



KNR Constructions Limited

Annual Report  
2022-23



**BALANCING GROWTH  
AND SUSTAINABILITY**



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For more investor-related information,  
please visit:  
<http://www.knrc.com/annualreports.html>

Or scan this  
QR code:



### Investor Information

Market Capitalisation as on March 31, 2023 (As per NSE)	₹ 71,349.2 Million
CIN	L74210TG1995PLC130199
BSE Code	532942
NSE Symbol	KNRCON
Dividend Declared	₹ 0.25/- per Share of Face Value ₹ 2/-each
AGM Date	September 28, 2023
AGM Mode	Video Conferencing (VC)/ Other Audio Visual Means (OAVM)

#### Disclaimer:

This document contains statements about expected future events and financials of The Company, 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 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.



# Balancing Growth and Sustainability

At KNR Constructions Limited, we firmly believe that our path is defined by the harmonious integration of advancement and sustainability. As we chart a course of growth, innovation, ideation, and dynamism, we conscientiously maintain equilibrium, ensuring that every stride we take is infused with enduring values.

On our way forward, we embrace the country's vast infrastructure potential and seize opportunities to drive responsible development. By securing esteemed EPC contracts and elevating engineering standards, we guarantee excellence in environmentally conscious projects. Simultaneously, by actively fostering strategic alliances through joint ventures, we diligently explore avenues for growth, while keeping a keen focus on sustainability.

All along, we ensure that our commitment to timely project delivery remain uncompromised, thus reinforcing customer satisfaction, while minimising environmental impact. Moreover, our creative strategies coherently weave progress with preservation, nurturing a future where growth and sustainability thrive in harmony, leaving a legacy of responsible progress for generations to come.

**Zero**

Debt Equity

**₹ 37,438** Million

Revenue **+14%**

**₹ 7,217** Million

EBITDA **+6%**

**₹ 4,988** Million

PAT **+31%**

**₹ 27,343** Million

Net Worth **+22%**

**18.2%**

ROE

**18.2%**

ROCE

**14.30**

PE

**₹ 17.74**

EPS

Strong EPC Order Book of **₹ 70,921** Million

₹ 54,997 Mn - Road Sector

As of March 31, 2023

₹ 15,924 Mn - Irrigation Sector

**₹ 17,800** Million

L1 HAM Orders (Estimated EPC)

**₹ 88,721** Million

Total Order Book including L1 HAM Orders

EBITDA: Earnings Before Interest Taxes Depreciation and Amortisation PAT: Profit After Taxes  
EPS: Earning Per Share ROE: Return on Equity ROCE: Return on Capital Employed PE: Price Earnings Ratio

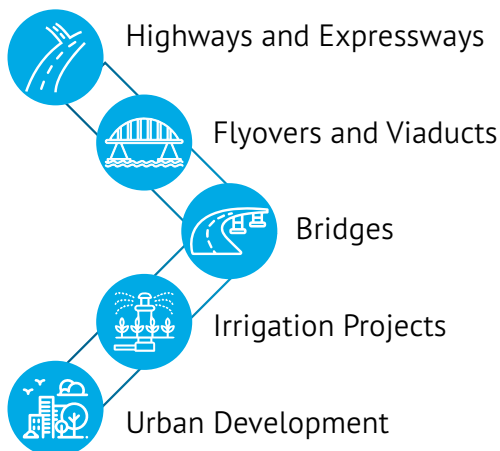
# Delivering Excellence. Propelling Growth.

## One of the Leading Companies Providing Engineering, Procurement and Construction (EPC) Services

At KNR Constructions Limited (referred to as 'KNRCL' or 'We' or 'Our Company'), we continue to consolidate our lead as a key player in India's construction and infrastructure sectors. Following the acquisition of M/s K. Narasimha Reddy & Co.'s assets in 1997, we have consistently earned recognition for our proficiency and collaborative approach. With a track record spanning 25+ years of project execution experience, we specialise in projects such as highways, flyovers, bridges, irrigation, urban water infrastructure management, and urban development with complexity in design and execution. Our commitment to achieving excellence, fostering innovation, and upholding sustainability remains pivotal to our

accomplishments, contributing positively to society, while propelling growth.

At KNRCL, we embrace transformations and optimise operations to match the dynamic infrastructure landscape of our country. As we forge our path forward, our growth strategy continues to prioritise client satisfaction, with a focus on timely project completion and exceptional quality. As a trusted industry leader, we are positioned for a prosperous tomorrow, and tap the emerging opportunities, leveraging our experience and expertise.



## 25+ Years

Experience of Project Execution

## 12 States in India

Projects Executed

### KNRCL's Key Strengths: Capabilities in Project Execution

- Unmatched construction expertise
- Robust management
- Prudent involvement of senior Management
- Enhanced value for all stakeholders
- Constant Endeavour to facilitate connectivity
- Focused approach to sustainable value creation
- Consistent track record
- Self-sustenance
- World-class state-of-the art equipment
- Enriching culture of innovation
- Minimum or nil debt levels at any point of time
- Prudent financial management and focussed targets

## 8,700+ Lane km

Road Projects Executed



# VISION

To develop KNRCL as a Centre of Excellence in the field of infrastructure services by striving continuously to provide eco-friendly solution, adopting state-of-the-art practices and commitment to quality through motivated human resource.



# MISSION

We would aim to add more business verticals to the organisation in the fields of construction of Elevated Metro Rail and Railway Projects.

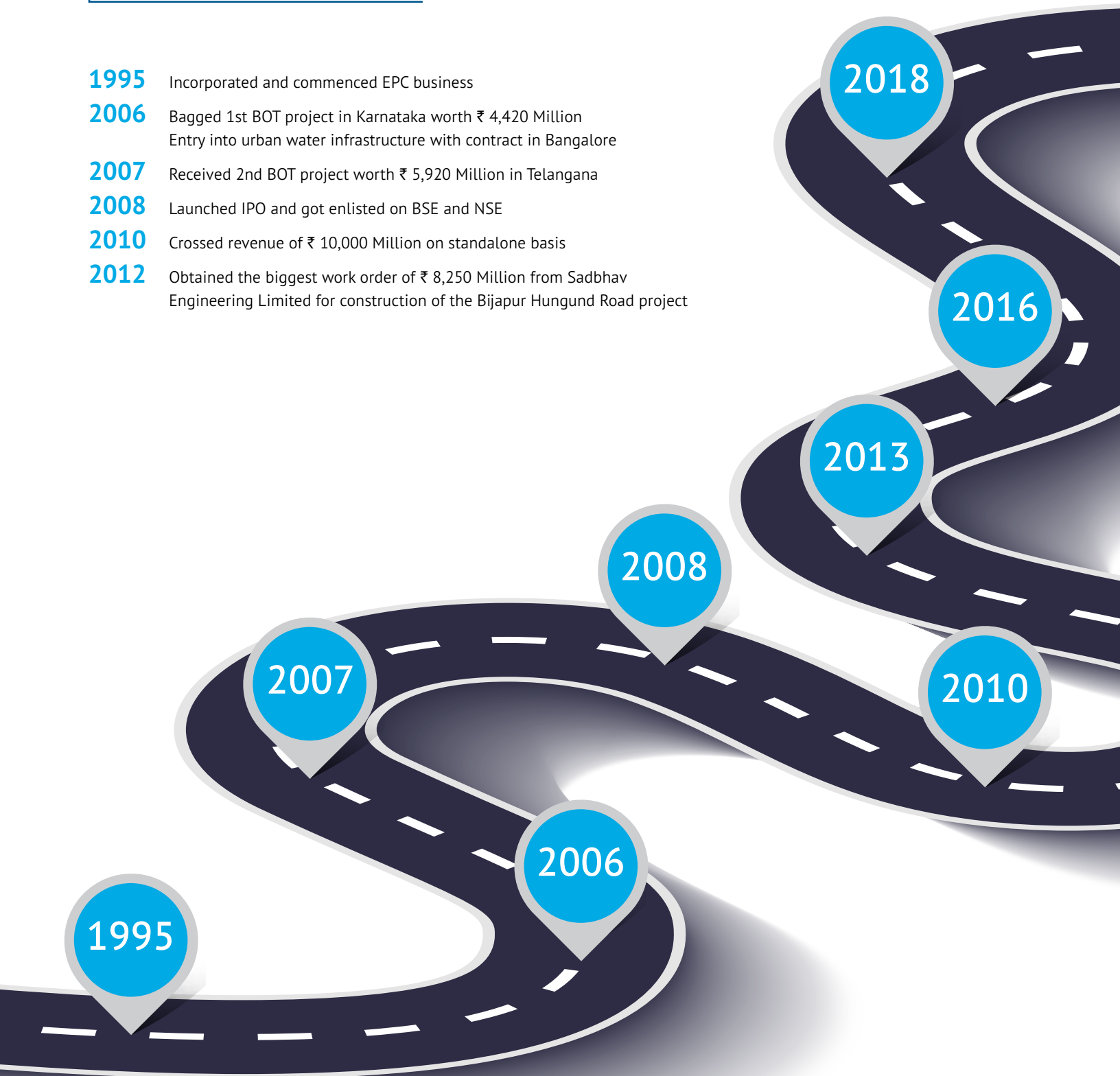
## Strategies

- # Seize the Opportunity: Leverage the country's vast infrastructure development potential
- # Pursue Excellence: Secure EPC contracts from esteemed clients and concessionaires
- # Elevate Engineering Standards: Focus on projects requiring advanced engineering expertise
- # Forge Strategic Alliances: Explore growth prospects actively through strategic joint ventures (JVs)
- # Timely Delivery: Execute all projects on schedule or even ahead of time, ensuring customer satisfaction



## Advancing Growth. Surpassing Milestones.

- 1995** Incorporated and commenced EPC business
- 2006** Bagged 1st BOT project in Karnataka worth ₹ 4,420 Million  
Entry into urban water infrastructure with contract in Bangalore
- 2007** Received 2nd BOT project worth ₹ 5,920 Million in Telangana
- 2008** Launched IPO and got enlisted on BSE and NSE
- 2010** Crossed revenue of ₹ 10,000 Million on standalone basis
- 2012** Obtained the biggest work order of ₹ 8,250 Million from Sadbhav Engineering Limited for construction of the Bijapur Hungund Road project



2019

2020

2021

2022

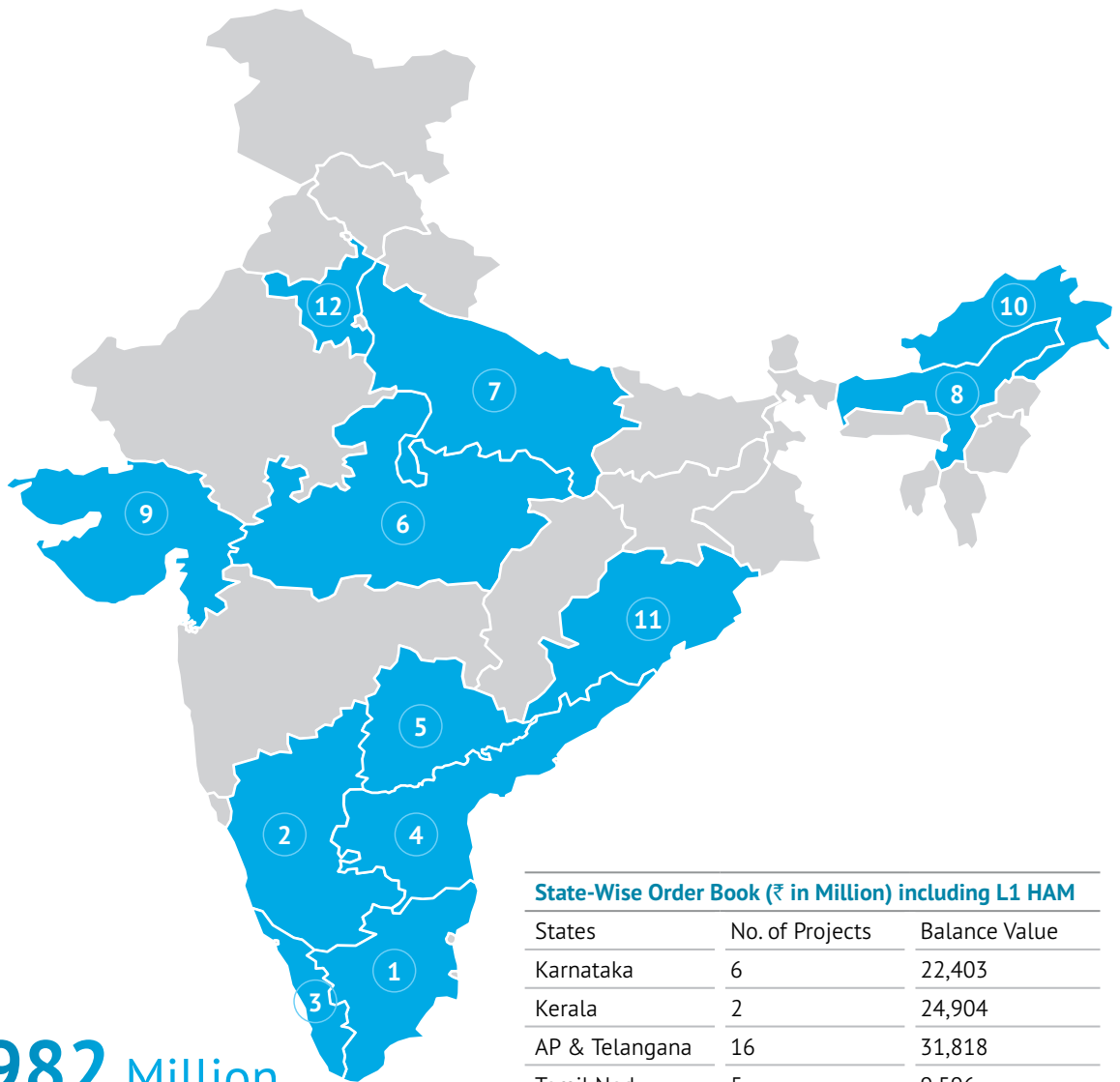
2012

- 2013** Bagged an EPC project worth ₹ 9,371 Million for the Madurai–Ramanathapuram Section of NH-49 in Tamil Nadu under NHDP Phase-III  
Received 3rd BOT toll project worth ₹ 9,005 Million in Kerala  
Achieved early completion of biggest road project – Bijapur Hungund Section worth ₹ 8,250 Million – 11 months ahead of schedule
- 2016** Crossed net worth of ₹ 10,000 Million on standalone basis
- 2018** Received 5 HAM projects worth of ₹ 56,112 Million (BPC)
- 2019** Signed SPA with Cube Highways for 3 SPVs (HAM project)  
Surpassed revenue of ₹ 20,000 Million on standalone basis
- 2020** Transferred 100% stake of KNR Walayar Tollways Private Limited (SPV) to Cube Highways and Infrastructure III Pte. Limited for an enterprise value of ₹ 5,117.8 Million
- 2021** Crossed net worth of ₹ 20,000 Million on standalone basis  
Transferred 49% stake in 2 SPVs (KNR Tirumala Infra Private Limited and KNR Shankarampet Projects Private Limited) to Cube Highways and Infrastructure III Pte. Limited for a value of ₹ 2,453.2 Million
- 2022** Transferred balance 51%/100% stake in 3 SPVs (KNR Tirumala, KNR Shankarampet and KNR Sriraganam) to Cube Highways and Infrastructure III Pte. Limited. for value of ₹ 2,794.3 Million

# Boosting Presence. Driving Momentum.

## States

1. Tamil Nadu
2. Karnataka
3. Kerala
4. Andhra Pradesh
5. Telangana
6. Madhya Pradesh
7. Uttar Pradesh
8. Assam
9. Gujarat
10. Arunachal Pradesh
11. Orissa
12. Haryana



₹ **1,61,982** Million

Project Value\*

**79**

No. of Projects\*

**State-Wise Order Book (₹ in Million) including L1 HAM**

States	No. of Projects	Balance Value
Karnataka	6	22,403
Kerala	2	24,904
AP & Telangana	16	31,818
Tamil Nadu	5	9,596

**Disclaimer:**

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

\*Projects Executed in Last 25 Years



# Chronicling Landmarks. Highlighting Success.

## Signing of the concession agreement for KNR Sriranganatha Infra Private Limited (Mysore to Kushalnagara Section of NH-275 – Package V)

- ✓ Letter of award issued on March 10, 2023
- ✓ Concession agreement signed on May 22, 2023
- ✓ Total bid project cost of ₹ 6,903 Million

## Signing of the concession agreement for KNR Ramatheertham Infra Private Limited (Marripudi to Somvarappadu of Bengaluru-Vijayawada Economic Corridor)

- ✓ Letter of award issued on February 28, 2023
- ✓ Concession agreement signed on April 27, 2023
- ✓ Total bid project cost of ₹ 6,650 Million

## Signing of the concession agreement for KNR Kaveri Infra Private Limited (Mysore to Kushalnagara Section of NH-275 – Package IV)

- ✓ Letter of award issued on March 10, 2023
- ✓ Concession agreement signed on June 28, 2023
- ✓ Total bid project cost of ₹ 6,500 Million

## Issuance of Provisional Certificate of Completion (PCOD) for KNR Palani Infra Private Limited (Oddanchatram – Madathukulam HAM project)

- ✓ PCOD issued with effect from September 2, 2022
- ✓ Project completed 185 days ahead of the revised scheduled completion date with an entitlement of bonus

## Credit rating upgraded by CRISIL

- ✓ Upgraded the long-term rating from AA-/Positive to AA/Stable
- ✓ Reaffirmed short-term rating as A1+

### Financial Moves:

- # **KNR Tirumala Infra Private Limited:** The Company's investment of ₹ 1,602.2 Million in Equity & Sub debt reaped a considerable return of ₹ 2,189.9 Million upon the transaction's conclusion on October 20, 2022
- # **KNR Shankarampet Projects Private Limited:** The Company's investment of ₹ 1,268.1 Million in Equity & Sub debt resulted in a notable consideration of ₹ 1,592.1 Million on October 20, 2022
- # **KNR Srirangam Infra Private Limited:** The Company's investment of ₹ 783.6 Million in Equity & Sub debt, garnering a considerable return of ₹ 1,465.5 Million upon the transaction's finalization on October 14, 2022

### Earnings and Achievements:

- # The Company earned a Profit of ₹ 1,593.7 Million by way of selling its 100% stake in 3 HAM Projects i.e. KNR Tirumala Infra Private Limited, KNR Shankarampet Projects Private Limited and KNR Srirangam Infra Private Limited and the same was shown as Exceptional item in the statement of Profit and Loss

# Customising Solutions. Accelerating Progress.

## Our Portfolio

We excel in constructing Highways & Bridges

Empowering Farmers with Irrigation Facilities

Crafting Sustainable Towns for Elevated Living

## Highway Projects:

KNRCL is constructing robust highways and bridges, ensuring safe travel. Our investments in planning and design guarantee the longevity of transportation systems. We continue to propel our economic growth with a focus on public safety and sustainability.



## Irrigation and Water Management: //

KNRCL's irrigation projects, which include pipelines, reservoir, dams, and canals, play a vital role in infrastructure development. Our Company collaborates with State Governments to enhance water availability for farmers, leading to improved productivity and quality of life.



## Urban Development: //

KNRCL modernises towns with flyovers, waterworks, and sewage systems. To upgrade standard of living, we prioritise traffic alleviation and fostering sustainable urban growth.



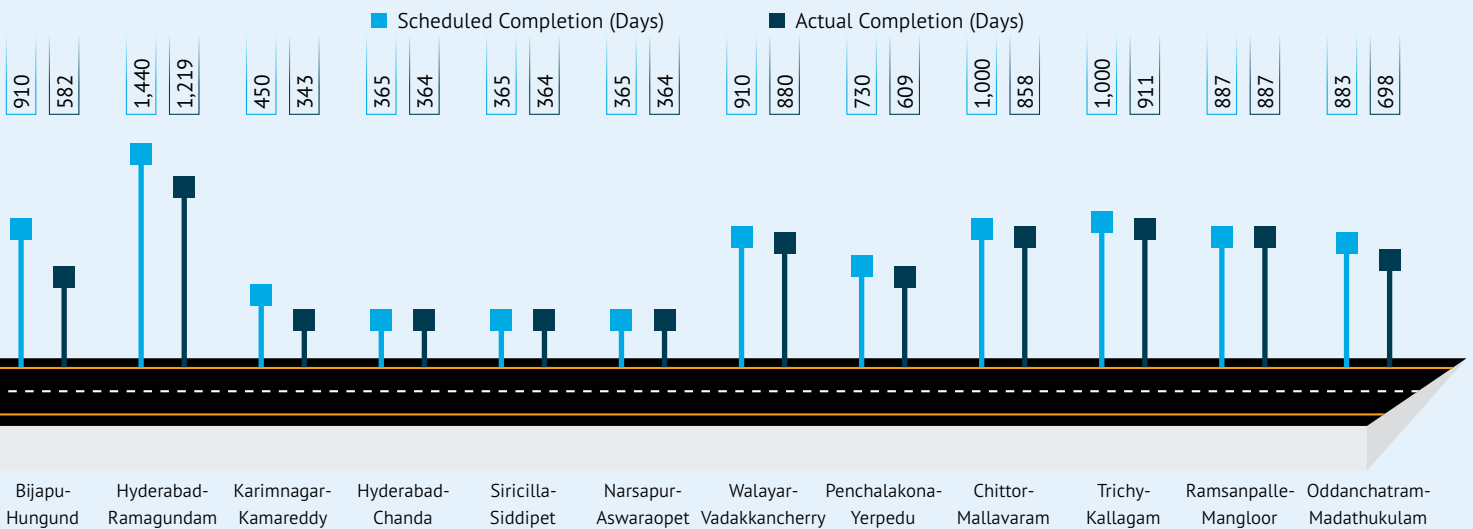
**Portfolio of BOT/HAM Projects**

**668 Lane Km**  
BOT projects in the States of Telangana, Karnataka, and Bihar

**Two** annuity-based projects, **one** toll-based project and **five** HAM-based projects

Five HAM projects with a total bid project cost of **₹76,135 Million**

## Project Timeline Performance: Scheduled vs. Actual Completion



**SIGNIFICANT EXPERIENCE AND STRONG TRACK RECORD IN TIMELY EXECUTION OF PROJECTS**

## Project Execution Highlights

- # Constructed Grade Separator in Coimbatore city with a cumulative length of flyover, 2.853 km; length of 1st level flyover is 1.752 km and length of 2nd level flyover is 1.101 km as a part of multipronged approach to ease traffic congestion in main city roads. Scope of the Project comprises of 92 spans with 264 piles having a length of 2,617 Rm in 32 foundation locations and 62 number of open foundations. 39,802 cum of various grades of concrete, 6,524 MT of steel, 368 number of POT/PTFE bearings, 1,311 Rm of expansion Joints, 2,691 sqm of Reinforced Earth Wall in the approaches and lot more were used in building this extraordinary structure using state of art machinery and dedicated manpower
- # Another marvel in the cap of KNR Constructions Ltd is the Two-Tier Flyover in Salem city. Total cumulative length of flyover is 7.87 km with 1st level flyover in a length of 3.891 km and 2nd level flyover in a length of 3.980 km
- # The scope of project comprises of 206 spans with 133 piles having 1,347 running meters at 18 foundation locations and 155 number of Open Foundations. Major quantities executed are 89,324 Cum of Concrete, 12,341 MT of HYSD Steel, 821 numbers of POT/PTFE Bearings, 2,100 running meters of Expansion Joints, 8,493 Sqm of Reinforced Earth Wall in the approaches and lot more. Prestressed Precast Segmental Construction was adopted for super structure
- # Constructed Nine ROBs in a single project between Madurai and Ramanathapuram with a project length of 115 km in a record time. Completing Nine ROBs is a herculean task given the difficult processes and conditions involved in getting approvals from the Railways and RDSO
- # Completed Konda Pochamma Sagar Reservoir of 50 TMC capacity with about 12 Million Cum of earthwork was completed in record time of 500 days in the State of Telangana. We almost completed two major reservoirs in the State of Telangana. Execution is going on for 4 X 90 MW Pump House project in the State of Telangana now



## In-House Construction Equipment

With a gross block of plant & machinery worth ₹ 14,288 Million (as of March 31, 2023), our Company prioritises the use of world-class construction equipment to ensure optimal project execution and superior outcomes.



**WIRTGEN SP1200 PQC SLIPFORM PAVER**



**AMMANN VT-180 TPH HOT MIX PLANT**

## MD's Communique

### Dear Shareholders,

I sincerely hope that this message finds you in good health and high spirits. I am delighted to present to you the Annual Report of our esteemed infrastructure company, KNRCL, for the financial year 2022-23.

As we reflect upon the past years, we have faced unprecedented circumstances such as the Covid - 19 pandemic and the ongoing Ukrainian war, both of which have contributed to a global inflationary trend. However, I am proud to share that despite these challenges, our Company has demonstrated resilience and achieved significant milestones in line with our projected goals and objectives. By strictly adhering to project schedules and exercising cost prudence, KNRCL has successfully navigated through obstacles and emerged financially stronger.

### Industry Dynamics

India's Infrastructure growth is a key driver for the Indian economy. It has the potential to propel the nation's growth and overall development. The Government has been consistently initiating policies that would ensure time-bound creation of world class infrastructure in the country. The construction industry in India is expected to grow by 12.0% to reach ₹ 45,907 Billion in 2023. Despite near-term challenges in certain construction sectors, the medium to long-term growth story in India



We remain committed to pursuing excellence, exceeding expectations in our projects, strengthening our financial position, and delivering exceptional results for our clients while generating favourable returns for our shareholders.



remains intact. The industry is expected to witness a steady growth over the next four quarters, and further expected to witness CAGR of 9.9% during 2023-2027. The sector is further expected to reach ₹ 66,954.8 Billion by 2027. Despite the surge in construction costs, Government spending on infrastructure projects has remained strong in 2023, and the trend is projected to further continue in 2024.

### Interesting Insights!

Government has planned slew of huge investments for the next five years in the infrastructure sector, particularly highway sector. The following interesting insights highlights our optimism:

#### US\$ 1.4 Trillion

India's plans to spend on infrastructure through 'National Infrastructure Pipeline' in the next five years.

#### 100

Critical transport infrastructure projects, for last and first mile connectivity for ports, coal, steel, fertiliser, and food grains sectors have been identified and will be taken up on priority with investment of ₹ 7,50,000 Million (US\$ 9 billion), including ₹ 1,50,000 Million (US\$ 1.8 billion) from private sources.

#### Capital Investment of ₹ 100 lakh Million (US\$ 122 Billion)

Investment outlay for infrastructure is being increased by 33% to, which would be 3.3% of GDP and almost three times the outlay in 2019-20.

#### ₹ 13,40,150 Million (US\$ 17.24 Billion)

Allocated to National Highways Authority of India (NHAI)

#### ₹ 6,00,000 Million (US\$ 7.72 Billion)

Allocated to Ministry of Road Transport and Highways (MORTH)

#### 10,933 Kms

Projects awarded by NHAI in FY 2022-23

#### 12,500 Kms

Projects targeted to be awarded by NHAI in FY 2023-24

#### US\$300 Million

Government's plan for the upgrade of 300 Kilometers of state highways and district roads in Assam

#### US\$350 Million

Maharashtra Government plans to deploy to improve connectivity with key economic areas in the region

### Performance Outcome

Your Company has achieved commendable financial results during the FY 2022-23. The revenue growth has been robust, reaching a turnover of ₹ 37,438 Million, representing a 14% increase compared to the previous year. Profit after tax stood at ₹ 4,988 Million, demonstrating a significant growth of 30% compared to the earlier year. Furthermore, the net worth amounted to ₹ 27,343 Million. In line with these achievements, the Board of Directors has proposed a final dividend of ₹ 0.25 per share, pending approval from the shareholders at the upcoming Annual General Meeting (AGM) of the Company.

Your Company has effectively maintained its financial strength through the implementation of an asset-light policy, timely monetization of BOT and HAM projects, efficient cost management, selective bidding, and successful execution of major projects. As of March 31, 2023, the Company's outstanding order book stands at ₹ 70,921 Million.

Within the order book, EPC Road Projects and HAM projects account for 77% of the total, while irrigation projects make up the remaining 23%. In terms of clients, 50% of the order book comes from third-party clients, while the remaining 50% is derived from captive HAM projects. The third-party order book represents non-captive orders, with 36% attributed to state government contracts, 11% from the Central Government, and the remaining 3% from other private players.

Overall, the current order book position remains strong, providing clear visibility for project execution over the next two years.

### Poised for Growth

At KNRCL, we prioritise corporate social responsibility, placing a strong emphasis on environmentally friendly practices and initiatives. Our aim is to minimise our carbon footprint and create a positive impact in the communities where we operate. With substantial investments in state-of-the-art machines, equipment, and vehicles, combined with a skilled workforce and effective risk management, our Company can adapt swiftly to market challenges, ensuring timely project delivery and cost control. We remain committed to pursuing excellence, exceeding expectations in our projects, strengthening our financial position, and delivering exceptional results for our clients while generating favourable returns for our shareholders.

### Closing Note

I express my heartfelt gratitude to our employees, clients, bankers, government agencies, and business partners for their invaluable support. I also acknowledge the valuable contributions of our Board members. It is through our combined expertise, passion, and dedication that we will propel the infrastructure industry forward and shape a brighter future for generations to come.

Best wishes,

**K. Narsimha Reddy**

Founder Promoter and Managing Director

## Executive Director's Letter



### Dear Shareholders,

During the FY 2022-23, the Indian economy exhibited optimism as it rebounded from the impact of the pandemic. It achieved a full recovery, surpassing many other nations and positioning itself to return to the pre-pandemic growth trajectory in during the reporting period. The current year presented the challenge of managing inflation, further exacerbated by the European crisis. The ongoing Ukraine-Russia conflict resulted in significant fluctuations in input costs, particularly for steel, cement, diesel, and bitumen.

Despite the challenges posed by the geopolitical situation, our Company remained resilient and unwavering in our commitment to providing sustainable and reliable infrastructure solutions. We stayed focussed on our mission, navigating through these hurdles and continuing to serve our clients with dedication.



The current year presented the challenge of managing inflation, further exacerbated by the European crisis. The ongoing Ukraine-Russia conflict resulted in significant fluctuations in input costs, particularly for steel, cement, diesel, and bitumen.





### Key Performance Highlights

Your Company has achieved yet another successful year, marked by impressive financial results, steady growth, strategic advancements, and a strong commitment to delivering excellence in infrastructure projects. During FY 2022-23, revenue witnessed a year-on-year growth of 14%, amounting to ₹ 37,438 Million. EBITDA experienced a 6% growth, reaching ₹ 7,217 Million, with an EBITDA margin of 19%. Net profit stood at ₹ 4,988 Million, a significant increase from ₹ 3,818 Million in FY 2021-22.

These remarkable financial outcomes can be attributed to your Company's healthy balance sheet, strong liquidity, and near-zero debt levels. These accomplishments are the result of our strict adherence to project scheduling, timely execution, effective cost management, project margin optimisation, and the policy of monetising BOT and HAM projects. We have consistently delivered robust returns for our investors. Furthermore, CRISIL has upgraded the rating of your Company from AA-/Positive to AA/Stable for long-term debt, reaffirming the A1+ rating for short-term debt. This recognition further solidifies our financial strength and stability in the market.

### Project Updates

Your Company has an outstanding order book position of ₹ 70,921 Million at the close of the financial year, with a clear visibility of execution over the next two years. Your Company has received Three letter of awards valuing ₹ 20,050 Million (BPC) from NHAI, Two in Karnataka Mysore to Kushalnagara section and One in Andhra Pradesh Marripudi to Somvarappadu. Your Company has received appointed date for Chittoor-Thatchur Highway (KNR Ramagiri) on 25th January 2023. Your Company has received Provisional completion certificate for Oddanchatram to Madathukkulam (KNR Palani) 185 days ahead of schedule.

### Sustainable Practices

Our relentless pursuit of deploying cutting-edge technologies has significantly improved our overall performance in timely project execution, while also reducing our environmental footprint. The Company's commitment to sustainability and responsible business practices has strengthened our position as a dependable infrastructure player and a leader in the industry. We uphold the highest standards of corporate governance and ethical practices as we drive sustainable growth.

Looking ahead, we hold an optimistic outlook for the future. As the world embraces the transition to clean energy and sustainable infrastructure, we see immense potential for growth and value creation. The successful execution of our projects would not have been possible without the support and trust of our stakeholders. We express our sincere appreciation and gratitude to our shareholders for their confidence in our vision and their support during these challenging times.

We extend our heartfelt appreciation and gratitude to the Board of Directors, management team, and employees for their dedication and hard work, which have been instrumental in driving the Company's growth trajectory. We also express our special appreciation to our esteemed customers, valuable business partners, and supportive lenders. Their contributions have been crucial to our success. Together, we are forging a path of growth and prosperity for the future.

Best wishes,

**K. Jalandhar Reddy**

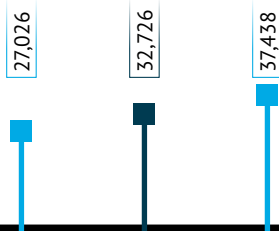
Promoter and Executive Director



# Strengthening Performance. Boosting Prospect.

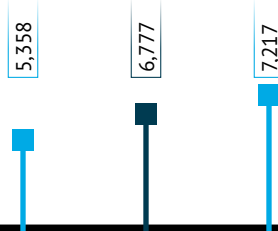
## TURNOVER

(₹ Million)



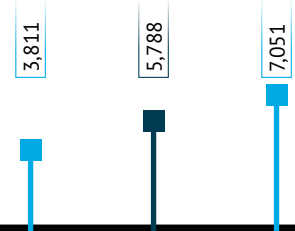
## EBITDA

(₹ Million)



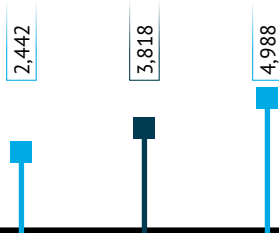
## PBT

(₹ Million)



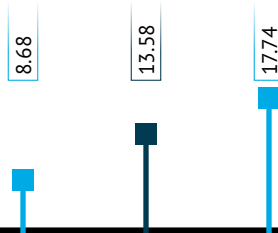
## PAT

(₹ Million)



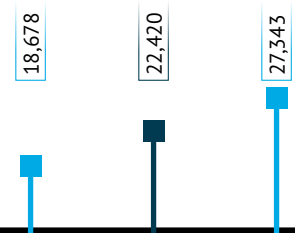
## EPS

(₹)



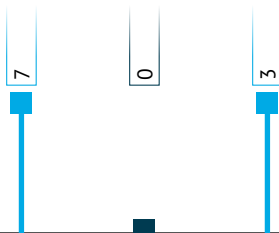
## NET WORTH

(₹ Million)



## DEBT

(₹ Million)



# Driving KNRCL's Success: Order Book

## Order Book

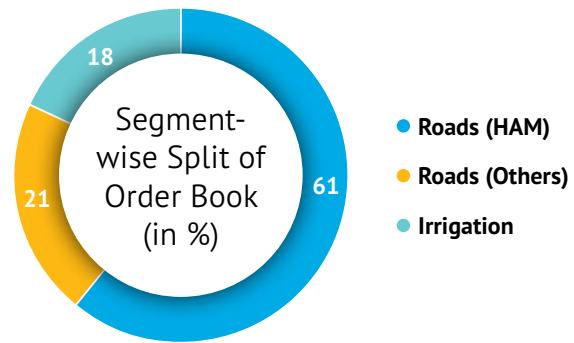
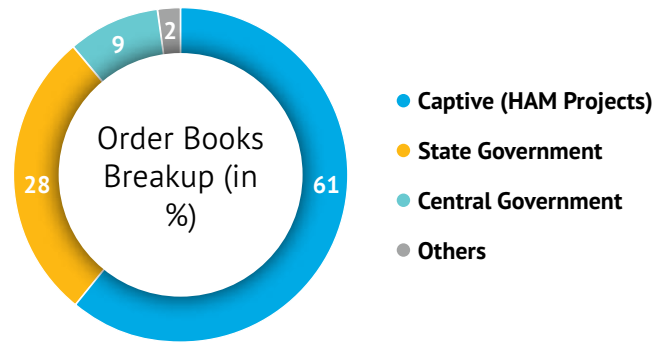
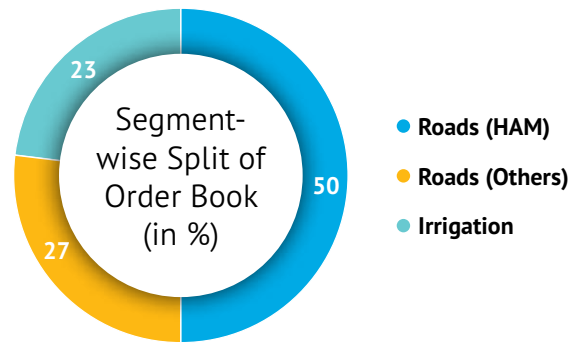
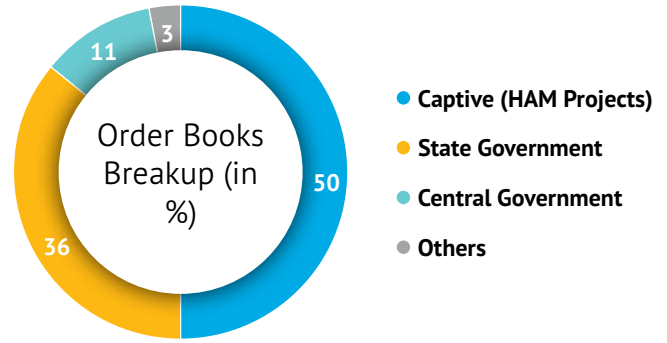
Key Projects	₹ Million
Ramanattukara to Valanchery Bypass Project (HAM)	13,169
Valanchery Bypass to Kappirikkad Project (HAM)	11,734
Development of 6-lane Chittoor-Thatchur Highway (HAM)	7,650
Bangalore-Mangalore Project (Periya Shanthi to Bntwal) (EPC)	7,187
Elevated Highway along Avinashi Road in Coimbatore City (EPC)	6,433
<b>Top Five Road Projects</b>	<b>46,174</b>
Other Road Projects	8,823
Irrigation Projects	15,924
<b>Total Orderbook as on March 31, 2023</b>	<b>70,921</b>

**17,800** Million

Recently Won Projects\*

**₹ 88,721** Million

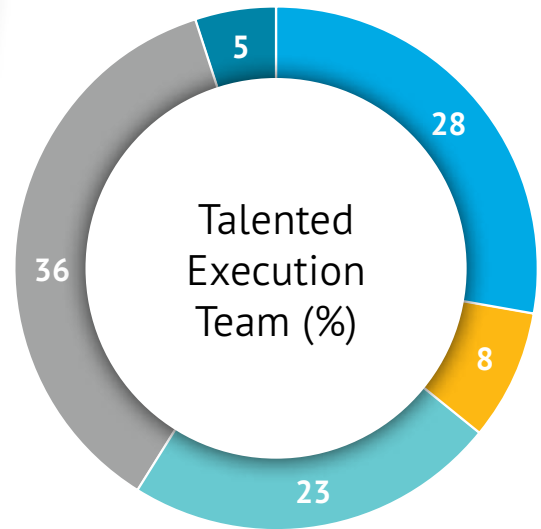
Including Recently Won Projects



\*Estimated EPC Value Subject to Financial Closure

# Upholding Sustainability. Powering Action.

At KNRCL, we thrive on the strength of our exceptional in-house team, led by experienced leadership, propelling both progress and prosperity, while fostering a culture of community care. Infused with expertise, motivation, and engagement, we ensure that we stay ahead in the ever-evolving landscape of work. Through strategic investments in our workforce and a firm commitment to upholding sustainability, our Company consistently delivers exceptional outcomes for clients and stakeholders, thereby encapsulating the true essence of success at KNRCL.



