assets as defined in the Concession Agreement
- c. First-charge on all bank accounts including ,without limitation ,TRA/Escrow Account, and any other bank account to be established by company and each of the other accounts required to created by the Company. Provided that the charge on the retention account and other bank accounts as mentioned above shall always be subject to and the payments from the accounts shall always be in the manner and only to the extent of order of priorities of payments as permitted under the Escrow Agreement
- d. A first Charge over all rights, title and interest of the Company related to the project from all contracts, insurances, licenses in to and under all project agreement (including the Concession Agreement) to which the borrower is party to including contractor guarantees, liquidated damages and all other contracts relating to the project, provided such charge shall be limited to and to arise to the extent provided under Substitution agreement.
- e. A pledge of 51% (fifty one percent) of the total issued, paid up and voting equity share capital of the Company held by the Sponsor till final settlement date.

All term loans from banks are repayable in 48 ballooned quarterly installments ranging from ₹ 100 Lakhs to ₹ 1,750 Lakhs beginning from April 01, 2016 to March 31, 2028. The rate of interest is lead bank 1 year MCLR rate + 0.1%.

for KNR Shankarampet Projects Pvt Ltd

- a. A first mortgage and charge on all the Borrower's immovable properties, both present and future, save and except the Project Assets;
- b. A first charge on all the Borrower's tangible moveable assets, including moveable plant and machinery, machinery spares, tools and accessories, furniture, fixture, vehicles and all other movable assets, both present and future save and expect the Project Assets;
- c. A first charge over all accounts of the Borrower including the Escrow Account and the Sub-Accounts (or any account in substitution thereof) that may be opened in accordance with Escrow Agreement and the Supplementary Escrow Agreement, or any of the other Project Documents.
- d. A first charge on all intangibles assets including but not limited to goodwill, rights, undertaking and uncalled capital present and future excluding the Project Assets.
- e. A pledge of 51% of the issued, paid up and voting equity share capital of the Borrower held by the Promoter in the Borrower till the Final Settlement Date.
- f. Non disposal undertaking on balance 49% of the stake.

Repayment Terms : As on 31.03.2020 the Company has availed a term loan of ₹ 10,200 Lakhs at the interest rate of 1 year MCLR + spread of 0.90% P.a. and the term loan is repayable in 27 Semi Annual Installments starting from Q3 of FY 2021-22.

for KNR Srirangam Projects Pvt Ltd

- a. A first mortgage and charge on all the Borrower's immovable properties, both present and future, save and except the Project Assets;

Notes forming part of the Consolidated Financial Statements (Contd.)

17. BORROWINGS (CONTD.)

- b. A first charge on all the Borrower's tangible moveable assets, including moveable plant and machinery, machinery spares, tools and accessories, furniture, fixture, vehicles and all other movable assets, both present and future save and except the Project Assets;
- c. A first charge over all accounts of the Borrower including the Escrow Account and the Sub-Accounts (or any account in substitution thereof) that may be opened in accordance with Escrow Agreement and the Supplementary Escrow Agreement, or any of the other Project Documents.
- d. A first charge on all intangibles assets including but not limited to goodwill, rights, undertaking and uncalled capital present and future excluding the Project Assets.
- e. A pledge of 51% of the issued, paid up and voting equity share capital of the Borrower held by the Promoter in the Borrower till the Final Settlement Date.
- f. Non disposal undertaking on balance 49% of the stake.

Repayment Terms : As on 31.03.2020 the Company has availed a term loan of ₹ 7,600 Lakhs at the interest rate of 1 year MCLR + spread of 0.85% P.a. and the term loan is repayable in 27 Semi Annual Installments starting from Q2 of FY 2021-22.

18. OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)		
Particulars	As at March 31, 2020	As at March 31, 2019
Non-current		
Retention Deposits and Withheld Amount	15.36	15.36
Interest on NHAI Premium Payable	128.09	140.37
Other Payables	22.17	22.17
Total non-current other financial liabilities	165.62	177.90
Current		
Current maturities of long-term debts:		
- Term loans - Banks	3,250.00	2,539.15
- Equipment and vehicle loans - from banks	1,560.50	2,595.79
Interest accrued but not due (Refer note 18.1)	322.26	391.28
Interest accrued but not due Mobilisation Advance	1,057.35	-
Advance Received from Related Parties (Refer note : 40)	21.50	21.50
Unclaimed dividend (Refer note : 18.2)	2.76	2.41
Retention Deposits and With held	12,176.68	12,411.01
Security Deposits	516.09	492.03
Outstanding Expenses	1,765.85	1,614.75
Total current other financial liabilities	20,672.99	20,067.92
Total	20,838.61	20,245.82

18.1 Interest accrued includes interest on un-secured loans received from Directors is ₹ 102.93 Lakhs (March 31, 2019 ₹ 385.55 Lakhs)

18.2 During the current year, an un-paid dividend amount of ₹ 28,813 /- for relating to FY 2011-12 has been transferred to Investor Education and Protection Fund. The balance un-paid dividend is not due for transfer to the Investor Education and Protection Fund as at Balance Sheet date.

Notes forming part of the Consolidated Financial Statements (Contd.)

19. TRADE PAYABLES

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Current		
Trade payables		
Sundry Creditors (Suppliers) (Refer note : 19.1)	17,425.06	14,381.50
Bills Payable (Sub-contractors/Labour/Service)	8,871.75	8,678.50
Total current trade payables	26,296.81	23,060.00
Total	26,296.81	23,060.00

19.1 Trade payable other than acceptances include certain dues to Micro and Small Enterprises, under the Micro, Small and Medium Enterprises Development Act, 2006 that have been determined based on the information available with the Company and the required disclosures are given below:

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
a) Principal amount remaining unpaid	478.26	550.23
b) Interest due thereon	-	-
c) Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
d) Interest due and payable for the period of delay in making payment (which have been paid but beyond the day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
e) Interest accrued and remaining unpaid at the end of accounting year	-	-
f) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

20. PROVISIONS

Particulars	(₹ in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Non-current		
Provision for employee benefits		
Gratuity (Refer note : 39)	599.23	473.65
Provision for contractual obligations (Refer note : 20.1)	3,647.58	2,370.66
Total non - current provisions	4,246.81	2,844.31

Notes forming part of the Consolidated Financial Statements (Contd.)

20. PROVISIONS (CONTD.)

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Provision for Capital expenditure (Refer note : 20.2)	741.50	741.50
Provision for Labour Cess	441.93	1,054.97
Provision for Expenses	1,071.00	-
Provision for employee benefits: Gratuity (Refer note : 39)	222.28	121.08
Provision for Impairment of Investment	671.53	-
Total current provisions	3,148.24	1,917.55
Total	7,395.05	4,761.86

20.1 In respect of subsidiaries, KNR Walayar Tollways Private Limited and KNR Muzaffarpur Barauni Tollway Private Limited has made provision for various contractual obligations based on its assessment of the amount it estimates to incur to meet such obligations, details of which are given below

Movement of Provision

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	2,370.66	1,305.72
Provision made during the year	1,030.53	931.45
Un winding Interest on MMR	246.39	133.49
Provision utilised during the year	-	-
Provision reversed during the year	-	-
Balance as at end of the year	3,647.58	2,370.66

20.2 In respect of subsidiary, KNR Muzaffarpur Barauni Tollway Private Limited has received the 100% PCOD, and ₹ 741.50 lakhs pending for certification, hence provision has been made and capitalised

21. OTHER NON-CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Security Deposits	243.47	265.91
Advance received from clients	808.62	1,058.62
Total	1,052.09	1,324.53

Notes forming part of the Consolidated Financial Statements (Contd.)