- Project Engineering
- Site Supervision
- Site Engineers
- Equipment Operators
- Admin & Office Staff

## 2,294

Total Employees

## Empowering Communities

- # **Education:** We provide children, women, the elderly, and the differently abled with the gift of knowledge and vocational skills
- # **Rural Development:** We strive to transform rural areas through sustainable initiatives, aimed at improving lives and propelling progress
- # **Gender Equality:** We promote inclusivity and equal opportunities for all; and work towards a world where gender is not a barrier to success
- # **Bridging Inequalities:** We address the challenges faced by socially and economically backward groups with utmost dedication
- # **CSR Projects:** We bring positive change through impactful initiatives, covering a wide array of aspects, including promoting education in rural regions, revitalising old age homes and empowering communities with transformative infrastructure

## Paving the Path to a Sustainable Future

- # We understand the construction industry's dependence on environmental conditions, driving us to proactively mitigate risks
- # We follow rigorous analysis and safety protocols to evaluate environmental risks
- # We prepare for environmental incidents through appropriate emergency response plans
- # We combat climate change and global warming by prioritising conservation
- # We strictly adhere to statutory provisions to ensure environmental protection through responsible hazardous waste disposal

# Constructing Possibilities. Thriving Together.



National Highways  
Authority of India  
(NHAI)



Andhra Pradesh  
Road Development  
Corporation (APRDC)



Ministry of Road  
Transport &  
Highways (MoRTH)



Hyderabad Growth  
Corridor Limited  
(HGCL)



Karnataka State  
Highway Improvement  
Project (KSHIP)



Karnataka Road  
Development  
Corporation (KRDC)



Madhya Pradesh  
Road Development  
Corporation Limited  
(MPRDC)



Bruhat Bangalore  
Mahanagara Palike  
(BBMP)



Uttar Pradesh  
State Highways  
Authority (UPSHA)



Telangana Irrigation  
(Government of  
Telangana)



A.P. Irrigation  
(Government of  
Andhra Pradesh)



NMDC Limited



Engineers India  
Limited (Government  
of India Undertaking)



Public Works Department  
(Government of  
Arunachal Pradesh)



Highways Department  
(Government of  
Tamil Nadu)



# Guiding Growth. Shaping Future.

## Top Management

### Shri K. Narasimha Reddy

(Founder Promoter & Managing Director)

- # Holds over 50 years of experience in the highway sector
- # Started career in 1968 and engaged in the business of undertaking civil and mechanical contracts
- # Has extensive knowledge and experience in multi-project planning scheduling, cost controls in addition to overall construction and multi-project management
- # Driving force in taking our Company towards greater heights

### Shri K. Jalandhar Reddy

(Promoter & Executive Director)

- # Holds over 25 years of experience in the highway and infrastructure sector
- # Started his career with the organisation as a project manager and was elevated to Executive Director on April 1, 1997
- # Heads the tendering and bidding activities and oversees most of the projects

## Leadership Team

### Shri T.L. Verma

(Sr. Vice President - Projects)

- # Holds a Bachelor of Engineering degree from MITS Gwalior (MP)
- # Has over 40 years of total experience with ~20 years of experience in highway sector
- # Working with our Company since 2006 on various projects, such as bridges and highways, including construction of concrete roads

### Shri S Vaikuntanathan

(Vice President - Finance)

- # Holds the fellow membership of the Institute of Chartered Accountants of India
- # Has over 40 years of experience in the areas of finance, accountancy and taxation
- # Carries the overall responsibility for the finalisation of corporate accounts, taxation, finance and related affairs

### Shri V. Narasimha Ramana

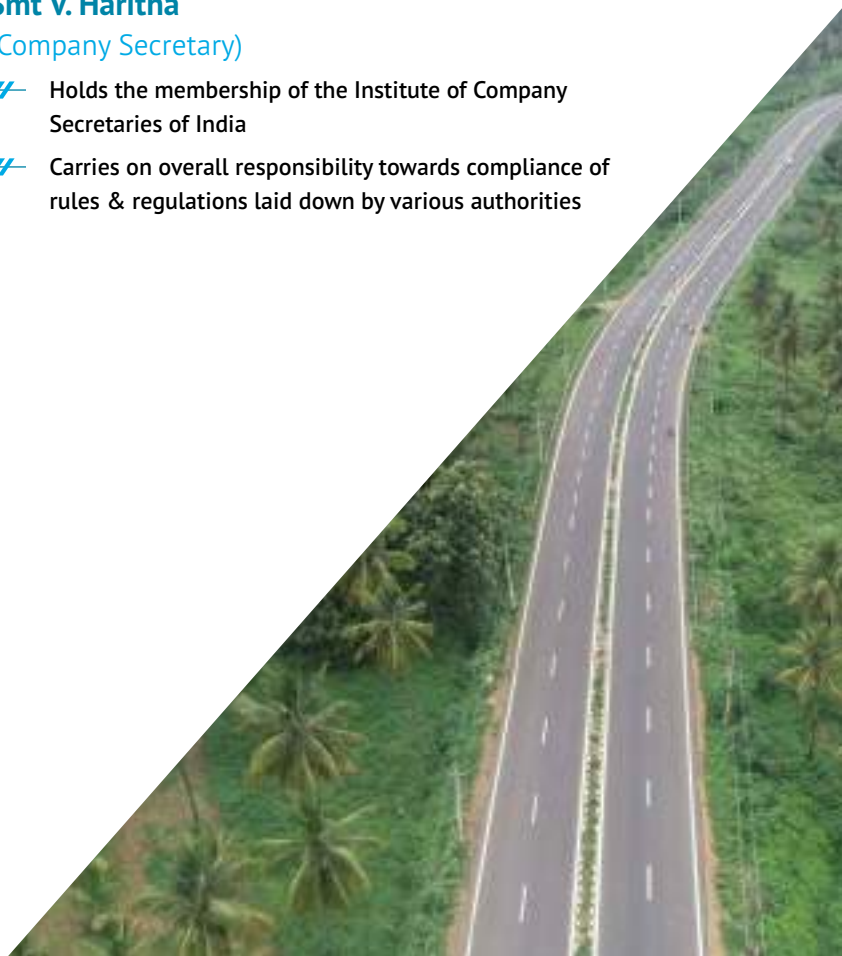
(Sr. Vice President - Technical)

- # Holds an M. Tech in Civil Engineering from IIT Madras
- # Has over 35 years of rich experience in various highway projects connected with MORTH & NHAI
- # Actively involved in all the verticals of highway, bridge and irrigation projects

### Smt V. Haritha

(Company Secretary)

- # Holds the membership of the Institute of Company Secretaries of India
- # Carries on overall responsibility towards compliance of rules & regulations laid down by various authorities



# Management Discussion & Analysis 2022-23

## THE ECONOMIC SCENARIO

### The Global Landscape

The outlook for the global economy took a positive turn in the first half of 2023 as inflationary pressures began to ease, but ongoing geopolitical tensions and domestic challenges in key markets have slowed down any return to sustained growth.

Global energy prices returning to levels last seen prior to the invasion of Ukraine, combined with easing commodity and food prices, have helped put further downward pressure on inflation for the rest of 2023. Despite the positive news, major economies throughout the world are facing their own domestic pressures, delaying any hopes of improving market conditions and a drop in inflation. Globally it is forecasted that GDP growth of 2.1% in 2023 and 2.6% in 2024 with inflation forecast at 5.3% in 2023 and 3.2% in 2024, and global unemployment levels of 5.2% in 2023 and 5.4% in 2024. The global economy has been through a series of significant shocks over the past three years – the COVID-19 pandemic and the Russia-Ukraine conflict and saw a major expansion to government debt and a significant hike in policy interest rates by central banks. The ramifications of some of these headwinds may not have surfaced yet and we are still to see their full impact and how they interact.

### Indian Landscape

The Asian Development Bank (ADB) projects growth in India's gross domestic product (GDP) to moderate to 6.4% in fiscal year (FY) 2023 ending on March 31, 2024 and rise to 6.7% in FY 2024, driven by private consumption and private investment on the back of government policies to improve transport infrastructure, logistics, and the business ecosystem. Despite the global slowdown, India's economic growth rate is stronger than in many peer economies and reflects relatively robust domestic consumption and lesser dependence on global demand. The Government of India's strong infrastructure push under the Prime Minister's Gati Shakti (National Master Plan for Multimodal Connectivity) initiative, logistics development, and industrial corridor development will contribute significantly to raising industrial competitiveness and boosting future growth. Improving labour market conditions and consumer confidence will drive growth in private consumption. The central government's commitment to significantly increase capital expenditure in FY 2023, despite targeting a lower fiscal deficit of 5.9% of GDP, will also spur demand. Helped by recovery in tourism and other contact services, the services sector will grow strongly in FY 2023 and FY 2024 as the impact of COVID-19 wanes. However, manufacturing growth in FY 2023 is expected to be tamped down by a weak global demand, but it

will likely improve in FY 2024. Recent announcements to boost agricultural productivity, such as setting up digital services for crop planning and support for agriculture startups will be important in sustaining agriculture growth in the medium term. Inflation will likely moderate to 5% in FY 2023, assuming moderation in oil and food prices, and slow further to 4.5% in FY 2024 as inflationary pressures subside. In tandem, monetary policy in FY 2023 is expected to be tighter as core inflation persists, while becoming more accommodative in FY 2024. The current account deficit is projected to decline to 2.2% of GDP in FY 2023 and 1.9% in FY 2024. Growth in goods exports is forecasted to moderate in FY 2023 before improving in 2024, as production-linked incentive schemes and efforts to improve the business environment, such as streamlined labour regulations, improved performance in electronics and other areas of manufacturing growth. Services exports growth has been robust and is expected to continue to strengthen India's overall balance of payments position.

## INDUSTRY STRUCTURE AND DEVELOPMENTS

### Infrastructure Sector

Government is emphasising infrastructure development through various initiatives such as National Infrastructure pipeline (NIP), Make in India, Smart cities mission, PM Gati Shakti with a view to upgrade existing infrastructure and develop new projects across sectors like transportation, energy, water and housing. The Government has allocated substantial funds for infrastructure development, and private players are encouraged to actively participate to reach its 2025 economic growth target of USD 5 tn. Under Budget 2023-24, capital investment outlay for infrastructure is being increased by 33% to ₹ 10 Lakh Crores (USD 122 bn), which would be 3.3% of GDP and almost three times the outlay in 2019-20.

Under Budget 2023-24, Infrastructure Finance Secretariat is being established to enhance opportunities for private investment in infrastructure that will assist all stakeholders for more private investment in infrastructure, including railways, roads, urban infrastructure, and power. Government has decided to continue the 50-year interest free loan to state governments for one more year to spur investment in infrastructure and to incentivise them for complementary policy actions, with a significantly enhanced outlay of ₹ 1.3 Lakh Crores (USD 16 bn).

Started with 6,835 projects, the NIP project count now stands at 9,142 covering 34 sub-sectors, as per news reports. Under the initiative, 2,476 projects are under development phase with an estimated investment of USD 1.9 tn. Nearly half of the



## Management Discussion & Analysis 2022-23 (Contd.)

under-development projects are in the transportation sector, and 3,906 in the roads and bridges sub-sector.

The Indian Railways expects to complete total revenue of ₹ 2,35,000 Crores (USD 28.3 bn) by the end of fiscal year 2022-23. The overall revenue of Indian Railways at the end of August'22 was ₹ 95,486.58 Crore (USD 11.5 bn), showing an increase of ₹ 26,271.29 Crore (USD 3.1 bn) (38%) over the corresponding period of last year. A capital outlay of ₹ 2.40 Lakh Crore (USD 29 bn) has been provided for the Railways, which is the highest ever outlay and about 9 times the outlay made in 2013-14.

India's logistics market is estimated to reach USD 410.75 bn in 2022 and is expected to reach USD 556.97 bn by 2027, growing at a CAGR of 6.28%. The 100 critical transport infrastructure projects, for last and first mile connectivity for ports, coal, steel, fertilizer, and food grains sectors have been identified and will be taken up on priority with investment of ₹ 75,000 Crores (USD 9 bn), including ₹ 15,000 Crores (USD 1.8 bn) from private sources.

In December 2022, AAI and other Airport Developers have targeted capital outlay of approximately ₹ 98,000 Crores (USD 11.8 bn) in airport sector in the next five years for expansion and modification of existing terminals, new terminals and strengthening of runways, among other activities. 50 additional airports, heliports, water aerodromes and advance landing grounds will be revived for improving regional air connectivity in five years.

India currently has the fifth-largest metro network in the world and will soon overtake advanced economies such as Japan and South Korea to become the third-largest network. Metro rail network reached 810 kms and is operational in 20 cities as of September 2022.

At almost 20 kms, Mumbai monorail is the third largest route in the world after China with 98 kms and Japan with 28 kms.

India plans to spend USD 1.4 tn on infrastructure through 'National Infrastructure Pipeline' in the next five years. In FY 2021, infrastructure activities accounted for 13% share of the total FDI inflows of USD 81.72 bn. India will need to construct 43,000 houses every day until 2022 to achieve the vision of Housing for All by 2022. As of August 22, 2022, 122.69 Lakh houses have been sanctioned, 103.01 Lakh houses have been grounded, and 62.21 Lakh houses have been completed, under the Pradhan Mantri Awas Yojna scheme (PMAY-Urban).

Hundreds of new cities need to be developed over the next decade. Over the next 10 years, demand for urban freight is

predicted to increase by 140%. Final-mile freight transit in Indian cities accounts for 50% of the total logistics expenditures in the country's increasing e-commerce supply chains. India is expected to become the third-largest construction market globally by 2022. Indian logistics market is estimated to touch USD 320 bn by 2025. The overall infrastructure capex is estimated to grow at a CAGR of 11.4% over FY 21-26 driven by spending on water supply, transport and urban infrastructure. Investment in infrastructure contributed around 5% of the GDP in the 10th five-year plan as against 9% in the 11th five year plan. Further, USD 1 tn investment in infrastructure was proposed by the India's planning commission during the 12th five-year plan, with 40% of the funds coming from the private sector.

### Road construction sector

NHAI has awarded a total of 6,003-kilometre projects in FY' 23, which fall short of the target of 6,500-kilometre. Total value of projects awarded by NHAI worth ₹ 1.26 tn in FY '23, down 15% year-on-year. NHAI's highway construction pace increased 13% year-on-year to 4,882 kilometres in FY 22-23. In FY '23, a significant 54 percentage of the total project value was awarded to 5 states, namely AP, Bihar, UP, Jharkhand and Telangana.

Capital expenditure for 2023-24 is estimated to be incurred at ₹ 2,58,606 Crores, while revenue expenditure is estimated at ₹ 11,829 Crores. National Highways Infra Trust (NHAI InvIT), the infrastructure investment trust sponsored by National Highway Authority of India (NHAI) to support Government of India's National Monetisation Pipeline, has raised a sum of ₹ 1,430 Crores (USD 172.6 mn) from domestic and international investors through placement of its units, for part funding its acquisition of three additional road projects from NHAI. During 2022-23, NHAI inaugurated 7 National Highway projects worth ₹ 2,444 Crores (USD 295 mn) with total length of 204 km in Rewa, Madhya Pradesh, 8 National Highway projects of 226 km length worth ₹ 1,800 Crore (USD 217.4 mn) at Igatpuri, Nashik, Maharashtra, road projects worth over ₹ 2,200 Crores in Telangana, road and ropeway projects worth more than ₹ 3,400 Crores (USD 410 mn) in Mana, Uttarakhand.

India being a developing nation is set to take full advantage of the opportunity for the expansion of the infrastructure sector, and it is reasonable to conclude that India's infrastructure has a bright future ahead of it. The government thrust, and a slew of policy reforms have put road sector investments in the fast lane.

## Management Discussion & Analysis 2022-23 (Contd.)

### Outlook

The road sector in India is on the brink of an exciting era of growth and transformation. With a strong focus on connectivity, infrastructure development, technology adoption, and sustainable practices, this sector is primed to take center stage in driving economic development, revolutionising mobility, and elevating the overall transportation experience throughout the country. KNRCL is well-positioned to harness these opportunities and contribute significantly to the advancement of the road sector, bringing forth innovative solutions and delivering sustainable infrastructure that will shape the future of India's transportation landscape.

### COMPANY OVERVIEW

KNR CONSTRUCTIONS is a leading player in the country's infrastructure sector, where it mainly focuses on providing infrastructure services for Highways, Flyovers & Bridges, and Irrigation sectors. It participates in all the formats of Bids including Item Rate Contracts, EPC Contracts, BOT (Toll/Annuity), and HAM mode. With equipment block of over ₹ 14,000 Million the company has put to use state of art machinery to execute quality construction. KNRCL 's name is reckoned as reputed developer of Highways in HAMs BOT , Annuity Models. KNRCL, developer of 2 BoT, 2 Annuity projects and 11 HAM projects of Highways in Telangana, Andhra Pradesh, Karnataka, Tamilnadu, Kerala and Bihar states. Successfully monetised 1 BOT and 3 HAM projects till date. KNRCL continued to be financially stronger by adopting asset light policy by monetising the BOT, HAM projects in time. Executed over 8,700 lane Km Highways across 12 States in India.

KNRCL is continuously focussing on business sustainability with infrastructure investment, innovation to add new business verticals and also Inclusive Infrastructure that enhances positive outcomes in social inclusivity, and ensures that no individual, community or social group is left behind or prevented from benefiting from improved infrastructure.

### Order Book

As of March 31, 2023, the company has an outstanding orderbook position of ₹ 70,921 Million. EPC Road Projects and HAM projects constitute 77% of the total order book, while irrigation projects constitute the remaining 23%. Client wise, 50% of the orderbook is from third-party clients and balance 50% is from captive HAM projects. The third-party order book is non-captive orderbook which accounts for 50% of the total order book position is skewed between state government contracts with 36%, whereas 11% is from Central Government and balance 3% order book is from other private players.

The current order book position remains healthy and provides a clear visibility of execution over the period of next 2 years.

	₹ in Million
Ramanattukara to Valanchery bypass project (HAM)	13,169
Valanchery Bypass to Kappirikkad project (HAM)	11,734
Development of Six lane Chittoor-Thatchur Highway (HAM)	7,650
Bangalore-Mangalore Project (Periya Shanthi to Bntwal) (EPC)	7,187
Elevated Highway along Avinashi Road in Coimbatore City (EPC)	6,433
Top 5 Road Projects	46,174
Other Road Projects	8,823
Irrigation Projects	15,924
<b>Total Orderbook as on March 31, 2023</b>	<b>70,921</b>

### NEW PROJECTS RECEIVED DURING THE YEAR

1. Development of six lane access-controlled Greenfield Highway from Marripudi (ch. 285+500) to Somvarappadu (ch. 314+600) of [NH-544G] Bengaluru-Vijayawada economic corridor on HAM Mode under Bharatmala Pariyojana Phase-1 in the state of Andhra Pradesh (Package 13) EPC - 5,800 Million.
2. Construction of Access Controlled four laning with paved shoulder from Mysore to Kushalnagara Section of NH-275 on Hybrid Annuity Mode under NH(O) in the State of Karnataka (Package IV) EPC - 5,750 Million.
3. Construction of Access Controlled four laning with paved shoulder from Mysore to Kushalnagara Section of NH-275 under NH(O) in the State of 6,250 Karnataka (Package V) EPC - 6,250 Million.

### OPPORTUNITIES & THREATS

Infrastructure is universally acknowledged as a key driver of growth. India's infrastructure sector is essential to the nation's economic growth.

The government's decision to initiate the National Infrastructure Pipeline, which will involve USD 1.4tn in investments between 2020 and 2025, could provide the infrastructure with the necessary boost. The National Infrastructure Pipeline includes the Vadhavan Port project, India's first ultra-deepwater port, metropolitan rail projects to increase the penetration of urban mass transit, and other projects to build a modern infrastructure commensurate with India's aspiration to become a great power.

## Management Discussion & Analysis 2022-23 (Contd.)

The government has given a massive push to the infrastructure sector by allocating ₹ 10 Lakh Crores (USD 130.57 bn) to enhance the infrastructure sector.

The government allocated ₹ 134,015 Crores (USD 17.24 bn) to National Highways Authority of India (NHAI).

In the FY 2023 Union Budget announced, the Government has focused on enhancing investment in infrastructure as the latter speeds up economic growth.

### RISK MANAGEMENT

KNRCL acknowledges that every business has some inherent risks and thus, the Company adopts timely measures to understand the internal and external environment so that these risks can be identified and adequate measures can be taken to mitigate them. The Company has in place Enterprise Risk Management System (ERMS), which decides the possible mitigation plans for all risks and embeds them in the strategic plans of the Company.

#### Labour Shortage

Construction companies have been struggling to fill positions and keep up with the growing demand for their services. Thus, not having enough workers available to complete a project or hit productivity goals poses a huge risk when taking on new projects.

*Risk Mitigation:* To combat labour shortage, the Company is offering competitive wages and benefits and also developing a strong company culture that values its employees and rewards dedication and hard work. To retain the labour force, the Company also provides opportunities for training, mentoring and continuous education courses so that they are prepared for all the challenges, while also ensuring that their safety is not compromised.

#### Environmental Risk

The construction industry is heavily dependent on the environmental conditions. It is hard to predict a natural disaster and one must always be prepared for any such disaster. There is a constant fear of disasters like earthquakes, floods, hurricanes, tornadoes and fires among others as these can adversely affect the performance on existing sites and lead to a negative scenario.

*Risk Mitigation:* The Company takes adequate measures to assess environmental risks and manage them by studying various reports and adopt various safety measures to minimise accidents. Also, the Company has emergency response plans in place to deal with a situation that affects the environment.

#### Surge in Material Costs

The cost of raw materials and cement is on a constant rise. Consequently, buyers are less interested to invest in the construction sector. Moreover, there is also a shortage in supply of materials to the sector due to a disruptive supply chain. Additional cess on taxes is being introduced thereby spurring up the cost of raw materials.

*Risk Mitigation:* The Company tries to stock the raw materials well in advance for all its upcoming projects so that the surge in prices does not majorly affect the Company. Moreover, optimum utilisation of materials is done to avoid wastage and ensure ultimate sustainability.

#### Need for Multiple Clearances

The completion of any construction is largely dependent on multiple clearances from various authorities. The construction sector has to work in liaison with the electricity department, pollution

control board and also focus on environment conservation, land, services, utilisation etc. It may also happen that the construction may be completed within the designated timeframe. However, approvals and clearances various bodies and authorities may delay the project as a whole.

*Risk Mitigation:* The Company maintains harmonious relations with all the regulatory and approval bodies to obtain approvals in a short span of time. The Company also ensures that the process of obtaining approvals is systematically planned so that unnecessary delay is not caused in the final delivery of any project.

#### Pandemic Risk

Recent pandemic have been experienced by contractors, developers, workers and owners. There have been slow movement of supplies and some projects have also seen the plight of termination.

*Risk Mitigation:* The Company is in a constant process of completing the underlying projects well in time. The Company is also implementing new strategies and preparing its employees to tackle challenges. Additionally, we also encourage all our employees always to follow social distancing norms, and regularly follow hygienic norms.

#### Competition Risk

There is an increased risk of competition from domestic and international players due to increased project awarding by the

## Management Discussion & Analysis 2022-23 (Contd.)

Government. This subsequently leads to price cut and low operating margins and lower market share of project awards.

*Risk Mitigation:* The Company has more than two decades of industry experience and utilises it to its best advantage. The Company believes that it will be able to attain the desired level of success and financials and enjoy continued growth. To mitigate the risk of competition, the Company also forms strategic partnerships and joint ventures with many quality players of the industry. In this way, synergies of both companies can be utilised and it gets easier to compete with large players in the market.

### Slow Technology Adoption

While technology is a boon for all the industries, numerous surveys and studies have proven that the construction industry has been slow in adopting technological changes. There are various technologies like fleet management telematics, GPS tracking, geofencing, monitoring worker hours which can provide immense benefits and also safeguard the interest of all employees. The construction industry has reached a point where adopting technological advancements is the only way forward. However, industry players are still taking their time and are not speedy enough to adopt changes.

*Risk Mitigation:* The Company is active in adopting any new trend that comes in the market and automate as many processes as possible and also trains employees to implement automatic processes. In the coming years, the Company will prudently accept all changes in the technological field to conquer the challenges faced by the industry.

### Financial Resources

The total income from the operations posted by the company on standalone basis for the year ended March 31, 2023 is ₹ 37,438 Million as against ₹ 32,726 Million during the same period in the last financial year thereby recording an Increase in turnover of ₹ 4,712 Million (about 14.40%)

PAT for the current year ended March 31, 2023 is ₹ 4,988 Million as against ₹ 3,818 Million.

The Net Worth has gone up from ₹ 22,419 Million to ₹ 27,343 Million in the current year thereby recording an increase of about 21.96%.

Earnings per Share is up from ₹ 13.58 to ₹ 17.74 in the current year.

### Loan Funds

The Debt-Equity ratio is at Nil.

### INTERNAL FINANCIAL CONTROL AND THEIR ADEQUACY

KNRCL's external assessment of internal control systems ensure efficient use of resources and compliance with established policies, procedures and statutory requirements. The Company has in place well-documented guidelines, procedures for authorisation and approvals, including regular audits. The Company has a well-established internal audit framework that covers all aspects of financial and operational controls, across units, functions and departments. It also has an efficient financial reporting system in place. The Audit Committee of the company evaluates the internal financial control system of the company periodically.

### Cautionary statement

The Management Discussion and Analysis contains 'forward-looking statements', identified by words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' and so on within the meaning of applicable securities laws and regulations concerning the Company's future business prospects and business profitability. All statements that address expectations or projections about the future, the Company's strategy for growth, product development, market position, expenditures and financial results, are forward-looking statements. All these prospects are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, ability to manage growth, competition (both domestic and international), economic growth in India and the target countries worldwide, ability to attract and retain highly skilled professionals, time and cost overruns on contracts, ability to manage international operations, Government policies and actions with respect to investments, fiscal deficits, regulations, interest and other fiscal costs generally prevailing in the economy etc. Past performance may not be indicative of future performance. The Company does not undertake to make any announcement in case any of these forward-looking statements become materially incorrect in future nor shall the Company update any forward-looking statements made from time to time by or on its behalf.

# Management

## Board of Directors

Shri B V Rama Rao (DIN: 00972552)	: Chairman & Independent Director
Shri L B Reddy (DIN: 00956445)	: Independent Director
Smt. G Chandra Rekha (DIN: 08464587)	: Independent Director
Smt. K Yashoda (DIN: 05157487)	: Non-Executive Director
Shri K Narsimha Reddy (DIN: 00382412)	: Managing Director
Shri K Jalandhar Reddy (DIN: 00434911)	: Executive Director & CFO

## Vice-President (Finance & Accounts)

Shri S Vaikuntanathan

## Company Secretary & Compliance Officer

Smt. Haritha Varanasi (ACS 34293)

## Statutory Auditors

M/s K P Rao & Co.,  
Chartered Accountants  
Bangalore  
(Firm Registration No. 003135S)

## Cost Auditors

M/s Dendukuri & Co.,  
Cost Accountants  
Hyderabad  
(Firm Registration No.102199)

## Secretarial Auditors

M/s VCSR & Associates  
Company Secretaries  
Hyderabad

## Internal Auditors

M/s K P Rao Associates  
Chartered Accountants  
Hyderabad  
(Firm Registration No. 003136S)

## Registered Office:

KNR House, 3rd & 4th Floors,  
Plot No. 114, Phase I,  
Kavuri Hills, Hyderabad,  
Telangana-500033.  
Ph: 040 - 40268759  
Email: investors@knrcl.com  
Website: www.knrcl.com  
CIN: L74210TG1995PLC130199

## Registrars and Share Transfer Agent

Link Intime India Private Limited  
C-101, 247 Park, L B S Marg,  
Vikhroli (W), Mumbai - 400083  
Ph: 022 4918 6000  
Fax: 022 4918 6060

## Bankers:

State Bank of India  
IDBI Bank  
Axis Bank Limited  
ICICI Bank Limited  
Kotak Mahindra Bank Limited  
HDFC Bank Limited  
Federal Bank Limited  
RBL Bank Limited  
Punjab National Bank  
IndusInd Bank Limited

## Notice

**Notice** is hereby given that the 28th Annual General Meeting of the members of KNR Constructions Limited will be held on Thursday, September 28, 2023 at 03.30PM through Video Conferencing (VC)/Other Audio-Visual Means (OAVM) to transact the following items of business:

### ORDINARY BUSINESS

- To receive, consider and adopt
  - the audited Financial Statement of the Company for the financial year ended March 31, 2023 and the Report of the Board of Directors and Auditors thereon ; and
  - the audited Consolidated Financial Statement of the Company for the financial year ended March 31, 2023 and the Report of Auditors thereon.
- To declare final Dividend of ₹ 0.25 Per Equity share of ₹ 2.00 each for the financial year 2022-23.
- To appoint a Director in place of Shri K Jalandhar Reddy (DIN:00434911), who retires by rotation and being eligible, offers himself for reappointment.

### SPECIAL BUSINESS

- Ratification of remuneration of the Cost Auditors for the financial year ending 31.03.2024.  
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(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies

(Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s Dendukuri & Co., Cost Accountants, Hyderabad (Firm Registration No. 102199), appointed as Cost Auditors by the Board of Directors of the Company to conduct the audit of the cost records maintained by the Company for the financial year ending March 31, 2024, amounting to ₹ 3,00,000/- (Rupees Three Lakhs only) p.a excluding taxes as may be applicable, in addition to reimbursement of all out of pocket expenses, be and is hereby ratified."

By Order of the Board of Directors  
For **KNR Constructions Limited**

Place: Hyderabad  
Date: August 14, 2023

**Haritha Varanasi**  
Company Secretary  
(ACS 34293)

### Registered Office:

#### KNR Constructions Limited

KNR House, 3rd and 4th Floors,  
Plot No.114, Phase I, Kavuri Hills,  
Hyderabad, Telangana- 500033.  
Ph: 040 - 40268759  
Email: investors@knrcl.com  
Website: www.knrcl.com  
CIN: L74210TG1995PLC130199

## Notice (Contd.)

### NOTES FOR MEMBERS:

1. The ministry of Corporate Affairs ("MCA") has vide its circulars No. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 05, 2020, 02/2021 dated January 13, 2021, 21/2021 dated December 14, 2021, 2/2022 dated May 05, 2022 and 10/22 dated December 28, 2022 read with read with SEBI Circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023 and other relevant circulars, have permitted the holding of the Annual General Meeting (AGM/ Meeting) through Video Conferencing ("VC") or other Audio Visual Means ("OAVM"), without the physical presence of the Members at a common venue, upto September 30, 2023. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the 28th Annual General Meeting ("the AGM") of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company
2. 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 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 01, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate any risk 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 (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's email id investors@knrcl.com , 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. The register of members and share transfers of the Company shall be closed from September 23, 2023 till September 28, 2023 (both days inclusive) and Record date has been fixed as September 22, 2023 for the purpose of payment of dividend for the financial year ended March 31, 2023. The final dividend, once approved by the members in the ensuing AGM, will be paid on or before October 25, 2023.  
Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 01, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company / Registrar and Transfer Agent (in case of shares held in physical mode) and with the Depository Participants (in case of shares held in Demat mode).

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A Resident individual shareholder with PAN and who is not liable to pay income tax, can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by sending an email to investors@knrcl.com on or before September 16, 2023.

Shareholders are requested to note that in case their PAN is not registered, tax will be deducted at a higher rate of 20%. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to investors@knrcl.com. The aforesaid declarations and documents need to be submitted by the shareholders on or before September 16, 2023.

### **10. 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.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 March 31, 2017 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 March 31, 2016, 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.iepf.gov.in. Members are requested to contact the Company's Registrar and Share Transfer Agent or the Company to claim the unclaimed/unpaid dividends.

11. Members seeking any information or clarification on the accounts are requested to send their queries to the Company, in writing, at least ten days before the date of the meeting. Replies will be provided in respect of such written queries at the meeting.
12. 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.
13. The register of Directors and Key Managerial Personnel maintained under Section 170 of the Companies Act, 2013 and Register of Contracts and arrangements in which Directors are interested, maintained under Section 189 of the Act, will be electronically available for inspection by the members during the AGM.

Members may also note that the Notice of the 28th Annual General Meeting is available on the Company's



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website, [www.knrc.com](http://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 writing an e-mail to the Company Secretary at [investors@knrc.com](mailto:investors@knrc.com).

In compliance with the aforementioned MCA Circulars and SEBI Circulars Notice of the AGM along with Annual Report 2022-23 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 2022-23 will also be available on the Company's website at [www.knrc.com](http://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](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of CDSL [www.evotingindia.com](http://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.

14. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
15. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to the Notice.
16. Additional information in respect of Directors seeking appointment/ re-appointment as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 read with Secretarial Standards on General Meetings issued by the ICSI forms part of this Notice. Requisite consent / declaration has been received in this regard.
17. The Company has appointed Shri Vikas Sirohiya, Practicing Company Secretary (Membership No. A15116, C.P. No. 5246), a Partner of M/s P S Rao and Associates, Company Secretaries, Hyderabad as the Scrutiniser to conduct and scrutinise the voting process in a fair and transparent manner. The cut-off date has been fixed as Thursday, September 21, 2023.

### E-VOTING

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

1. Pursuant to MCA and SEBI Circulars the forthcoming AGM will be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM 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 e-voting to its Members in respect of the business to be transacted at the AGM. 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 AGM will be provided by CDSL.
3. The Members can join the 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 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 AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM 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. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members

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such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.knrcl.com](http://www.knrcl.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](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also disseminated on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com).

### INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

- (i) The voting period begins on Monday, September 25, 2023 at 09.00 AM and ends on Wednesday, September 27, 2023 at 05.00 PM. During this period shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date, September 21, 2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders' /retail shareholders is at a negligible level. Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders. In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.
- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> </ol>

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Type of shareholders	Login Method
	4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</p>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

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- (v) Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding in Demat form & physical shareholders.
- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - 2) Click on "Shareholders" module.
  - 3) 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.
  - 4) Next enter the Image Verification as displayed and Click on Login.
  - 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
  - 6) If you are a first-time user follow the steps given below:

	<b>For Shareholders holding shares in Demat Form other than individual and Physical Form</b>
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"> <li>• 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.</li> </ul>
Dividend Bank Details <b>OR</b> 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"> <li>• 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.</li> </ul>

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) 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.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote
- (x) 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.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) 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.
- (xvi) **Facility for Non – Individual Shareholders and Custodians –Remote Voting**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.

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- 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 scrutiniser 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 Scrutiniser and to the Company at the email address 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 scrutiniser to verify the same.
6. 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.
  7. 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 atleast **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at investors@knrcl.com . The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at investors@knrcl.com . These queries will be replied to by the Company suitably by email.
  8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
  9. Only those shareholders, who are present in the AGM/ EGM 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 AGM.
  10. If any Votes are cast by the shareholders through the e-voting available during the 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 the meeting is available only to the shareholders attending the meeting.

### INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

### PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NOS. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

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 update your email id & mobile no. with your respective Depository Participant (DP)

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3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Shri Rakesh Dalvi, Sr. 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](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

### 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, 2023**.
- ii. The Scrutiniser, after scrutinising the votes cast during the meeting and through remote e-voting will, not later than 48 hours from the conclusion of the Meeting, make a consolidated scrutiniser's report and submit the same to the Chairman. The results declared along with the consolidated scrutiniser's report shall be placed on the website of the Company, [www.knrcl.com](http://www.knrcl.com) and on the website of [www.cdslindia.com](http://www.cdslindia.com). The results shall simultaneously be communicated to the Stock Exchanges.
- iii. The voting result will be announced by the Chairman or any other person authorised by him within two days of conclusion of the AGM.

## Notice (Contd.)

### EXPLANATORY STATEMENT

#### **[PURSUANT TO THE PROVISIONS OF SECTION 102 (2) OF THE COMPANIES ACT, 2013]**

#### ITEM NO. 4

The Board of Directors at its meeting held on May 29, 2023, upon the recommendation of the Audit Committee, has appointed M/s Dendukuri & Co., Cost Accountants, Hyderabad (Firm Registration No.102199), issued by the Institute of Cost Accountants of India, as the Cost Auditors of the Company for the financial year 2023-24 at a remuneration of ₹ 3 Lakhs p.a excluding applicable taxes. Certificate issued by M/s Dendukuri & Co., confirming their eligibility to be appointed as Cost Auditors of the Company will be available for inspection electronically by the members.

In accordance with Rule 14 of Companies (Audit and Auditors) Rules 2014, the remuneration payable to the Cost Auditors requires ratification by the members. Hence this resolution is proposed for consideration of the members.

None of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested, whether financial or otherwise in the Resolution as set out at Item no. 4.

**Information in respect of Director seeking appointment/ re-appointment as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 read with Secretarial Standards on General Meetings issued by the ICSI.**

Name	K Jalandhar Reddy
Date of Birth	June 08, 1971
Qualification	Bachelor's Degree in Computer Engineering from Bangalore University
Experience (including expertise in specific functional area)/Brief Resume	Shri K Jalandhar Reddy has vast experience in construction industry and specifically he heads the tendering and bidding activities of the Company and also is in-charge of the projects execution.
Terms and Conditions of Appointment / Reappointment	In terms of Section 152(6) of the Companies Act, 2013 Shri K Jalandhar Reddy who was re-appointed as whole-time Director by the members through postal ballot concluded on January 24, 2021, is liable to retire by rotation.
Details of Remuneration sought to be paid	The members through postal ballot concluded on January 24, 2021 had approved the below remuneration to Shri K Jalandhar Reddy Fixed pay – ₹ 45 lakhs per month Variable Pay – Not exceeding 100% of respective consolidated salary payable annually for each financial year as may be determined by the Board based on the performance of the Company and other factors as may deem fit, but shall not exceed 2021-22- 50% of fixed pay PA 2022-23 – 60% of fixed pay PA 2023-24 – 75% of fixed pay PA 2024-25 – 85% of fixed pay PA 2025-26 – 100% of fixed pay PA
Remuneration last drawn	₹ 1,202.40 Lakhs
Date of first appointment on the Board	Since incorporation i.e, July 11, 1995
Shareholding in the Company as on the date of notice of AGM	3,77,59,210
Relationship with other Directors/Key Managerial Personnel	Shri K Jalandhar Reddy is son of Shri K Narsimha Reddy, Managing Director and Smt K Yashoda, Non-Executive Director.

**Notice (Contd.)**

Number of meetings of the Board attended during the year (2022-23)	5 meetings
Directorships of other Boards as on the date of notice of AGM	KNR Constructions Limited Vishnu Publicity Solutions Private Limited KNR Muzaffarpur Holdings Private Limited Siriadhvaitha Agrotech Private Limited KNR Muzaffarpur Barauni Tollways Private Limited KNR Kaveri Infra Private Limited KNR Sriranganatha Infra Private Limited KNR Ramatheerhtam Infra Private Limited KNR Ramanattukara Infra Private Limited KNR Guruvayur Infra Private Limited KNR Palani Infra Private Limited Kamidi Reality Private Limited KNR Ramagiri Infra Private Limited Manjeri City Infrastructures and Developers LLP (Designated Partner) Benedire Infrastructures and Developers LLP (Designated Partner)
Membership / Chairmanship of Committees of other Boards as on the date of the notice of AGM	Nil

By Order of the Board of Directors  
For **KNR Constructions Limited**

Place: Hyderabad  
Date: August 14, 2023.

**Haritha Varanasi**  
Company Secretary  
ACS 34293

**Registered Office:****KNR Constructions Limited**

KNR House, 3rd and 4th Floors,  
Plot No.114, Phase I, Kavuri Hills,  
Hyderabad, Telangana- 500033.  
Ph: 040 - 40268759  
Email: investors@knrcl.com  
Website: www.knrcl.com  
CIN: L74210TG1995PLC130199



## Directors Report

### Dear Members,

Your Directors are pleased to present the Twenty Eighth Annual Report and the Company's audited financial statement (Standalone and Consolidated) for the financial year ended March 31, 2023.

### FINANCIAL RESULTS

The Company's financial performance, for the year ended March 31, 2023 is summarised below:

(₹ in Lakhs)

Particulars	Year Ended March 31, 2023		Year Ended March 31, 2022	
	Standalone	Consolidated	Standalone	Consolidated
Total revenue (including other income)	3,77,588.34	4,09,903.64	3,31,427.44	3,65,069.73
<b>Profit before interest, depreciation, exceptional items and tax</b>	<b>75,380.66</b>	<b>95,317.90</b>	<b>71,941.90</b>	<b>85,501.68</b>
<b>Less:</b> Interest and financial charges	3,926.45	15,307.60	2,744.34	14,811.39
Profit Before depreciation, Exceptional items and tax	71,454.21	80,010.30	69,197.56	70,690.29
<b>Less:</b> Depreciation and amortisation	14,743.35	18,070.09	13,458.97	16,492.06
<b>Profit before exceptional items and tax</b>	<b>56,710.86</b>	<b>61,940.21</b>	<b>55,738.59</b>	<b>54,198.23</b>
<b>Less: Exceptional Items – Expenses/(Income)</b>	<b>(13,796.61)</b>	<b>(6,184.49)</b>	<b>(2,139.95)</b>	<b>(2,139.95)</b>
<b>Profit before tax</b>	<b>70,507.47</b>	<b>68,124.70</b>	<b>57,878.54</b>	<b>56,338.18</b>
Provision for tax (including Deferred Tax )	20,624.15	24,183.76	19,698.90	19,698.90
<b>Profit after tax</b>	<b>49,883.32</b>	<b>43,940.94</b>	<b>38,179.64</b>	<b>36,639.28</b>
Add: Other Comprehensive Income	50.35	50.82	(62.76)	(60.12)
Total Comprehensive Income for the period	49,933.67	43,991.76	38,116.88	36,579.16
<b>Attribution to:</b>				
Shareholders of the Company	49,933.67	45,801.42	38,116.88	38,184.47
Non-Controlling Interest	NA	(1,860.48)	NA	(1,545.19)
Balance of Profit/(Loss) for earlier years	2,06,152.00	2,13,876.47	1,68,675.45	1,77,826.88
Less: Dividend	703.09	703.09	703.09	703.09
Dividend Tax	-	-	-	-
Balance carried forward	2,55,332.23	2,58,974.80	2,06,152.00	2,13,876.47

### RESULTS OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS

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

#### On Standalone basis

- Revenue from operations for the FY 2022-23 are reported at ₹ 3,74,379.62 Lakhs.
- PBDIT (Excluding other income & Exceptional Item) increased by 6.49% to ₹ 72,171.94 Lakhs
- Profit before tax increased by 21.82% to ₹ 70,507.47 Lakhs
- Net profit increased by 30.65% to ₹ 49,883.32 Lakhs
- Net worth increased by 21.96 % to ₹ 2,73,427.52 Lakhs
- The order book position as on the date of this report stands at ₹ 8,87,210 Lakhs (including 3 new HAM projects)

#### On consolidated basis

- Revenue from operations for the FY 2022-23 are reported at ₹ 4,06,235.97 Lakhs.
- Profit before tax (After exceptional item) increased by 20.92% to ₹ 68,124.70 Lakhs
- Net worth increased by 7.37 % to ₹ 2,74,782.81 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 March 31, 2023 is ₹ 2,67,802.82 Lakhs as against the Paid-up capital of ₹ 5,624.70 Lakhs

## Directors Report (Contd.)

### Performance of Subsidiaries

Pursuant to the provisions of Section 128 (3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014, a Report on the Financial performance of the Subsidiaries Companies during the Financial Year ended March 31, 2023 in form AOC-1 is annexed herewith as **Annexure I**.

### Dividend

The Board of Directors have recommended a final dividend of ₹ 0.25/- per Equity Share for the financial year ended March 31, 2023 amounting to ₹ 703.09 Lakhs. The dividend shall be paid to the members whose names appear in the Register of Members as on September 22, 2023. In respect of shares held in the dematerialised form, it shall be 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.

Pursuant to the Finance Act, 2020, dividend income is taxable in the hands of the shareholders w.e.f. April 01, 2020 and the Company is required to deduct tax at source (TDS) from dividend paid to the Members at prescribed rates as per the Income-tax Act, 1961.

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 plans through internal accruals to the maximum. The Dividend Distribution Policy of the Company is annexed herewith marked as **Annexure II** to this Report. The Dividend Distribution Policy is posted on the website of the Company and the web link is <http://knrcl.com/images/policies/KNRCL-DIVIDEND-DISTRIBUTION-POLICY.pdf> There has been no change in the policy during the year.

### CHANGE IN NATURE OF BUSINESS

During the year under review, there is no change in the nature of business in which the Company operates.

### MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY.

During the year under review, till the date of this report, there were no material changes and commitments that may affect the financial position of the Company.

### CAPITAL STRUCTURE

#### Authorised Capital:

The authorised share capital of the Company is ₹ 60,00,00,000/- (Sixty Crores Only) divided into 30,00,00,000 (Thirty Crores only) Equity shares of ₹ 2/- (Rupees Two only) each as on March 31, 2023.

During the year under review, there was no change in the authorised capital of the Company.

#### Paid-up capital:

As on March 31, 2023, the paid-up capital of the Company is ₹ 56,24,69,200/- (Rupees Fifty-Six Crores Twenty-Four Lakhs Sixty-Nine Thousand Two Hundred Only) divided into 28,12,34,600 (Twenty-Eight Crores Twelve Lakhs Thirty-Four Thousand Six Hundred only) Equity Shares of ₹ 2/- (Rupees Two) Each.

### ISSUE OF SHARES:

During the year under review, the Company has not issued any securities (including convertible warrants) by way of Sweat Equity or Employee Stock Options or equity shares with differential voting rights or by any other way of allotment during the year under review.

### CREDIT RATING:

As on the date of this report, CRISIL has upgraded outlook on the long term bank facilities from AA-(Positive) to AA/Stable. The short term rating is reaffirmed at A1+.

### INVESTOR EDUCATION AND PROTECTION FUND

In terms of Section 125 of the Companies Act, 2013, during the year under review the below amounts were transferred to Investor Education and Protection Fund

- An amount of ₹ 23,168 /- being unclaimed dividend for the Financial Year 2014-15
- An amount of ₹ 47,502/- being unclaimed dividend for the financial year 2015-16 (transferred on April 10, 2023)

The Company had transferred

- 1488 equity shares pertaining to financial year 2014-15
- 2959 equity shares pertaining to financial year 2015-16 as required under the provisions of Section 124(6) of the Companies Act, 2013 to IEPF Authority.

Members are requested to note that dividends not encashed or remaining unclaimed for a period of 7 (seven) years from the

## Directors Report (Contd.)

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](http://www.iepf.gov.in) 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 March 31, 2017 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, 2016, have already been transferred to IEPF. The details of the unclaimed dividends are available on the Company's website at [www.knrc.com](http://www.knrc.com) and on the website of Ministry of Corporate Affairs at [www.mca.gov.in](http://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.

### **Nodal Officer:**

Pursuant to the provisions of Rule 7(2B) of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Second Amendment Rules, 2019, the Company has appointed Smt. Haritha Varanasi, Company Secretary of the Company as Nodal Officer of the Company.

### **DIRECTORS:**

#### **Non Independent Directors**

During the year under review, there are three non-independent Directors in the Board namely Shri K Narsimha Reddy, Managing Director, Shri K Jalandhar Reddy, Executive Director and Smt. K Yashoda, Non-Executive Director.

In accordance with the requirements of the Companies Act, 2013 Shri K Jalandhar Reddy, Executive Director of the Company is liable to retire by rotation at the Annual General Meeting and, being eligible, offer himself for reappointment at the ensuing Annual General Meeting.

Save and except the aforesaid, there was no appointment / reappointment of any Director on the Board of the Company during the year 2022-23.

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 Regulation 36 of SEBI (LODR) Regulations, 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, is annexed to the notice of the Annual General Meeting.

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, Independent Directors meet without the presence of any management personnel and their meetings are conducted informally to enable them to discuss matters pertaining to the Company's affairs and put forth their combined views to the Board of Directors of the Company.

#### **Independent Directors**

During the year under review, there are three independent directors in the Board namely Shri L B Reddy, Shri B V Rama Rao and Smt. G Chandra Rekha. The Company has received declarations from the independent directors of the Company to the effect that they meet the criteria of independence as laid under the provisions of Section 149 (6) of the Companies Act, 2013 and Regulation 16 (1) (b) read with Regulation 25 of SEBI (LODR) Regulations, 2015 in respect of the financial year ended March 31, 2023.

The Independent Directors have also confirmed that they are in compliance with the Code of Conduct as stipulated under Schedule IV of the Companies Act, 2013 and also of the Company.

In terms of Regulation 25 (8) of SEBI (LODR) Regulations, 2015 the Independent Directors have also confirmed that they are not aware of any circumstance or situation, which exists

## Directors Report (Contd.)

or which may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

During the year under report, the Independent Directors of the Company had no pecuniary relationship or transactions with the Company, except to the extent of sitting fees and reimbursement of expenses incurred by them for the purpose of attending the meetings of the Board and its committees.

### Proficiency of Directors:

In compliance with Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014, all the Independent Directors of the Company have registered themselves with the Independent Directors Data Bank maintained by IICA. Except Smt. G Chandra Rekha, who has appeared and qualified the proficiency test conducted by IICA, none of the other independent Directors were required to appear for the aforesaid test.

### Policy On Director's Appointment and Remuneration and Other Details:

The Nomination and Remuneration Committee has laid down the criteria for Directors' appointment and remuneration including criteria for determining qualification, positive attributes and independence of a Director. The following attributes/criteria for selection have been laid by the Board on the recommendation of the Committee:

- The candidate should possess the attributes such as leadership, professional stature, domain expertise or such other attributes which in the opinion of the Committee are in the interest of the Company;
- the candidate should be free from any disqualification as provided under Sections 164 and 167 of the Companies Act, 2013;
- the candidate should meet the conditions of being independent as stipulated under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in case of appointment as an independent director; and
- the candidate should possess appropriate educational qualification, skills, experience and knowledge in one or more fields of finance, law, management, technical operations, infrastructure, or such other areas or disciplines which are relevant for the Company's business.

### Key Managerial Personnel:

Pursuant to the provisions of Section 203 of the Companies Act, 2013 the following are the Key Managerial Personnel of the Company:

- Shri K Narsimha Reddy - Managing Director
- Shri K Jalandhar Reddy - Whole-time Director & Chief Financial Officer
- Smt. Haritha Varanasi - Company Secretary

### Remuneration policy

The Company has in place remuneration policy to ensure that the Key Managerial Personnel (KMP) and Senior Managerial Personnel (SMP) shall be competitive in order to ensure that the Company can attract and retain competent talent.

The remuneration policy of the Company shall ensure that:

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors/ KMPs and SMPs of the quality required to run the Company successfully.
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- Remuneration to directors, KMP and SMP involves a balance between fixed and variable pay reflecting short and long term performance objectives and goals set by the Company.
- Remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.

The detailed remuneration policy of the Company can be accessed at the website of the Company through the below link:

<http://knrcl.com/images/policies/Remuneration-Policy.pdf>

### COMMITTEES OF THE BOARD

The Company has duly constituted the following committees as per the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015

- a) Audit Committee
- b) Stakeholders Relationship Committee
- c) Nomination and Remuneration Committee
- d) Corporate Social Responsibility Committee
- e) Risk Management Committee

## Directors Report (Contd.)

Details of the Committees such as Composition, meetings held during the year under report are provided in Corporate Governance Report which forms integral part of the Annual Report.

### MEETINGS OF THE BOARD AND COMMITTEES

Five meetings of the Board of Directors were held during the year. The Board of Directors and Committees have duly met during the year under report and the minutes of the meetings are duly recorded. The details of the meetings of the Board and its Committees are provided in the Corporate Governance Report which forms integral part of this report.

### RECOMMENDATIONS OF AUDIT COMMITTEE

The Board has taken into consideration, accepted and acted upon all the recommendations of the Audit Committee.

### BOARD DIVERSITY

The Company recognises that having a diverse Board enhances the quality of its performance. The Company continues to increase the diversity in the Board as and when required, as the Company believes that it is an essential element in supporting and attainment of its strategic objectives and its sustainable development. The Company has in place policy on Board Diversity and can be accessed at <http://knrcl.com/images/policies/Board-Diversity-Policy.pdf>.

### BOARD EVALUATION

The Nomination and Remuneration Committee lays down the criteria for performance evaluation of Independent Directors, Board of Directors and Committees of the Board.

The parameters like attendance and participation of Directors in the meetings of the Board and its Committees thereof, contribution to strategic decision making, financial statements and business performance have been the basis criteria for performance evaluation.

The evaluation of Board as a whole and each individual director is performed after seeking all the inputs from the Directors.

The performance evaluation of executive Directors, Chairperson of the Board is done by the Independent Directors at their separate meeting.

For the year 2022-23, evaluation of Board as a whole, Non-executive and Independent Directors and Executive Directors of the Company has been duly carried out as per the policy laid by the Nomination and Remuneration Committee.

### FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS

All Independent Directors are familiarised with the operations and functioning of the Company. The details of familiarisation program are provided in Corporate Governance Report which forms part of the Annual Report.

### 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

### 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 confirm that:

- (a) in the preparation of the annual accounts for the year ended March 31, 2023, 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 true and fair view of the state of affairs of the Company as at March 31, 2023 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.

## Directors Report (Contd.)

### IMPLEMENTATION OF CORPORATE ACTIONS, FAILURES IF ANY

During the year under review, no instances of failure to implement corporate actions were reported.

### 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 SEBI (LODR) Regulations, 2015, 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)

Your Company is committed to enhance value creation in the society and community in which it operates. Through its conduct, services, and CSR initiatives it will strive to promote sustained growth in the surrounding environs.

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 of the Company is available on the website of the Company ([http://knrc.com/images/policies/knrc\\_CSR.pdf](http://knrc.com/images/policies/knrc_CSR.pdf)).

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 centers 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 provide free health care facilities.

The Annual Report on CSR activities carried out by the Company for the 2022-23 is annexed herewith as **"Annexure III"** to this report as required under the provisions of the Companies Act, 2013 and applicable rules thereunder.

### STATUTORY AUDITORS

M/s K P Rao & Co., Chartered Accountants, were re-appointed as Statutory Auditors of the Company at the 27th Annual General Meeting held on September 28, 2022 for a period of 5 years ie., upto conclusion of 32nd AGM to be held in the year 2027.

Further, the Statutory Auditor's report does not contain any qualifications, reservations, adverse remarks or disclaimers. The Statutory Auditors attended the AGM held on September 29, 2022.

### INTERNAL AUDITOR & CONTROLS

The Board of Directors at their meeting held on May 29, 2023, 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 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014 the Board of Directors, upon the recommendation of Audit Committee, at their meeting held on May 29, 2023 has appointed M/s Dendukuri & Co., Cost Accountants, Hyderabad, being eligible and having sought appointment, as Cost Auditors of the Company, to carry out the cost audit of the Company for the financial year 2023-24, at a remuneration of ₹ 3 Lakhs p.a.

### SECRETARIAL AUDITOR

In accordance with Section 204 of the Companies Act, 2013 the Board has re-appointed M/s. VCSR & Associates, Company Secretaries, to conduct Secretarial Audit for the Financial year 2023-24. The Secretarial Audit Report for the financial year ended March 31, 2023 is annexed herewith and marked as **Annexure IV** to this Report.

## Directors Report (Contd.)

### SECRETARIAL STANDARDS

During the year under report, the Company has duly complied with all the applicable secretarial standards as issued by the Institute of Company Secretaries of India from time to time.

### SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

A separate statement containing the salient features of the Financial statements of the subsidiaries and joint ventures of the Company is prepared in Form AOC-1 which forms part of the Consolidated financial statements.

The Company has three new companies (SPVs) as wholly-owned subsidiaries namely KNR Ramatheertham Infra Private Limited, KNR Kaveri Infra Private Limited and KNR Sriranganatha Infra Private which were incorporated during the financial year.

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

[http://knrcl.com/images/policies/Policy\\_on\\_MATERIAL\\_SUBSIDIARIES.pdf](http://knrcl.com/images/policies/Policy_on_MATERIAL_SUBSIDIARIES.pdf)

### MATERIAL SUBSIDIARIES

During the year 2022-23, the Company has no material subsidiaries as defined under the provisions of SEBI (LODR) Regulations, 2015. However, as on the date of report, the Company has two material wholly owned subsidiaries namely KNR Guruvayur Infra Private Limited and KNR Ramanattukara Infra Private Limited (based on financial statements as on March 31, 2023).

#### Sale of stake in the subsidiary companies:

The Board at its meeting held on August 30, 2021 has accorded its approval for sale of 100% stake held by the Company in the following companies including transfer of control, in one or more tranches to Cube Highways and Infrastructures III Pte Limited.

- KNR Shankarampet Projects Private Limited,
- KNR Srirangam Infra Private Limited and
- KNR Tirumala Infra Private Limited

Accordingly, the Company had sought approval from the members of the Company for the sale of stake at its 26th Annual General Meeting held on September 29, 2021 as required under the provisions of Regulation 24(5) of SEBI (LODR) Regulations, 2015.

The Company had transferred 49% of its stake held in KNR Tirumala Infra Private Limited and KNR Shankarampet Projects

Private Limited on December 30, 2021 to Cube Highways and Infrastructure III Pte Limited.

Further, during the year under review the Company has transferred balance 51% of its stake held in KNR Tirumala Infra Private Limited and KNR Shankarampet Projects Private Limited on October 20, 2022 and 100% of its stake in KNR Srirangam Infra Private Limited on October 14, 2022 respectively. As a result, the aforementioned companies ceased to be subsidiaries/wholly owned subsidiary of the Company.

### NAMES OF COMPANIES WHICH HAVE CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR

During the year under review, the below three Companies were ceased to be subsidiaries of the Company:

- KNR Tirumala Infra Private Limited
- KNR Shankarampet Projects Private Limited
- KNR Srirangam Infra Private Limited

### CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013.

The Consolidated Financial Statements for the financial year ended March 31, 2023 forms part of the Annual Report.

Further, we undertake that the Annual Accounts of the subsidiary Companies and the related detailed information will be made available to the Company's shareholders and to the shareholders of the subsidiary companies seeking such information at any point of time. Further, the Annual Accounts of the subsidiary Companies shall also be kept for inspection by any shareholder at the Registered office of the Company and that of the subsidiary Companies.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of subsidiaries, are available on the website of the Company at [www.knrcl.com](http://www.knrcl.com)

### 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.

## Directors Report (Contd.)

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.knrcl.com/images/policy\\_on\\_materiality.pdf](http://www.knrcl.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.

The Company has not entered into any contracts/ arrangements with related parties referred to under Section 188(1) of the Companies Act, 2013, not at arms-length basis during the year. The details of the related party transactions are provided herewith as **Annexure V** in Form AOC-2.

### DISCLOSURE UNDER REGULATION 34(3) READ WITH SCHEDULE V OF THE LISTING REGULATIONS RELATED PARTY DISCLOSURE AS PER SCHEDULE V OF THE LISTING REGULATIONS

(₹ In Lakhs)

S No	In the accounts of	Particulars	Amount at the year ended 2022-23	Maximum outstanding amount during the year 2022-23
1.	KNR Constructions Limited (Holding Company)	(i) Loans/Advances to subsidiaries		
		KNR Agrotech & Beverages Private Limited.,	126.75	192.89
		KNR Energy Limited.,	147.34	147.34
		KNRC Holdings and Investments Private Limited.,	268.22	315.37
		KNR Muzaffarpur Barauni Tollway Private Limited.,	3279.76	3279.76
		KNR Infrastructure Projects Private Limited.,	11.09	11.09
		KNR Muzaffarpur Holdings Private Limited.,	14.65	14.65
		KNR Srirangam Infra Private Limited.,	528.78	5,353.22
		KNR Tirumala Infra Private Limited.,	-	842.88
		KNR Shankarampet Project Private Limited.,	86.20	1,694.44
		KNR Somwarpet Infra Project Private Limited.,	1.20	86.03
		KNR Palani Infra Private Limited.,	455.16	455.16
		KNR Guruvayur Infra Private Limited.,	93.06	93.06
		KNR Ramanattukara Infra Private Limited.,	175.02	1189.33
		KNR Ramagiri Infra Private Limited.,	437.16	437.16
		Benedire Infrastructures and Developers LLP	0.10	0.10
		Manjeri City Infrastructures and Developers LLP	0.79	0.79
		(ii) Loans/advances to associates		
		a) Patel KNR Heavy Infrastructures Limited	27.48	27.48
		b) Patel KNR Infrastructures Limited	0.04	0.04
		(iii) Loans/advances to firms/Companies in which Directors are interested	Nil	Nil
2.	KNR Constructions Limited (Holding Company)	Investment by the Loan in the shares of parent company/ subsidiary company when the Company has made a loan or advance		



## Directors Report (Contd.)

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The particulars relating to Conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo as required 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 to the extent possible. However, the core activity of the Company is civil construction which is not an energy intensive sector where energy consumption is at intensive level.

#### 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.

The Company has not imported any technology during the last 5 years.

#### Foreign Exchange Earnings and Outgo

(₹ In Lakhs)

Particulars	2022-23	2021-22
1) Foreign Exchange Inwards	Nil	Nil
2) Foreign Exchange Outgo	171.07	593.20
- Import of capital goods and Stores and spares		

### 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.

### VIGIL MECHANISM

The Company has a Vigil mechanism and Whistle blower policy in terms of the SEBI (LODR) Regulations, 2015 and the Companies Act, 2013 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>

### CODE OF CONDUCT FOR THE PREVENTION OF INSIDER TRADING

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulation, 2015 and amended Regulations 2018. The Insider Trading Policy of the Company lays down guidelines and procedures to be followed, and disclosures to be made while dealing with shares of the Company, as well as the consequences of violation. The policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company securities.

The Insider Trading Policy of the Company covering code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct for the prevention of insider trading, is available on our website ([http://knrc.com/images/policies/knrc\\_8insider.pdf](http://knrc.com/images/policies/knrc_8insider.pdf))

### 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, Guarantees and Investments made during the Financial Year ended March 31, 2023, covered under the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014, form part of the Standalone Financial Statements.

### ANNUAL RETURN

As required under the provisions of Section 92 of the Companies Act, 2013, copy of Annual Return of the Company for the year ended March 31, 2023 is made available on the website of the Company and the same can be accessed through the following link.

[http://knrc.com/images/annual\\_reports/Draft-MGT-7-2022-23.pdf](http://knrc.com/images/annual_reports/Draft-MGT-7-2022-23.pdf)

## Directors Report (Contd.)

### Risk Management

Your Company has constituted a Risk Management Committee and formulated a policy on Risk Management in accordance with the Companies Act, 2013 and Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to frame, implement and monitor the risk management plan for your Company. The Committee is responsible for monitoring and reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The Risk Management Policy of your Company is posted on the website of your Company which may be accessed at <http://knrcl.com/images/policies/Risk-Management-Policy.pdf>

### MATERIAL ORDERS PASSED BY COURTS/REGULATORS/ TRIBUNALS

There were no material or significant orders passed by the regulators/courts/tribunals that would impact

the going concern status of the Company and its future operations.

### CORPORATE INSOLVENCY RESOLUTION PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016.

No corporate insolvency resolution processes were initiated against the Company under the Insolvency and Bankruptcy Code, 2016, during the year under review.

### DETAILS OF DIFFERENCE BETWEEN THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH REASONS THEREOF

Not applicable as there were no instances of one-time settlement with the Banks or financial institutions.

### INSURANCE

All the movable properties and assets of the Company are adequately insured for the year under report.

### 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:

S. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2022-23 (₹ in Lakhs)	Remuneration of Director/KMP for financial year 2021-22 (₹ in Lakhs)	% increase in Remuneration in the Financial Year 2022-23	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	Shri. K Narsimha Reddy Managing Director	1,710.00	780.00	119.23%	595	Profit before Tax and exceptional items increased by 1.74% and Profit after Tax and Comprehensive Income Increased by 31.00% in 2022-23
2	Shri. K Jalandhar Reddy Executive Director and CFO	1,202.40	572.40	110.06%	418	
3.	Smt. Haritha Varanasi Company Secretary	11.40	12.35	(7.69%)	4	

Note: The total remuneration drawn by Shri K Narsimha Reddy and Shri K Jalandhar Reddy during the FY 2022-23 includes the following:

Name	Gross Salary	Variable Pay for the 2020-21	Variable Pay for the 2021-22
Shri K Narsimha Reddy	₹ 7,80,00,000/-	₹ 5,40,00,000/-	₹ 3,90,00,000/-
Shri K Jalandhar Reddy	₹ 5,64,90,000/-	₹ 3,60,00,000/-	₹ 2,70,00,000/-

## Directors Report (Contd.)

The percentage of increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2022-23, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022-23 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Further details of top ten employees in terms of remuneration drawn during the financial year ended March 31, 2023 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	Shri K. Narsimha Reddy Managing Director	74	B.A	17,10,00,000	55 Yrs	July 11, 1995	-	32.15 %
2	Shri K.Jalandhar Reddy Executive Director & CFO	51	B.E Computers	12,02,40,000	26 Yrs	July 11, 1995	-	13.43%
3	Shri K.Shankar Reddy Vice President	51	B.Tech Civil	82,48,000	26 Yrs	October 01, 1999	Rani Constructions	--
4	Shri.V.Narasimha Ramana Sr.Vice President – Technical	59	M.Tech Civil	69,00,000	35 Yrs	June 09, 2018	BSCPL	--
5	Shri V. Venugopal Reddy Director-Projects	45	B.E	69,00,000	22 Yrs	August 21, 2000	-	0.09%
6	Shri Maj. T.L. Verma Sr.Vice President – Technical	66	B.E. Civil	66,00,000	43 Yrs	July 12, 2011	LANCO	--
7	Shri. T. Bhaskar Rao Sr.Vice President – Technical	55	M.Tech Civil	58,27,200	36 Yrs	August 06, 2018	GVR Infra Projects	--
8	Shri.E.Srinivasa Rao Vice President – Technical	58	B.E Civil	45,60,750	28 Yrs	December 02, 2012	Navayuga	--
9	Shri. S. Vaikuntanathan Vice President (F&A)	67	FCA	35,47,500	42 Yrs	January 07, 2016	Vaibhav Jyothi Power	--
10	Shri. K. Venkata Ram Rao – General Manager (F&A)	49	ACA	39,00,000	23 Yrs	September 28, 2015	Ramky Infrastructures Limited	--

- None of the above employees were relative of any Directors except in the case of Sri K Jalandhar Reddy and Sri K Narsimha Reddy, Sri K Jalandhar Reddy is the 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 ₹ 2.87 Lakhs;
  - iii) In the financial year, there was 1% decrease in the median remuneration of employees;
  - iv) There were 2,294 employees on the rolls of Company as on March 31, 2023
- v) Relationship between average increase in remuneration and company performance: -The Profit before tax and exceptional items for the financial year ended March 31, 2023 increased by 1.74% whereas there was no much (1% Decrease) variation in median remuneration.
- vi) Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:
 

The total remuneration of Key Managerial Personnel was ₹ 2959.29 Lakhs whereas the Profit before tax and after exceptional item was ₹ 70,507.47 Lakhs in 2022-23.

## Directors Report (Contd.)

- vii) a) Variations in the market capitalisation of the Company: The market capitalisation as on March 31, 2023 at NSE was ₹ 7,13,492 Lakhs (₹ 7,99,128 Lakhs as on March 31, 2022)
- b) Price Earnings ratio of the Company at NSE was 16.21 as at March 31, 2023 and 23.76 as at March 31, 2022;
- viii) Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year 2022-23 was 4.43% whereas the increase in the managerial remuneration for the same financial year was 110.86%
- ix) The key parameters for any variable component of remuneration availed by the executive directors: Financial performance of the Company
- 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 and a committee has been set up for redressal of sexual harassment complaints received.

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

### BUSINESS RESPONSIBILITY AND SUSTAINABLE REPORT (BRSR)

Your Company being among the top 1000 listed entities based on market capitalisation, is required to present the

Business Responsibility and Sustainability Report as required under the Regulation 34(2) (f) of SEBI (LODR) Regulations, 2015. The BRSR of the Company for the year ended March 31, 2023 forms part of this report and annexed herewith as

### Annexure VI.

#### 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. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.

### 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.

### 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.

For and on behalf of the Board of Directors  
of **KNR Constructions Limited**

#### K Narsimha Reddy

Managing Director  
DIN: 00382412

#### K Jalandhar Reddy

Executive Director & CFO  
DIN: 00434911

Place: Hyderabad

Date: August 14, 2023

## Annexure - I

### 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

	Re- porting period	Exchange rate as on the last date of the financial year	Share Capital (3)	Other Equity (4)	Total Assets (5)	Total Liabilities (6)	Invest- ments (7)	Total Revenue (8)	Profit/ (Loss) before taxation (9)	Provi- sion for taxation (10)	Profit/ (Loss) after taxation (11)	Pro- posed Dividend (12)	% of share- holding (13)
KNR Agrotech & Beverages Private Limited.,	March 31, 2023	₹	1.00	661.63	789.69	127.06	-	31.00	11.42	-	11.42	-	100%
KNR Infrastructure Projects Private Limited.,	March 31, 2023	₹	1.00	(7.81)	4.45	11.26	-	-	(0.27)	-	(0.27)	-	100%
KNR Energy Limited.,	March 31, 2023	₹	5.00	429.85	582.35	147.50	-	-	(0.28)	-	(0.28)	-	100%
KNRC Holdings and Investments Private Limited.,	March 31, 2023	₹	1.00	9,826.02	4,482.55	300.56	5,645.03	165.88	148.40	-	148.40	-	100%
KNR Muzaffarpur-Barauni Tollway Private Limited.,*	March 31, 2023	₹	7,060.00	(12,415.45)	35,990.27	41,345.72	-	4,287.68	(4,315.28)	-	(4,315.28)	-	0.65%
KNR Tirumala Infra Private Limited.,@	October 20, 2023	₹	-	-	-	-	-	8,480.71	2,220.39	2836.69	(616.30)	-	-
KNR Srirangam Infra Private Limited.,@	October 14, 2023	₹	-	-	-	-	-	10,335.22	(1,245.77)	-	(1,245.77)	-	-
KNR Shankarampet Projects Private Limited.,@	October 20, 2023	₹	-	-	-	-	-	6,101.14	1,790.14	655.93	1,134.20	-	-
KNR Somwarapet Infra Projects Private Limited.,	March 31, 2023	₹	3,052.50	14,063.18	30,195.52	13,079.84	-	19,731.39	3,048.61	-	3,048.61	-	100%
KNR Palani Infra Private Limited.,	March 31, 2023	₹	4,023.00	6,814.46	36,285.04	25,447.58	-	26,274.18	2,501.95	-	2,501.95	-	100%
KNR Guruvayur Infra Private Limited.,	March 31, 2023	₹	10.00	1,934.11	17,921.02	15,976.91	-	39,188.35	552.11	-	552.11	-	100%
KNR Ramanattukura Infra Private Limited.,	March 31, 2023	₹	11,250.00	1,116.32	33,094.36	20,728.04	-	38,909.75	747.31	66.99	680.32	-	100%
KNR Ramagiri Infra Private Limited.,	March 31, 2023	₹	10.00	-	447.39	437.39	-	-	-	-	-	-	100%
KNR Muzaffarpur Holdings Private Limited.,	March 31, 2023	₹	2,760.10	4,438.81	2.87	42.16	7,238.20	-	(0.62)	-	(0.62)	-	100%
Mesmeric Software Solutions Private Limited.,	March 31, 2023	₹	1.00	82.57	107.72	24.15	-	-	(0.26)	-	(0.26)	-	100%
Nag Talent Ventures & Infotech Private Limited.,	March 31, 2023	₹	1.00	237.83	275.15	36.32	-	-	(0.27)	-	(0.27)	-	100%
Gradient Estates Private Limited.,	March 31, 2023	₹	1.00	649.68	774.13	123.45	-	-	(8.25)	-	(8.25)	-	100%
Asara Construction & Projects Private Limited.,	March 31, 2023	₹	1.00	961.26	1,085.02	122.76	-	-	(8.15)	-	(8.15)	-	100%
Manjeri City Infrastructures and Developers LLP	March 31, 2023	₹	-	3,104.23	3,105.22	0.99	-	225.00	(126.30)	-	(126.30)	-	100%
Benedire Infrastructures and Developers LLP	March 31, 2023	₹	-	399.77	400.07	0.30	-	-	4.39	-	4.39	-	100%

\* KNR Constructions Limited., holds 0.65% and KNR Muzaffarpur Holdings Private Limited., a 100% subsidiary of KNR Constructions Limited., holds 50.35%.

@ Ceased to be subsidiaries of the Company

## Annexure – I (Contd.)

## 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 "B" : 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				i) Considered in consolidation	ii) Not considered in Consolidation
	(1)		(2)	(3)	(4)	(5)	(6)	
<b>I - Associates</b>								
Patel KNR Infrastructures Limited.,	March 31, 2023	1,48,00,000	1,480.00	40% SPV Agreement	Consolidated	1,929.75	(85.59)	-
Patel KNR Heavy Infrastructures Limited.,	March 31, 2023	95,29,500	952.95	40% SPV Agreement	Consolidated	4,707.29	4.40	-
<b>II - Joint Ventures</b>								
SEL-KNR-JV *	March 31, 2023	N.A	1532.39	49% Joint Venture Agreement	Consolidated	1532.39	-	-

\* As per the Unaudited financial statements.

## Annexure – II

### 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.
- 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.

## Annexure – II (Contd.)

### **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.



## Annexure – III

### FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT FOR THE FINANCIAL YEAR 2022-23

#### 1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY:

The main objective of the CSR policy of the Company is to operate business in a sustainable manner respecting the environment and society at large. It also aims to take up directly or indirectly, programs that would benefit the communities in and around the work places which will enhance the quality of life and economic well-being of the local residents.

#### 2. COMPOSITION OF CSR COMMITTEE

S.No	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Shri L B Reddy	Non-Executive Independent Director	4	4
2.	Shri B V Rama Rao	Non-Executive Independent Director	4	4
3.	Shri K Jalandhar Reddy	Executive Director	4	4

#### 3. WEB LINK OF COMPOSITION OF CSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED:

<http://knrcl.com/committees.html>

[http://knrcl.com/images/policies/knrcl\\_CSR.pdf](http://knrcl.com/images/policies/knrcl_CSR.pdf)

#### 4. DETAILS OF IMPACT ASSESSMENT: Being obtained as a measure of abundant caution.

#### 5. DETAILS OF THE AMOUNT AVAILABLE FOR SET-OFF IN PURSUANCE OF SUB-RULE (3) OF RULE 7 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY) RULES, 2014 AND AMOUNT REQUIRED FOR SET-OFF FOR THE FINANCIAL YEAR:

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1	NA	NA	NA

#### 6. AVERAGE NET PROFIT OF THE COMPANY AS PER SECTION 135 (5) OF THE COMPANIES ACT, 2013: ₹ 423,55,63,853/-

7. (a) Two percent of average net profit of the Company as per section 135(5) ₹ 8,47,11,277/-
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. Nil
- (c) Amount required to be set off for the financial year, if any: Nil
- (d) Total CSR Obligation for the financial year (7a+7b-7c): ₹ 8,47,11,277/-

#### 8. (a) CSR Amount Spent or unspent for the financial year.

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer	Name of the Fund	Amount.	Date of transfer.
₹ 6,32,59,766 /-	2,14,51,511/-	April 29, 2023	Nil	Nil	Nil

## Annexure - III (Contd.)

(b) Details of CSR Amount spent against Ongoing projects for the financial year.

(1) Sl. No.	(2) Name of the Project.	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project		(6) Project duration	(7) Amount allocated for the project (in ₹).	(8) Amount spent in the current financial Year (in ₹).	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	(10) Mode of Implementation - Direct (Yes/No).	(11) Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number.
1	Construction of school in Wayanad	II	Yes	Kerala	Wayanad	2 years	₹ 3,09,75,000/-	₹ 1,54,87,500/-	₹ 75,08,028.85/-	Yes	NA	NA
2	Development of BT road from Varikole to vemulapally	X	No	Telangana	Karimnagar	2 years	₹ 3,30,00,000/-	₹ 94,61,699/-	₹ 1,39,43,482.15/-	Yes	NA	NA
	<b>Total</b>							<b>₹ 2,49,49,199/-</b>	<b>₹ 2,14,51,511/-</b>			

(c) Details of CSR amount spent against other than ongoing projects for the financial year

(1) Sl. No.	(2) Name of the Project.	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project		(6) Project duration	(7) Amount allocated for the project (in ₹).	(8) Amount spent in the current financial Year (in ₹).	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	(10) Mode of Implementation - Direct (Yes/No).	(11) Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number.
1.	Construction of Sanskrit School	II	No	Uttar Pradesh	Varanasi	N.A	Nil	₹ 50,35,000/-	Nil	Yes	N.A	NA
2.	Contribution towards school fees of under privileged Children	II	Yes	Tamil Nadu	Trichy	N.A	Nil	₹ 2,06,000/-	Nil	Yes	N.A	N.A
3.	Contribution towards school fees of under privileged Children	II	Yes	Telangana	Vattem	NA	Nil	₹ 4,39,600/-	Nil	Yes	NA	NA
4.	Contribution towards school fees of under privileged Children	II	Yes	Telangana	R.R.Dist	NA	Nil	₹ 69,38,258/-	Nil	Yes	NA	NA

## Annexure – III (Contd.)

(1) Sl. No.	(2) Name of the Project.	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project		(6) Project duration	(7) Amount allocated for the project (in ₹).	(8) Amount spent in the current financial Year (in ₹).	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	(10) Mode of Implementation - Direct (Yes/No).	(11) Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number.
5.	Contribution towards providing free food	II	Yes	Telangana	R.R.Dist.	N.A	Nil	₹ 15,83,803/-	Nil	Yes	N.A	N.A
6.	Construction of CC road in Uppugal	X	No	Telangana	Warangal	N.A	Nil	₹ 2,07,03,715/-	Nil	Yes	N.A	N.A
7.	Construction of road in Dammanapet	X	Yes	Telangana	Warangal.	N.A	Nil	₹ 32,74,191/-	Nil	Yes	N.A	N.A
8.	Contribution towards providing infrastructure in schools	II	Yes	Telangana	Siddipet	N.A	Nil	₹ 1,30,000/-	Nil	Yes	N.A	N.A
						<b>Total</b>		₹ 3,83,10,567/-				

**Annexure – III (Contd.)**

- (d) Amount spent in administrative overheads Nil  
 (e) Amount spent on impact assessment, if applicable – NA  
 (f) Total amount spent in the financial year (8b+8c+8d+8e) – ₹ 6,32,59,766/-  
 (g) Excess amount for set off, if any

Sl. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per section 135(5)	₹ 8,47,11,247/-
(ii)	Total amount spent for the Financial Year	₹ 6,32,59,766/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

- 9) (a) Details of unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹).	Date of transfer.	
1.	2021-22	Nil	Nil	Nil	Nil	Nil	Nil
2.	2020-21	₹ 2,67,15,103/-	₹ 2,98,44,634/-	Nil	Nil	Nil	Nil
3.	2019-20	Nil	Nil	Nil	Nil	Nil	Nil
	<b>TOTAL</b>	<b>₹ 2,67,15,103/-</b>	<b>₹ 2,98,44,634/-</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

- (b) Details of CSR Amount spent in the financial year for ongoing projects of the preceding financial years:

(1) Sl. No.	(2) Project ID.	(3) Name of the Project.	(4) Financial Year in which the project was commenced.	(5) Project duration.	(6) Total amount allocated for the project (in ₹).	(7) Amount spent on the project in the reporting Financial Year (in ₹).	(8) Cumulative amount spent at the end of reporting Financial Year. (in ₹)	(9) Status of the project- Completed/ Ongoing.
1.	FY31.03.2021_1	Improvements to Damanapeta to Ramavaram (Via Doddiguda village) from km 0/0 to 8/0 in Warangal Rural District.	2019-20	2 years	₹ 10,00,00,000/-	₹ 2,98,44,634/-	₹ 9,45,97,680/-	Completed
2.	FY 31.03.2022_1	Installation of Himast Street Lights	2021-22	2 years	₹ 84,89,490	₹ 18,88,508	₹ 87,30,920/-	Completed
3.	FY 31.03.2022_2	Mobile Fabrication cancer screening bus	2021-22	2 years	₹ 90,00,000	₹ 63,66,008	₹ 95,62,003/-	Completed
	<b>TOTAL</b>				<b>₹ 11,74,89,490/-</b>	<b>₹ 3,80,99,150/-</b>	<b>₹ 11,28,90,603/-</b>	

## Annexure – III (Contd.)

1. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR Spent in the financial year
  - (a) Date of creation or acquisition of the capital asset(s): Nil
  - (b) Amount of CSR spent for creation or acquisition of capital asset: Nil
  - (c) Details of the entity or public authority or beneficiary under whose name: Nil such capital asset is registered, their address etc.
  - (d) Provide details of the capital asset(s) created or acquired (including complete: Nil address and location of the capital asset).
2. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5). – N.A

For **KNR Constructions Limited**

**K Narsimha Reddy**

Managing Director

DIN: 00382412

**L Balarami Reddy**

Chairman – CSR Committee

(DIN: 00956445)

Place: Hyderabad

Date: August 14, 2023

## Annexure – IV

### FORM.NO. MR-3

### SECRETARIAL AUDIT REPORT

### FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

[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,  
M/s. **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, 2023 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, 2023 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; Not applicable to the Company During the audit period
- 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; Not applicable to the Company During the audit period
- g. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not applicable to the Company during the audit period
- h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not applicable to the Company during the audit period
- i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2009; Not applicable to the Company during the audit period

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

## Annexure – IV (Contd.)

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. There were no changes in the composition of the Board of Directors during the period under review.

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 period under audit, there are no specific events/actions, having a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc, referred to above.

For **VCSR & Associates**  
Company Secretaries

**(Ch. Veeranjanyulu)**

Partner

M No. F6121, CP No. 6392

Peer Review Cer. No. 751/2020

UDIN: F006121E000801212

Place: Hyderabad

Date: August 14, 2023

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 – IV (Contd.)

### (Annexure)

To  
The Members,  
M/s. **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

M No. F6121, CP No. 6392  
Peer Review Cer. No. 751/2020  
UDIN: F006121E000801212

Place: Hyderabad  
Date: August 14, 2023



## Annexure – V

### FORM AOC-2

[Pursuant to Clause (h) of Sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms-length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arms-length: NIL
2. Details of material contracts or arrangements or transactions at arms-length basis:

(Amount in ₹)

Name of related party	Nature of relationship	Duration of contract	Salient features	Dates of approval by the Board	Amount paid	Amount paid in advance, if any
K Jalandhar Reddy	Promoter & Executive Director	Continuous	Land taken on lease	September 30, 2008	17,28,816	Nil
K Jalandhar Reddy	Promoter & Executive Director	Continuous	Guest house taken on lease	January 31, 2009	12,39,732	Nil
K Yashoda	Promoter & Non-Executive Director	Continuous	Land taken on lease	February 14, 2022	21,89,485	Nil

Note: Amount paid is for the 2022-23.

3. Details of contracts or arrangements or transactions not in the ordinary course of business

S.No	Particulars	Details
1.	Name(s) of the related party & nature of relationship	NIL
2.	Nature of contracts/arrangements/transactions	NIL
3.	Duration of the contract/arrangement/transaction	NIL
4.	Salient terms of the contract/arrangement/transaction including the value	NIL
5.	Justification of entering into such contract or arrangement of transaction	NIL
6.	Date of approval by the Board	NIL
7.	Amount paid as advances, if any	NIL
8.	Date on which the special resolution was passed in General meeting as required under first proviso to Section 188	NIL

For and on behalf of the Board of  
**KNR Constructions Limited**

**K Narsimha Reddy**  
Managing Director  
(DIN:00382412)

**K Jalandhar Reddy**  
Executive Director  
(DIN: 00434911)

Place: Hyderabad  
Date: August 14, 2023



## Annexure – VI

# BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT



## SECTION A: GENERAL DISCLOSURES

### I. DETAILS OF THE LISTED ENTITY

1. Corporate Identity Number (CIN) of the Listed Entity

L74210TG1995PLC130199

2. Name of the Listed Entity

KNR Constructions Limited

3. Year of incorporation

July 11, 1995

4. Registered office address

Plot No. 113 & 114, KNR House, 3rd and 4th Floor, Kavuri Hills, Phase I, Hyderabad, Telangana-500033

5. Corporate address

Plot No. 113 & 114, KNR House, 3rd and 4th Floor, Kavuri Hills, Phase I, Hyderabad, Telangana-500033

6. E-mail

investors@knrcl.com

7. Telephone

040-40268759

8. Website

www.knrcl.com

9. Financial year for which reporting is being done

2022-23

10. Name of the Stock Exchange(s) where shares are listed

BSE Limited and National Stock Exchange of India Limited

11. Paid-up Capital

56,24,69,200/-

12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report

Haritha Varanasi  
Company Secretary,  
040-40268759, cs@knrcl.com

13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).

Standalone

## II. PRODUCTS/SERVICES

### 14. Details of business activities (accounting for 90% of the turnover)

#### Construction and Engineering

Description of Main Activity

#### Construction and Engineering

Description of Business Activity

### 100%

% of Turnover of the entity

### 15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

#### Constructions

Product/Service

#### 45-Construction(45203)

NIC Code

### 100%

% of total Turnover contributed

## III. OPERATIONS

### 16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	0	25	25
International	0	0	0

### 17. Markets served by the entity:

#### a. Number of locations

Locations	Number
National (No. of States)	6
International (No. of Countries)	0

#### b. What is the contribution of exports as a percentage of the total turnover of the entity?

0%

#### c. A brief on types of customers

Our clientele includes prestigious organisations such as the National Highways Authority of India, the Government of Telangana, the Irrigation Department, State Level Transport Corporations, the Ministry of Surface Transport, and the Greater Hyderabad Municipal Corporation.

#### IV. EMPLOYEES

##### 18. Details as at the end of Financial Year:

###### a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	2,294	2,284	99.56%	10	0.44%
2.	Other than Permanent (E)	0	0	0%	0	0%
<b>3.</b>	<b>Total employees (D + E)</b>	<b>2,294</b>	<b>2,284</b>	<b>99.56%</b>	<b>10</b>	<b>0.44%</b>
<b>WORKERS</b>						
4.	Permanent (F)	3,418	3,418	100%	0	0%
5.	Other than Permanent (G)	0	0	0%	0	0%
<b>6.</b>	<b>Total workers (F + G)</b>	<b>3,418</b>	<b>3,418</b>	<b>100%</b>	<b>0</b>	<b>0%</b>

###### b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent (D)	1	1	100%	0	0%
2.	Other than Permanent (E)	0	0	0%	0	0%
<b>3.</b>	<b>Total differently abled employees</b>	<b>1</b>	<b>1</b>	<b>100%</b>	<b>0</b>	<b>0%</b>
<b>DIFFERENTLY ABLED WORKERS</b>						
4.	Permanent (F)	0	0	0%	0	0%
5.	Other than permanent (G)	0	0	0%	0	0%
<b>6.</b>	<b>Total differently abled workers (F + G)</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>

**19. Participation/Inclusion/Representation of women**

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	6	2	33.33%
Key Management Personnel	3	1	33.33%

**20. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)**

	2022-23 (Turnover rate in current FY)			2021-22 (Turnover rate in previous FY)			FY 2020-2021 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	2.74%	9.52%	2.78%	0.19%	8.70%	0.23%	0.68%	8.33%	0.73%
Permanent Workers	0.64%	0%	0.64%	0.00%	0%	0.00%	4.55%	0%	4.55%

**V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)**
**21. (a) Names of holding / subsidiary / associate companies / joint ventures**

S. No.	Name of the holding /subsidiary/ associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	KNR Agrotech and Beverages Private Limited	Wholly Owned subsidiary	100%	No
2	KNR Infrastructure Projects Private Limited	Wholly Owned subsidiary	100%	No
3	KNR Energy Limited	Wholly Owned subsidiary	100%	No
4	KNRC Holdings and Investments Private Limited	Wholly Owned subsidiary	100%	No
5	KNR Somwarpet Infraproject Private Limited	Wholly Owned subsidiary	100%	No
6	KNR Palani Infra Private Limited	Wholly Owned subsidiary	100%	No
7	KNR Ramanattukara Infra Private Limited	Wholly Owned subsidiary	100%	No
8	KNR Guruvayur Infra Private Limited	Wholly Owned subsidiary	100%	No
9	KNR Ramagiri Infra Private Limited	Wholly Owned subsidiary	100%	No

S. No.	Name of the holding /subsidiary/ associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
10	KNR Kaveri Infra Private Limited	Wholly Owned subsidiary	100%	No
11	KNR Sriranganatha Infra Private Limited	Wholly Owned subsidiary	100%	No
12	KNR Ramatheertham Infra Private Limited	Wholly Owned subsidiary	100%	No
13	Patel KNR Infrastructures Limited	Associate Company	40%	No
14	Patel KNR Heavy Infrastructures Limited	Associate Company	40%	No

## VI. CSR DETAILS

22.

**Yes**



(i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)

**37,43,79,62,347/-**

(ii) Turnover (in ₹)

**27,34,27,52,436/-**

(iii) Net worth (in ₹)



**VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES**
**23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	2022-23 Previous Financial Year			2021-22 Current Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes*	0	0	NA	0	0	NA
Investors (other than shareholders)	Yes*	0	0	NA	0	0	NA
Shareholders	Yes*	0	0	NA	0	0	NA
Employees and workers	Yes*	0	0	NA	0	0	NA
Customers	Yes*	0	0	NA	0	0	NA
Value Chain Partners	Yes*	0	0	NA	0	0	NA
Other (please specify)		0	0	NA	0	0	NA

\* <http://knrc.com/images/policies/Grievance-Redressal-Policy.pdf>

**24. Overview of the entity's material responsible business conduct issues**

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Emissions & Effluents	Risk	Construction is an energy-intensive activity and generates significant direct and indirect greenhouse gas (GHG) emissions, including carbon dioxide and methane from fuel use. Uncontrolled pollutants and emissions during operation and associated activities impose legal and Environmental risks for the Company.	The Company has taken measures to mitigate environmental impacts. It has implemented effective exhaust systems for its machinery and vehicles, conducting regular assessments to ensure efficiency. Additionally, sprinkler systems have been introduced along conveyors that transport aggregates within the crushers, aimed at minimising the release of airborne emissions. The organisation also carries out consistent monitoring of emissions to enhance its emission management strategies.	Negative



S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2	Energy Management	Opportunity	Developing and managing real estate requires a significant reliance on natural resources, including electricity. Managing the energy consumption becomes essential.		Positive
3	Sustainable construction and Procurement	Opportunity	Companies are evaluated according to the resource consumption and carbon intensity of their real estate assets, their potential vulnerability to environmental construction rules, and their efforts to enhance the environmental performance of their real estate assets.		Positive
4	Climate change	Risk	Climate change is impacting almost all geographies and industries. It can pose physical risks such as floods, wildfires and can impact the structural integrity of infrastructure. It can also pose transitional risks such as compulsory use of renewable energy, change in regulations, etc.	Typically, our operational planning takes into account potential disruptions caused by weather and climatic variations, ensuring minimal impact on our activities. Given the potential risks posed by climate change, including unexpected rainfall, floods, and temperature fluctuations, we have integrated protective drainage systems into our work sites to prevent flooding. Moreover, we select materials like resilient bitumen that can withstand the challenges presented by climate fluctuations, thereby ensuring the durability of our completed projects. Our approach involves the careful implementation of suitable mix designs, demonstrating a cautious approach to address these climatic uncertainties effectively.	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5	Water and Wastewater Management	Risk	Water is a critical resource required during construction, operation and maintenance. Water use for various business activities impacts the quality and quantity of local water resources. Improper discharge of water can result in contamination of water bodies. This may lead to a negative impact on operating costs and may impose a legal risk to the Company.	Preserving water is crucial for future generations. Water is also necessary in construction and maintenance. We regularly test water bodies near construction zones to ensure quality and safety. Sprinkler systems are utilised to manage water efficiently, optimising its usage in activities like compacting soil and reducing dust in plants, notably crushers and access roads. Water recycling innovations have been explored for curing in casting yards. Similarly, repurposed wastewater contributes to landscaping, gardening, and median and ROW plantations. Our commitment to sustainable water management is evident through these initiatives.	Negative
6	Waste Management	Opportunity	The Circular Economy model of production and consumption promotes the reusing, refurbishing and recycling of existing materials and products. The transition to a circular economy will affect a change in building design and material usage. A shift in regulations and demand, combined with new technology, has the potential to reduce costs.		Positive
7	Biodiversity Protection & Conservation	Risk	Biodiversity protection and conservation includes monitoring the ecological impacts of our project areas before and after development to minimise negative impacts on the local ecosystem.	Before initiating any project development, the relevant Government Authority ensures proper forest and environmental clearances, preempting potential issues during project execution. We seek approvals for plant establishment and operation, diligently adhering to mitigation measures mandated by regulations.  Continuous monitoring of soil, water, and air parameters guides us in implementing necessary mitigation actions if thresholds get exceeded.	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
				<p>Strategically positioned tall barricades and lush plantations are incorporated on plant premises to minimize pollution dissemination from plant operations.</p> <p>To counterbalance tree removal, we plant multiple times the number of trees cut within roadways and explore tree transplantation wherever feasible, showcasing our dedication to biodiversity protection and conservation.</p>	
8	Circular Economy	Opportunity	The Circular Economy model of production and consumption promotes the reusing, refurbishing and recycling of existing materials and products. The transition to a circular economy will affect a change in building design and material usage. A shift in regulations and demand, combined with new technology, has the potential to reduce costs.		Positive
9	Employee Well-Being and Development	Risk	A higher employee retention rate reflects good company policies and practices that lead to higher employee satisfaction. However, a high attrition rate indicates low employee satisfaction. High attrition also increases the cost of replacing and training the employees, increases the risk of business getting impacted in case of critical roles and may reflect negatively on investors.	The management possesses the ability to identify individuals in need and provide them with training in relevant fields for potential deployment in projects. Adequate pathways for advancement are offered, allowing employees to progress in their roles. The Company's employee-centric policies and supportive welfare initiatives ensure high retention rates. Effective mentoring across various levels significantly contributes to staff retention. The Company's consistent financial stability can be attributed to the valuable contribution of a well-maintained staff across all functions.	Negative
10	Diversity and Inclusion	Opportunity	A company's high diversity and inclusion rate reflects employees' sense of belonging and fairness within the Company.		Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
11	Customer Satisfaction	Opportunity	Customer satisfaction is a key indicator of success. It gauges how effectively businesses are delivering products and services that meet or exceed customers' expectations, providing insight into the overall performance of an organisation.		Positive
12	Product Quality	Risk	<p>Companies in the infrastructure industry have a vital responsibility to safeguard their projects through the provision of engineering, design, architectural and other services. Only by ensuring compliance with safety standards can they demonstrate professional excellence and guarantee top-tier results. Poor design and construction of buildings or infrastructure can have devastating consequences- from loss of life, to decreased property value, to economic insecurity. Taking the time for proper planning is essential in order to prevent these disasters from occurring.</p> <p>When it comes to structural integrity and safety, companies that don't do well can face high costs for redesigning or repair, as well as legal liabilities and damage to their reputation, which could harm their growth prospects.</p> <p>As a consequence of climate change, companies in the construction and infrastructure industry must now consider how changing weather patterns could damage their projects – potentially endangering public safety. Compliance with the minimum codes and standards may not be enough to retain reputational value.</p>	Over time, KNRCL has consistently employed comprehensive Quality Assurance (QA) and Quality Control (QC) protocols to ensure the durability and excellence of our executed projects, encompassing roads, structures, reservoir bunds, canal systems, and more. Our successful completion of Defect Liability Periods across all projects serves as evidence of our commitment to maintaining stringent quality standards during project execution. The monetisation of road assets executed under the Hybrid Annuity Model (HAM) further validates the assured quality embedded within our projects, offering a tangible assurance of the high standards we promise and deliver.	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
13	Human Rights and Labour Management	Risk	Construction is labour-intensive and has been the focus of human rights organisations for their labour management practices. The complexity of their workforce (size, labour intensity, and operational locations), management-labour interactions, the effectiveness of worker rights and the effectiveness of engagement with their workers is crucial for the Company	<p>The Company adeptly manages its substantial workforce across diverse projects, strictly adhering to governmental regulations that ensure secure working environments, suitable residential provisions near sites, and equitable wages. Our commitment to labor management is underscored by deploying dedicated coordinators who address basic needs at all times.</p> <p>We prioritise human rights by promptly addressing deviations when observed to ensure the well-being and dignity of our workforce.</p>	Negative
14	Community Engagement	Risk	Construction activities contribute to social and economic development. However, they can also create a risk for local communities and the environment. Activities such as clearing, grading, and using hazardous chemicals can negatively impact the local community. In some situations, environmental concerns and resistance from the local community can lead to project delays and, in the worst-case scenario, project cancellations. This can have a negative impact on the Company's profitability and the opportunities it has for growth.	The Company strategically assigns a dedicated Manager to facilitate ongoing interaction with the local community, ensuring the smooth progression of projects. Recognising the significance of community engagement, the Company addresses grievances through Corporate Social Responsibility (CSR) endeavors, including initiatives such as constructing village roads, facilitating drinking water access, and supporting self-help groups. The effectiveness of these efforts is amplified when the community comprehends the positive impact and benefits derived from asset development, be it roads, irrigation facilities, or urban assets. Encouraging community ownership and fostering identification with the development yields noteworthy results.	Negative
15	Compliance and Business Ethics	Risk	The key area relevant to business ethics is the management of issues such as fraud, executive misconduct, corrupt practices, money laundering, or anti-trust violations. Ethics violations can lead to police investigations, hefty fines, settlement costs, and damage to reputation.	The Company meticulously adheres to the internal financial control guidelines endorsed by the Board. The Company places utmost importance on compliance with a range of pertinent regulations, prioritising financial reporting accuracy and safeguarding data privacy throughout its business operations.	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
				<p>The Audit Committee oversees quarterly financial reporting authorised by the Board, disseminating crucial information to stakeholders, investors, and stock exchanges.</p> <p>Over the past 14 years, consistent dividends and a comprehensive risk mitigation policy underscore the Company's commitment to compliance and business ethics. The accolade of top credit ratings from CRISIL and ICRA serve as evidence of KNRCL's dedication to these principles.</p>	
16	Corporate Governance	Risk	Businesses are assessed based on their performance across all key governance issues, which include ownership & control, Board pay, accounting, business ethics, and tax transparency. This topic examines the effect that a company's corporate governance and business ethics practices have on its shareholders and other investors.	<p>The Board of Directors convenes regularly to oversee a spectrum of corporate governance matters encompassing accountability, transparency, ethical decision-making, and more. An internal audit is conducted, with the resulting report submitted to the Board for assessment and confirmation of these aspects. This practice is well-received by shareholders and investors, signifying a commendable level of corporate governance reasonableness within the Company.</p>	Negative
17	Data Privacy and Security	Risk	Companies are assessed based on the amount of personal data they collect, their exposure to evolving or increasing privacy regulations, their vulnerability to potential data breaches, and their data protection systems.	<p>The Company has implemented a robust strategy to safeguard data through stringent access controls, ensuring that only relevant staff members, depending on their roles, are authorised to add or report data.</p> <p>This controlled approach limits access across various levels. Sharing data with third parties is strictly prohibited unless sanctioned by the designated officer, contingent upon demonstrated necessity. This framework guarantees data security and privacy, reinforcing the entity's commitment to protecting sensitive information.</p>	Negative



## Governance, leadership and oversight

**7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)**

P1	P2	P3	P4	P5	P6	P7	P8	P9
----	----	----	----	----	----	----	----	----

Dear stakeholders,  
 As the director responsible for the Business Responsibility Report, I am delighted to present an overview of our ESG endeavors to our valued shareholders. Our steadfast commitment to Environmental, Social, and Governance (ESG) principles stands as the bedrock of our business philosophy.

**Environment:**

We have adopted effective exhaust mechanisms for machinery and vehicles, subject to rigorous periodic checks to ensure optimal performance. We've introduced sprinklers on conveyors to reduce air emissions from aggregate crushers, complemented by regular emissions monitoring. Our electricity consumption is balanced through captive sources like generators, while innovative water recycling techniques are applied in casting yards. Recycled wastewater is utilised for landscaping and plantation activities. We optimise waste materials generated from structures and pavements, utilising them in diversion roads and construction layers. Our emphasis on waste reduction, recycling, and efficient water use reflects our commitment to environmental sustainability.

**Social:**

Our social commitments include identifying and training individuals for project deployment, fostering opportunities for career progression, and maintaining high employee retention levels through supportive policies and welfare activities. Our dedication to mentoring contributes to staff retention and our consistent performance.

**Governance:**

Governance remains a cornerstone of our operations. Frequent Board meetings diligently monitor accountability, transparency, ethical decision-making, and business ethics. Internal audits reinforce our commitment to sound governance practices, enhancing shareholder and investor confidence in our approach.

In conclusion, our ESG initiatives encompass environmental sustainability, social empowerment, and robust governance practices. We are committed to addressing challenges, meeting targets, and fostering responsible growth, guided by our commitment to creating lasting value for all stakeholders.

We deeply appreciate your ongoing support and confidence in our organisation. Through collaborative efforts, we are poised to forge a brighter and more sustainable future together.

Sincerely,  
 K Jalandhar Reddy  
 (Executive Director)

**8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).**

Shri K Jalandhar Reddy

**9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.**

Shri K Jalandhar Reddy



**10. Details of Review of NGRBCs by the Company:**

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Director									Annually								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Director									Annually								

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P1	P2	P3	P4	P5	P6	P7	P8	P9
	No	No	No	No	No	No	No	No	No

**12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:**

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	NA								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

**SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE**
**01**  
**PRINCIPLE**

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

**Essential Indicators**
**1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:**

Segment	Total number of training and awareness programmes held	Topics/ principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	2	<ol style="list-style-type: none"> <li>1. Internal Financial Controls</li> <li>2. Regulatory Changes from time to time which are of relevance to the Company</li> </ol>	<b>100%</b>
Key Managerial Personnel	1	Regulatory Changes from time to time which are of relevance to the Company	<b>100%</b>
Employees other than BoD and KMPs	6	<ol style="list-style-type: none"> <li>1. Road safety</li> <li>2. Project cost control and budgeting</li> <li>3. Corporate Finance</li> <li>4. Commerical Arbitration</li> <li>5. HR Policies and code of conduct Time Management</li> <li>6. Regulatory Changes from time to time which are of relevance to the Company</li> </ol>	<b>39%</b>
Workers	6	<ol style="list-style-type: none"> <li>1. Health and safety</li> <li>2. Equipment operation</li> <li>3. Road safety</li> </ol>	<b>100%</b>

**2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format**

Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In `)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	NA	NA	0	NA	NA
Settlement	NA	NA	0	NA	NA
Compounding fee	NA	NA	0	NA	NA

Non-Monetary			
NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment		Nil	
Punishment			

**3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.**

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Nil	Nil

**4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes,

The Anti-Bribery policy is laid out to prevent practices of bribery or corruption. Individuals working for all KNRCL and affiliates and subsidiaries are subject to the terms and scope of this policy.

[http://knrcl.com/images/policies/Anti\\_bribery\\_policy.pdf](http://knrcl.com/images/policies/Anti_bribery_policy.pdf)



**5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

Case Details	2022-23 (Current Financial Year)	2021-22 (Previous Financial Year)
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

**6. Details of complaints with regard to conflict of interest:**

	2022-23 (Current Financial Year)	2021-22 (Previous Financial Year)
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	0
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	0

**7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

Nil

**Leadership Indicators**

**2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No)**

**If Yes, provide details of the same.**

Yes.

The Company's Code Of Conduct expects all its directors to avoid any activity that may conflict with the Company's best interests. Further, Directors must disclose to the Company that they abide by the Code of Conduct annually.

## 02 PRINCIPLE

### Businesses Should Provide Goods and Services In A Manner That Is Sustainable And Safe

#### Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	0%	0%	NA
Capex	0%	0%	NA

2.
  - a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)  
Yes
  - b. If yes, what percentage of inputs were sourced sustainably?  
37.42%
3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.  
NA
4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.  
No



**03**  
 PRINCIPLE

Businesses Should Respect And Promote The Well-Being Of All Employees, Including Those In Their Value Chains

**Essential Indicators**
**1. a. Details of measures for the well-being of employees:**

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent employees</b>											
Male	2,284	84	4%	1,348	59%	0	0%	2284	100%	0	0%
Female	10	10	100%	0	0%	10	100%	0	0%	0	0%
Total	2,294	94	4%	1,348	59%	10	0%	2284	100%	0	0%
<b>Other than Permanent employees</b>											
Male	0	0	0%	0	0%	0	0%	0	0%	0	0%
Female	0	0	0%	0	0%	0	0%	0	0%	0	0%
Total	0	0	0%	0	0%	0	0%	0	0%	0	0%

**b. Details of measures for the well-being of workers:**

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent workers</b>											
Male	3,418	105	3%	2,023	59%	0	0%	3,418	100%	0	0%
Female	0	0	0%	0	0%	0	0%	0	0%	0	0%
Total	3,418	105	3%	2,023	59%	0	0%	3418	100%	0	0%
<b>Other than Permanent workers</b>											
Male	0	0	0%	0	0%	0	0%	0	0%	0	0%
Female	0	0	0%	0	0%	0	0%	0	0%	0	0%
Total	0	0	0%	0	0%	0	0%	0	0%	0	0%

## 2. Details of retirement benefits, for Current Financial Year and Previous Financial Year.

Benefits	2022-23 Current Financial Year			2021-22 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	24%	12%	Yes	22%	11%	Yes
Gratuity	100%	0%	Yes	100%	0%	Yes
ESI	61%	2%	Yes	59%	1%	Yes
Others – Please Specify	NA	NA	NA	NA	NA	NA

### 3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes

### 4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes

<http://knrc.com/images/policies/Human-Rights-Policy.pdf>

## 5. Return to work and Retention rates of permanent employees and workers that took parental leave.

### Gender

Male

Female

Total

### Permanent employees

#### Return to work rate

#### Retention rate

100%

0%

100%

0%

100%

0%

### Permanent workers

#### Return to work rate

#### Retention rate

100%

0%

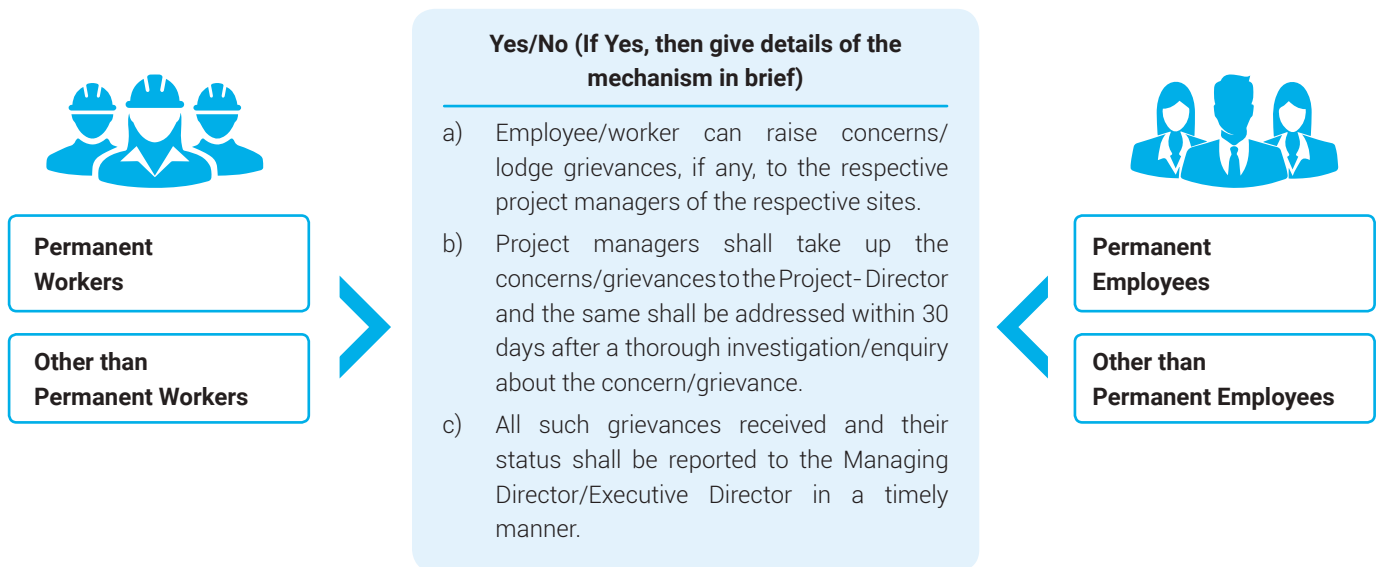
0%

0%

0%

0%

06. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.