22. OTHER CURRENT LIABILITIES

(₹ in Lakhs)		
Particulars	As at March 31, 2020	As at March 31, 2019
Mobilisation Advance	19,730.29	4,994.59
Advance received from clients	276.16	365.25
Due to Customers	27,699.02	8,369.50
Security deposits	1,993.21	1,609.98
Dues to statutory/government authorities	2,462.97	1,620.62
Others	517.48	111.53
Total	52,679.13	17,071.47

23. CURRENT TAX LIABILITY (NET)

(₹ in Lakhs)		
Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Income Tax Provision	86.07	6,046.55
Less: Advance tax paid	(44.91)	(5,650.08)
	41.16	396.47

24. REVENUE FROM OPERATIONS

(₹ in Lakhs)		
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Income from Contracts & Services	2,34,785.87	2,25,890.25
Construction Income	3,176.03	-
Other Operating Income	7,206.27	3,260.07
Total	2,45,168.17	2,29,150.32

25. OTHER INCOME

(₹ in Lakhs)		
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest Income	3,155.46	447.03
Interest on Income Tax refunds	145.24	3.04
Dividend Income on Mutual funds	0.03	297.28
Profit on sale of mutual Funds	66.62	392.52
Repairs & maintenance income	580.79	431.86
Gain on foreign currency transactions	3.64	12.02

Notes forming part of the Consolidated Financial Statements (Contd.)

25. OTHER INCOME (CONTD.)

(₹ in Lakhs)		
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Other non-operating income		
Profit on Sale of Asset	264.21	867.66
Discount Received from suppliers	574.02	641.13
Liabilities no longer required Written Back	681.11	1,515.45
Insurance Claim Received	123.19	74.60
Change of Scope Income	12.16	350.80
Gain on fair value of Mutual funds	44.89	6.28
Provision for Doubtful advances	-	620.53
Miscellaneous Income	917.46	1,774.20
Total	6,568.82	7,434.40

26. COST OF MATERIALS CONSUMED

(₹ in Lakhs)		
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Construction Materials, Stores & Spares		
Opening Stock	9,545.30	7,123.77
Add: Net Purchases	78,099.11	66,799.82
	87,644.41	73,923.59
Less: Closing Stock	12,316.27	9,545.30
Total Consumption	75,328.14	64,378.29

27. CONSTRUCTION EXPENSES

(₹ in Lakhs)		
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Sub-contract expenses	7,700.73	18,401.27
Spreading & Assortment exp.	52,555.64	57,418.23
Power and Fuel	1,379.69	845.01
Seigniorage charges / Royalty	7,304.50	7,440.17
Transport Charges	5,836.14	6,003.63
Hire Charges	2,157.86	1,727.48
Watch & Ward	548.76	402.79
Other Recoveries by Clients	712.97	54.80
Repairs to Buildings & others	212.32	155.49
Repairs to Machinery	329.25	244.45

Notes forming part of the Consolidated Financial Statements (Contd.)

27. CONSTRUCTION EXPENSES (CONTD.)

(₹ in Lakhs)		
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Repairs to Vehicles	413.30	306.64
Toll Maintenance Expenses	177.66	163.75
Periodic maintenance expenditure	1,030.53	931.45
Repairs & Maintenance - DLP	456.67	413.93
Other Construction Expenses	3,636.69	2,274.04
Total	84,452.71	96,783.13

28. EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)		
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, Wages and Other Benefits	12,297.35	9,158.01
Contribution to Provident and Other Funds (Refer note : 39)	210.03	189.40
Staff welfare Expenses	184.77	129.94
Total	12,692.15	9,477.35

Note: The Hon'ble Supreme Court of India ("SC") by their order dated february 28, 2019, has delivered a judgement in the case of Surya Roshani Limited and Others Vs EPFO wherein they have set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purpose of computation of Provident fund contribution, The Group is reviewing the impact of this decision of policies.

29. FINANCE COSTS

(₹ in Lakhs)		
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest Expense on		
Working Capital Demand Loans and Cash Credit	745.63	105.24
Term Loans	5,176.04	5,325.23
Loan from Directors	1,675.73	1,823.81
Interest on Mobilisation Advance	1,174.83	-
Others	178.02	155.76
Unwinding Interest	706.19	630.10
Modification gain/loss	538.30	-
	10,194.74	8,040.14
Other Borrowing Costs		
Processing charges	150.47	145.37
BG / LC charges	556.74	551.57
Bank and Other Financial Charges	121.13	169.47
Total	11,023.08	8,906.55

Notes forming part of the Consolidated Financial Statements (Contd.)

30. DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lakhs)		
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation & amortisation	25,306.33	23,013.23
Depreciation & amortisation - ROU	106.30	-
Total	25,412.63	23,013.23

31. OTHER EXPENSES

(₹ in Lakhs)		
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Travelling & Conveyance (includes Boarding & Lodging expenses)	300.85	291.90
Postage, Telegrams and Telephones	80.55	87.96
Business Promotion expenses	5.48	3.72
Advertisement and publicity	95.38	476.54
Legal & Professional charges	1,636.08	998.40
Insurance	479.60	436.64
Rates and taxes excluding taxes of Income	607.72	406.00
Payments to the Auditor	30.87	24.57
Printing & Stationery	116.61	93.03
Tender expenses	31.19	20.83
Office maintenance	75.07	61.44
Rent expenses	516.98	439.01
Electricity charges	167.24	187.66
Directors Sitting fees	43.00	37.00
Loss on sale of Assets	-	1.67
Bad Debts / Advances Written off	591.54	348.95
Donation	121.77	21.37
(Gain) / Loss on Fair value of Mutual funds	-	10.50
CSR Expenses (Refer note 31.1)	675.69	74.51
Interest on Statutory Dues	54.46	77.01
Loss on Foreign Currency Transactions	0.21	-
Miscellaneous expenses	364.21	429.43
Total	5,994.50	4,528.14

31.1 As per Section 135 of Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities.

A CSR committee has been formed by the Company as per the act. The funds were primarily allocated to the corpus and utilised through out the year on these activities in schedule VII of the Companies Act, 2013.

a) Gross amount required to be spent by the Company during the year ₹ 478.85 Lakhs (P.Y ₹ 374.12 Lakhs)

Notes forming part of the Consolidated Financial Statements (Contd.)

31. OTHER EXPENSES (CONTD.)

b) Amount spent during the year on :

(₹ in Lakhs)

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
	In cash	Yet to be paid in cash	In cash	Yet to be paid in cash
1. Construction/ acquisition of any assets	-	-	-	-
2. On Purposes other than (1) above	675.69	444.86*	74.51	641.70*

* Including cumulative un-spent amounts of previous years.

32. EXCEPTIONAL ITEMS

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Loss on Investments	400.61	254.96
Impairment of Investment	671.53	-
Total	1,072.14	254.96

33. TAX EXPENSE

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A - Current Tax		
Current tax on profits for the year	9,774.20	6,067.59
Adjustments in respect of prior years (Refer note 33.1)	3.06	52.38
Sub-Total	9,777.26	6,119.97
B - Deferred Tax		
Deferred Tax Liability / (Asset) due to timing difference	(2,924.49)	(2,782.25)
MAT credit entitlement	-	(591.11)
Sub-Total	(2,924.49)	(3,373.36)
Total	6,852.77	2,746.61

33.1 Reconciliation of tax expenses to accounting profit

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Accounting profit before tax	32,446.97	29,235.83
Tax @34.944% (P.Y 34.944%)	11,338.27	10,216.17
Adjustments		
Effect of income exempt from taxation	(4,182.98)	(6,992.79)
Effect of expenses that are not deductible in determining taxable profit	2,619.50	2,633.17

Notes forming part of the Consolidated Financial Statements (Contd.)