7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	2022-23 (Current Financial Year)			2021-22 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees/ workers in respective category, who are part of association (s) or Union(D)	% (D / C)
Total Permanent Employees	2,294	0	0%	2,173	0	0%
Male	2,284	0	0%	2,162	0	0%
Female	10	0	0%	11	0	0%
Total Permanent Workers	3,418	0	0%	3,440	0	0%
Male	3,418	0	0%	3,440	0	0%
Female	0	0	0%	0	0	0%



### 8. Details of training given to employees and workers:

Category	2022-23 Current Financial Year					2021-22 Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No.(F)	% (F/D)
<b>Employees</b>										
Male	2,284	2,284	100%	1,200	52.54%	2,162	2,162	100%	980	45.33%
Female	10	10	100%	0	0.00%	11	11	100%	4	36.36%
Total	2,294	2,294	100%	1,200	52.31%	2,173	2,173	100%	984	45.28%
<b>Workers</b>										
Male	3,418	3,418	100%	2,200	64.37%	3,440	3,440	100%	1856	54%
Female	0	0	0%	0	0%	0	0	0%	0	0%
Total	3,418	3,418	100%	2,200	64.37%	3,440	3,440	100%	1856	54%

### 9. Details of performance and career development reviews of employees and worker:

2022-23 Current Financial Year			Category	2021-22 Current Financial Year		
Total (A)	No. (B)	% (B / A)		Total (C)	No. (D)	% (D / C)
<b>Employees</b>						
2,284	827	36.21%	Male	2,162	949	43.89%
10	10	100%	Female	11	10	90.91%
2,294	837	36.49%	Total	2,173	959	44.13%
<b>Workers</b>						
3,418	1,964	57%	Male	3,440	2,159	63%
0	0	0%	Female	0	0	0%
3,418	1,964	57%	Total	3,440	2,159	63%

**10. Health and safety management system:**

- a. *Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No).*

*If yes, the coverage such system?*

Yes,

KNRCL recognises and accords highest priority to safety and well-being of its employees and other relevant interested parties. Our Health Safety Environment (HSE) Policy enunciates our philosophy and commitment towards the management of key HSE aspects. Our Health Safety Environment Management System is certified to ISO 45001:2018 standard.

- b. *What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?*

We identify occupational health and safety risks proactively, for all existing / new / modified activities, processes, products or services, and regulatory changes including routine and non-routine activities. Risk assessment also includes quarterly evaluation of incidents that have occurred. Hazardous conditions present are identified and prioritised for elimination and control. Once the identified hierarchy of controls is implemented, the risk assessment is revisited to assess the residual risks.

- c. *Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)*

Yes.

A process for incident management exists, including incident reporting, investigation, and implementation of appropriate corrective measures. All employees are expected to report incidents including near-miss, potential hazards, and accidents.

- d. *Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)*

No

**11. Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	2022-23 Current Financial Year	2021-22 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	24	25
Total recordable work-related injuries	Employees	0	0
	Workers	20	22
No. of fatalities	Employees	0	0
	Workers	3	4
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

**12. Describe the measures taken by the entity to ensure a safe and healthy workplace.**

We have always focused on building a culture of safety, emphasising individual responsibility. Our project site personnel are trained to identify, alleviate, and control risks specific to their operation. Inspections on health, safety and trainings on awareness are being carried out at regular intervals. Systems have been established, including work permits, training, LOTO (lockout / tagout), operational controls, monitoring, audits and assessments, and others. Gaps, learnings, deviations, and findings, if any, are identified, controls are implemented and tracked for effective closure. The Company has also taken WCA policy with respect to the workers working in project locations.

**13. Number of Complaints on the following made by employees and workers:**

	2022-23 (Current Financial Year)			2021-22 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	NA	0	0	NA
Health & Safety	0	0	NA	0	0	NA

**14. Assessments for the year:**



**Health and safety practices**

**100%**

% of your plants and offices that were assessed (by entity or statutory authorities or third parties)



**Working Conditions**

**100%**

% of your plants and offices that were assessed (by entity or statutory authorities or third parties)



15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

No Major incident occurred during the reporting period.

### Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of  
 (A) Employees (Y/N)  
 (B) Workers (Y/N)

Yes

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	2022-23 (Current Financial Year)	2021-22 (Previous Financial Year)	2022-23 (Current Financial Year)	2021-22 (Previous Financial Year)
Employees	0	0	0	0
Workers	0	0	0	0



## 04 PRINCIPLE

### Businesses Should Respect The Interests Of And Be Responsive To All Its Stakeholders

#### Essential Indicators

#### 1. Describe the processes for identifying key stakeholder groups of the entity.

Stakeholder identification is a cornerstone of our goal-attainment strategy. Our systematic approach entails a comprehensive analysis of our operations to precisely identify pivotal stakeholders, including investors, vendors, customers, employees, lenders, and the community. Additionally, we broaden our scope to evaluate how our initiatives resonate within the communities we interact with, recognising their integral contribution to our communication endeavors. By grasping our stakeholders' needs, we proactively anticipate demands, preempt potential risks, and cultivate enduring connections integral to our achievements. This proactive engagement enhances our strategic alignment and overall performance.

#### 2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investors	No	Email, Newspaper, Website, Investor calls	Quarterly	Financial performance, operations of the Company
Vendors	No	Meetings	Vendors of capital equipment - on regular basis and vendors of material - as and when required	Capital equipment and material
Customer	No	Meetings	on regular basis	Projects related
Employees	No	Meetings	As and when required	HR related
Lenders	No	Meetings - physical and video conference	Quarterly	Concessionaire meetings for financial assistance
Community	No	physical meeting at project sites	As and when required	Community issues near by the project sites

**05**  
 PRINCIPLE

**Businesses Should Respect and Promote Human Rights**
**Essential Indicators**

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

	2022-23 (Current Financial Year)			2021-22 (Previous Financial Year)		
	Total (A)	No. employees workers covered (B)	% (B / A)	Total (C)	No. employees workers covered (D)	% (D / C)
<b>Employees</b>						
Permanent	2,294	952	41%	2,173	701	32%
Other than permanent	0	0	0%	0	0	0%
<b>Total Employees</b>	<b>2,294</b>	<b>952</b>	<b>41%</b>	<b>2,173</b>	<b>701</b>	<b>32%</b>
<b>Workers</b>						
Permanent	3418	1,267	37%	3,440	1,348	39%
Other than permanent	0	0	0%	0	0	0%
<b>Total Workers</b>	<b>3418</b>	<b>1,267</b>	<b>37%</b>	<b>3,440</b>	<b>1,348</b>	<b>39%</b>

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23 Current Financial Year					FY 2021-22 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No.(B)	% (B / A)	No. (C)	% (C / A)		No.(E)	% (E/D)	No.(F)	% (F/D)
<b>Employees</b>										
<b>Permanent</b>										
Male	2,284	493	22%	1,791	78%	2,162	1,238	57%	924	43%
Female	10	10	100%	0	0%	11	2	18%	9	82%
<b>Other than permanent</b>										
Male	0	0	0%	0	0%	0	0	0%	0	0%
Female	0	0	0%	0	0%	0	0	0%	0	0%

Category	FY 2022-23 Current Financial Year					FY 2021-22 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No.(B)	% (B /A)	No. (C)	% (C /A)		No.(E)	% (E/D)	No.(F)	% (F/D)
<b>Workers</b>										
<b>Permanent</b>										
Male	3,418	701	21%	2,717	79%	3,440	886	26%	2,554	74%
Female	0	0	0%	0	0%	0	0	0%	0	0%
<b>Other than permanent</b>										
Male	0	0	0%	0	0%	0	0	0%	0	0%
<b>Female</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>

### 3. Details of remuneration/salary/wages, in the following format:

Male			Female	
Number	Median remuneration/ salary/ wages of respective category		Number	Median remuneration/ salary/ wages of respective category
4	6,07,65,000	<b>Board of Directors (BoD)</b>	2	8,70,000
2	14,52,45,000	<b>Key Managerial Personnel</b>	1	11,40,000
2,284	2,87,496	<b>Employees other than BoD and KMP</b>	10	2,77,872
3,418	1,08,000	<b>Workers</b>	0	0

### 4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

No,

However, the Company has the highest priority for protecting human rights and the Board and Senior Management are fully responsible and committed to addressing human rights issues, if any. Any individual or their representatives, externally or internally, can reach out to the Company on these issues through proper channels.

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues.**

The Policy and procedures employed and adopted for redressal of the employees' grievances shall be applicable and adopted with the highest degree of sensitivity, urgency and priority in handling and disposing of HR Grievances.

**6. Number of Complaints on the following made by employees and workers:**

	2022-23 (Current Financial Year)			2021-22 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	NA	0	0	NA
Discrimination at workplace	0	0	NA	0	0	NA
Child Labour	0	0	NA	0	0	NA
Forced Labour/Involuntary Labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other human rights related issues	0	0	NA	0	0	NA

**7. Mechanisms to prevent adverse consequences to the Complainant in discrimination and harassment cases.**

The Company has a mechanism to address complaints concerning discrimination and harassment. This ensures strict confidentiality of the investigation procedure and protection of the identity of the Complainant. Further, the Complainant is also protected against any retaliation.

**8. Do human rights requirements form part of your business agreements and contracts?(Yes/No)**

Yes



**9. Assessments for the year:**

**%age of your plants and offices that were assessed  
(by entity or statutory authorities or third parties)**

Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	NA

**10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

No major incident occurred during the reporting period.



**06**  
 PRINCIPLE

**Businesses Should Respect and Make Efforts To Protect And Restore The Environment**
**Essential Indicators**
**1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	2022-23 (Current Financial Year)	2021-22 (Previous Financial Year)
Total electricity consumption (A)	721.68 GJ	309.15 GJ
Total fuel consumption (B)	9,62,193.63 GJ	8,80,876.93 GJ
Energy consumption through other sources (C)	0	0
<b>Total energy consumption (A+B+C)</b>	<b>9,62,915.30 GJ</b>	<b>8,81,186.08 GJ</b>
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	2.57 (GJ/ ₹ in Lakhs)	2.69 (GJ/ ₹ in Lakhs)
Energy intensity (optional) – the relevant metric may be selected by the entity		

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **No**

- 2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

No

3. Provide details of the following disclosures related to water, in the following format:

Parameter	2022-23 (Current Financial Year)	2021-22 (Previous Financial Year)
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	14,86,873	22,30,309
(ii) Groundwater	0	0
(iii) Third party water	1,006	600
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	<b>14,87,879</b>	<b>22,30,909</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>14,87,879</b>	<b>22,30,909</b>
Water intensity per rupee of turnover (Water consumed / turnover)	3.97 (KL/ ₹ in Lakhs)	6.82 (KL/ ₹ in Lakhs)
Water intensity (optional) – the relevant metric may be selected by the entity		

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

No

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	2022-23 (Current Financial Year)	2021-22 (Previous Financial Year)
Nox	Ug/m3	115.98	118.70
Sox	Ug/m3	78.71	96.20
Particulate matter (PM)	Ug/m3	876.40	837.93
Persistent organic pollutants (POP)		0	0
Volatile organic compounds (VOC)		0	0
Hazardous air pollutants (HAP)		0	0
Others–(Carbon Monoxide)	mg/3	8.70	6.45

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes Shri Krishna Aqua Engineering Works

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	2022-23 (Current Financial Year)	2021-22 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	60532.43	55416.73
Total Scope 2 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	104.06	69.56
Total Scope 1 and Scope 2 emissions per rupee of turnover		0.16 (CO <sub>2</sub> / ₹ in Lakhs)	0.17 (CO <sub>2</sub> / ₹ in Lakhs)
Total Scope 1 and Scope 2 emission intensity (optional)– the relevant metric may be selected by the entity			

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **No**

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Yes,

The Company has one solar panel unit with a capacity of 50Kw per day, generating 72000 units per year.

All vehicles, equipment and machinery used for construction shall be regularly maintained to ensure that the pollution emissions levels are as per norms of State Pollution Control Board Tree Plantation scheme has also been implemented along the project highway.



**8. Provide details related to waste management by the entity, in the following format:**

Parameter	2022-23 (Current Financial Year)	2021-22 (Previous Financial Year)
<b>Water withdrawal by source (in kilolitres)</b>		
Plastic waste (A)	12.00	18.00
E-waste (B)	0	0
Bio-medical waste (C)	0	0
Construction and demolition waste (D)	7,66,806.32	11,11,869.17
Battery waste (E)	0	0
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	0	0
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	0	0
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>7,66,818.32</b>	<b>11,11,887.16</b>
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	0	0
(ii) Re-used	4,60,083.79	6,67,121.50
(iii) Other recovery operations	0	0
<b>Total</b>	<b>4,60,083.79</b>	<b>6,67,121.50</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration	12	18
(ii) Landfilling	3,06,722.53	4,44,747.66
(iii) Other disposal operations	4,60,083.79	6,67,121.50
<b>Total</b>	<b>7,66,818.32</b>	<b>11,11,887.16</b>

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **No**

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company has implemented waste management methods such as utilising landfills, outsourcing to third-party disposal services, and employing incineration techniques.

Being a Construction company, we are not producing any such kind of toxic chemicals.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
No		

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format: Yes

Specify the law/ regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties /action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Nil			

**07**  
PRINCIPLE

**Businesses, When Engaging in Influencing Public and Regulatory Policy, Should Do So In A Manner That Is Responsible And Transparent**

**Essential Indicators**

1. a. Number of affiliations with trade and industry chambers/ associations.

1

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
National Highway Builders Federation	National

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
Nil		



**08**  
 PRINCIPLE

**Businesses Should Promote Inclusive Growth and Equitable Development**
**Essential Indicators**

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes /No)	Results communicated in public domain (Yes / No)	Relevant Web link
Nil					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
Nil					

3. Describe the mechanisms to receive and redress grievances of the community.

- Stakeholders can raise concerns/lodge grievances, if any, to the respective project managers of the respective sites.
- Project managers shall take up the concerns/grievances to the Project Director and the same shall be addressed within 30 days after thorough investigation/enquiry about the concern/grievance.
- For all such grievances received, the status shall be reported to the Managing Director/Executive Director in a timely manner.



#### 4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

2022-23 Current Financial Year		2021-22 Previous Financial Year
1%	Directly sourced from MSMEs/ small producers	1%
75%	Sourced directly from within the district and neighbouring districts	75%

#### Leadership Indicators

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised /vulnerable groups? (Yes/No)

No

(b) From which marginalised /vulnerable groups do you procure?

NA

(c) What percentage of total procurement (by value) does it constitute?

NA

#### 6. Details of beneficiaries of CSR Projects:

CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
Construction of CC road in Uppugal	4,200	100%*

\*Since the roads constructed are for public usage, the beneficiaries cannot be accurately calculated.

**09**  
 PRINCIPLE

**Businesses Should Engage With and Provide Value To Their Consumers In A Responsible Manner**
**Essential Indicators**
**1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

The Company is in the business of construction and engineering, highways in particular. Hence, the Company doesn't have any consumer products.

Any concerns/complaints/grievances that arise are related to construction quality, timely completion of the project and its quality. Any concerns from the stakeholders are received by way of mails / letters and the same shall be escalated to the project heads for timely redressal. The customers can mail their concerns to [info@knrcl.com](mailto:info@knrcl.com)

**2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

	As a percentage to total turnover
Environmental and social parameters relevant to the product	NA
Safe and responsible usage	NA
Recycling and/or safe disposal	NA

**3. Number of consumer complaints in respect of the following:**

	2022-23 (Current Financial Year)		Remarks	2021-22 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	NA	0	0	NA
Advertising	0	0	NA	0	0	NA
Cyber-security	0	0	NA	0	0	NA
Delivery of essential services	0	0	NA	0	0	NA
Restrictive Trade Practices	0	0	NA	0	0	NA
Unfair Trade Practices	0	0	NA	0	0	NA
Other	0	0	NA	0	0	NA

#### 4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	NA	NA
Forced recalls	NA	NA

#### 5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes

<http://knrcl.com/images/policies/Information-Security-Management-Policy.pdf>

#### 6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Not Applicable because no such incident occurred during the reporting period.

### Leadership Indicators

#### 1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

[http://knrcl.com/highway\\_projects.html](http://knrcl.com/highway_projects.html)

[http://knrcl.com/irregation\\_water\\_mgnt.html](http://knrcl.com/irregation_water_mgnt.html)

**Note :** Leadership indicators numbering has been followed as per the pre determined numbering sequence in the format prescribed for easy recognition.

# 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 Chandra Rekha	Director	Independent / Non- Executive Director

### 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

Five Board Meetings were held during the year 2022-23. The intervening period between two Board Meetings was well within the maximum gap of four months as prescribed under the Companies Act, 2013 and the Listing Regulations, 2015.

## Report On Corporate Governance (Contd.)

The details of the Board Meetings are as under:

Sl. No.	Dates	Board Strength	No. of Directors Present
1	May 30, 2022	6	6
2	August 11, 2022	6	6
3	September 29, 2022	6	6
4	November 14, 2022	6	5
5	February 09, 2023	6	6

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 March 31, 2023 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	5	Yes	Nil	Nil
Shri L. B. Reddy	5	Yes	1	2
Shri K. Narsimha Reddy	4	Yes	2	Nil
Shri K. Jalandhar Reddy	5	Yes	Nil	Nil
Smt. K Yashoda	5	Yes	1	Nil
Smt G Chandra Rekha	5	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.
- Substantial shareholders of the Company i.e. do not own 2% or more of the block of voting shares.
- Chief Executives or directors, by whatever name called, of any non-profit organisation that receives 25% or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the Company.
- Non-Independent Directors of another Company on the board of which any Non-Independent Director of the Listed Entity is an Independent Director

In the opinion of the Board, the Independent Directors fulfill the conditions specified in the SEBI (LODR) Regulations, 2015 and are independent from the management.

## Report On Corporate Governance (Contd.)

### 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.

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. During the Board Meetings, discussions on operational and functional matters provide insights on the business carried out by the Company and the environment in which the Company operates. Further, information on material changes in the regulatory framework and other statutory requirements and the level of impact on the Company's operations are provided to the Directors. The details of familiarisation program can be viewed from our Company's website [www.knrcl.com](http://www.knrcl.com)

### 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 take appropriate steps to present their views to the Managing Director.

One such meeting of Independent Directors was held during the year on March 01, 2023 without the presence of Executive Directors and management personnel, inter-alia, to discuss:

- i. Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- ii. Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors; and
- iii. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The details of the attendance of the Independent Directors in the meeting are as below.

Name	No. of meetings held during the year 2022-23	
	Held	Attended
Shri B. V. Rama Rao	1	1
Shri L. B. Reddy	1	1
Smt G Chandra Rekha	1	1

### Details of Directors

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

**Shri B. V. Rama Rao**, aged 83 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 March 31, 2023.

**Shri L. B Reddy**, aged 81 years, is the Non-Executive and Independent Director of the Company. Shri L B 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 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

## Report On Corporate Governance (Contd.)

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, Nomination and Remuneration Committee and Corporate Social Responsibility Committee in the Company and Director of New Era Insurance Broking Services Private Limited, Indira Television Limited and Virtual Agri Services Private Limited as on March 31, 2023.

Shri L B Reddy does not hold any Equity Shares in the Company as on March 31, 2023.

**Smt. G Chandra Rekha**, aged 48 years, Non-Executive and Independent Director of the Company. She is a B. Com, Graduate and has worked as billing and coding specialist and administrator in health sector.

Smt G Chandra Rekha joined the Board of Directors of the Company with effect from May 30, 2019 and she is currently member of Nomination and remuneration committee, Stakeholders Relationship Committee and Risk Management Committee.

Smt G Chandra Rekha does not hold any Equity Shares in the Company as on March 31, 2023

**Shri K. Narsimha Reddy** aged 75 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 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 holding 9,04,20,000 Equity Shares in the Company as on March 31, 2023.

**Smt. K Yashoda**, aged 71 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 holding 80,15,010 Equity Shares in the Company as on March 31, 2023.

**Shri K Jalandhar Reddy**, aged 52 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 25 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 K Jalandhar Reddy is holding 3,77,59,210 Equity Shares in the Company as on March 31, 2023.

Disclosure of Relationship between the Directors inter-se:

Name of the Director	Name of Director to whom Related to	Relationship
Shri K Narsimha Reddy	Smt K Yashoda	Husband
	Shri K Jalandhar Reddy	Father
Smt K Yashoda	Shri K Narsimha Reddy	Wife
	Shri K Jalandhar Reddy	Mother
Shri K Jalandhar Reddy	Shri K Narsimha Reddy	Son
	Smt K Yashoda	
Shri B V Rama Rao	None	None
Shri L B Reddy	None	None
Smt. G Chandra Rekha	None	None

Chart/Matrix setting out the skills/expertise/competence of the Board of Directors

S.no	Skills/expertise/competence required	Names of Directors who possess the skills/expertise/competence
1.	Commercial and Industrial	Shri K Narsimha Reddy Shri K Jalandhar Reddy
2.	Regulatory	Shri K Narsimha Reddy Shri K Jalandhar Reddy Shri B V Rama Rao

## Report On Corporate Governance (Contd.)

S.no	Skills/expertise/competence required	Names of Directors who possess the skills/expertise/competence
3.	Finance and Accounts	Shri K Narsimha Reddy Shri K Jalandhar Reddy Shri L B Reddy Shri B V Rama Rao
4.	Legal and General Management	Shri K Narsimha Reddy Shri K Jalandhar Reddy Shri L B Reddy Shri B V Rama Rao Smt K Yashoda (General Management)
5.	Industrial health and safety	Smt. G Chandra Rekha

### 3. COMMITTEES OF THE BOARD

There are Five Board Committees – the Audit Committee, the Nomination & Remuneration Committee, the Stakeholders Relationship Committee, Corporate Social Responsibility Committee and the Risk Management Committee. The Committees are formed and duly constituted in line with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. 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*

The Audit Committee comprises 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

Name	Designation	Category
Shri K. Reddy	Member	Executive and Non-Independent Director

The Company Secretary acts as 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



## Report On Corporate Governance (Contd.)

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 2022-23, five Audit Committee Meetings were held and the details of the Audit Committee Meetings are as under: -

Sl. No.	Date of the meeting	Committee Strength	No. of Directors Present
1.	May 17, 2022	3	3
2	May 30, 2022	3	3
3	August 11, 2022	3	3
4	November 14, 2022	3	3
5	February 09, 2023	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 comprises of three members and all are Non-Executive and 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
Smt. G Chandra Rekha	Member	Non-Executive and Independent Director

The Company Secretary acts as the Secretary to the Nomination and Remuneration Committee.

Three Nomination and Remuneration Committee Meetings were held during the year under review on September 29, 2022, January 23, 2023 and February 09, 2023 and all the members were present at the Meetings.

The Minutes of the meetings of the Nomination and 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 Nomination and 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

## Report On Corporate Governance (Contd.)

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 2022-23:

Amount in ₹

Name	Position	Sitting Fee	Salary & Perquisite	Total
<b>INDEPENDENT DIRECTORS / NON EXECUTIVE DIRECTORS</b>				
Shri B. V. Rama Rao	Chairman /Non-executive Independent Director	20,40,000	-	20,40,000
Shri L. B. Reddy	Non-Executive Independent Director	20,40,000	-	20,40,000
Smt. K Yashoda	Non-Executive Non-Independent Director	5,00,000	-	5,00,000
Smt. G.Chandra.Rekha	Non-executive Independent Director	12,40,000	-	12,40,000
<b>EXECUTIVE DIRECTORS</b>				
Shri K. Narsimha Reddy	Managing Director	-	17,10,00,000	17,10,00,000
Shri K. Jalandhar Reddy	Executive Director	-	11,94,90,000	11,94,90,000

Note: During the year the executive directors were paid variable pay as under

Name	2020-21	2021-22
Shri. K Narsimha Reddy -	₹ 5,40,00,000	₹ 3,60,00,000
Shri K Jalandhar Reddy-	₹ 3,60,00,000	₹ 2,70,00,000

### Shares held by the Non-Executive Directors as on March 31, 2023 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	80,15,010
Smt. G.Chandra Rekha	Nil

The Company has in place remuneration policy that sets out the criteria for making payments to the Non-executive directors and the same can be accessed in the website of the Company <http://knrcl.com/images/policies/criteria-of-making-payments-to-Non-Executive-Directors.pdf>

### Performance Evaluation criteria for independent director:

Independent Directors are evaluated based on below mentioned criteria:

- their general understanding of the Company's business dynamics
- global business and social perspective
- professional ethics, integrity and values
- willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively

The Nomination and Remuneration Committee laid down criteria for performance evaluation of all the Directors on the Board and recommended the same for evaluating the performance of each and every Director.

## Report On Corporate Governance (Contd.)

Board evaluates the performance of Independent Directors annually based on their participation at the Board and Committee meetings conducted during the year and the Nomination and Remuneration Committee recommends the appointment/re-appointment of the Independent Directors by assessing the role played by them in all the meetings they attended.

### 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 Chandra Rekha	Member	Non-Executive and 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.

During the year under review, one stakeholders' relationship Committee meeting was held on August

06, 2022 and all the members were present in the meeting.

#### Shareholders complaints Status:

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

#### Name and designation of Compliance Officer

Smt. Haritha Varanasi, 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

### d. Corporate Social Responsibility Committee

As per Section 135 of the Companies Act, 2013 the Company has duly constituted a Corporate Social Responsibility Committee which is responsible for

- Formulating and recommending to the Board a CSR Policy which shall signify the CSR activities to be undertaken by the Company.
- Recommending the amount to be spent under the CSR Activities.
- Monitoring the CSR activities from time to time.

The Composition of CSR Committee is as under:

S.No	Name	Chairman/ member	Category
1.	Shri L B Reddy	Chairman	Non-Executive & Independent Director
2.	Shri B V Rama Rao	Member	Non-Executive & Independent Director
3.	Shri K Jalandhar Reddy	Member	Executive Director

Four meetings of CSR Committee were held during the year on May 30, 2022, August 11, 2022, November 14, 2022 and February 09, 2023 and all the members were present at the meetings.

## Report On Corporate Governance (Contd.)

### e) Risk Management Committee

The Company has constituted Risk Management Committee consisting of the following members:

1.	Shri K Jalandhar Reddy	Chairman
2.	Shri B V Rama Rao	Member
3.	Shri L B Reddy	Member
4.	Smt G Chandra Rekha	Member
5.	Shri V Narsimha Ramana	Member
6.	Shri S Vaikuntanathan	Member

Two meetings were held during the year under review as required under the provisions of SEBI (LODR) Regulations, 2015 on August 05, 2022 and January 23, 2023 and the gap between two meetings was within 180 days as prescribed by the Listing Regulations, 2015.

**The terms of reference of the Risk Management Committee are as follows:**

The Committee shall

- Approve and periodically review the risk management policies of the Company's operations.
- Review significant reports from regulatory agencies relating to risk management and compliance issues, and management's responses.
- Policies and procedures establishing risk management governance, risk management procedures and risk control infrastructure for operations
- Review significant risk exposures and steps, including policies and procedures, that management has taken to identify, measure, monitor, control, limit and report such exposures including, without limitation, credit, market, fiduciary, liquidity, reputational, operational fraud, strategic, technology (data security, information, business continuity risk etc) and risks associated with incentive compensation plans;
- Evaluate risk exposure and tolerance;
- Review and evaluate the corporation's practices with respect to risk assessment and risk management;

- Review reports and significant findings of risk and compliance and internal Audit Department with respect to the risk management and compliance activities of the corporation, together with the management's responses and follow-up to these reports;
- To evaluate various risks of the business and to draw out risk management plan for the Company;
- To take steps to identify and mitigate Information technology and cyber security risks that the Company is or may be exposed to on regular basis;
- To inform Board on the effectiveness of the risk management framework and process of risk management.

### 4. RECOMMENDATIONS BY THE COMMITTEES

During the year under report, all the recommendations by the Committees were considered and implemented by the Board and there were no instances where the Board had not accepted any recommendation of any committee of the Board which is mandatorily required.

### 5. 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
2019-20	September 28, 2020 03.00 PM	Through video conferencing/ other audio visual means
2020-21	September 29, 2021 03.00 PM	Through video conferencing/ other audio visual means.
2021-22	September 29, 2022 11.00AM	Through video conferencing/ other audio visual means.

There was no Extra-Ordinary General Meeting held during the year under review.

### 5. POSTAL BALLOT:

- During the year under review, no postal ballot was conducted by the Company.
- No special resolution is currently proposed to be conducted through postal ballot.

## Report On Corporate Governance (Contd.)

### 6. DISCLOSURES

#### a. Related Party Transactions

During the year ended March 31, 2023 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. The Company has in place policy on dealing with related party transactions and the same can be accessed through [http://knrcl.com/images/policies/policy\\_on\\_materiality.pdf](http://knrcl.com/images/policies/policy_on_materiality.pdf). In compliance with the Indian Accounting Standard 24, transactions with related parties are disclosed in the notes to accounts.

#### b. Details of non-compliance etc

The Company is in compliance 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 during the year under report.

c. The Company complies with the requirement of placing minimum information before the Board of Directors as contained in Part A of Schedule II of SEBI (LODR) Regulations, 2015.

#### d. Disclosure of Accounting Treatment

During the preparation of financial statements for the financial year 2022-23, the Company has followed the applicable accounting standards as prescribed by the Ministry of Corporate Affairs and the Institute of Chartered Accountants of India.

#### e. Dividend Distribution Policy

The Company has in place dividend distribution policy as required in terms of the provisions of SEBI (LODR) (Second Amendment) Regulations, 2016 and the same is placed on the website of the Company (<http://knrcl.com/images/policies/KNRCL-DIVIDEND-DISTRIBUTION-POLICY.pdf>)

#### f. 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.

The Company also has a Risk Management Committee which monitors and reviews risk management plan on regular basis.

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.

#### g. 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

## Report On Corporate Governance (Contd.)

affirmation of compliance with the code is received from them on an annual basis

**h. CEO / CFO Certification**

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

**i. Code for prevention of Insider Trading:**

The Company has adopted a code of conduct for prevention of insider trading pursuant to provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015. The code can be accessed from the website of the Company ( [http://knrcl.com/images/policies/knrcl\\_8insider.pdf](http://knrcl.com/images/policies/knrcl_8insider.pdf) ). All the Directors, Senior Management personnel and other employees who have access to the unpublished price sensitive information of the Company are governed by this code. There were no instances of non-compliance of the code of conduct.

**j. Whistle Blower Policy/Vigil Mechanism:** The Company encourages open door policy where every employee has 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. No personnel have been denied access to the Audit Committee.

**k. Disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.**

Kindly refer to the Details of sexual harassment complaints received, addressed and pending that

are provided in the Directors' Report which forms an integral part of the Annual Report.

**l. Subsidiary Companies**

The details of subsidiary companies and associate companies are provided in Form AOC-1 which forms part of the Annual Report. The Audit Committee/ Board of Directors reviews regularly the financial statements of the subsidiary companies. The Board also reviews all significant transactions and arrangements, if any, entered into by the subsidiaries.

**m. Directors & Officers Insurance policy**

The Company has undertaken and covered all the Company's Directors and Officers liability with a suitable insurance policy covering risks and the quantum as determined by the Board.

**n. Details of utilisation of funds**

During the year under report, the Company has not raised funds through public issues or preferential allotments. Hence, reporting under this item is not applicable.

**o. 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)	Key Compliances
17	Board of directors	Yes	<ul style="list-style-type: none"> <li>- Composition of Board and Appointment of Directors</li> <li>- Non-executive Independent Director as Chairman of the Board</li> <li>- Meetings and quorum</li> <li>- Periodical review of compliance reports</li> <li>- Plan of succession</li> <li>- Code of conduct for Board of Directors and senior management</li> <li>- Minimum information to be placed before the Board</li> <li>- Compliance certificate by CEO &amp; CFO</li> <li>- Risk Assessment</li> <li>- Performance evaluation of Independent Directors</li> <li>- Recommendation of Board for every item of special business</li> </ul>
17A	Maximum number of directorships	Yes	<ul style="list-style-type: none"> <li>- Directorships in listed entities</li> </ul>
18	Audit committee	Yes	<ul style="list-style-type: none"> <li>- Composition</li> <li>- Meetings and quorum</li> <li>- Presence of Chairman at the AGM</li> <li>- Role of Audit Committee</li> </ul>
19	Nomination and Remuneration committee	Yes	<ul style="list-style-type: none"> <li>- Composition</li> <li>- Meetings and quorum</li> <li>- Presence of chairman at the AGM</li> <li>- Role of the Committee</li> </ul>
20	Stakeholders Relationship committee	Yes	<ul style="list-style-type: none"> <li>- Composition</li> <li>- Meetings and quorum</li> <li>- Presence at Chairman at the AGM</li> <li>- Role of the Committee</li> </ul>
21	Risk Management committee	Yes	<ul style="list-style-type: none"> <li>- Composition</li> <li>- Meetings and quorum</li> <li>- Role of the Committee</li> </ul>
22	Vigil mechanism	Yes	<ul style="list-style-type: none"> <li>- Vigil mechanism and Whistle blower policy for Directors and employees</li> <li>- Direct access to the Chairman of Audit Committee</li> <li>- Providing safeguards against victimisation</li> </ul>
23	Related party transactions	Yes	<ul style="list-style-type: none"> <li>- Policy on materiality of related party transactions and dealing with related party transactions</li> <li>- Periodical review of related party transactions</li> <li>- Disclosure on related party transactions</li> </ul>
24	Corporate Governance requirements with respect to Subsidiary of listed entity	NA	The Company doesn't have any material unlisted subsidiaries to which the provisions of corporate governance requirements apply as defined under SEBI (LODR) Regulations, 2015.

## Report On Corporate Governance (Contd.)

Regulation	Particulars of regulations	Compliance status (Yes/No)	Key Compliances
24A	Secretarial Audit	Yes	<ul style="list-style-type: none"> <li>- Secretarial Audit of the Company</li> <li>- Annual Secretarial Compliance Report</li> </ul>
25	Obligations with respect to Independent directors	Yes	<ul style="list-style-type: none"> <li>- Tenure of Independent Directors</li> <li>- Meetings of Independent Directors</li> <li>- Cessation and appointment of independent Directors</li> <li>- Familiarisation program for independent Directors</li> <li>- Declarations from Independent Directors that he/she meets the criteria of independence are placed at the meeting of the Directors</li> <li>- Directors and Officers insurance for all the independent directors</li> </ul>
26	Obligation with respect to Directors and Senior Management	Yes	<ul style="list-style-type: none"> <li>- Memberships/Chairmanships in the Committees</li> <li>- Affirmation of compliance with code of conduct of Board of Directors and senior management on annual basis</li> <li>- Disclosure of shareholding by non-executive directors</li> <li>- Disclosures on conflicts of interest</li> <li>- No agreement with any shareholder or third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.</li> </ul>
27	Other Corporate Governance requirements	Yes	<ul style="list-style-type: none"> <li>- Compliances with discretionary requirements</li> <li>- Submission of quarterly corporate governance report with the Exchanges</li> </ul>
46(2) (b) to (i)	Website	Yes	<ul style="list-style-type: none"> <li>- Composition of Board and committees</li> <li>- Policies &amp; Code of conduct</li> <li>- Financial results and annual reports of the Company and subsidiaries</li> <li>- Credit rating</li> <li>- Familiarisation program of directors</li> <li>- Vigil mechanism/Whistle Blower policy</li> <li>- Shareholding pattern</li> </ul>

### 7. MEANS OF COMMUNICATION

#### Quarterly results:

The Company's quarterly results are published in Financial Express, Nava Telangana- Telugu and are displayed on website [www.knrcl.com](http://www.knrcl.com).

#### News releases, presentations, among others:

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

#### 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](http://www.knrcl.com)

#### Website:

The Company's website [www.knrcl.com](http://www.knrcl.com) contains a separate dedicated section 'Investors 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 forms part of the Annual Report.



## Report On Corporate Governance (Contd.)

### 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 for investors grievances redressal:

Investors@knrcl.com

## 8. GENERAL SHAREHOLDERS' INFORMATION

### i. Annual General Meeting

Time

Venue

: 28th Annual General Meeting  
Thursday, September 28, 2023  
: 03.30PM  
: Through video Conference or other  
Audio/Visual means

### ii. Financial Year

: April 01, 2022 to March 31, 2023

### iii. Book closure dates

: September 23, 2023 to September 28, 2023  
(Both days inclusive)

### iv. Dividend Payment date

: The Credit / dispatch of final dividend Between  
October 07, 2023 and October 25, 2023

### v. Financial Calendar for the year 2023-2024

Financial Reporting for the first quarter ended June 30, 2023

: on or before August 14, 2023

Financial Reporting for the second quarter / half-year ended  
September 30, 2023

: on or before November 14, 2023

Financial Reporting for the third quarter / nine months ended  
December 31, 2023

: on or before February 14, 2024

Financial Reporting for the fourth quarter / year ended March  
31, 2024

: on or before May 30, 2024

### 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 the year  
2022-23 have been paid in full.

## Report On Corporate Governance (Contd.)

### vii. Script Code / Symbol

- a. Stock Exchanges  
 BSE 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 2022-23 have been paid to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

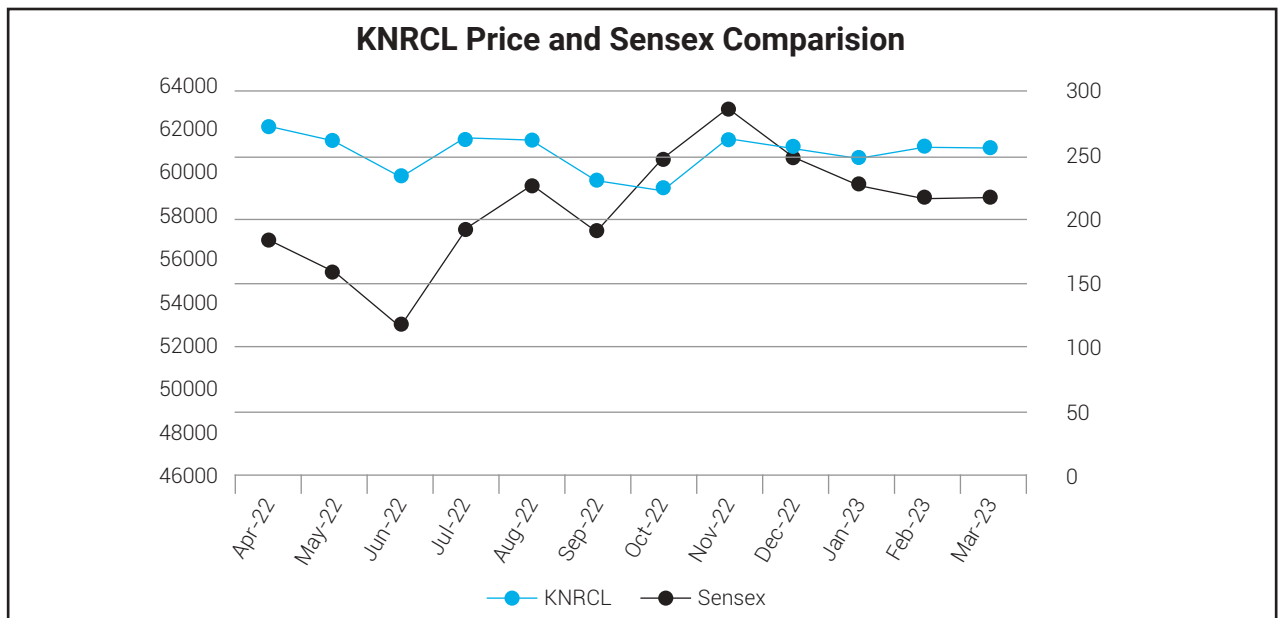
- c. Corporate Identity Number (CIN)

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.

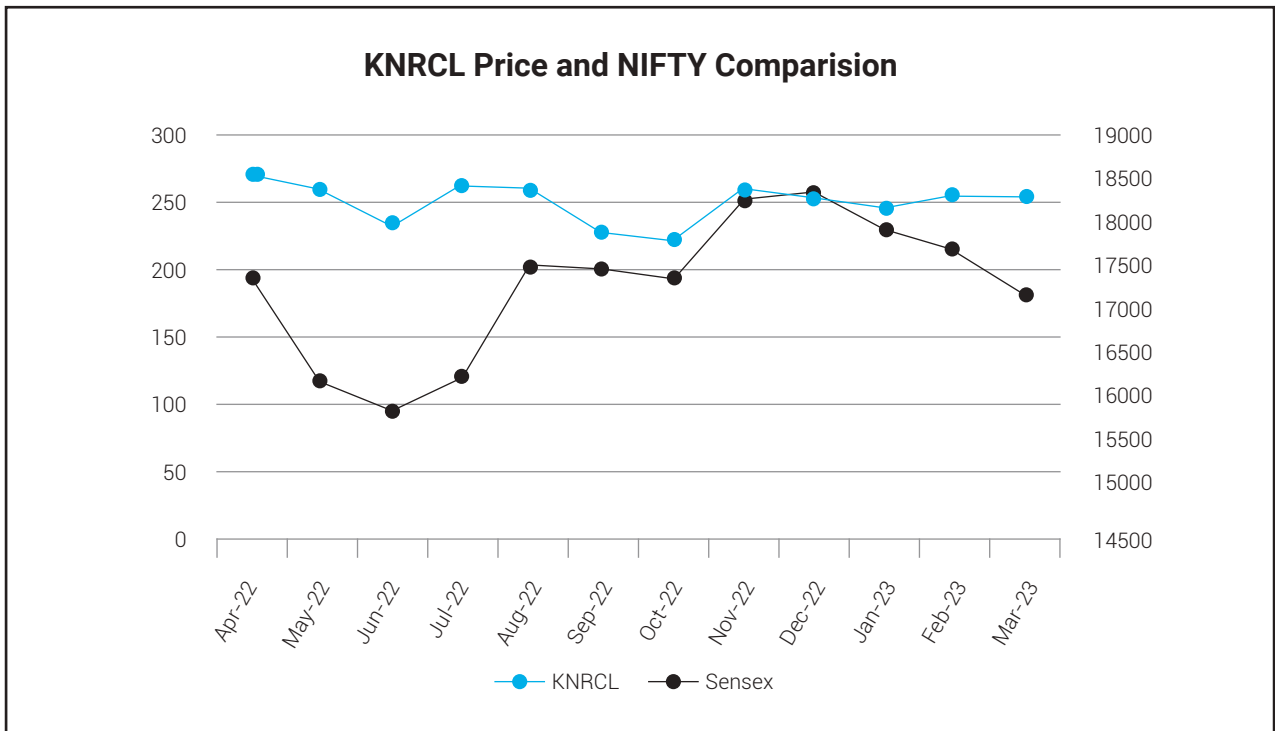
### viii. Market Price Data:

Month	BSE Limited (BSE)		National Stock Exchange of India Limited (NSE)	
	High Price	Low Price	High Price	Low Price
Apr-22	297.35	267.10	297.00	268.00
May-22	278.00	220.40	278.00	220.80
Jun-22	274.6	207.80	263.00	207.50
Jul-22	264.6	228.05	264.35	228.70
Aug-22	269.05	246.00	269.40	246.10
Sep-22	263.05	223.00	263.00	222.95
Oct-22	233.70	202.85	233.50	202.70
Nov-22	264.15	220.90	264.65	221.35
Dec-22	278.20	234.70	278.55	235.00
Jan-23	274.25	238.10	274.40	238.00
Feb-23	271.00	237.80	271.45	237.80
Mar-23	280.50	244.95	280.80	245.05

### 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 Private Limited

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.

## Report On Corporate Governance (Contd.)

### DISCLOSURES WITH RESPECT TO SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT

a)	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	<b>No. of shares: 9450</b> <b>No. of shareholders : 13</b>
b)	Number of shareholders who approached the listed entity for transfer of shares from suspense account during the year	<b>Nil</b>
c)	Number of shareholders to whom shares were transferred from suspense account during the year	<b>Nil</b>
d)	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	<b>No. of shares 9450</b> <b>No of shareholders 13</b>
e)	That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.	<b>Voting rights in respect of shares lying in the suspense account shall be frozen till the rightful owner of such shares claims the shares.</b>

### 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 March 31, 2023

Range		No. of Shareholders		No of shares held	
From	To	Number	% of total	Number	% of total
1	500	85743	93.6683	5989019	2.1295
501	1000	3014	3.2926	2355465	0.8375
1001	2000	1444	1.5775	2158777	0.7676
2001	3000	419	0.4577	1064726	0.3786
3001	4000	212	0.2316	768336	0.2732
4001	5000	124	0.1355	583692	0.2075
5001	10000	220	0.2403	1580716	0.5621
10001	And above	363	0.3966	266733869	94.8439
<b>Total</b>		<b>91539</b>	<b>100.00</b>	<b>28,12,34,600</b>	<b>100.00</b>

Note: For total number of shareholders count, consolidation of PAN is not taken into consideration.

#### xiii. Pattern of Shareholding as on March 31, 2023

S.No	Category	Total_Shares	Total_Percent
1	Promoters	14,36,94,220	51.09%
2	Mutual Funds	9,25,11,124	32.89%
3	Alternate Investment Funds	4,22,526	0.15%
4	Banks	400	0.00%
5	Insurance Companies	37,40,077	1.33%
6	NBFCs Registered with RBI	204	0.00%
7	Foreign Portfolio Investors Category I	1,60,06,838	5.69%
8	Foreign Portfolio Investors Category II	6,74,007	0.24%
9	Foreign Portfolio Investors Category III	1,328	0.00%
10	Investor Education and Protection Fund	20,219	0.01%

## Report On Corporate Governance (Contd.)

S.No	Category	Total_Shares	Total_Percent
11	Public	2,04,57,525	7.27%
12	Non-Resident Indians	11,77,154	0.42%
13	Bodies Corporate	14,38,746	0.51%
14	Clearing Members	2,56,969	0.09%
15	HUF	5,53,584	0.20%
16	Limited Liability Partnerships	2,68,421	0.10%
17	Trusts	11,257	0.00%
18	Key Managerial Personnel	1	0.00%
	<b>TOTAL :</b>	<b>28,12,34,600</b>	<b>100</b>

### xiv. Dematerialisation of Shares & Liquidity

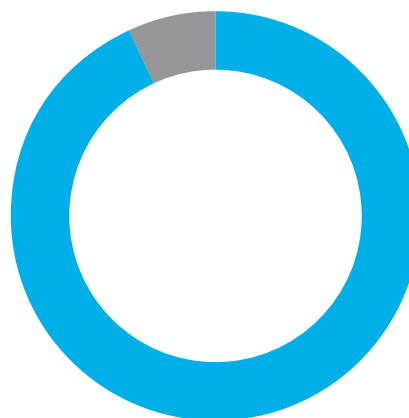
The Company's shares are available for dematerialisation on both the Depositories viz., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL)

As on March 31, 2023 a total of 28,12,31,163 Equity Shares were dematerialised representing 99.999 % of the total paid up equity share capital of the Company.

#### Dematerialisation of Shares and Liquidity as on March 31, 2023

	No. of Shares	% of Total
NSDL	26,22,10,203	93.24
CDSL	1,90,20,960	6.76
Physical	3,437	0.00
<b>Total</b>	<b>28,12,34,600</b>	<b>100.00</b>

<span style="color: blue;">●</span> NSDL	93.24
<span style="color: grey;">●</span> CDSL	6.76
<span style="color: lightgrey;">●</span> Physical	0.00



xv. There are no outstanding global depository receipts or American depository receipts or warrants or any convertible instruments during the year under report.

### xvi. Details of Commodity price risk or foreign exchange risk and hedging activities

The Company is into business of construction and engineering and doesn't consume large quantities of commodities in its activities. Hence, the Company is

not materially exposed to commodity price risk nor does the Company do any commodity hedging.

### xvii. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditors.

The Company's subsidiaries have not made any payment to the statutory auditors of the Company. The fees paid by the Company to its Statutory auditors are stated in the Audited financial

## Report On Corporate Governance (Contd.)

statements of the Company which forms part of the Annual Report.

### xviii. Adoption of discretionary requirements specified in PART E of SCHEDULE II of SEBI (LODR) Regulations, 2015.

1.	The Board	The Company has non-executive chairperson and any expenditure incurred by him will be reimbursed by the Company.
2.	Shareholders rights	Currently the Company does not send statement on half yearly financial performance to the household of each shareholder. The Company publishes the same in newspapers and uploads on the website of the Company.
3.	Modified opinion(s) on Audit Report	The Company's financial statements are with unmodified opinion
4.	Reporting of internal auditor	The Internal Auditor reports to the Audit Committee.

### xix. Address for Correspondence:

(Query on the Annual Report shall reach 10 days before the AGM)

#### Company Secretary

KNR Constructions Limited  
 "KNR House", 3rd Floor,  
 Plot No. 114, Phase I, Kavuri Hills,  
 Hyderabad – 5000033  
 Andhra Pradesh, 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 Private Limited

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

### xx. Plant locations

The Company doesn't have any plant locations.

### xxi. 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 (in ₹)	Date of Declaration	Due date for transfer	Amount in ₹ *
2017	Final	0.25	September 30, 2017	October 30, 2024	64,401.00
2018	Final	0.40	September 29, 2018	October 29, 2025	59,827.60
2019	Final	0.40	September 30, 2019	October 30, 2026	53,173.20
2020	Interim	0.50	March 10, 2020	April 10, 2027	1,80,435.00
2021	Final	0.25	September 29, 2021	October 29, 2028	1,38,708.74
2022	Final	0.25	September 29, 2022	October 29, 2029	55,372.25

\* as on March 31, 2023

### xvii. Credit Rating

The Credit ratings for various banking facilities obtained by the Company are disclosed in the Directors' report.

For **KNR Constructions Limited**

#### K Narsimha Reddy

Managing Director  
 (DIN:00382412)

Place: Hyderabad

Date: August 14, 2023

## Declaration on Compliance by the Board members and Senior Management Personnel with the Company's Code of Conduct

This is to confirm that the Company has adopted a code of conduct for the members of the Board and the Senior Management Personnel. I confirm that the members of the Board and senior Management Personnel have complied with the Code of conduct in respect of the financial year ended March 31, 2023.

For **KNR Constructions Limited**

**K. Narsimha Reddy**

Managing Director  
(DIN:00382412)

**K Jalandhar Reddy**

Executive Director  
(DIN: 00434911)

Place: Hyderabad

Date: August 14, 2023

## INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To  
**The Members of  
KNR Constructions Limited**

We K.P. Rao & Co (FRN: 003135S), Chartered Accountants, the statutory auditors of KNR Constructions Limited have examined the compliance of conditions of Corporate Governance by KNR Constructions Limited ("the Company") for the year ended on March 31, 2023, as stipulated in regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and paragraphs C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (the "Listing Regulations").

### MANAGEMENT'S RESPONSIBILITY:

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

### AUDITOR'S RESPONSIBILITY:

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with 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 have carried out an examination of the relevant records of the Company in accordance with Guidance Note on Reports or Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the "ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which 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.

### OPINION:

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para-C and D of Schedule V of the Listing Regulations during the year ended March 31, 2023.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **K.P. Rao & Co.,**  
Chartered Accountants  
Firm Reg. No. 003135S

**Mohan R Lavi**  
Partner  
Membership Number: 029340  
UDIN: 23029340BGWIAJ5309

Place: Bengaluru  
Date: August 14, 2023



## CEO and CFO Compliance Certificate

In relation to the Audited Financial Accounts of the Company as at 31st March, 2023, we hereby certify that

- a. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or 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. We have not come across any reportable deficiencies in the design or operation of such internal controls.
- d. We have indicated to the auditors and the Audit committee that
  - i. There are no significant changes in internal control over financial reporting during the year;
  - ii. There are no significant changes in accounting policies during the year; and
  - iii. There are no instances of significant fraud of which we have become aware.

For **KNR Constructions Limited**

**K. Narsimha Reddy**

Managing Director  
(DIN: 00382412)

**K Jalandhar Reddy**

Executive Director & CFO  
(DIN: 00434911)

**S Vaikuntanathan**

Vice-President (Finance & Accounts)

Place: Hyderabad

Date: August 14, 2023

## 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,  
**M/s. 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 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](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2023 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	Independent Director
4.	Bandhakavi Venkata Ramarao	00972552	Independent Director
5.	Yashoda Kamidi	05157487	Director
6.	Gottipulla Chandra Rekha	08464587	Independent 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

CP NO. 6392, M No. F6121

Peer Review Cer. No. 751/2020

UDIN: F006121E000801234

Place: Hyderabad

Date: August 14, 2023

# **Financial Statements**

**Standalone - 130 to 201**  
**Consolidated - 202 to 266**

# Independent Auditor's Report

To the Members of

**KNR CONSTRUCTIONS LIMITED**

**REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS**

## Opinion

We have audited the accompanying Standalone Ind AS Financial Statements of **KNR CONSTRUCTIONS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year ended, and notes to the standalone Ind AS financial statements, including a summary of the significant accounting policies and other explanatory information. (Hereinafter referred to as "the standalone Ind AS 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 ten joint operations referred to in the Other Matters paragraph below, the aforesaid standalone Ind AS 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, 2023, 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 standalone Ind AS financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone Ind AS 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 Ind AS financial statements

## Key Audit Matters:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the standalone Ind AS 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><b>A) Revenue Recognition of long-term contracts</b></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. Our procedures included, among others things, the following:</p> <ul style="list-style-type: none"> <li>• Ensured that the revenue recognition method applied was appropriate based on the terms of the arrangement;</li> <li>• Agreed the total project revenue estimates to sales agreements, including amendments as appropriate;</li> <li>• We obtained an understanding of the processes and tested relevant controls, which impact the revenue recognition;</li> <li>• We assessed the reliability of management's estimates by comparing the actual results of delivered projects to previous estimates;</li> </ul>
<p><b>B) Litigation and Claims</b></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"> <li>• evaluating the Company's policies, procedures and controls in relation to litigation, claims and provision assessments;</li> <li>• independent enquiries to understand the background of each case, legal position and the material risks that may impact the Company's standalone Ind AS financial statements; and</li> <li>• assessing reasonableness of judgment made by management, determining the adequacy of the level of provisioning or disclosure in the standalone Ind AS financial statements.</li> </ul>

### INFORMATION OTHER THAN THE STANDALONE IND AS 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 Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS 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 Ind AS financial

statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS 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 STANDALONE IND AS 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

## Independent Auditor's Report (Contd.)

Ind AS 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 Ind AS 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 Ind AS 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 charged with governance 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 Ind AS 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 Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS 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 Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements including the disclosures, and whether the standalone Ind AS 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 to bear on our independence, and where applicable, related safeguards.

## Independent Auditor's Report (Contd.)

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

### OTHER MATTERS

- a) The standalone Ind AS financial statement include the audited financial results of 12 Joint operations, whose financial statements reflect total assets (before consolidation adjustments) of Rs. 45,332.64 lakhs, total revenue (before consolidation adjustments) of Rs. 80,728.28 lakhs, total net profit/(loss) after tax (before consolidation adjustments) of Rs. 2,178.08 lakhs, total comprehensive income/(loss) (before consolidated adjustments) of Rs. 2,178.08 lakhs and net cash flow/(outflow) of Rs. (5,158.83) lakhs for year ended 31st March 2023, as considered in the standalone financial results, which have been audited by their respective independent auditors. The independent auditors reports on financial statements of these entities have been furnished to us by the management and our opinion on the financial statements, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

Our opinion on the standalone Ind AS financial statement is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

- b) The standalone Ind AS financial statements include the unaudited financial results of 4 Joint operations whose financial information reflect total assets (before consolidation adjustments) of Rs. 893.12 lakhs, total revenues (before consolidation adjustments) of Rs. 118.23, total net profit/(loss) after tax (before consolidation adjustments) of Rs. 5.93 lakhs and total comprehensive income/(loss) (before consolidated adjustments) of Rs. 5.93 lakhs and net cash flow/(outflow) Rs. 5.04 lakhs for year ended 31st March 2023, as considered in the standalone financial results, which have not been audited by us. These financial information are unaudited

and have been furnished to us by the Management and our opinion and conclusion on the statement, in so far as it relates to the amounts and disclosures included in respect of this entity, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, these financial information are not material to the Group.

Our opinion on the standalone Ind AS financials statement is not modified in respect of the above matter with respect to our reliance on the financial information certified by the Board of Directors.

### 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:
- 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.
  - In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
  - 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 accounts.
  - In our opinion, the aforesaid standalone Ind AS 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.
  - On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
  - With respect to the adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such controls, refer

## Independent Auditor's Report (Contd.)

- 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 of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act, read with Schedule V 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, 2023 on its financial position in its Standalone Ind AS 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.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
  - v. The dividend declared or paid during the year by the Company is in compliance with section 123 of the Act.
  - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of accounts using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

**Mohan R Lavi**  
Partner  
Membership No. 029340  
UDIN: 23029340BGWHVP4977

Place: Bengaluru  
Date: 29th May, 2023



## 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;

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of Intangible assets
- (a) 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 accounts.

- (b) According to the information and explanations given to us, the title deeds of the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the Note no. 65 to standalone Ind AS financial statements held by the Company are in the name of the Company except for the following assets.

Description of Property	Gross Carrying Value (In Rs.)	Held in name of	Whether promoter, director or their relative or employee	Period held
Land	38,85,189	K.Narsimha Reddy	Promoter & Managing Director	20-Apr-05
Land	5,36,555	K.Narsimha Reddy	Promoter & Managing Director	20-Oct-16
Land	44,49,615	K.Narsimha Reddy	Promoter & Managing Director	24-Oct-16
Land	2,65,625	K.Narsimha Reddy	Promoter & Managing Director	24-Oct-16
Land	7,57,385	K.Narsimha Reddy	Promoter & Managing Director	20-Oct-16
Land	13,34,965	K.Narsimha Reddy	Promoter & Managing Director	17-May-17
Land	13,34,965	K.Narsimha Reddy	Promoter & Managing Director	17-May-17
Land	1,07,06,074	K.Narsimha Reddy	Promoter & Managing Director	30-Apr-21
Land	1,37,63,347	K.Narsimha Reddy	Promoter & Managing Director	30-Apr-21
Land	1,27,72,920	K.Narsimha Reddy	Promoter & Managing Director	24-Jun-21
Land	91,99,260	K.Narsimha Reddy	Promoter & Managing Director	24-Jun-21
Land	24,54,010	K.Narsimha Reddy	Promoter & Managing Director	26-Jul-21
Land	4,27,245	K.Narsimha Reddy	Promoter & Managing Director	26-Jul-21
Land	21,33,835	K.Narsimha Reddy	Promoter & Managing Director	26-Jul-21
Land	12,07,741	K.Jalandhar Reddy	Promoter & Executive Director	15-Feb-10
Land	5,78,221	K.Jalandhar Reddy	Promoter & Executive Director	15-Feb-10
Land	11,03,051	K.Jalandhar Reddy	Promoter & Executive Director	24-Feb-10
Land	14,63,538	K.Jalandhar Reddy	Promoter & Executive Director	8-Mar-10
Land	5,09,102	K.Jalandhar Reddy	Promoter & Executive Director	23-Mar-10
Land	17,24,915	K.Jalandhar Reddy	Promoter & Executive Director	23-Mar-10
Land	15,31,111	K.Jalandhar Reddy	Promoter & Executive Director	24-Mar-10
Land	24,88,053	K.Jalandhar Reddy	Promoter & Executive Director	26-Mar-10
Land	16,54,935	K.Jalandhar Reddy	Promoter & Executive Director	31-Mar-10
Land	5,34,316	K.Jalandhar Reddy	Promoter & Executive Director	31-Mar-10
Land	7,12,255	K.Jalandhar Reddy	Promoter & Executive Director	31-Mar-10
Land	7,88,464	K.Jalandhar Reddy	Promoter & Executive Director	9-Apr-10
Land	8,64,415	K.Jalandhar Reddy	Promoter & Executive Director	19-Apr-10

### Annexure 1 to the Independent Auditor's Report of Even Date on the Standalone Ind As Financial Statements of KNR Constructions Limited (Contd.)

Description of Property	Gross Carrying Value (In Rs.)	Held in name of	Whether promoter, director or their relative or employee	Period held
Land	4,85,450	K.Jalandhar Reddy	Promoter & Executive Director	26-May-10
Land	11,20,850	K.Jalandhar Reddy	Promoter & Executive Director	26-May-10
Land	4,38,505	K.Jalandhar Reddy	Promoter & Executive Director	3-Jan-11
Land	6,99,290	K.Jalandhar Reddy	Promoter & Executive Director	3-Mar-11
Land	3,33,456	K.Jalandhar Reddy	Promoter & Executive Director	5-Mar-11
Land	55,52,450	K.Jalandhar Reddy	Promoter & Executive Director	30-Apr-21
Land	1,51,77,110	K.Jalandhar Reddy	Promoter & Executive Director	30-Apr-21
Land	21,80,868	K.Jalandhar Reddy	Promoter & Executive Director	30-Apr-21
Land	67,57,682	K.Jalandhar Reddy	Promoter & Executive Director	30-Apr-21
Land	1,26,91,905	K.Jalandhar Reddy	Promoter & Executive Director	24-Jun-21
Land	51,74,005	K.Jalandhar Reddy	Promoter & Executive Director	27-Jun-22
Land	8,22,895	K.Jalandhar Reddy	Promoter & Executive Director	27-Jun-22
Land	10,85,446	V.Venu Gopal Reddy	Employee	7-Aug-10
Land	11,74,860	V.Venu Gopal Reddy	Employee	14-Sep-10
Land	8,59,220	V.Venu Gopal Reddy	Employee	28-Sep-10
Land	5,47,602	V.Venu Gopal Reddy	Employee	27-Dec-10
Land	3,27,925	V.Venu Gopal Reddy	Employee	18-Mar-11
Land	2,99,310	V.Venu Gopal Reddy	Employee	29-Mar-11
Land	1,38,063	V.Venu Gopal Reddy	Employee	14-Jun-11
Land	1,43,457	V.Venu Gopal Reddy	Employee	14-Jun-11
Land	5,12,940	V.Venu Gopal Reddy	Employee	30-Apr-12
Land	10,38,580	V.Venu Gopal Reddy	Employee	1-Dec-16
Land	3,23,59,314	K.Jalandhar Reddy & K.Smitha Reddy	Promoter & Executive Director	31-Mar-13
Land	5,36,987	J.Anudeep	Employee	19-Jun-17
Land	5,36,988	J.Anudeep	Employee	19-Jun-17
Land	13,91,075	J.Anudeep	Employee	17-Oct-17
Land	8,59,610	J.Anudeep	Employee	25-May-18
Land	7,48,625	J.Anudeep	Employee	17-Sep-18
Land	10,68,575	J.Anudeep	Employee	17-Sep-18
Land	21,39,080	J.Anudeep	Employee	17-Nov-18
Land	12,84,645	J.Anudeep	Employee	28-Dec-18
Land	2,15,915	J.Anudeep	Employee	16-Mar-19
Land	16,05,311	J.Anudeep	Employee	9-Apr-19
Land	12,85,561	J.Anudeep	Employee	9-Apr-19
Land	9,00,135	J.Anudeep	Employee	3-Aug-19
Land	9,00,135	J.Anudeep	Employee	3-Aug-19
Land	1,10,145	J.Anudeep	Employee	8-Jul-19
Land	9,63,510	J.Anudeep	Employee	4-Sep-19
Land	8,55,520	J.Anudeep	Employee	7-Feb-20

## Annexure 1 to the Independent Auditor's Report of Even Date on the Standalone Ind As Financial Statements of KNR Constructions Limited (Contd.)

Description of Property	Gross Carrying Value (In Rs.)	Held in name of	Whether promoter, director or their relative or employee	Period held
Land	10,67,300	J.Anudeep	Employee	29-Sep-20
Land	10,68,100	J.Anudeep	Employee	29-Sep-20
Land	6,41,370	J.Anudeep	Employee	19-Apr-21
Land	12,84,710	K.Yashoda	Promoter & Non-Executive Director	24-Jan-19
Land	10,72,535	K.Yashoda	Promoter & Non-Executive Director	3-Jul-19

**Reason for not being held in the name of the company:**

Due to regulatory restrictions in the respective state. The Company has taken undertaking from respective parties for having no interest in the lands.

- (c) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (d) According to the information and explanations given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (i) (e) 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.
- (f) According to the information and explanations given to us, the company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. The quarterly returns filed by the company with such banks or financial institutions are in agreement with the books of accounts of the Company.
- (ii) According to the information and explanations given to us, the company has during the year granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties,
- (a) The company has provided loans and advances in the nature of loans, or stood guarantee, or provided security to any other entity,
- (A) The aggregate amount during the year, and

balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to subsidiaries, joint ventures and associates were Rs. 7,077.89 Lakhs and Rs. 5,058.55 Lakhs respectively.

- (B) No such loans or advances and guarantees or security to parties other than subsidiaries, joint ventures and associates.
- (b) In our opinion, the investments made, guarantees provided and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest.
- (c) In respect of loans and advances granted by the company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.
- (d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.;
- (e) No loan granted by the company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.
- (f) The company has granted loans without specifying any terms which are repayable on demand. The Balance outstanding and percentage thereof to total loan during the year is Rs. 589.64 Lakhs and 11.66 %.
- 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.
- (iii) In our opinion and according to the information and

## Annexure 1 to the Independent Auditor's Report of Even Date on the Standalone Ind As Financial Statements of KNR Constructions Limited (Contd.)

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.

- (iv) In our opinion and according to the information and explanation given to us, the Company has not accepted deposits to which directives 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.
- (v) The maintenance of cost records has been specified by the Central Government under section 148(1) (d). We have broadly reviewed the books of accounts 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.

- (vi) 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, Goods and Services Tax, Duty of Customs, Duty of Excise, Cess and other statutory dues applicable to it with the appropriate authorities.
  - b) There were no disputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Duty of Customs, Duty of Excise, Cess and other statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable, except the following.

Name of the Statute	Nature of the Dues	Rs. In Lakhs	Period to which the amount relates	Forum where dispute is pending	Remarks
Income Tax Act, 1961	Income Tax	Nil	FY 2006-07	Income Tax Appellate Tribunal, Hyderabad	Paid under protest – Rs. 244.21 Lakhs
Income Tax Act, 1961	Income Tax	22.99	FY 2010-11	Commissioner of Income Tax (Appeals), Hyderabad	
Income Tax Act, 1961	Income Tax	2,913.64	FY 2015-16	Commissioner of Income Tax (Appeals), Faceless, Delhi	
Income Tax Act, 1961	Income Tax	Nil	FY 2015-16	Commissioner of Income Tax (Appeals), Faceless, Delhi	Paid under protest – Rs.10 Lakhs
Income Tax Act, 1961	Income Tax	6,465.98	FY 2017-18	Income Tax Appellate Tribunal, Hyderabad	
Income Tax Act, 1961	Income Tax	22.75	FY 2018-19	Deputy Commissioner of Income Tax, Hyd.	
Income Tax Act, 1961	Income Tax	2,979.39	FY 2019-20	Deputy Commissioner of Income Tax, Hyd.	
Income Tax Act, 1961	Income Tax	531.45	FY 2020-21	Assistant Commissioner of Income Tax, CC 2(2) - Hyd	
Income Tax Act, 1961	Income Tax	104.85	FY 2021-22	Assistant Commissioner of Income Tax, CC 2(2) - Hyd	
Income Tax Act, 1961	Income Tax	9.86	FY 2009-10	Deputy Commissioner of income Tax-TDS, Hyd.	
Andhra Pradesh Value Added Tax Act, 2005	VAT	Nil	FY 2010-11	Telangana Value Added Tax Appellate Tribunal	Paid under protest – 51.82 Lakhs
Andhra Pradesh Value Added Tax Act, 2005/ Telangana Value Added Tax Act 2005	VAT	1.94	FY 2014-15	Honourable Supreme Court of India.	

## Annexure 1 to the Independent Auditor's Report of Even Date on the Standalone Ind As Financial Statements of KNR Constructions Limited (Contd.)

Name of the Statute	Nature of the Dues	Rs. In Lakhs	Period to which the amount relates	Forum where dispute is pending	Remarks
Telangana Value Added Tax Act 2005	VAT	29.09	FY 2015-16	Honourable Supreme Court of India.	
Telangana Tax on Entry of Goods into Local Areas Act, 2001	Entry Tax	80.38	FY 2017-18	Honourable High Court of Telangana.	
Telangana Tax on Entry of Goods into Local Areas Act, 2001	Entry Tax	183.45	FY 2014-15 to 15-16	Honourable High Court of Telangana.	
Karnataka GST ACT 2017	GST	32.44	FY 2018-19 to 19-20	Commissioner Appeal-II, Bangalore	
Madhya Pradesh Value Added Tax Act, 2002	VAT	64.20	FY 2017-18	Asst.Commissioner, Gwalior	
Madhya Pradesh Value Added Tax Act, 2002	Entry Tax	41.13	FY 2010-11	Commissioner (Appeals) Gwalior	
Madhya Pradesh Value Added Tax Act, 2002	Entry Tax	40.68	FY 2013-14	Additional Commissioner (Appeals) Gwalior	
Madhya Pradesh Value Added Tax Act, 2002	Entry Tax	41.06	FY 2016-17	Additional Commissioner (Appeals) Gwalior	
Madhya Pradesh Value Added Tax Act, 2002	Entry Tax	1.88	FY 2017-18	Asst.Commissioner Gwalior	
Tamil Nadu GST Act,2017	GST	507.61	FY 2016-17 to 17-18	Commissioner of Appeals, Salem Tamil Nadu	
Tamil Nadu GST Act,2017	GST	57.95	FY 2016-17	Honorable High Court of Tamil Nadu	
Odisha Entry Tax 1999	Entry Tax	28.87	FY 2009-10 to 11-12	Honorable High Court of Odisha	
Odisha Entry Tax 1999	Entry Tax	22.00	FY 2012-13 to 14-15	Sales Tax Tribunal, Cuttack, Odisha	
Odisha Value Added Tax 1999	VAT	166.85	FY 2012-13 to 14-15	Sales Tax Tribunal, Cuttack, Odisha	
Odisha Value added Tax 2004	CST	6.03	FY 2012-13 to 14-15	Sales Tax Tribunal, Cuttack, Odisha	
CGST Act, 2017 and Kerala SGST Act, 2017	GST	7.04	FY 2017-18	Additional Commissioner (Appeals), Cochin	
Finance Act, 1994	Service Tax	607.05	01-04-16 to 30-06-17	Customs, Excise and Service Tax Appellate Tribunal	
Customs Act, 1962	Customs	1,509.52	FY 2004-09	Honaourable High Court of Telangana	

(vii) With respect to the search operation conducted by the Income Tax Department under Section 132 of the Income-tax Act, 1961 in March 2022, the Company has disclosed that the Assessing Officer has initiated the proceedings for re assessment of income, as is relevant for each of the financial years from 2016-17 to 2021-22 under the applicable provisions of the Income tax Act, 1961 in Note no. 48.

(viii) (a) According to the information and explanations given to us, the company has not defaulted in repayment of dues to banks, financial institutions and debenture holders.

(b) According to the information and explanations given to us, the company is not a declared wilful defaulter by any bank or financial institution or other lender.

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

- (c) According to the information and explanations given to us, Term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone Ind AS financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.
- (e) According to the information and explanations given to us and procedures performed by us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) According to the information and explanations given to us and procedures performed by us, the company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures, or associate companies.
- (ix) (a) The Company did not raise any money by way of initial public or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix)(a) of the Order is not applicable.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially, or optionally convertible) during the year. Accordingly, paragraph 3 (ix)(b) of the Order is not applicable.
- (x) (a) According to the information and explanations given to us, no material fraud by the company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (b) We have not filed any report under sub-section (12) of section 143 of the Companies Act in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the Management, there are no whistle-blower complaints received by the company during the year.
- (xi) The company is not a Nidhi Company and therefore the provisions of Para 3(xii) of the Companies (Auditors Report), 2020 are not applicable.
- (xii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the standalone Ind AS financial Statements etc., as required by the applicable accounting standards.
- (xiii) (a) In our opinion, the company has an adequate internal audit system commensurate with the size and nature of its business;
- (b) We have considered the reports of the Internal Auditors for the period under audit.
- (xiv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with any of its directors or directors of its subsidiary companies, associate companies or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xv) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.
- (b) According to the information and explanations given to us, the company has not conducted any Non-Banking Financing or Housing Finance activities during the year.
- (c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the provisions of Para 3(xvi)(c) are not applicable to the company.
- (d) As per the information and explanations given to us, there are no Core Investment Companies as part of the Group. Accordingly, the provisions of Para 3(xvi) (d) is not applicable to the company.
- (xvi) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xvii) There has been no resignation of the statutory auditors during the year and accordingly clause (xviii) is not applicable.
- (xviii) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone Ind AS financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material

## Annexure 1 to the Independent Auditor's Report of Even Date on the Standalone Ind As Financial Statements of KNR Constructions Limited (Contd.)

uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

- (xix) (a) In respect of other than ongoing projects, the company has transferred unspent amounts to a fund specified in Schedule VII of the Companies Act (the Act), within six months of the expiry of the financial year in compliance with second proviso to

sub section (5) of section 135 of the Act. This matter has been disclosed in note no.31.1 to the financial statements.