33. TAX EXPENSE (CONTD.)

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Effect of capital gains	-	-
Earlier year taxes	3.06	52.38
Deferred tax	(2,924.49)	(2,782.25)
Short term capital gain on Mutual funds	-	117.45
Long term capital gain on lands	-	1.01
Others	(0.59)	(498.53)
Tax Expenses recognised in the statement of profit and loss	6,852.77	2,746.61
Income tax credit/(expense) recognised in Other Comprehensive Income :		
Tax effect on actuarial gains/losses on defined benefit obligations	(20.31)	(0.41)

34. OTHER COMPREHENSIVE INCOME

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Items that will not be reclassified to profit or loss		
i) Actuarial Gains & Losses	(61.21)	(0.25)
ii) Deferred tax	20.31	0.41
Total	(40.90)	0.16

35. CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the group, the groups policy is to maintain a strong capital base so as to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and for the future development of the Company. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return on capital to shareholders or issue of new shares.

The Company's adjusted net debt to equity ratio at March 31, 2020 and March 31, 2019 was as follows

(₹ in Lakhs)

Particulars	March 31, 2020	March 31, 2019
Total debt	83,724.48	72,165.47
Less: cash and cash equivalents	8,287.23	2,747.44
Adjusted net debt	75,437.25	69,418.03
Total equity	1,56,066.59	1,31,082.61
Adjusted equity	1,56,066.59	1,31,082.61
Adjusted net debt to adjusted equity ratio	0.48	0.53

Foot note : Total Debt includes Long term Borrowings (Including Current Maturities) and Interest Accrued thereon and Short term Borrowings. Cash and Cash equivalents includes other Bank Balances.

Notes forming part of the Consolidated Financial Statements (Contd.)

36. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

As at March 31, 2020				(₹ in Lakhs)			
Particulars	Carrying amount			Fair Value			
	FVTPL	Amortised Cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets							
Investments in Associates	-	3,893.42	3,893.42	-	-	3,893.42	3,893.42
Other Investments	1,159.46	1,531.03	2,690.49	1,159.46	-	1,531.03	2,690.49
Trade receivables	-	17,464.88	17,464.88	-	-	17,464.88	17,464.88
Cash and cash equivalents	-	8,287.23	8,287.23	-	-	-	-
Loans	-	286.74	286.74	-	-	286.74	286.74
Other financials assets	-	93,021.26	93,021.26	-	-	93,021.26	93,021.26
	1,159.46	1,24,484.56	1,25,644.02	1,159.46	-	1,16,197.33	1,17,356.79
Financial liabilities							
Secured Bank loans	-	65,469.90	65,469.90	-	-	65,469.90	65,469.90
Un Secured loans	-	17,932.32	17,932.32	-	-	17,932.32	17,932.32
Deferred Payment Liability - NHAI Premium	-	3,944.42	3,944.42	-	-	3,944.42	3,944.42
Trade payables	-	26,296.81	26,296.81	-	-	26,296.81	26,296.81
Lease Liability	-	107.53	107.53	-	-	107.53	107.53
Other financial liabilities	-	16,028.11	16,028.11	-	-	16,028.11	16,028.11
	-	1,29,779.09	1,29,779.09	-	-	1,29,779.09	1,29,779.09

The management assessed the financial assets and liabilities measured at amortised cost are approximate to the fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

As at March 31, 2019 (₹ in Lakhs)

As at March 31, 2019				(₹ in Lakhs)			
Particulars	Carrying amount			Fair Value			
	FVTPL	Amortised Cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets							
Investments in Associates held for sale	-	3,297.18	3,297.18	-	-	3,297.18	3,297.18
Other Investments	911.11	985.13	1,896.24	911.11	-	985.13	1,896.24
Trade receivables	-	9,680.10	9,680.10	-	-	9,680.10	9,680.10
Cash and cash equivalents	-	2,747.44	2,747.44	-	-	-	-
Loans	-	394.18	394.18	-	-	394.18	394.18

Notes forming part of the Consolidated Financial Statements (Contd.)

36. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTD.)

As at March 31, 2019								(₹ in Lakhs)
Particulars	Carrying amount			Fair Value				
	FVTPL	Amortised Cost	Total carrying amount	Level 1	Level 2	Level 3	Total	
Other financial assets	-	31,587.54	31,587.54	-	-	31,587.54	31,587.54	
	911.11	48,691.57	49,602.68	911.11	-	45,944.13	46,855.24	
Financial liabilities								
Secured Bank loans	-	51,313.86	51,313.86	-	-	51,313.86	51,313.86	
Un Secured loans	-	20,460.33	20,460.33	-	-	20,460.33	20,460.33	
Deferred Payment Liability - NHA1 Premium	-	4,046.88	4,046.88	-	-	4,046.88	4,046.88	
Trade payables	-	23,060.00	23,060.00	-	-	23,060.00	23,060.00	
Other financial liabilities	-	15,110.88	15,110.88	-	-	15,110.88	15,110.88	
	-	1,13,991.95	1,13,991.95	-	-	1,13,991.95	1,13,991.95	

The management assessed the financial assets and liabilities measured at amortised cost are approximate to the fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

B. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- a) Credit risk
- b) Liquidity risk
- c) Market risk

The Company's focus is to estimate a vulnerability of financial risk and to address the issue to minimise the potential adverse effects of its financial performance.

a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers; loans and investments in debt securities.

The carrying amounts of financial assets represent the maximum credit risk exposure.

In determining the allowance for trade receivables the Group use practical expedients based on financial condition of the customer, ageing of the customer receivables and over dues, availability of collaterals and historical experience of collections from customers. The concentration of risk with respect to trade receivables is reasonably low as most of the customers are Government organisations though there may be normal delays in collections.

The group's BOT Projects generally does not have trade receivable as collection of toll income coincide as and when the traffic passes through toll plazas. Hence, the management believes that the Group is not exposed to any credit risk.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both

Notes forming part of the Consolidated Financial Statements (Contd.)

36. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTD.)

normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimising its cash return on investments.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

As at March 31, 2020					(₹ in Lakhs)
Particulars	Contractual Cash flows				Total
	Carrying Amount	Upto 1 year	1 to 3 Years	More than 3 years	
Non-derivative financial liabilities					
Secured Bank loans	65,469.90	8,174.92	16,340.06	40,954.92	65,469.90
Un Secured loans	17,932.32	-	5,379.70	12,552.62	17,932.32
Deferred Payment Liability - NHAI Premium	3,944.42	-	-	3,944.42	3,944.42
Trade payables	26,296.81	18,407.77	7,889.04	-	26,296.81
Lease Liability	107.53	91.10	16.43	-	107.53
Other financial liabilities	16,028.11	3,205.62	5,507.26	7,315.23	16,028.11
	1,29,779.09	29,879.41	35,132.49	64,767.19	1,29,779.09

As at March 31, 2019					(₹ in Lakhs)
Particulars	Contractual Cash flows				Total
	Carrying Amount	Upto 1 year	1 to 3 Years	More than 3 years	
Non-derivative financial liabilities					
Secured Bank loans	51,313.86	6,446.17	13,242.61	31,625.08	51,313.86
Un Secured loans	20,460.33	-	6,138.10	14,322.23	20,460.33
Deferred Payment Liability - NHAI Premium	4,046.88	-	-	4,046.88	4,046.88
Trade payables	23,060.00	16,142.00	6,918.00	-	23,060.00
Other financial liabilities	15,110.88	3,022.18	4,464.20	7,624.50	15,110.88
	1,13,991.95	25,610.35	30,762.91	57,618.69	1,13,991.95

c) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Groups income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

i) Foreign currency risk

Foreign Currency risk is the risk that fair value or future cash flow of a financial instrument will fluctuate because of changes in foreign exchange rate.

The Group is not exposed to foreign currency risk as it has no borrowing or no material payables in foreign currency

Notes forming part of the Consolidated Financial Statements (Contd.)

36. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTD.)**ii) Interest rate risk**

Interest rate risk is the risk that fair value of future cash flow of a financial instrument will fluctuate because of changes in market interest rates.

The interest risk arises to the Group mainly from long term borrowings with variable rates. The Group measures risk through sensitivity analysis.

The Group is exposed to Interest rate risk as it has few variable interest rate borrowings.

The Groups exposure to interest rate risk due to borrowings is as follows:

(₹ in Lakhs)

Particulars	Note No.	March 31, 2020	March 31, 2019
Borrowings outstanding	17	57,181.57	42,820.78
Borrowings Current maturities	18	3,250.00	2,539.15

Sensitivity analysis

(₹ in Lakhs)

Interest Rate Risk Analysis	Impact on profit/ loss after tax	
	Year Ended March 31, 2020	Year Ended March 31, 2019
Increase or decrease in Interest by 25bp	151.08	113.40

Note : In case of Increase in Interest rate, Profit will reduce and vice versa

iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).

The Group is exposed to price risk due to investments in mutual funds and classified as fair value through profit and loss.

The Group measures risk through sensitivity analysis.

The Groups risk management policy is to mitigate the risk by investments in diversified mutual funds.

The Group's exposure to price risk due to investments in mutual fund is as follows:

(₹ in Lakhs)

Particulars	Note No.	March 31, 2020	March 31, 2019
Investments in Mutual Funds	4	1,159.46	911.11

Sensitivity analysis

(₹ in Lakhs)

Price Rate Risk Analysis	Impact on profit/ loss after tax	
	Year Ended March 31, 2020	Year Ended March 31, 2019
Increase or decrease in NAV by 2%	23.19	18.22

Note : In case of Decrease in NAV, Profit will reduce and vice versa

Notes forming part of the Consolidated Financial Statements (Contd.)

37. CONTINGENT LIABILITY, COMMITMENTS AND CONTINGENT ASSETS

(₹ in Lakhs)

	As at March 31, 2020	As at March 31, 2019
i) Contingent Liabilities		
a) Claims against the Group not acknowledged as debt #		
1. Disputed Income tax and Interest on TDS	5,371.17*	5,027.75*
2. Disputed Sales tax/ VAT/ Entry tax	544.68	554.28
3. Disputed Service tax	333.53	333.53
4. Others (Civil cases)	1,341.69	1,341.69
# Interest not ascertainable after the date of order, if any		
b) Guarantees		
Corporate guarantees given to banks and financial institutions for financial assistance extended to Joint Operations.	-	-
c) Other money for which the Group is contingently liable		
Joint and several liabilities in respect of joint venture projects and liquidated damages in respect of delays in completion of projects.	Amount not ascertainable	Amount not ascertainable
Total	7,591.07	7,257.25
<p>*The Company has got benefit of deduction under Section 80 IA (4) on eligible projects under provisions of Income Tax Act, 1961 for an amount of ₹ 4,474.13 Lakhs, for the A.Y 2006-07 to 2012-13 the department has filed appeals against ITAT orders at the High Court of Judicature at Hyderabad for the State of Telangana and for the AY 2013-14 and A.Y 2014-15 department filed appeals against CIT (Appeals) at ITAT, Hyderabad.</p> <p>The Company considers it appropriate not to create a liability for the above said amount on the basis of legal opinion and decided cases.</p>		
ii) Commitments		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for	103.37	532.16
b) Estimated amount of committed funding by way of equity/deemed equity to subsidiary companies	-	-
Total	103.37	532.16
iii) Contingent Assets		
Arbitration claims awarded for various projects, but client not accepted	47,135.16	49,055.89

38. DISCLOSURE PURSUANT TO IND AS 33 "EARNINGS PER SHARE(EPS)"

(₹ in Lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
i. Profit (loss) attributable to equity shareholders(basic)	26,550.58	27,051.12
ii. Weighted average number of equity shares (basic)	1,406.17	1,406.17
Basic EPS	18.88	19.24
i. Profit (loss) attributable to equity shareholders(diluted)	26,550.58	27,051.12
ii. Weighted average number of equity shares (diluted)	1,406.17	1,406.17
Diluted EPS	18.88	19.24

Notes forming part of the Consolidated Financial Statements (Contd.)

39. EMPLOYEE BENEFITS

The disclosure is pursuant to the requirements of Ind AS 19.

Defined Benefit plans:

The Group operates gratuity plan through a trust wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement whichever is earlier. The benefit vests after five years of continuous service.

Changes in the Present Value of Obligation

(₹ in Lakhs)

	March 31, 2020	March 31, 2019
Present value of obligations as at beginning of the year	616.32	513.86
Interest cost	44.73	34.51
Current Service cost	123.91	68.67
Benefits paid	-	(1.84)
Actuarial (gain)/loss on obligations		
- Due to change in financial obligations	(68.03)	(18.92)
- Due to change in demographic assumptions	0.84	-
- Due to experience adjustments	127.02	20.04
Past service cost	-	-
Present value of obligations as at end of year	844.79	616.32

Assets recognised in the Balance Sheet

(₹ in Lakhs)

	March 31, 2020	March 31, 2019
Liability at the end of the period / year	844.79	616.32
Fair value of plan assets at the end of the period /year	(23.28)	(21.59)
Amount to be recognised in Balance Sheet	821.51	594.73

Expenses recognised in the Statement of Profit & Loss

(₹ in Lakhs)

	March 31, 2020	March 31, 2019
Current service cost	123.90	68.67
Interest cost	41.66	33.6
Expected return on plan assets	-	(0.87)
Net Actuarial (gain)/loss recognised in the year	-	-
Expenses recognised in statement of profit and loss	165.56	101.40

Amount recognised in statement of other comprehensive income (OCI)

(₹ in Lakhs)

	March 31, 2020	March 31, 2019
Remeasurement for the period - Obligation (gain)/loss	61.21	0.25
Remeasurement for the period - plan assets (gain)/loss	-	-
Total Remeasurement cost / (credit) for the period recognised in OCI	61.21	0.25
Closing amount recognised in OCI	61.21	0.25

Notes forming part of the Consolidated Financial Statements (Contd.)

40. DISCLOSURE OF RELATED PARTIES/ RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24: RELATED PARTY DISCLOSURE

(a) List of related parties

(i) Associate Companies :

1. Patel KNR Infrastructures Ltd.,
2. Patel KNR Heavy Infrastructures Ltd.,

(ii) Joint Venture :

1. SEL-KNR-JV (At Bangladesh)

(iii) Key Management Personnel's (KMPs):

1	Sri. K. Narsimha Reddy	Managing Director
2	Sri K. Jalandhar Reddy	Executive Director & CFO
3	Smt. K. Yashoda	Non-Executive Director
4	Sri. B.V. Rama Rao	Independent Director
5	Sri. L.B. Reddy	Independent Director
6	Smt. G. Rekha *	Independent Director
7	Sri S. Vaikuntanathan	Executive Officer - VP (F&A)
8	Sri M. Venkata Rao	Company Secretary

* Appointed on May 30, 2019.