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

**Mohan R Lavi**  
Partner  
Membership No. 029340  
UDIN: 23029340BGWHVP4977

Place: Bengaluru  
Date: 29th May, 2023

## Annexure 2

### TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS 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, 2023 in conjunction with our audit of the standalone Ind AS 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 Ind AS 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 Ind As 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 Ind As 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 Ind AS financial statements.



## Annexure 1 to the Independent Auditor's Report of Even Date on the Standalone Ind As Financial Statements of KNR Constructions Limited (Contd.)

### INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### OPINION

In our opinion, 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, 2023, 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

**Mohan R Lavi**  
Partner  
Membership No. 029340  
UDIN: 23029340BGWHVP4977

Place: Bengaluru  
Date: 29th May, 2023

# Balance Sheet

as at March 31, 2023

(₹ in Lakhs)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>1) Non-current assets</b>			
a) Property, plant and equipment	3	40,840.51	41,439.22
b) Capital work-in-progress	3.1	251.01	2,062.00
c) Right of use asset	63	691.92	930.72
d) Investment property	3.2	6,587.97	6,587.97
e) Other Intangible assets	3.3	5.12	4.99
f) Financial Assets			
i) Investments	4	19,745.71	8,505.71
ii) Other Investments	4	32,693.16	25,629.79
iii) Trade receivables	5	2,953.00	-
iv) Loans	6	329.34	312.76
v) Other financial assets	7	2,774.95	2,521.02
g) Deferred tax assets (Net)	8	12,293.45	11,825.95
h) Non Current Tax Assets (Net)	9	2,674.14	2,562.35
i) Other non-current assets	10	7,145.95	15,138.43
<b>Total Non-current assets</b>		<b>1,28,986.23</b>	<b>1,17,520.91</b>
<b>2) Current assets</b>			
a) Inventories	11	23,407.34	22,703.98
b) Financial assets			
i) Investments in Associates held for sale	4	-	14,130.70
ii) Investments	4	-	9.53
iii) Trade receivables	5	98,344.38	84,939.34
iv) Cash and cash equivalents	12	18,557.52	13,670.23
v) Bank balances, other than (iv) above	13	1,427.43	3,660.19
vi) Loans	6	11.14	1,009.64
vii) Other financials assets	7	37,768.35	29,913.89
c) Current tax assets (Net)	9	-	507.10
d) Other current assets	14	61,460.10	44,880.24
<b>Total Current assets</b>		<b>2,40,976.26</b>	<b>2,15,424.84</b>
<b>TOTAL ASSETS</b>		<b>3,69,962.49</b>	<b>3,32,945.75</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity Share capital	15	5,624.70	5,624.70
b) Other equity	16	267,802.82	218,572.24
<b>Total equity</b>		<b>2,73,427.52</b>	<b>2,24,196.94</b>
<b>Liabilities</b>			
<b>1) Non-current liabilities</b>			
a) Financial liabilities			
i) Lease liability	63	566.07	641.48
ii) Other financial liabilities	18	-	1.99
b) Provisions	20	1,150.57	996.55
c) Other non-current liabilities	21	1,127.75	1,059.59
<b>Total non-current liabilities</b>		<b>2,844.39</b>	<b>2,699.61</b>
<b>2) Current liabilities</b>			
a) Financial liabilities			
i) Borrowings	17	25.45	-
ii) Trade Payables	19		
Dues to Micro & Small Enterprises		167.04	242.75
Due to other than Micro & Small Enterprises		37,437.04	29,211.83
iii) Other financial liabilities	18	15,041.80	12,757.01
b) Provisions	20	1,458.02	2,395.88
c) Other current liabilities	22	37,993.52	59,407.21
d) Current Tax liability (Net)	23	1,567.71	2,034.52
<b>Total current liabilities</b>		<b>93,690.58</b>	<b>1,06,049.20</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,69,962.49</b>	<b>3,32,945.75</b>
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 and on behalf of the Board*
**For K. P. Rao & Co.,**

 Chartered Accountants  
 (Firm Regn. No.003135S)

**K. Narsimha Reddy**  
 Managing Director  
 DIN: 00382412

**K. Jalandhar Reddy**  
 Executive Director & CFO  
 DIN: 00434911

**Mohan R Lavi**

 Partner  
 Membership No: 029340  
 UDIN: 23029340BGWHVP4977

**S. Vaikuntanathan**  
 Vice President (F&A)

**V. Haritha**  
 Company Secretary

 Place : Hyderabad  
 Date : May 29, 2023

# Statement of Profit and Loss

for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	Note	Year ended March 31, 2023	Year ended March 31, 2022
<b>I</b> Revenue from Operations	24	3,74,379.62	3,27,259.17
<b>II</b> Other income	25	3,208.72	4,168.27
<b>III Total Income (I + II)</b>		<b>3,77,588.34</b>	<b>3,31,427.44</b>
<b>IV Expenses</b>			
Cost of materials consumed	26	1,49,474.47	1,18,071.56
Construction expenses	27	1,28,819.96	1,20,690.46
Employee benefits expense	28	17,099.19	14,477.01
Finance costs	29	3,926.45	2,744.34
Depreciation and amortisation expense	30	14,743.35	13,458.97
Other expenses	31	6,814.06	6,246.51
<b>Total expenses (IV)</b>		<b>3,20,877.48</b>	<b>2,75,688.85</b>
<b>V Profit before exceptional items and tax (III - IV)</b>		<b>56,710.86</b>	<b>55,738.59</b>
<b>VI</b> Exceptional items - Expenses/(Income)	32	(13,796.61)	(2,139.95)
<b>VII Profit/(Loss) before tax (V - VI)</b>		<b>70,507.47</b>	<b>57,878.54</b>
<b>VIII Tax expense</b>	33		
1) Current tax		18,052.54	15,304.10
2) Adjustment of tax relating to earlier periods		3,139.40	1,146.10
3) Deferred tax		(567.79)	3,248.70
		<b>20,624.15</b>	<b>19,698.90</b>
<b>IX Profit/(Loss) for the year (VII - VIII)</b>		<b>49,883.32</b>	<b>38,179.64</b>
<b>X Other comprehensive income / (loss)</b>	34		
<b>a) Items that will not be reclassified to profit or loss</b>			
Remeasurements of the defined benefit plans		67.29	(83.87)
Deferred Tax on above items		(16.94)	21.11
<b>b) Items that will be reclassified to profit or loss</b>		-	-
<b>XI Total Comprehensive Income for the period (IX+X) (Comprising Profit(Loss) and Other Comprehensive Income for the period)</b>		<b>49,933.67</b>	<b>38,116.88</b>
<b>XII Earnings per equity share : (In ₹)</b>	39		
1) Basic		17.74	13.58
2) Diluted		17.74	13.58
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)

**Mohan R Lavi**

Partner

Membership No: 029340  
UDIN: 23029340BGWHVP4977

**K. Narsimha Reddy**

Managing Director  
DIN: 00382412

**S. Vaikuntanathan**

Vice President (F&A)

*For and on behalf of the Board*

**K. Jalandhar Reddy**

Executive Director & CFO  
DIN: 00434911

**V. Haritha**

Company Secretary

Place : Hyderabad

Date : May 29, 2023

## Statement of Changes in Equity

for the year ended March 31, 2023

### A - EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	Number of Shares	Amount
<b>Balance as at April 01, 2021</b>	2,81,234,600	5,624.70
Add/(Less) Changes in equity share capital during the year	-	-
<b>Balance as at March 31, 2022</b>	<b>2,81,234,600</b>	<b>5,624.70</b>
Add/(Less) Changes in equity share capital during the year	-	-
<b>Balance as at March 31, 2023</b>	<b>2,81,234,600</b>	<b>5,624.70</b>

### B - OTHER EQUITY

(₹ in Lakhs)

Particulars	Reserves and Surplus				Other items of Other Comprehensive Income	Money received against share warrants	Total
	Securities Premium Reserve	General Reserve	Exchange difference on transaction & translation	Surplus in the statement of profit and loss			
<b>Balance as at 1st, April, 2021</b>	9,786.96	2,849.00	-	1,68,675.45	(152.96)	-	1,81,158.45
Profit for the year	-	-	-	38,179.64	-	-	38,179.64
Other Comprehensive Income/ loss for the year (Net of Taxes)	-	-	-	-	(62.76)	-	(62.76)
Payment of Dividend	-	-	-	(703.09)	-	-	(703.09)
<b>Balance as at March 31, 2022</b>	<b>9,786.96</b>	<b>2,849.00</b>	<b>-</b>	<b>2,06,152.00</b>	<b>(215.72)</b>	<b>-</b>	<b>2,18,572.24</b>
<b>Balance as at 1st, April, 2022</b>	9,786.96	2,849.00	-	2,06,152.00	(215.72)	-	2,18,572.24
Profit for the year	-	-	-	49,883.32	-	-	49,883.32
Other Comprehensive Income/ loss for the year (Net of Taxes)	-	-	-	-	50.35	-	50.35
Payment of Dividend	-	-	-	(703.09)	-	-	(703.09)
<b>Balance as at March 31, 2023</b>	<b>9,786.96</b>	<b>2,849.00</b>	<b>-</b>	<b>2,55,332.23</b>	<b>(165.37)</b>	<b>-</b>	<b>2,67,802.82</b>

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)

**Mohan R Lavi**  
Partner  
Membership No: 029340  
UDIN: 23029340BGWHVP4977

*For and on behalf of the Board*

**K. Narsimha Reddy**  
Managing Director  
DIN: 00382412

**S. Vaikuntanathan**  
Vice President (F&A)

**K. Jalandhar Reddy**  
Executive Director & CFO  
DIN: 00434911

**V. Haritha**  
Company Secretary

Place : Hyderabad  
Date : May 29, 2023

## Cash Flow Statement

### for the Year Ended March 31, 2023

(₹ In Lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before tax</b>	70,507.47	57,878.54
<b>Adjustments for:</b>		
Depreciation and Amortisation Expense	14,743.35	13,458.97
Loss/(Profit) on sale of Property, Plant and Equipment, Investment Property(Net)	(128.06)	(134.69)
Liabilities no longer required written back	(110.89)	(106.31)
Provision for doubtful advances written back	-	(483.93)
Bad Debts / Advances written Off	224.43	361.20
(Gain) / Loss on Mutual Funds	(165.17)	(110.13)
Un winding Interest on Fair Value of Financial Instruments	(763.70)	(245.60)
(Due from)/Due to Customer written off	536.94	(970.04)
Exceptional Item	(13,796.61)	(2,139.95)
Provision for Doubtful Advances and Other receivables	-	59.11
Provision for Foreseeable Losses	-	138.37
Un winding Interest on Lease liability	31.33	33.24
Interest on mobilisation advance	268.90	-
Finance cost	3,626.22	2,711.10
Interest Income	(166.30)	(1,270.43)
<b>Operating profit before working capital changes</b>	<b>74,807.91</b>	<b>69,179.45</b>
Changes in working capital:		
(Increase)/Decrease in Trade and Other Receivables and prepayments	(40,148.14)	(14,549.36)
(Increase)/Decrease in Inventories	(703.36)	(7,905.08)
Increase/(Decrease) in Trade and other Payables	(11,495.95)	5,859.38
<b>Cash generated/ (used) from Operations</b>	<b>22,460.46</b>	<b>52,584.39</b>
Income Taxes (paid) / Refund	(21,173.31)	(18,261.94)
<b>Net Cash flows from / (used in) Operating Activities- (A)</b>	<b>1,287.15</b>	<b>34,322.45</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of property, plant and equipment	5,829.31	370.91
Payments for property, plant and equipment and Capital Work-in-Progress	(10,990.62)	(29,759.85)
Interest Received	185.65	1,646.05
Bank Balances not considered as cash and cash equivalents	2,232.76	(2,748.17)
Loans/Advances to Subsidiaries/Associates and others	1,253.62	(22.68)
Investments in Subsidiaries, Associates and Others	9,798.64	2,957.10
TDS on Interest Received	(6.77)	(17.08)
<b>Net Cash flows from / (used in) Investing Activities- (B)</b>	<b>8,302.59</b>	<b>(27,573.72)</b>

## Cash Flow Statement (Contd.)

(₹ In Lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	25,000.00	10,000.00
Repayment of borrowings	(25,000.00)	(10,000.00)
Increase / (decrease) in short term borrowings	25.45	(71.24)
Finance cost paid	(4,024.81)	(3,124.96)
Dividend Paid	(703.09)	(703.09)
<b>Net Cash Flows from / (used in) Financing Activities- (C)</b>	<b>(4,702.45)</b>	<b>(3,899.29)</b>
<b>Net increase/(decrease) in cash and cash equivalents - (A+B+C)</b>	<b>4,887.29</b>	<b>2,849.44</b>
Cash & Cash Equivalents at the beginning of the year	13,670.23	10,820.79
<b>Cash &amp; Cash Equivalents at end of the year (Refer note)</b>	<b>18,557.52</b>	<b>13,670.23</b>
<b>Note:</b>		
1 Cash & Cash equivalents		
Cash on hand	42.16	35.18
Bank Balance including Deposits and Cheques on Hand - Current Account	18,515.36	13,635.05
<b>Total Cash &amp; Cash equivalents</b>	<b>18,557.52</b>	<b>13,670.23</b>

- 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 the financial statements

As per our report of even date attached

**For K. P. Rao & Co.,**  
Chartered Accountants  
(Firm Regn. No.003135S)

**Mohan R Lavi**  
Partner  
Membership No: 029340  
UDIN: 23029340BGWHVP4977

*For and on behalf of the Board*

**K. Narsimha Reddy**  
Managing Director  
DIN: 00382412

**S. Vaikuntanathan**  
Vice President (F&A)

**K. Jalandhar Reddy**  
Executive Director & CFO  
DIN: 00434911

**V. Haritha**  
Company Secretary

Place : Hyderabad  
Date : May 29, 2023

# Notes forming part of the Financial Statements

## for the Year Ended March 31, 2023

### 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).

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

## Notes forming part of the Financial Statements (Contd.)

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

Sl. No.	Description	Useful life given as per Companies Act 2013	Company's estimated useful life
<b>1.</b>	<b>Buildings</b>		
	RCC structure	60 years	60 years
	Temporary structure	3 Years	3 Years
<b>2.</b>	<b>Plant and Machinery</b>		
	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 *
<b>3.</b>	<b>Furniture and fittings</b>	10 Years	10 Years
<b>4.</b>	<b>Motor Vehicles</b>		
	Motor cycles, Scooters and other mopeds	10 Years	10 Years
	Motor buses, motor lorries, motor cars and motor taxis	8 Years	8 Years



## Notes forming part of the Financial Statements (Contd.)

Sl. No.	Description	Useful life given as per Companies Act 2013	Company's estimated useful life
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:

- (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 operations are recognised at cost with adjustment to respective share of profit/loss.

## Notes forming part of the Financial Statements (Contd.)

### 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.

#### 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

## Notes forming part of the Financial Statements (Contd.)

- 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, 2023 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.

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

## Notes forming part of the Financial Statements (Contd.)

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.

### 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.

### 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

## Notes forming part of the Financial Statements (Contd.)

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 are 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, 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.

## Notes forming part of the Financial Statements (Contd.)

### 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.

### 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.

## Notes forming part of the Financial Statements (Contd.)

### 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, 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

## Notes forming part of the Financial Statements (Contd.)

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.

### 2.29 Recent accounting pronouncements:

Standards issued but not yet effective and not early adopted by the Company

The Ministry of Corporate Affairs notified Companies (Indian Accounting Standards) Amendment Rules, 2023 on March 31, 2023 (G.S.R. 242 (E)). These amendments would be applicable from annual reporting periods beginning on or after April 01, 2023.

Ind AS 1 - Presentation of Financial Statements

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

Ind AS 12 - Income Taxes

Ind AS 34 - Interim Financial Reporting

Ind AS 101 - First-time Adoption of Indian Accounting Standards

Ind AS 102 - Share-based Payment

Ind AS 103 - Business Combinations

Ind AS 107 - Financial Instruments: Disclosures

Ind AS 109 - Financial Instruments

Ind AS 115 - Revenue from Contracts with Customers

These amendments are effective from April 01, 2023. The Company is in process of evaluating the impact of such amendments and believes that the aforementioned amendments will not materially impact the financial statements of the Company.



## Notes forming part of the Financial Statements (Contd.)

### 3. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Tangible Assets</b>		
Land - Free Hold *	7,717.22	7,701.86
Buildings	1,592.99	1,491.59
Plant and Equipment	29,979.50	30,613.33
Furniture and Fixtures	170.18	189.33
Vehicles	1,200.66	1,260.23
Office equipment	130.24	134.43
Computers & Accessories	49.72	48.45
	<b>40,840.51</b>	<b>41,439.22</b>

Note: Refer note 17 for details of assets pledged.

(₹ in Lakhs)

Particulars	Tangible Assets							Total
	Land - Free Hold *	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Computers & Accessories	
<b>Cost or Deemed Cost :</b>								
As at April 01, 2022	7,701.86	3,558.52	132,314.38	492.06	3,338.06	447.98	265.99	148,118.85
Additions	67.87	458.14	13,022.32	31.50	487.22	71.18	38.62	14,176.85
Disposals/Adjustments	(52.51)	-	(2,453.91)	-	(327.45)	-	-	(2,833.87)
<b>As at March 31, 2023</b>	<b>7,717.22</b>	<b>4,016.66</b>	<b>142,882.79</b>	<b>523.56</b>	<b>3,497.83</b>	<b>519.16</b>	<b>304.61</b>	<b>159,461.83</b>
<b>Accumulated Depreciation</b>								
As at April 01, 2022	-	2,066.93	101,701.05	302.73	2,077.83	313.55	217.54	106,679.63
Charge for the period	-	356.74	13,323.60	50.65	452.80	75.37	37.35	14,296.51
Disposals/Adjustments	-	-	(2,121.36)	-	(233.46)	-	-	(2,354.82)
<b>As at March 31, 2023</b>	<b>-</b>	<b>2,423.67</b>	<b>112,903.29</b>	<b>353.38</b>	<b>2,297.17</b>	<b>388.92</b>	<b>254.89</b>	<b>118,621.32</b>
<b>Net Carrying Amount</b>								
<b>As at March 31, 2023</b>	<b>7,717.22</b>	<b>1,592.99</b>	<b>29,979.50</b>	<b>170.18</b>	<b>1,200.66</b>	<b>130.24</b>	<b>49.72</b>	<b>40,840.51</b>
As at March 31, 2022	7,701.86	1,491.59	30,613.33	189.33	1,260.23	134.43	48.45	41,439.22

(₹ in Lakhs)

Particulars	Tangible Assets							Total
	Land - Free Hold *	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Computers & Accessories	
<b>Cost or Deemed Cost :</b>								
As at April 01, 2021	5,417.66	3,325.12	116,201.79	358.46	2,714.35	350.43	221.60	128,589.41
Additions	2,307.94	233.40	17,508.36	133.60	775.47	97.55	44.39	21,100.71
Disposals/Adjustments	(23.74)	-	(1,395.77)	-	(151.76)	-	-	(1,571.27)
<b>As at March 31, 2022</b>	<b>7,701.86</b>	<b>3,558.52</b>	<b>132,314.38</b>	<b>492.06</b>	<b>3,338.06</b>	<b>447.98</b>	<b>265.99</b>	<b>148,118.85</b>
<b>Accumulated Depreciation</b>								
As at April 01, 2021	-	1,816.30	90,441.86	278.24	1,831.45	266.12	187.38	94,821.35
Charge for the period	-	250.63	12,454.03	24.49	386.59	47.43	30.16	13,193.33
Disposals/Adjustments	-	-	(1,194.84)	-	(140.21)	-	-	(1,335.05)
<b>As at March 31, 2022</b>	<b>-</b>	<b>2,066.93</b>	<b>101,701.05</b>	<b>302.73</b>	<b>2,077.83</b>	<b>313.55</b>	<b>217.54</b>	<b>106,679.63</b>
<b>Net Carrying Amount</b>								
<b>As at March 31, 2022</b>	<b>7,701.86</b>	<b>1,491.59</b>	<b>30,613.33</b>	<b>189.33</b>	<b>1,260.23</b>	<b>134.43</b>	<b>48.45</b>	<b>41,439.22</b>
As at March 31, 2021	5,417.66	1,508.82	25,759.93	80.22	882.90	84.31	34.22	33,768.06

## Notes forming part of the Financial Statements (Contd.)

**3.1 CAPITAL WORK-IN-PROGRESS**

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Cost :</b>		
As at April 01,	2,062.00	237.85
Add: Additions	1,040.61	5,339.79
Less: Adjustments	2,851.60	3,515.64
<b>As at March 31,</b>	<b>251.01</b>	<b>2,062.00</b>

The capital work-in-progress ageing schedule as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2023					As at March 31, 2022				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	136.32	114.69	-	-	251.01	1,977.66	84.34	-	-	2,062.00
Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-
<b>Total capital work-in-progress</b>	<b>136.32</b>	<b>114.69</b>	<b>-</b>	<b>-</b>	<b>251.01</b>	<b>1,977.66</b>	<b>84.34</b>	<b>-</b>	<b>-</b>	<b>2,062.00</b>

As on the date of balance sheet, there is no capital work-in-progress project(s) whose completion is overdue or has exceeded the cost, based on the approved plan.

**3.2 INVESTMENT PROPERTY**

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Investment Property *	6,587.97	6,587.97
	<b>6,587.97</b>	<b>6,587.97</b>

\*Land and investment property includes ₹ 1896.38 Lakhs (P.Y ₹ 1836.41 Lakhs) held in the name of Directors, relatives of Directors for and on behalf of the Company and refer note 65 for the details of the Immovable property not held in the name of the Company.

Note: Refer note 17 for details of assets pledged.

As at March 31, 2023		(₹ in Lakhs)
Particulars	Amount	
<b>Cost / Deemed Cost</b>		
As at April 01, 2022	6,587.97	
Additions	5,222.20	
Disposals / Adjustments	(5,222.20)	
<b>As at March 31, 2023</b>	<b>6,587.97</b>	
<b>Accumulated Depreciation</b>		
As at April 01, 2022	-	
Charge for the period	-	
Disposals / Adjustments	-	
<b>As at March 31, 2023</b>	<b>-</b>	
<b>Net Carrying Amount</b>	<b>6,587.97</b>	
<b>As at March 31, 2023</b>	<b>6,587.97</b>	
<b>As at March 31, 2022</b>	<b>6,587.97</b>	

As at March 31, 2022		(₹ in Lakhs)
Particulars	Amount	
<b>Cost / Deemed Cost</b>		
As at April 01, 2021	6,587.97	
Additions	-	
Disposals / Adjustments	-	
<b>As at March 31, 2022</b>	<b>6,587.97</b>	
<b>Accumulated Depreciation</b>		
As at April 01, 2021	-	
Charge for the period	-	
Disposals / Adjustments	-	
<b>As at March 31, 2022</b>	<b>-</b>	
<b>Net Carrying Amount</b>	<b>6,587.97</b>	
<b>As at March 31, 2022</b>	<b>6,587.97</b>	
<b>As at March 31, 2021</b>	<b>6,587.97</b>	

## Notes forming part of the Financial Statements (Contd.)

### 3.2 INVESTMENT PROPERTY (CONTD.)

#### Fair Value of Investment Property

Details and fair value of the investment property as on March 31, 2023 and March 31, 2022 is given below

(₹ in Lakhs)

Particulars	Fair value Hierarchy	As at March 31, 2023	As at March 31, 2022
Investment Property	Level 3	14,300.70	13,695.88
		<b>14,300.70</b>	<b>13,695.88</b>

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.

### 3.3 OTHER INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Computer Software	5.12	4.99
<b>Total</b>	<b>5.12</b>	<b>4.99</b>

#### As at March 31, 2023 (₹ in Lakhs)

Particulars	Computer software	Total
<b>Cost / Deemed Cost</b>		
As at April 01, 2022	53.92	53.92
Additions	2.35	2.35
Disposals / Adjustments	-	-
<b>As at March 31, 2023</b>	<b>56.27</b>	<b>56.27</b>
<b>Accumulated Depreciation</b>		
As at April 01, 2022	48.93	48.93
Charge for the period	2.22	2.22
Disposals	-	-
<b>As at March 31, 2023</b>	<b>51.15</b>	<b>51.15</b>
<b>Net Carrying Amount As at March 31, 2023</b>	<b>5.12</b>	<b>5.12</b>
<b>As at March 31, 2022</b>	<b>4.99</b>	<b>4.99</b>

#### As at March 31, 2022 (₹ in Lakhs)

Particulars	Computer software	Total
<b>Cost / Deemed Cost</b>		
As at April 01, 2021	53.72	53.72
Additions	0.20	0.20
Disposals / Adjustments	-	-
<b>As at March 31, 2022</b>	<b>53.92</b>	<b>53.92</b>
<b>Accumulated Depreciation</b>		
As at April 01, 2021	46.47	46.47
Charge for the period	2.46	2.46
Disposals	-	-
<b>As at March 31, 2022</b>	<b>48.93</b>	<b>48.93</b>
<b>Net Carrying Amount As at March 31, 2022</b>	<b>4.99</b>	<b>4.99</b>
<b>As at March 31, 2021</b>	<b>7.25</b>	<b>7.25</b>

## Notes forming part of the Financial Statements (Contd.)

**4. INVESTMENTS**

(₹ in Lakhs)

Particulars		As at March 31, 2023	As at March 31, 2022
<b>Non-Current</b>			
<b>Trade - Unquoted</b>			
<b>a)</b>	<b>Equity instruments of subsidiaries (At cost):</b>		
	KNR Agrotech & Beverages Private Limited	1.00	1.00
	10,000 (PY 10,000) equity shares of ₹ 10/- each, fully paid		
	KNR Infrastructure Projects Private Limited	1.00	1.00
	10,000 (PY 10,000) equity shares of ₹ 10/- each, fully paid		
	KNR Energy Limited	5.00	5.00
	50,000 (PY 50,000) equity shares of ₹ 10/- each, fully paid		
	KNRC Holdings & Investments Private Limited	1.00	1.00
	10,000 (PY 10,000) equity shares of ₹ 10/- each, fully paid		
	KNR Muzaffarpur Barauni Tollway Private Limited (Refer note 4.1)	45.90	45.90
	4,59,000 (PY 4,59,000) equity shares of ₹ 10/- each, fully paid		
	KNR Somwarpet Infraproject Private Limited (Refer note 4.2)	3,052.50	3,052.50
	3,05,250 (PY 3,05,250) equity shares of ₹ 1,000/- each, fully paid		
	KNR Palani Infra Private Limited (Refer note 4.3)	4,023.00	4,023.00
	4,02,300 (PY 4,02,300) equity shares of ₹ 1,000/- each, fully paid		
	KNR Guruvayur Infra Private Limited (Refer note 4.4)	10.00	10.00
	1,000 (PY 1,000) equity shares of ₹ 1,000/- each, fully paid		
	KNR Ramanattukara Infra Private Limited (Refer note 4.5)	11,250.00	10.00
	11,25,000 (PY 1,000) equity shares of ₹ 1,000/- each, fully paid		
	KNR Ramagiri Infra Private Limited (Refer note 4.6)	10.00	10.00
	1,000 (PY 1,000) equity shares of ₹ 1,000/- each, fully paid		
	<b>Total</b>	<b>18,399.40</b>	<b>7,159.40</b>
<b>b)</b>	<b>Equity instruments of associates (At Cost):</b>		
	Patel KNR Infrastructures Limited	1,480.00	1,480.00
	1,48,00,000 (PY 1,48,00,000) equity shares of ₹ 10/- each, fully paid		
	Patel KNR Heavy Infrastructures Limited	952.95	952.95
	95,29,500 (PY 95,29,500) equity shares of ₹ 10/- each, fully paid		
	<b>Total Un quoted Investments in Associates</b>	<b>2,432.95</b>	<b>2,432.95</b>
	Less : Impairment Made	(1,086.64)	(1,086.64)
	<b>Net Un quoted Investments in Associates</b>	<b>1,346.31</b>	<b>1,346.31</b>
		<b>19,745.71</b>	<b>8,505.71</b>
<b>c)</b>	<b>Other Investment In Subsidiaries &amp; Associates (Quasi Debt)</b>		
	<b>Subsidiaries</b>		
	KNR Muzaffarpur Barauni Tollway Private Limited	5,276.50	5,276.50

## Notes forming part of the Financial Statements (Contd.)

### 4. INVESTMENTS (CONTD.)

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
KNR Agrotech & Beverages Private Limited	590.13	579.13
KNR Energy Limited	425.24	425.24
KNRC Holdings and Investments Private Limited	9,623.22	5,388.35
KNR Somwarpet Infraproject Private Limited	7,054.00	6,295.00
KNR Palani Infra Private Limited	2,417.21	1,276.71
KNR Guruvayur Infra Private Limited	1,382.00	900.00
KNR Ramanattukara Infra Private Limited	436.00	-
<b>Associates</b>		
Patel KNR Heavy Infrastructures Limited	1,793.69	1,793.69
<b>Total</b>	<b>28,997.99</b>	<b>21,934.62</b>
<b>d) Other Investment In LLPs</b>		
Manjeri City Infrastructures and Developers LLP	3,290.17	3,290.17
Benedire Infrastructures and Developers LLP	405.00	405.00
<b>Total</b>	<b>3,695.17</b>	<b>3,695.17</b>
<b>Total other investments (c+d)</b>	<b>32,693.16</b>	<b>25,629.79</b>
<b>Total non-current investments (a+b+c+d)</b>	<b>52,438.87</b>	<b>34,135.50</b>
<b>Current - Held for Sale</b>		
<b>Trade - Unquoted</b>		
<b>e) Equity instruments of subsidiaries (At cost):</b>		
KNR Srirangam Infra Private Limited (Refer note 4.7)	-	4,811.50
Nil (PY 4,81,150) equity shares of ₹ 1,000/- each, fully paid		
KNR Shankarampet Projects Private Limited (Refer note 4.8)	-	2,657.87
Nil (PY 2,65,787) equity shares of ₹ 1,000/- each, fully paid		
KNR Tirumala Infra Private Limited (Refer note 4.9)	-	3,652.88
Nil (PY 3,65,288) equity shares of ₹ 1,000/- each, fully paid		
<b>Total Un quoted Investments in Subsidiaries</b>	<b>-</b>	<b>11,122.25</b>
<b>f) Other Investment In Subsidiaries &amp; Associates (Quasi Debt)</b>		
KNR Srirangam Infra Private Limited	-	3,008.45
<b>Total</b>	<b>-</b>	<b>3,008.45</b>
<b>Total Trade - Unquoted (e+f)</b>	<b>-</b>	<b>14,130.70</b>
<b>Trade - Quoted - at fair value</b>		
<b>g) Investments in Mutual Funds</b>	<b>No. of Units</b>	
Nippon - Mutual Fund	Nil	(PY 183.01)
		-
<b>Total</b>		<b>9.53</b>
<b>Total current investments (e+f+g)</b>		<b>14,140.23</b>

## Notes forming part of the Financial Statements (Contd.)

### 4. INVESTMENTS (CONTD.)

(₹ in Lakhs)

Particulars		As at March 31, 2023	As at March 31, 2022
i)	Aggregate amount of Unquoted equity investments in Subsidiaries - Non Current (a)	18,399.40	7,159.40
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)	28,997.99	21,934.62
v)	Aggregate amount of unquoted investments in LLP - Current (d)	3,695.17	3,695.17
vi)	Aggregate amount of unquoted investments in Subsidiaries - Current (e)	-	11,122.25
vii)	Aggregate amount of amortised cost of unquoted investments - Non Current (f)	-	3,008.45
viii)	Aggregate amount of quoted investments - Current (g)	-	9.53
		<b>52,438.87</b>	<b>48,275.73</b>

Note : Aggregate market value of quoted investments is ₹ Nil Lakhs (March 31, 2022 ₹ 9.53 Lakhs)

- 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 Private Limited
- 4.2 1,55,678 Shares (P.Y. 510) equity share have been pledged with Catalyst Trusteeship Limited for the term loan availed by KNR Somwarpet Infra Project Private Limited
- 4.3 2,05,173 Shares (P.Y. 2,05,173) equity share have been pledged with Axis Trustee services Limited for the term loan availed by KNR Palani Infra Private Limited
- 4.4 510 Shares (P.Y. 510) equity share have been pledged with SBI Cap Trustee services Limited for the term loan availed by KNR Guruvayur Infra Private Limited
- 4.5 5,73,750 Shares (P.Y. 510) equity share have been pledged with Catalyst Trustee services Limited for the term loan availed by KNR Ramanattukara Infra Private Limited
- 4.6 510 Shares (P.Y. Nil) equity share have been pledged with Axis Trustee services Limited for the term loan availed by KNR Ramagiri Infra Private Limited
- 4.7 Nil Shares (P.Y. 2,45,387) equity share have been pledged with Axis Trustee services Limited for the term loan availed by KNR Srirangam Infra Private Limited
- 4.8 Nil Shares (P.Y. 2,65,787) equity share have been pledged with Axis Trustee services Limited for the term loan availed by KNR Shankarampet Projects Private Limited
- 4.9 Nil Shares (P.Y. 3,65,288) equity share have been pledged with Axis Trustee services Limited for the term loan availed by KNR Tirumala Infra Private Limited

## Notes forming part of the Financial Statements (Contd.)

### 5. TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Non-current</b>		
<b>Unsecured, considered good</b>		
Trade Receivables (Arbitration Award Claims from JV's)	2,953.00	-
<b>Unsecured, considered doubtful</b>		
Trade Receivables	-	-
<b>Total Non-Current Trade Receivables</b>	<b>2,953.00</b>	<b>-</b>
<b>Current</b>		
<b>Unsecured, considered good</b>		
Trade Receivables from Related Party (Refer note : 45)	36,972.48	25,560.09
Trade Receivables	61,371.90	59,379.25
<b>Unsecured, considered doubtful</b>		
Trade Receivables	194.40	194.40
Less: Provision for doubtful Trade Receivables	(194.40)	(194.40)
<b>Total Current Trade Receivables</b>	<b>98,344.38</b>	<b>84,939.34</b>
<b>Total</b>	<b>1,01,297.38</b>	<b>84,939.34</b>

#### 5.1 Ageing Trade Receivables

(₹ in Lakhs)

Particulars	Outstanding for the following periods from the due date of payment					
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>As on March 31, 2023</b>						
Undisputed Trade Receivables - Considered Good	65,588.05	16,942.38	17,783.17	277.43	706.35	1,01,297.38
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade receivables - Considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>65,588.05</b>	<b>16,942.38</b>	<b>17,783.17</b>	<b>277.43</b>	<b>706.35</b>	<b>1,01,297.38</b>
<b>As on March 31, 2022</b>						
Undisputed Trade Receivables - Considered Good	82,890.63	561.58	366.78	258.17	862.18	84,939.34
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade receivables - Considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>82,890.63</b>	<b>561.58</b>	<b>366.78</b>	<b>258.17</b>	<b>862.18</b>	<b>84,939.34</b>

## Notes forming part of the Financial Statements (Contd.)

**6. LOANS**

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Non-current</b>		
<b>Unsecured, considered good:</b>		
Loans to related parties (Refer note : 6.1,6.2 & 45)		
- Subsidiaries	329.34	312.76
<b>Total Non-Current Loans</b>	<b>329.34</b>	<b>312.76</b>
<b>Current</b>		
<b>Unsecured, considered good:</b>		
Loans to		
- Joint Venture Partners & SPVs	11.14	1,009.64
<b>Total Current Loans</b>	<b>11.14</b>	<b>1,009.64</b>
<b>Total</b>	<b>340.48</b>	<b>1,322.40</b>