(iv) Relatives of KMPs :

1	Sri. M.Rajesh Reddy	Son-in-law of Sri K. Narsimha Reddy
2	Sri. J.V Panindra Reddy	Son-in-law of Sri K. Narsimha Reddy
3	Sri. V.Krishna Reddy	Brother of Smt. K. Yashoda

(v) Other Related parties:

1	KNR Constructions Limited Employees group gratuity fund	Post-employment benefit plan
---	---	------------------------------

(b) Disclosure of related party transactions:

(₹ in Lakhs)

S. No.	Particulars	Associates		Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
1	Work contract receipts received	3,696.45	1,155.38	-	-	-	-	-	-
2	Misc. Income	2.61	-	-	-	-	-	-	-
3	Re-imbursment of expenditure incurred/(Recovered)	11.27	58.59	-	35.31	1.95	-	-	-
4	Royalty reimbursement income	-	87.88	-	-	-	-	-	-
5	Materials advance received/ (recovered)	(89.09)	89.09	-	-	-	-	-	-
6	Mobilisation advance received/ (recovered)	90.91	-	-	-	-	-	-	-
7	Short Term Employee Benefits	-	-	-	-	1,376.34	980.10	-	-

Notes forming part of the Consolidated Financial Statements (Contd.)

40. DISCLOSURE OF RELATED PARTIES/ RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24: RELATED PARTY DISCLOSURE (CONTD.)

(₹ in Lakhs)

S. No.	Particulars	Associates		Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
8	Post-employment Benefits *	-	-	-	-	22.55	15.19	-	-
9	Other Long-term Benefits	-	-	-	-	-	-	-	-
10	Termination Benefits	-	-	-	-	-	-	-	-
11	Share based payment	-	-	-	-	-	-	-	-
12	Interest Paid on un-secured loans	-	-	-	-	1,675.73	1,823.81	-	-
13	Un-secured loan received	-	-	-	-	1,293.00	1,515.00	-	-
14	Un-secured loan (repaid)	-	-	-	-	(3,821.00)	(2,239.18)	-	-
15	Dividend paid	-	-	-	-	699.43	311.52	-	-
16	Land lease rent paid	-	-	-	-	17.29	17.29	-	-
17	Office rent paid	-	-	-	-	10.91	10.10	-	-
18	Credit balance written back	-	-	-	-	-	3.70	-	-
19	Directors sitting fee paid	-	-	-	-	43.00	37.00	-	-
20	Contribution to Post-employment Benefit Plans	-	-	-	-	-	-	-	1.00

(c) Related party balances outstanding are as follows:

(₹ in Lakhs)

S. No.	Particulars	Associates		Joint Operations/ Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
1	Debit balances outstanding								
	Patel KNR Heavy Infrastructures Ltd.,	2,202.91	2,189.19	-	-	-	-	-	-
	Patel KNR Infrastructures Ltd.,	1,924.74	1,807.28	-	-	-	-	-	-
	M.Rajesh Reddy	-	-	-	-	1.95	16.83	-	-
2	Credit Balances outstanding								
	Patel KNR Infrastructure Ltd.,	-	89.09	-	-	-	-	-	-
	K. Narasimha Reddy	-	-	-	-	17,596.08	20,400.81	-	-
	K. Jalandhar Reddy *	-	-	-	-	479.09	480.13	-	-
	S. Vaikuntanathan	-	-	-	-	1.57	1.62	-	-
	M.Venkata Rao *	-	-	-	-	1.21	0.87	-	-
	V.Krishna Reddy	-	-	-	-	0.57	0.57	-	-

Notes forming part of the Consolidated Financial Statements (Contd.)

40. DISCLOSURE OF RELATED PARTIES/ RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24: RELATED PARTY DISCLOSURE (CONTD.)

(d) Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year.

(₹ in Lakhs)

S. No.	Particulars	Associates		Joint Operations/ Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
1	Work contract receipts received								
	Patel KNR Heavy Infrastructures Ltd.,	599.50	569.99	-	-	-	-	-	-
	Patel KNR Infrastructures Ltd.,	3096.95	585.39	-	-	-	-	-	-
2	Re-imbursment of expenditure incurred/(Recovered)								
	Patel KNR Heavy Infrastructures Ltd.,	11.27	58.59	-	-	-	-	-	-
	SEL-KNR JV	-	-	-	35.31	-	-	-	-
	M.Rajesh Reddy	-	-	-	-	(14.88)	-	-	-
3	Royalty reimbursement income								
	Patel KNR Heavy Infrastructures Ltd.,	-	87.88	-	-	-	-	-	-
4	Materials advance received/ (recovered)								
	Patel KNR Infrastructures Ltd.,	(89.09)	89.09	-	-	-	-	-	-
5	Mobilisation advance received/ (recovered)								
	Patel KNR Heavy Infrastructures Ltd.,	90.91	-	-	-	-	-	-	-
6	Short Term Employee Benefits								
	K. Narsimha Reddy	-	-	-	-	792.00	558.00	-	-
	K. Jalandhar Reddy	-	-	-	-	528.00	372.00	-	-
7	Post-employment Benefits *								
	K. Jalandhar Reddy	-	-	-	-	21.60	14.40	-	-
8	Interest Paid on un-secured loans								
	K. Narsimha Reddy	-	-	-	-	1637.06	1784.18	-	-
9	Un-secured loan received								
	K. Narsimha Reddy	-	-	-	-	1293.00	1515.00	-	-
10	Un-secured loan (repaid)								
	K. Narsimha Reddy	-	-	-	-	(3821.00)	(2239.18)	-	-
11	Dividend paid								
	K. Narsimha Reddy	-	-	-	-	411.69	182.97	-	-
	K. Jalandhar Reddy	-	-	-	-	176.67	78.52	-	-
12	Land lease rent paid								
	K. Jalandhar Reddy	-	-	-	-	17.29	17.29	-	-
13	Office rent paid								
	K. Jalandhar Reddy	-	-	-	-	10.91	10.10	-	-

Notes forming part of the Consolidated Financial Statements (Contd.)

40. DISCLOSURE OF RELATED PARTIES/ RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24: RELATED PARTY DISCLOSURE (CONTD.)

(₹ in Lakhs)

S. No.	Particulars	Associates		Joint Operations/ Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
14	Credit balance written back								
	J.V. Panindra Reddy	-	-	-	-	-	3.70	-	-
15	Directors sitting fee paid								
	K. Yashoda	-	-	-	-	7.00	6.00	-	-
	B.V. Rama Rao	-	-	-	-	15.00	15.50	-	-
	L.B. Reddy	-	-	-	-	15.00	15.50	-	-
	G.C. Rekha	-	-	-	-	6.00	-	-	-
16	Contribution to Post-employment Benefit Plans								
	KNR Constructions Limited Employees group gratuity fund	-	-	-	-	-	-	-	1.00

* As the future liabilities for gratuity is provided on actuarial basis for the group as a whole, the amount pertaining to the KMP's is not ascertainable, therefore not included above.

Note: 1) All Related Party Transactions entered during the year were in ordinary course of the business and are on arm's length basis.

2) The amount of outstanding balances as shown above are unsecured and will be settled/recovered in cash.