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

**7. OTHER FINANCIAL ASSETS**

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Non-current</b>		
<b>Unsecured, considered good:</b>		
Retention deposits & With Held	46.13	46.13
Advances to Sub-contractors	28.82	28.82
Receivable from WVEPL	2,700.00	2,446.07
<b>Total Non-Current Other Financial Assets</b>	<b>2,774.95</b>	<b>2,521.02</b>
<b>Current</b>		
<b>Unsecured, considered good:</b>		
Advances to Related Parties (Refer note : 45)	4,718.07	6,514.41
Retention Deposits & Withheld	23,727.65	18,171.08
Interest receivable	23.97	43.32
Security Deposits	1,848.13	1,758.48
TDS Refund Receivable from Joint Venture's and Others	655.12	617.58
Other Receivables	1,940.26	1,359.94
Receivable from WVEPL	1,449.08	1,449.08
Receivable from CUBE	3,406.07	-
<b>Unsecured, considered doubtful:</b>		
Security Deposits	85.82	85.82
Less: Provision for doubtful Security Deposits	(85.82)	(85.82)
Other Receivables	187.89	187.89
Less: Provision for doubtful Others	(187.89)	(187.89)
Retention Deposits	14.91	14.91
Less: Provision for Retention Deposits	(14.91)	(14.91)
<b>Total Current Other Financial Assets</b>	<b>37,768.35</b>	<b>29,913.89</b>
<b>Total</b>	<b>40,543.30</b>	<b>32,434.91</b>



## Notes forming part of the Financial Statements (Contd.)

### 8. DEFERRED TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax assets	12,101.22	11,567.29
MAT credit entitlement	269.53	352.89
Deferred tax liability	(77.30)	(94.23)
<b>Total</b>	<b>12,293.45</b>	<b>11,825.95</b>

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

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Deferred tax asset</b>		
Expenditure disallowed under Income Tax Act, 1961	270.28	210.67
Provision for doubtful advances and receivables	455.57	695.75
Deferred tax on fair value of investment of properties	1,796.77	1,655.86
Property, plant and equipment	9,578.60	9,005.01
MAT credit entitlement	269.53	352.89
	<b>12,370.75</b>	<b>11,920.18</b>
<b>Deferred tax liability</b>		
On OCI (Gratuity)	(77.30)	(94.23)
	<b>(77.30)</b>	<b>(94.23)</b>
<b>Total</b>	<b>12,293.45</b>	<b>11,825.95</b>

### 9. TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Non-current</b>		
Advance Tax	2,674.14	2,562.35
<b>Total Non-current Tax Asset</b>	<b>2,674.14</b>	<b>2,562.35</b>
<b>Current</b>		
Advance Tax	-	14,916.16
Less: Provision for Income Tax	-	(14,409.06)
<b>Total Current Tax Asset</b>	<b>-</b>	<b>507.10</b>
<b>Total</b>	<b>2,674.14</b>	<b>3,069.45</b>

### 10. OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Un-secured Considered good</b>		
Capital advances	479.52	7,079.31
Security Deposits	507.74	450.24
Dues from Statutory authorities	6,158.69	7,608.88
<b>Unsecured, considered doubtful:</b>		
Capital advances	9.71	9.71
Less: Provision for bad debts	(9.71)	(9.71)
<b>Total</b>	<b>7,145.95</b>	<b>15,138.43</b>

## Notes forming part of the Financial Statements (Contd.)

**11. INVENTORIES**

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Raw materials	10,475.47	9,117.70
Goods-in transit	630.82	872.47
	<b>11,106.29</b>	<b>9,990.17</b>
Stores and spares	12,106.99	12,607.14
Goods-in transit	194.06	106.67
	<b>12,301.05</b>	<b>12,713.81</b>
<b>Total</b>	<b>23,407.34</b>	<b>22,703.98</b>

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

**12. CASH AND CASH EQUIVALENTS**

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Balances with banks:</b>		
In current accounts	18,515.36	13,635.05
Cash on hand	42.16	35.18
<b>Total</b>	<b>18,557.52</b>	<b>13,670.23</b>

**13. OTHER BANK BALANCES**

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Margin Money & Other Deposits (Refer Note: 13.1)	1,421.44	3,654.56
Un-claimed Dividend	5.99	5.63
<b>Total</b>	<b>1,427.43</b>	<b>3,660.19</b>

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, 2023	As at March 31, 2022
<b>Un-secured Considered good</b>		
Advances to Sub-contractors	10,732.26	11,378.45
Advances to Suppliers (Other than capital advances)	4,645.26	6,851.29
Staff Imprest & Salary Advances	330.40	292.36
Prepaid expenses	701.63	373.50
Due from Customers	44,898.54	25,912.31
Receivables from Others	145.35	67.71
Security Deposits	6.66	4.62
<b>Considered doubtful</b>		
Advances to Sub-contractors	59.11	59.11
Less: Provision for Advance to Sub Contractors	(59.11)	(59.11)
<b>Total</b>	<b>61,460.10</b>	<b>44,880.24</b>

## Notes forming part of the Financial Statements (Contd.)

### 15. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Amount	No. of Shares	Amount
<b>Authorised Share capital</b>				
Equity Shares of ₹ 2/- each	30,00,00,000	6,000.00	30,00,00,000	6,000.00
<b>Issued, subscribed &amp; fully paid share capital</b>				
Equity Shares of ₹ 2/- each	28,12,34,600	5,624.70	28,12,34,600	5,624.70
<b>Total</b>	<b>28,12,34,600</b>	<b>5,624.70</b>	<b>28,12,34,600</b>	<b>5,624.70</b>

#### 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, 2023		As at March 31, 2022	
	No. of Shares	Amount	No. of Shares	Amount
Number of Equity Shares at the beginning of the year	28,12,34,600	5,624.70	28,12,34,600	5,624.70
Add: Number of Shares Issued	-	-	-	-
Add: Bonus shares issued	-	-	-	-
Less: Number of Shares Bought Back	-	-	-	-
<b>Number of Equity Shares at the end of the year</b>	<b>28,12,34,600</b>	<b>5,624.70</b>	<b>28,12,34,600</b>	<b>5,624.70</b>
	<b>28,12,34,600</b>	<b>5,624.70</b>	<b>28,12,34,600</b>	<b>5,624.70</b>

#### 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.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

The Board of Directors has proposed in their meeting held on May 29, 2023 dividend of ₹ 0.25/- per fully paid equity share of ₹ 2/- each.

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, 2023 and March 31, 2022:

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% holding	No. of Shares	% holding
Kamidi Narsimha Reddy	9,04,20,000	32.15	9,00,00,000	32.00
Kamidi Jalandhar Reddy	3,77,59,210	13.43	3,77,59,210	13.43
HDFC Trustee Company Limited	1,85,42,546	6.59	1,79,98,600	6.40
DSP Flexi Cap Fund	1,81,08,779	6.44	1,85,44,865	6.59

#### 15.3 For the period of five years immediately preceding reporting period

- Shares allotted as fully paid-up pursuant to contract(s) without payment being received in cash. - Nil
- Aggregate Number and class of shares allotted as fully paid up by way of bonus shares.

Particulars	No. of Shares	₹ In lakhs
Equity share of ₹ 2/- each	14,06,17,300	2,812.35

- Shares which were bought back in any of the years. - Nil
- Calls unpaid by any director or officer of the Company during the year. - Nil

## Notes forming part of the Financial Statements (Contd.)

**15. INVENTORIES (CONTD.)**
**15.4 Shareholding of Promoters / Promoter group:**

Promoter / Promoter group Name	As at March 31, 2023			As at March 31, 2022		
	No. of Shares	% Of Total Shares	% Change during the year	No. of Shares	% Of Total Shares	% Change during the year *
Kamidi Narsimha Reddy	9,04,20,000	32.15%	0.47%	9,00,00,000	32.00%	(2.69%)
Kamidi Jalandhar Reddy	3,77,59,210	13.43%	-	3,77,59,210	13.43%	(3.82%)
Kamidi Yashoda	80,15,010	2.85%	-	80,15,010	2.85%	(33.29%)
Mereddy Rajesh Reddy	75,00,000	2.67%	(16.67%)	90,00,000	3.20%	(18.18%)

**16. OTHER EQUITY**

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
a) Securities premium reserve	9,786.96	9,786.96
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	2,06,152.00	1,68,675.45
Add: Profit/(Loss) for the period	49,883.32	38,179.64
Less: Dividend paid	(703.09)	(703.09)
	<b>2,55,332.23</b>	<b>2,06,152.00</b>
d) Other Comprehensive Income - Gratuity	(165.37)	(215.72)
<b>Total (a+b+c+d)</b>	<b>2,67,802.82</b>	<b>2,18,572.24</b>

**17. BORROWINGS**

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>Non-current</b>	-	-
<b>Total non-current borrowings</b>	-	-
<b>Current</b>		
<b>Loans repayable on Demand</b>		
<b>Secured loans</b>		
<b>From banks (Refer note 17.1 &amp; 17.2)</b>		
Working capital demand loans	25.45	-
<b>Total current borrowings</b>	<b>25.45</b>	-
<b>Total</b>	<b>25.45</b>	-

**17.1 Working Capital Facilities: Cash Credit facilities from consortium of banks are secured by:**

- 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 31.03.2022 is ₹ 110.03 Crores
- Personal guarantee of Director.

**17.2** The interest rate for working capital demand loan and cash credit facilities varies from 8.15% to 9.40 % per annum

**17.3** The quarterly returns of current assets filed by the Company with banks are in agreement with the books of account

## Notes forming part of the Financial Statements (Contd.)

### 18. OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Non-current</b>		
Retention Deposits and Withheld Amount	-	1.99
<b>Total non-current other financial liabilities</b>	<b>-</b>	<b>1.99</b>
<b>Current</b>		
Interest accrued but not due other than Mobilisation Advance	0.92	0.42
Interest accrued but not due on Mobilisation Advance	242.01	372.20
Unclaimed dividend (Refer note 18.1)	6.07	5.70
Retention Deposits and with held	11,444.87	9,876.69
Security Deposits	836.68	643.86
Outstanding Expenses	2,511.25	1,858.14
<b>Total current other financial liabilities</b>	<b>15,041.80</b>	<b>12,757.01</b>
<b>Total</b>	<b>15,041.80</b>	<b>12,759.00</b>

**18.1** During the year, an un-paid dividend amount of ₹ 18,493 /- for relating to F.Y 2014-15 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, 2023	As at March 31, 2022
<b>Current</b>		
Trade payables (refer note 19.1)		
Dues to Micro & Small Enterprises (Refer note 19.2)	167.04	242.75
Dues to creditors other than Micro & Small Enterprises	15,853.48	19,575.76
Bills Payable (Sub-contractors/Labour/Service)	21,583.56	9,636.07
<b>Total current trade payables</b>	<b>37,604.08</b>	<b>29,454.58</b>
<b>Total</b>	<b>37,604.08</b>	<b>29,454.58</b>

#### 19.1 Ageing for trade payables from the due date of payment

(₹ in Lakhs)

Particulars	Less than one year	1-2 years	2-3 years	More than 3 years	Total
<b>As on March 31, 2023</b>					
Undisputed dues of micro enterprises and small enterprises	167.04				167.04
Undisputed dues of creditors other than micro enterprises and small enterprises	32,820.90	1,421.75	590.60	2,603.79	37,437.04
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
<b>Total</b>	<b>32,987.94</b>	<b>1,421.75</b>	<b>590.60</b>	<b>2,603.79</b>	<b>37,604.08</b>

## Notes forming part of the Financial Statements (Contd.)

**19. TRADE PAYABLES (CONTD.)**
**19.1 Ageing for trade payables from the due date of payment**

(₹ in Lakhs)

Particulars	Less than one year	1-2 years	2-3 years	More than 3 years	Total
<b>As on March 31, 2022</b>					
Undisputed dues of micro enterprises and small enterprises	235.60	7.15	-	-	242.75
Undisputed dues of creditors other than micro enterprises and small enterprises	25,417.05	3,086.43	240.95	467.40	29,211.83
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
<b>Total</b>	<b>25,652.65</b>	<b>3,093.57</b>	<b>240.95</b>	<b>467.40</b>	<b>29,454.58</b>

**19.2** 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	As at March 31, 2023	As at March 31, 2022
a) Principal amount remaining unpaid	167.04	242.75
b) Interest due thereon	0.50	0.42
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	0.92	0.42
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	0.92	0.42

**20. PROVISIONS**

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Non-current</b>		
Provision for employee benefits		
- Gratuity (Refer note: 40)	1,150.57	996.55
<b>Total non-current provisions</b>	<b>1,150.57</b>	<b>996.55</b>
<b>Current</b>		
Provision for expenses	1,258.26	2,212.59
Provision for employee benefits		
- Gratuity (Refer note: 40)	199.76	183.29
<b>Total current provisions</b>	<b>1,458.02</b>	<b>2,395.88</b>
<b>Total</b>	<b>2,608.59</b>	<b>3,392.43</b>

## Notes forming part of the Financial Statements (Contd.)

### 21. OTHER NON-CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance received from clients	808.62	808.62
Security Deposits	319.13	250.97
<b>Total</b>	<b>1,127.75</b>	<b>1,059.59</b>

### 22. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Mobilisation Advance received from clients - Related Parties (Refer note:45)	14,531.24	1,455.03
Mobilisation Advance received from clients - Others	1,120.99	13,055.78
Advance received from Related party (Refer note:45)	-	5,169.98
Advance received from clients	39.38	-
Due to Customers	14,317.50	34,868.02
Security deposits	919.73	1,962.33
Dues to statutory authorities	6,461.70	2,132.24
Others	602.98	763.83
<b>Total</b>	<b>37,993.52</b>	<b>59,407.21</b>

### 23. CURRENT TAX LIABILITY (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Current</b>		
Provision for Income Tax	18,123.67	17,075.38
Less: Advance tax paid	(16,555.96)	(15,040.86)
<b>Total</b>	<b>1,567.71</b>	<b>2,034.52</b>

### 24. REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Income from Contracts	3,65,712.34	3,22,210.52
Other Operating Income	8,667.28	5,048.65
<b>Total</b>	<b>3,74,379.62</b>	<b>3,27,259.17</b>

## Notes forming part of the Financial Statements (Contd.)

**25. OTHER INCOME**

(₹ in Lakhs)		
Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest Income	166.30	1,270.43
Un winding interest on fair value of Financial Assets	763.70	245.60
Interest on Income tax refunds	33.61	160.30
Gain on foreign currency transactions	2.57	-
<b>Other non-operating income</b>		
Profit on Sale of Asset	212.67	138.13
Discount received from suppliers	672.12	1,049.24
Liabilities no longer required written back	110.89	106.31
Insurance claim received	145.68	173.78
Profit on Sale of Mutual Funds	165.17	110.17
Provision for Doubtful advances/debtors Written back	-	483.93
Miscellaneous Income	936.01	430.38
<b>Total</b>	<b>3,208.72</b>	<b>4,168.27</b>

**26. COST OF MATERIALS CONSUMED**

(₹ in Lakhs)		
Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Construction Materials, Stores &amp; Spares</b>		
Opening Stock	22,703.98	14,798.90
Add: Net Purchases	1,50,177.83	1,25,976.64
	<b>1,72,881.81</b>	<b>1,40,775.54</b>
Less: Closing Stock	23,407.34	22,703.98
<b>Total Consumption</b>	<b>1,49,474.47</b>	<b>1,18,071.56</b>

**27. CONSTRUCTION EXPENSES**

(₹ in Lakhs)		
Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Sub-contract Expenses	33,423.64	34,021.53
Spreading & Assortment Exp.	75,056.17	67,627.59
Power and Fuel	1,148.73	1,506.42
Seigniorage charges / Royalty	3,531.73	3,346.25
Transport Charges	6,043.39	5,616.19
Hire Charges	1,738.46	1,371.14
Watch & Ward	618.50	533.96
Other Recoveries by Clients	395.75	73.59
Repairs to Buildings & Others	217.29	182.67
Repairs to Machinery	417.89	404.18
Repairs to Vehicles	817.30	417.33
Other Construction expenses	5,411.11	5,589.61
<b>Total</b>	<b>1,28,819.96</b>	<b>1,20,690.46</b>



## Notes forming part of the Financial Statements (Contd.)

### 28. EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, Wages and Other Benefits	16,619.54	14,063.79
Contribution to Provident and Other Funds	300.62	253.23
Staff welfare Expenses	179.03	159.99
<b>Total</b>	<b>17,099.19</b>	<b>14,477.01</b>

**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.

### 29. FINANCE COSTS

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Interest Expense on</b>		
Working Capital Demand Loans and Cash Credit	282.87	261.57
Term Loans	363.86	140.00
Interest on Mobilisation Advance	1,140.70	1,082.46
Un winding Interest on Lease liability	31.33	33.24
Interest on Income Tax (Refer Note: 48)	1,195.07	-
Others	126.81	219.71
	<b>3,140.64</b>	<b>1,736.98</b>
<b>Other Borrowing Costs</b>		
Processing Charges	204.92	223.59
BG / LC Charges	472.02	592.69
Bank and Other Financial Charges	108.87	191.08
<b>Total</b>	<b>3,926.45</b>	<b>2,744.34</b>

### 30. DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation & Amortisation	14,298.73	13,195.79
Depreciation & Amortisation - ROU	444.62	263.18
<b>Total</b>	<b>14,743.35</b>	<b>13,458.97</b>

## Notes forming part of the Financial Statements (Contd.)

**31. OTHER EXPENSES**

(₹ in Lakhs)		
Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Travelling & Conveyance	346.87	281.33
Postage & Telegrams and Telephones	69.45	63.80
Business promotion expenses	112.99	14.52
Advertisement and publicity	22.04	9.09
Legal, Professional & Consultancy Charges	1,059.80	993.65
Insurance	925.98	642.12
Rates and taxes excluding taxes of Income	772.21	546.18
Auditor's Remuneration (including out of pocket Expenses)	17.72	16.90
Printing & Stationery	142.87	123.66
Tender expenses	167.83	25.93
Office maintenance	143.53	119.41
Rent expenses	579.64	540.41
Electricity charges	827.35	515.94
Directors Sitting Fees	58.20	42.70
Loss on sale of Assets	84.61	3.44
Bad Debts / Advances Written Off	224.43	361.20
Provision for Doubtful Advances, Receivables and Deposits	-	59.11
Donation	185.74	226.18
Loss on Fair value of Mutual Funds	-	0.04
CSR expenses (Refer note : 31.1)	755.57	813.07
Interest on Statutory dues	32.04	302.74
Loss on Foreign Currency Transactions	-	14.21
Miscellaneous expenses	285.19	530.88
<b>Total</b>	<b>6,814.06</b>	<b>6,246.51</b>

\* Interest on Income Tax dues of ₹ 1060.90 (P.Y. ₹ 228.65) included.

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.

## Notes forming part of the Financial Statements (Contd.)

### 31. OTHER EXPENSES (CONTD.)

(₹ in Lakhs)		
Particulars	Year ended March 31, 2023	Year ended March 31, 2022
a) Amount required to be spent by the Company during the year	847.11	651.16
b) Amount of expenditure incurred	755.57	813.07
c) Shortfall /(Excess) at the end of the year	91.54	(161.91)
d) Total of previous year's shortfall/(Excess)	196.79	105.25
e) Reason for shortfall	The Shortfall is Due to Ongoing Projects and the said amount is transferred to unspent account as per the provisions of Companies Act	
f) Nature of CSR activities		
1. Construction / acquisition of any assets	249.49	298.45
2. On Purposes other than (1) above	506.08	514.62
g) Details of related party transactions	Nil	Nil
h) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.	Since no provision is made for short fall the amount is shown as Nil	Since no provision is made for short fall the amount is shown as Nil

### 32. EXCEPTIONAL ITEMS

(₹ in Lakhs)		
Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Loss/(Profit) on Sale of Investments (Refer note : 49 & 50)	(13,796.61)	(2,139.95)
<b>Total</b>	<b>(13,796.61)</b>	<b>(2,139.95)</b>

### 33. TAX EXPENSE (REFER NOTE : 33.1)

(₹ in Lakhs)		
Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>A - Current Tax</b>		
Current tax on profits for the year	18,052.54	15,304.10
Adjustments in respect of prior years*	3,139.40	1,146.10
<b>Sub-Total</b>	<b>21,191.94</b>	<b>16,450.20</b>
<b>B - Deferred Tax</b>		
Deferred Tax Liability / (Asset) due to timing difference	(567.79)	3,248.70
<b>Sub-Total</b>	<b>(567.79)</b>	<b>3,248.70</b>
<b>Total</b>	<b>20,624.15</b>	<b>19,698.90</b>

## Notes forming part of the Financial Statements (Contd.)

### 33. TAX EXPENSE (REFER NOTE : 33.1) (CONTD.)

#### 33.1 Reconciliation of tax expenses to accounting profit

(₹ in Lakhs)		
Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Accounting profit before tax	70,507.47	57,878.54
Tax @ 25.168% (PY 25.168%)	<b>17,745.32</b>	<b>14,566.87</b>
<b>Adjustments</b>		
Effect of income exempt from taxation	(518.44)	(166.51)
Effect of expenses that are not deductible in determining taxable profit	(2,735.49)	636.69
Others	772.86	239.32
Short term capital gain on Mutual funds and Long Term Capital gains on lands	41.57	27.73
Long term capital gain on sale of investments	2,746.72	-
Earlier year taxes	3,139.40	1,146.10
Deferred tax	(567.79)	3,248.70
<b>Tax Expenses recognised in the statement of profit and loss</b>	<b>20,624.15</b>	<b>19,698.90</b>
<b>Income tax credit/(expense) recognised in Other Comprehensive Income :</b>		
Tax effect on actuarial gains/losses on defined benefit obligations	(16.94)	21.11

\* The Government of India, vide Taxation Laws (Amendment) Ordinance, 2019 dated September 20, 2019, introduced section 115 BAA in the Income Tax Act, 1961, providing domestic companies an irrevocable option to adopt reduced corporate tax rate, subject to certain conditions. The Company has decided to adopt reduced corporate tax rate from 2020-21.

### 34. OTHER COMPREHENSIVE INCOME

(₹ in Lakhs)		
Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Items that will not be reclassified to profit or loss</b>		
i) Actuarial Gains & (Losses) on plan benefits	67.29	(83.87)
ii) Deferred Tax on above	(16.94)	21.11
<b>Total</b>	<b>50.35</b>	<b>(62.76)</b>

### 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.

## Notes forming part of the Financial Statements (Contd.)

### 35. CAPITAL MANAGEMENT (CONTD.)

The Company's adjusted net debt to equity ratio at March 31, 2023 and March 31, 2022 was as follows

Particulars	(₹ in Lakhs)	
	March 31, 2023	March 31, 2022
Total debt	25.45	-
Less: cash and cash equivalents	19,984.95	17,330.42
<b>Adjusted net debt</b>	<b>(19,959.50)</b>	<b>(17,330.42)</b>
Total equity	2,73,427.52	2,24,196.94
<b>Adjusted equity</b>	<b>2,73,427.52</b>	<b>2,24,196.94</b>
<b>Adjusted net debt to adjusted equity ratio</b>	<b>(0.07)</b>	<b>(0.08)</b>

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.

As at March 31, 2023

(₹ in Lakhs)

Particulars	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 un observable inputs)	Total
<b>Financial assets</b>							
Investments in Associates	-	19,745.71	19,745.71	-	-	19,745.71	19,745.71
Investments in Associates held for sale	-	-	-	-	-	-	-
Other Investments	-	32,693.16	32,693.16	-	-	32,693.16	32,693.16
Trade receivables	-	1,01,297.38	1,01,297.38	-	-	1,01,297.38	1,01,297.38
Cash and cash equivalents	-	19,984.95	19,984.95	-	-	-	-
Loans	-	340.48	340.48	-	-	340.48	340.48
Other financial assets	-	40,543.30	40,543.30	-	-	40,543.30	40,543.30
	-	<b>2,14,604.98</b>	<b>2,14,604.98</b>	-	-	<b>1,94,620.03</b>	<b>1,94,620.03</b>
<b>Financial liabilities</b>							
Secured Bank loans	-	25.45	25.45	-	-	25.45	25.45
Trade payables	-	37,604.08	37,604.08	-	-	37,604.08	37,604.08
Lease Liability	-	566.07	566.07	-	-	566.07	566.07
Other financial liabilities	-	15,041.80	15,041.80	-	-	15,041.80	15,041.80
	-	<b>53,237.40</b>	<b>53,237.40</b>	-	-	<b>53,237.40</b>	<b>53,237.40</b>

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, 2022

(₹ in Lakhs)

Particulars	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 un observable inputs)	Total
<b>Financial assets</b>							
Investments in Associates	-	8,505.71	8,505.71	-	-	8,505.71	8,505.71
Investments in Associates held for sale	-	14,130.70	14,130.70	-	-	14,130.70	14,130.70
Other Investments	9.53	25,629.79	25,639.32	9.53	-	25,629.79	25,639.32
Trade receivables	-	84,939.34	84,939.34	-	-	84,939.34	84,939.34
Cash and cash equivalents	-	17,330.42	17,330.42	-	-	-	-
Loans	-	1,322.40	1,322.40	-	-	1,322.40	1,322.40
Other financial assets	-	32,434.91	32,434.91	-	-	32,434.91	32,434.91
	<b>9.53</b>	<b>1,84,293.27</b>	<b>1,84,302.80</b>	<b>9.53</b>	<b>-</b>	<b>1,66,962.85</b>	<b>1,66,972.38</b>
<b>Financial liabilities</b>							
Trade payables	-	29,454.58	29,454.58	-	-	29,454.58	29,454.58
Lease Liability	-	641.48	641.48	-	-	641.48	641.48
Other financial liabilities	-	12,759.00	12,759.00	-	-	12,759.00	12,759.00
	<b>-</b>	<b>42,855.06</b>	<b>42,855.06</b>	<b>-</b>	<b>-</b>	<b>42,855.06</b>	<b>42,855.06</b>

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.

**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

## Notes forming part of the Financial Statements (Contd.)

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

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 on March 31, 2023

(₹ in Lakhs)

Particulars	Contractual Cash flows				Total
	Carrying Amount	Upto 1 year	1 to 3 Years	More than 3 years	
<b>Non-derivative financial liabilities</b>					
Secured Bank loans	25.45	25.45	-	-	25.45
Trade payables	37,604.08	32,987.94	2,012.35	2,603.79	37,604.08
Lease Liability	566.07	249.76	316.31		566.07
Other financial liabilities	15,041.80	2,256.27	5,918.61	6,866.92	15,041.80
<b>Total</b>	<b>53,237.40</b>	<b>35,519.42</b>	<b>8,247.27</b>	<b>9,470.71</b>	<b>53,237.40</b>

As on March 31, 2022

(₹ in Lakhs)

Particulars	Contractual Cash flows				Total
	Carrying Amount	Upto 1 year	1 to 3 Years	More than 3 years	
<b>Non-derivative financial liabilities</b>					
Trade payables	29,454.58	25,652.65	3,334.53	467.40	29,454.58
Lease Liability	641.48	208.65	341.28	91.55	641.48
Other financial liabilities	12,759.00	1,913.85	4,917.15	5,928.00	12,759.00
	<b>42,855.06</b>	<b>27,775.15</b>	<b>8,592.95</b>	<b>6,486.96</b>	<b>42,855.06</b>

#### 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.

##### 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.

## Notes forming part of the Financial Statements (Contd.)

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

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

Particulars	Note	March 31, 2023	March 31, 2022
Investments in Mutual Funds	4	-	9.53

**Sensitivity analysis** (₹ in Lakhs)

Price Rate Risk Analysis	Impact on profit/ loss after tax	
	Year Ended March 31, 2023	Year Ended March 31, 2022
Increase or decrease in NAV by 2%	-	0.19

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

### 37. CONTINGENT LIABILITY, COMMITMENTS AND CONTINGENT ASSETS

(₹ in Lakhs)

Particulars	As at	
	March 31, 2023	March 31, 2022
<b>i) Contingent Liabilities</b>		
<b>a) Claims against the Company not acknowledged as debt #</b>		
1. Disputed Income tax and Interest on TDS	17,994.95	11,482.50*
2. Disputed Sales tax/ VAT/ Entry tax/GST	1,312.60	3,032.05
3. Disputed Service tax	607.05	303.53
4. Disputed Customs duty	1,509.52	1,509.52
5. Others (Civil cases)	1,341.69	1,341.69
<b>b) Guarantees</b>		
Corporate guarantees given to banks and financial institutions for financial assistance extended to Subsidiaries, Associates and Joint Ventures	-	
<b>c) Other money for which the Company is contingently liable</b>		
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
<b>Total</b>	<b>22,765.82</b>	<b>17,669.86</b>

\* 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 ₹ 4,422.19 Lakhs, for the A.Y 2006-07 to 2012-13 and A.Y 2014-15 the department has filed appeals against ITAT orders at the High Court of Judicature at Hyderabad for the State of Telangana.

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

<b>ii) Commitments</b>		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for	215.87	64.75
b) Other commitments		
Estimated amount of committed funding by way of equity/loans to subsidiary companies	43,651.39	57,815.52
<b>Total</b>	<b>43,867.26</b>	<b>57,880.27</b>
<b>iii) Contingent Assets</b>		
Arbitration claims awarded, but client not accepted	51,356.41	49,669.41



## Notes forming part of the Financial Statements (Contd.)

### 38. REMUNERATION PAID TO THE STATUTORY AUDITORS

	(₹ in Lakhs)	
	2022-23	2021-22
Statutory Audit Fees	14.00	14.00
Other services (including Out of pocket expenses)	3.72	2.90

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

	(₹ in Lakhs)	
	2022-23	2021-22
i. Profit (loss) attributable to equity shareholders(basic)	49,883.32	38,179.64
ii. Weighted average number of equity shares (basic)	2,812.35	2,812.35
<b>Basic EPS</b>	<b>17.74</b>	<b>13.58</b>
i. Profit (loss) attributable to equity shareholders(diluted)	49,883.32	38,179.64
ii. Weighted average number of equity shares (diluted)	2,812.35	2,812.35
<b>Diluted EPS</b>	<b>17.74</b>	<b>13.58</b>

### 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 ₹ 297.08 Lakhs (PY 2021-22 is ₹ 233.93 Lakhs).

#### Changes in the Present Value of Obligation

	(₹ in Lakhs)	
	March 31, 2023	March 31, 2022
Present value of obligations as at beginning of the year	1,347.33	1,051.31
Interest cost	81.55	59.02
Current Service cost	164.96	160.90
Benefits paid		(6.38)
Actuarial (gain)/loss on obligations		
- Due to change in financial obligations	(62.36)	(33.57)
- Due to change in demographic assumption	11.32	-
- Due to experience adjustments	(12.89)	116.05
Past service cost	-	-
Present value of obligations as at end of year	<b>1,529.91</b>	<b>1,347.33</b>

## Notes forming part of the Financial Statements (Contd.)

### 40. EMPLOYEE BENEFITS (CONTD.)

#### Changes in Fair value of plan assets

	(₹ in Lakhs)	
	March 31, 2023	March 31, 2022
Fair value of plan assets at beginning of the year	167.49	24.80
Interest Income	8.64	3.00
Expected return on plan assets	3.36	(1.39)
Contributions	0.09	144.58
Benefits paid	-	(3.50)
Actuarial gain/(loss) on obligation	-	-
Fair value of plan assets at the end of year	<b>179.58</b>	<b>167.49</b>

#### Assets recognised in the Balance Sheet

	(₹ in Lakhs)	
	March 31, 2023	March 31, 2022
Liability at the end of the period / year	1,529.91	1,347.33
Fair value of plan assets at the end of the period /year	(179.58)	(167.49)
Amount to be recognised in Balance Sheet	1,350.33	1,179.84

#### Expenses recognised in the Statement of Profit & Loss

	(₹ in Lakhs)	
	March 31, 2023	March 31, 2022
Current service cost	164.96	160.90
Interest cost	72.91	56.01
Net Actuarial (gain)/loss recognised in the year	-	-
Expenses recognised in statement of profit and loss	<b>237.87</b>	<b>216.91</b>

#### Amount recognised in statement of other comprehensive income (OCI)

	(₹ in Lakhs)	
	March 31, 2023	March 31, 2022
Opening amount recognised in OCI	83.87	35.88
Remeasurement for the period - Obligation (gain)/loss	(67.29)	83.87
Remeasurement for the period - plan assets (gain)/loss	-	-
Total Remeasurement cost / (credit) for the period recognised in OCI	(67.29)	83.87
Closing amount recognised in OCI	(67.29)	83.87

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

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
<b>Assumptions</b>		
Discount Rate	7.35%	6.75%
Salary Escalation	7.00%	7.00%
Average future working life time	22.28 years	22.62 years
Attrition rate	10%	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)

	March 31, 2023	March 31, 2022
1%/1% increase		
i. Discount rate	1,443.19	1,278.42
ii. Salary escalation rate- over a long-term	1,628.03	1,417.29
iii. Attrition rate	1,529.96	1,346.68
1%/1% decrease		
i. Discount rate	1,628.03	1,424.32
ii. Salary escalation rate- over a long-term	1,447.46	1,282.32
iii. Attrition rate	1,529.84	1,347.97

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, 2023	March 31, 2022	March 31, 2023	March 31, 2022
<b>A</b>	<b>Subsidiaries</b>				
1	KNR Agrotech & Beverages Private Limited	126.75	186.05	192.90	751.62
2	KNR Energy Limited	147.34	147.08	147.34	537.39
3	KNRC Holdings and Investments Private Limited	268.22	249.74	315.38	530.02
4	Patel KNR Heavy Infrastructures Limited	27.48	5.00	27.48	15.76
5	KNR Muzaffarpur Barauni Tollway Private Limited	3,279.76	2,507.48	3,279.76	2,507.48
6	KNR Infrastructure Projects Private Limited	11.09	10.83	11.09	10.83
7	KNR Muzaffarpur Holdings Private Limited	14.65	14.04	14.65	14.04
8	KNR Srirangam Infra Private Limited*	528.78	1,092.65	5,353.22	1,562.54
9	KNR Tirumala Infra Private Limited#	-	842.88	842.88	987.54

## 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, 2023	March 31, 2022	March 31, 2023	March 31, 2022
10	KNR Shankarampet Project Private Limited#	86.20	476.49	1,694.44	753.65
11	KNR Somwarpet Infra Project Private Limited	1.20	0.77	86.03	0.77
12	KNR Palani Infra Private Limited	455.16	6.86	455.16	6.86
13	Patel KNR Infrastructure Limited	0.04	0.04	0.04	2.66
14	KNR Guruvayur Infra Private Limited	93.06	0.01	93.06	855.09
15	KNR Ramanattukara Infra Private Limited	175.02	951.94	1,189.33	951.94
16	KNR Ramagiri Infra Private Limited	437.16	323.15	437.16	323.15
17	Benedire Infrastructures and Developers LLP	0.10	-	0.10	-
18	Manjeri City Infrac. and Developers LLP	0.79	-	0.79	-
<b>B</b>	<b>Loans and Advances where there is no repayment schedule</b>				
1	KNR Agrotech & Beverages Private Limited	126.75	186.05	192.89	751.62
2	KNR Energy Limited	147.34	147.08	147.34	537.39
3	KNRC Holdings and Investments Private Limited	268.22	249.74	315.38	530.02
4	Patel KNR Heavy Infrastructures Limited	27.48	5.00	27.48	15.76
5	KNR Muzaffarpur Barauni Tollway Private Limited	3,279.76	2,507.48	3,279.76	2,507.48
6	KNR Infrastructure Projects Private Limited	11.09	10.83	11.09	10.83
7	KNR Muzaffarpur Holdings Private Limited	14.65	14.04	14.65	14.04
8	KNR Srirangam Infra Private Limited*	528.78	1,092.65	5,353.22	1,562.54
9	KNR Tirumala Infra Private Limited#	-	842.88	842.88	987.54
10	KNR Shankarampet Project Private Limited#	86.20	476.49	1,694.44	753.65
11	KNR Somwarpet Infra Project Private Limited	1.20	0.77	86.03	0.77
12	KNR Palani Infra Private Limited	455.16	6.86	455.16	6.86
13	Patel KNR Infrastructure Limited	0.04	0.04	0.04	2.66
14	KNR Guruvayur Infra Private Limited	93.06	0.01	93.06	855.09
15	KNR Ramanattukara Infra Private Limited	175.02	951.94	1,189.33	951.94
16	KNR Ramagiri Infra Private Limited	437.16	323.15	437.16	323.15
17	Benedire Infrastructures and Developers LLP	0.10	-	0.10	-
18	Manjeri City Infrac. and Developers LLP	0.79	-	0.79	-
<b>C</b>	<b>Loans to firms / Companies in which directors are interested</b>	Nil	Nil	Nil	Nil

\* Ceased to be Subsidiary with effect from October 14, 2022

# Ceased to be Subsidiary with effect from October 20, 2022

## Notes forming part of the Financial Statements (Contd.)

### 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, 2023	March 31, 2022	
Receivables	1,01,297.38	84,939.34	
Contract Assets	68,672.32	44,129.52	
Contract Liabilities	29,969.73	49,378.83	

### 43. VALUE OF IMPORTS CALCULATED ON CIF BASIS

		(₹ in Lakhs)	
S No.	Particulars	March 31, 2023	March 31, 2022
a	Material Purchases	