41. DISCLOSURE MANDATED BY SCHEDULE III BY WAY OF ADDITIONAL INFORMATION

(₹ in Lakhs)

Name of the entity in the Group	Net Assets, i.e., (total assets minus total liabilities)		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount in Lakhs	As % of consolidated profit or loss	Amount in Lakhs	As % of consolidated other comprehensive income	Amount in Lakhs	As % of total comprehensive income	Amount
Parent	24.97%	39,811.16	(377.79%)	(1,00,304.18)	94.52%	(38.66)	(378.52%)	(1,00,342.84)
Indian Subsidiary companies								
KNR Agrotech & Beverages Pvt Ltd.,	0.03%	51.77	0.07%	19.09	0%	-	0.07%	19.09
KNR Infrastructure Projects Pvt Ltd.,	0.00%	(6.50)	0.00%	(0.55)	0%	-	0.00%	(0.55)
KNR Energy Ltd.,	0.01%	13.14	0.00%	(0.51)	0%	-	0.00%	(0.51)
KNR Walayar Tollways Pvt. Ltd.,	(4.76%)	(7,593.09)	4.73%	1,256.83	4.87%	(1.99)	4.73%	1,254.84
KNRC Holdings and Investments Pvt. Ltd.,	(2.18%)	(3,474.53)	1.56%	413.75	0.61%	(0.25)	1.56%	413.5
KNR Srirangam Infra Pvt Ltd	17.85%	28,445.36	107.14%	28,445.57	0%	-	107.30%	28,445.57
KNR Tirumala Infra Pvt Ltd	31.42%	50,094.21	188.67%	50,094.21	0%	-	188.97%	50,094.21

Notes forming part of the Consolidated Financial Statements (Contd.)

41 DISCLOSURE MANDATED BY SCHEDULE III BY WAY OF ADDITIONAL INFORMATION (CONTD.)

(₹ in Lakhs)

Name of the entity in the Group	Net Assets, i.e., (total assets minus total liabilities)		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount in Lakhs	As % of consolidated profit or loss	Amount in Lakhs	As % of consolidated other comprehensive income	Amount in Lakhs	As % of total comprehensive income	Amount
KNR Shankarampet Projects Pvt Ltd	25.23%	40,208.71	151.44%	40,208.71	0%	-	151.68%	40,208.71
KNR Somwarpet Infra Project Pvt Ltd	3.91%	6,231.91	23.47%	6,231.90	0%	-	23.51%	6,231.90
KNR Palani Infra Pvt Ltd	0%	-	0%	-	0%	-	0%	-
KNR Chidambaram Infra Pvt Ltd	0%	-	0%	-	0%	-	0%	-
Non-controlling interest in all subsidiaries	2.08%	3,320.22	(3.60%)	(956.38)	0%	-	(3.61%)	(956.38)
Indian Associates (Investment as per the equity method)								
Patel KNR Infrastructures Ltd.,	0.27%	423.72	0.83%	219.48	0%	-	0.83%	219.48
Patel KNR Heavy Infrastructures Ltd.,	0.21%	329.70	1.42%	376.76	0%	-	1.42%	376.76
Joint ventures (investment as per the equity method)								
SEL-KNR-JV	0.96%	1,531.03	2.06%	545.90	0%	-	2.06%	545.90
Total	100.00%	1,59,386.81	100.00%	26,550.58	100.00%	(40.90)	100.00%	26,509.68

42. INVESTMENT IN ASSOCIATES AND JOINT VENTURE

Assets and liabilities statement

(₹ In Lakhs)

Particulars	Associates		Joint Venture	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Current assets	27,138.43	31,482.49	16,723.03	27,174.02
Non-current assets	51,740.15	53,182.29	1,098.49	1,389.86
Current liabilities	10,762.63	13,359.64	6,858.14	12,251.26
Non-current liabilities	56,045.79	60,725.58	8,133.43	14,302.16
Equity	12,070.16	10,579.56	2,829.95	2,010.46
Proportion of the group's ownership interest	40%	40%	49%	49%
Carrying amount of the group's interest	4,828.06	4,231.82	1,386.67	985.13

Notes forming part of the Consolidated Financial Statements (Contd.)

42. INVESTMENT IN ASSOCIATES AND JOINT VENTURE (CONTD.)

Statement of profit and loss

(₹ In Lakhs)

Particulars	Associates		Joint Venture	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Revenue	12,052.69	12,032.44	26,947.96	20,323.69
Operating & Maintenance expenses	2,432.73	3,939.13	-	-
Construction Expenses	-	-	21,654.15	15,651.22
Employee benefits expense	3.30	4.00	282.40	258.11
Finance costs	7,017.19	8,033.85	1,697.00	934.99
Depreciation and amortisation expense	12.65	12.37	316.09	520.31
Other expenses	654.41	574.12	176.96	175.11
Profit/(Loss) before tax	1,932.41	(531.03)	2,821.37	2,783.95
Tax expense	399.10	134.25	1,707.29	1,716.96
Profit/(Loss) for the year	1,533.31	(665.28)	1,114.07	1,066.99
Group's share of profit for the year	613.32	(266.12)	545.90	522.83
Group's share of other comprehensive income for the year	(17.08)	51.89	-	-
Group's total comprehensive income for the year	596.24	(214.23)	545.90	522.83
Dividend received from the associates during the year	-	-	-	-

43. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES CONSIDERED FOR CONSOLIDATION

S. No.	Particulars	Country	Holding as at	
			March 31, 2020	March 31, 2019
I) Subsidiaries				
1	KNR Agrotech & Beverages Pvt Ltd.,	India	100%	100%
2	KNR Infrastructure Projects Pvt Ltd.,	India	100%	100%
3	KNR Energy Ltd.,	India	100%	100%
4	KNR Walayar Tollways Pvt. Ltd.,	India	100%	100%
5	KNR Srirangam Infra Pvt. Ltd.,	India	100%	100%
6	KNR Chidambaram Infra Pvt Ltd.,#	India	100%	100%
7	KNR Tirumala Infra Pvt Ltd.,	India	100%	100%
8	KNR Shankarampet Project Pvt Ltd.,	India	100%	100%
9	KNR Somwarpet Infra Project Pvt Ltd.,	India	100%	100%
10	KNR Palani Infra Pvt. Ltd.,	India	100%	100%
11	KNR – FZE *	Dubai	-	-
12	KNR Constructions LLC @	Oman	-	-
13	KNRC Holdings and Investments Pvt. Ltd.,	India	100%	100%

Notes forming part of the Consolidated Financial Statements (Contd.)

43. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES CONSIDERED FOR CONSOLIDATION (CONTD.)

S. No.	Particulars	Country	Holding as at	
			March 31, 2020	March 31, 2019
II) Step-down Subsidiaries				
	14 Mesmeric Software Solutions Pvt. Ltd.,	India	100%	100%
	15 Nag Talent Ventures & Infotech Pvt. Ltd.,	India	100%	100%
	16 Gradient Estates Pvt. Ltd.,	India	100%	100%
	17 Asara Construction & Projects Pvt. Ltd.,	India	100%	100%
	18 KNR Muzaffarpur Holdings Pvt. Ltd.,	India	100%	100%
	19 KNR Muzaffarpur-Barauni Tollway Pvt. Ltd.,	India	51%	51%
III) Associates				
	1 Patel KNR Infrastructures Ltd.,	India	40%	40%
	2 Patel KNR Heavy Infrastructures Ltd.,	India	40%	40%
IV) Joint Operations				
	1 KNR – Patel JV	India	51%	51%
	2 Patel – KNR JV	India	50%	50%
	3 NCC-KNR JV ^	India	-	-
	4 KNR – SLEC JV	India	60%	60%
	5 KNR-BPL JV	India	49%	49%
	6 KNR-GVR JV	India	51%	51%
	7 KNR-JKM-KAMALA JV	India	50%	50%
	8 KNR-JKM JV	India	51%	51%
	9 KNR-SLMI JV	India	Project specific	Project specific
	10 KNR-TBCPL-JV	India	51%	51%
	11 KNR-PBEPL-JV	India	75%	75%
	12 KNR-SEW-GVR-JV	India	51%	51%
	13 PSK-KNR-GVR-JV	India	51%	51%
	14 BSCPL-KNR-JV	India	50%	50%
	15 KNR -HES -ACPL – JV	India	51%	51%
V) Joint Venture				
	1 SEL-KNR-JV	Bangladesh	49%	49%

* Foreign subsidiary closed on February 27, 2019

@ Foreign subsidiary closed on February 22, 2019

Subsidiary closed on March 30, 2020.

^ JV closed on January 09, 2019.

Notes forming part of the Consolidated Financial Statements (Contd.)

44. DISCLOSURE PURSUANT TO IND AS 115 "REVENUE FROM CONTRACTS WITH CUSTOMERS":

The Group constructs infrastructure projects on behalf of clients. Delivering the project as per the contractual terms is the only performance obligation that has been identified. Under the terms of the contracts, the Group will perform its obligations on time to time as per the timing schedule indicated in the contract with the asset having no alternative use to the entity and the Group having an enforceable right to receive payment for the work done. Hence, Revenue is therefore recognised over time on a cost to cost method, i.e. based on the proportion of contract costs incurred for the work performed to date relative to the estimated total contract costs. The management considers that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under Ind AS 115.

Contract balances as on:

(₹ In Lakhs)

Particulars	31st March 2020	31st March 2019
Receivables	17,464.88	9,680.10
Contract Assets	41,431.69	35,704.00
Contract Liabilities	47,705.47	13,729.34

45. Reconciliation between the Opening and Closing balances in the financial statement for Financial Liabilities and Assets arising from Financing Activities (Ind AS – 7)

(₹ In Lakhs)

Particulars	Secured Loans	Unsecured Loans	Deferred Payment of Liability	Finance cost
Opening Balance	51,313.86	20,460.33	4,046.88	391.28
Interest/Dividend Accrued during the year	-	-	-	11,023.08
Cash flows				
Received	19,483.88	1,293.00	-	-
Repayment	(5,346.22)	(3,821.01)	(1071.25)	(8,790.26)
Interest/Dividend paid	-	-	-	-
Non-Cash items				
Unwinding Interest	18.38	-	430.49	(706.19)
Modification loss on NHA1 premium	-	-	538.30	(538.30)
Closing Balance	65,469.90	17,932.32	3,944.42	1,379.61

46. SEGMENT INFORMATION

The Group's operations predominantly consist of construction / project activities. Hence there are no reportable segments under Ind AS 108. During the year under report, substantial part of the Group's business has been carried out in India. The conditions prevailing in India being uniform, no separate geographical disclosures are considered necessary.

47. During the year, the Group has entered into a Share Purchase Agreement ("the SPA") with CUBE Highways and Infrastructure III Pte. (the "Investor") Ltd. for sale of its 100% shareholding in one of its subsidiary i.e. KNR Walayar Tollways Pvt Ltd., (KWTPPL) on January 09, 2020 for an Enterprise value of ₹ 52,927.44 Lakhs and accordingly the Group has impaired its investment for an amount of ₹ 671.53 Lakhs, which was shown as exceptional items in the Statement of Profit and Loss. The Proposed transaction is subject to certain conditions precedent including approvals from Lenders and NHA1.

Notes forming part of the Consolidated Financial Statements (Contd.)

- 48.** During the year, One of the wholly owned subsidiary i.e. KNR Chidambaram Infra Pvt Ltd., (KCIPL), has been notified by NHAI that the Concession Agreement of the KCIPL is deemed terminated w.e.f., April 11, 2019 "as per clause 4.5 of the Concession Agreement". The Group has written off its investments in KCIPL amounting to ₹ 835.00 Lakhs and written back its liabilities to the tune of ₹ 434.39 Lakhs, accordingly the net impact of ₹ 400.61 Lakhs was shown as exceptional items in the Statement of Profit and Loss, accordingly the EPC Contract has also been deemed terminated.
- 49.** During the previous year, the Group has written off its investments in two foreign subsidiary companies which is amounting to ₹ 254.96 Lakhs, which is reflected as exceptional items in the Statement of Profit and Loss for the 2018-19.
- 50.** During the year, the Group has received an Arbitration claim in one of the project for an amount of ₹ 6,170.91 Lakhs (includes Interest of ₹ 2,263.04 Lakhs) respectively, with respect to the above claim an amount ₹ 1,216.36 Lakhs has been adjusted against existing Company Receivables and an amount of ₹ 510.89 Lakhs has been accounted towards expenditure.
- 51.** The Group has adopted Ind AS 116 'Leases' from April 1, 2019 and applied the standard to all lease contracts existing on the date of initial application i.e. April 1, 2019. The Group has used the modified retrospective approach for transitioning to Ind AS116 with right-of-use asset recognised at an amount equal to the lease liability. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted, and the impact of the same on the statement of profit or loss for the year ended March 31, 2020 is not material.

During the year ended March 31, 2020, the Group recognised in the Statement of Profit and Loss

	(₹ in Lakhs)
Depreciation Charge on ROU Asset	106.30
Interest Expense on Lease Liabilities	10.93

The Group recognised following lease assets and liabilities in the Balance sheet

	(₹ in Lakhs)
Carrying Amount of ROU Assets	260.00
Lease liability	107.53

The Maturity Analysis of Lease Liabilities is as follows: -

	(₹ in Lakhs)		
Particulars	< 1 year	1-3 years	>3 years
Lease liability	91.10	16.43	Nil

- 52.** During the previous year, The Group has entered into Share Purchase Agreements (the "SPAs") with Cube Highways and Infrastructure III Pte. Ltd. (the "Investor") for the following 3 wholly owned subsidiaries (the "SPVs") of HAM Projects
- 1) KNR Srirangam Infra Private Limited on 28-01-2019
 - 2) KNR Chidambaram Infra Private Limited on 11-02-2019
 - 3) KNR Tirumala Infra Private Limited on 11-02-2019

Pursuant to SPAs, the Group will, in a phased manner (i.e. on COD and on lifting of mandatory lock in period as specified in the Concession Agreement), sell to the Investor its entire shareholding in the SPVs, subject to the shareholding transfer restrictions set out in the concession agreement (s) executed between National Highway Authority of India and the respective SPVs and subject to various regulatory and lenders' approvals.

Notes forming part of the Consolidated Financial Statements (Contd.)

53. The COVID-19 pandemic has impacted business operations due to lockdown and other emergency measures imposed by the State & Central Governments. The operations of the Group were impacted due to shutdown of projects and offices. The Group restarted and continues with its operations in a phased manner in line with directives from the respective authorities. Based on management's review of business operations, liquidity and financial position of the Group and current economic conditions, there is no material impact on its financial results and liquidity position as at March 31, 2020. The future assessment for Impact of COVID-19 is very uncertain due to nature and duration. The Management of the Group will continue to monitor any material changes to the Business & future economic conditions.

However, with respect to BOT (Toll/HAM) Projects the Group is protected by the respective clauses of the Concession Agreement to claim such loss under force majeure event in the form of revenue loss compensation by way of extension of the concession period and also extension of construction period with respect to under construction projects.

54. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by the Board of Directors on June 11, 2020

55. Previous year's figures have been regrouped/reclassified/rearranged wherever considered necessary.

As per our report of even date attached
For **K. P. Rao & Co.,**
Chartered Accountants
(Firm Regn. No.003135S)

K. Viswanath
Partner,
Membership No: 022812
UDIN: 20022812AAAAAV2927

Place : Bengaluru
Date : 11-06-2020

For and on behalf of the Board

K. Narsimha Reddy
Managing Director
DIN: 00382412

S. Vaikuntanathan
Vice President (F&A)

Place: Hyderabad
Date: 11-06-2020

K. Jalandhar Reddy
Executive Director & CFO
DIN: 00434911

M.V.Venkata Rao
Company Secretary

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies /joint ventures

Part "A" : Subsidiaries

Name of the subsidiary	Reporting period	Exchange rate as on the last date of the financial year	Share Capital	Other Equity	Total Assets	Total Liabilities	Investments	Turnover	Profit/ (Loss) before taxation	Provision for taxation	Profit/ (Loss) after taxation	Proposed Dividend	% of share-holding
KNR Agrotech & Beverages Pvt. Ltd.,	March 31, 2020	INR	1.00	62.22	243.53	180.31	-	23.57	13.31	(3.39)	16.70	-	100%
KNR Infrastructure Projects Pvt. Ltd.,	March 31, 2020	INR	1.00	(6.50)	4.87	10.37	-	-	(0.55)	-	(0.55)	-	100%
KNR Energy Ltd.,	March 31, 2020	INR	5.00	40.42	192.04	146.62	-	-	(8.13)	-	(8.13)	-	100%
KNRC Holdings and Investments Pvt. Ltd.,	March 31, 2020	INR	1.00	4,042.33	265.29	222.40	4,000.44	-	2.67	-	2.67	-	100%
KNR Muzaffarpur-Barauni Tollway Pvt. Ltd., *	March 31, 2020	INR	7,060.00	1,280.87	45,389.48	37,269.45	220.84	6,916.38	(1,951.80)	-	(1,951.80)	-	0.65%
KNR Walyar Tollways Pvt. Ltd.,	March 31, 2020	INR	90.00	31,271.23	46,909.60	16,486.99	938.62	6,782.10	468.16	-	468.16	-	100%
KNR Tirumala Infra Pvt. Ltd.,	March 31, 2020	INR	7,162.50	1,962.80	35,966.66	26,841.36	-	54,110.66	1,872.80	-	1,872.80	-	100%
KNR Srirangam Infra Pvt. Ltd.,	March 31, 2020	INR	4,811.50	900.85	21,198.38	15,486.03	-	29,084.21	901.07	-	901.07	-	100%
KNR Shankarampet Projects Pvt. Ltd.,	March 31, 2020	INR	5,211.50	3,471.46	30,914.07	22,231.11	-	40,828.00	1,926.96	-	1,926.96	-	100%
KNR Chidambaram Infra Pvt. Ltd., #	March 31, 2020	INR	-	-	-	-	-	-	-	-	-	-	-
KNR Somwarapet Infra Projects Pvt. Ltd.,	March 31, 2020	INR	10.00	677.32	7,254.16	6,566.84	-	6,771.20	-	-	-	-	100%
KNR Palani Infra Pvt. Ltd.,	March 31, 2020	INR	10.00	395.71	419.86	14.15	-	-	-	-	-	-	100%
KNR Muzaffarpur Holdings Pvt. Ltd.,	March 31, 2020	INR	2,760.10	4,440.77	2.87	40.19	7,238.19	-	(0.97)	-	(0.97)	-	100%
Mesmeric Software Solutions Pvt. Ltd.,	March 31, 2020	INR	1.00	(2.34)	21.92	23.26	-	-	(2.09)	-	(2.09)	-	100%
Nag Talent Ventures & Infotech Pvt. Ltd.,	March 31, 2020	INR	1.00	(2.79)	33.63	35.42	-	-	(3.25)	-	(3.25)	-	100%
Gradient Estates Pvt. Ltd.,	March 31, 2020	INR	1.00	166.74	268.22	100.48	-	-	(6.71)	-	(6.71)	-	100%
Asara Construction & Projects Pvt. Ltd.,	March 31, 2020	INR	1.00	172.69	273.77	100.08	-	-	(6.64)	-	(6.64)	-	100%

* KNR Constructions Ltd., holds 0.65% and KNR Muzaffarpur Holdings Pvt. Ltd., a 100% subsidiary of KNR Constructions Ltd., holds 50.35%.

Subsidiary closed on 30th March 2020

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

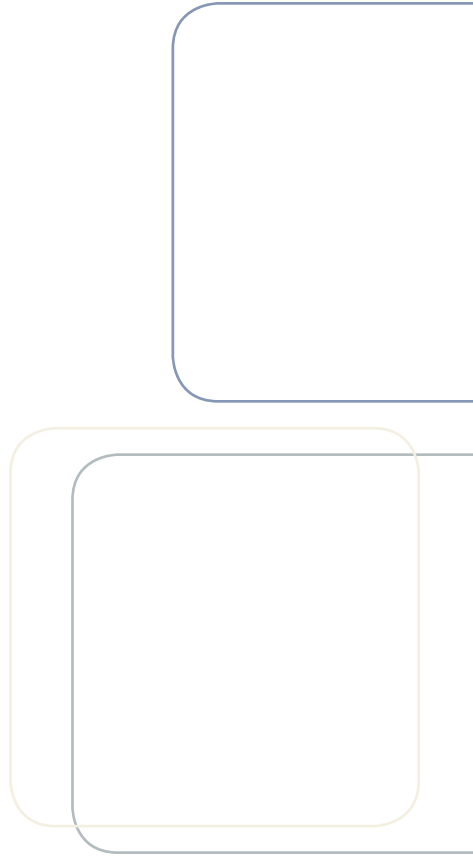
Statement containing salient features of the financial statement of subsidiaries/associate companies /joint ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Joint Ventures

Part "B" : Associates and Joint Ventures

Name of Associates / Joint Ventures	Latest audited Balance Sheet date	Shares of Associates / Joint Ventures held by the Company on the year end			Description of how there is significant influence	Reason why the Joint venture is not consolidated	Net worth attributable to shareholding as per latest audited Balance Sheet	Profit/(Loss) for the year	
		i) Number	ii) Amount of Investment in Joint Venture	iii) Extend of Holding %				i) Considered in consolidation	ii) Not considered in Consolidation
	(1)	(2)			(3)	(4)	(5)	(6)	
I - Associates									
Patel KNR Infrastructures Ltd.,	March 31, 2020	1,48,00,000	1,480.00	40%	SPV Agreement	Consolidated	1,903.72	219.48	-
Patel KNR Heavy Infrastructures Ltd.,	March 31, 2020	95,29,500	952.95	40%	SPV Agreement	Consolidated	3,004.34	376.76	-
II - Joint Ventures									
SEL-KNR-JV *	March 31, 2020	N.A	1,650.68	49%	Joint Venture Agreement	Consolidated	1,650.68	616.63	-

* As per the Unaudited financial statements.





If undelivered, please return to:

KNR Constructions Limited

CIN: L74210TG1995PLC130199

"KNR House", 3rd & 4th Floors, Plot No. 114

Phase I, Kavuri Hills, Hyderabad - 500033

www.knrcl.com

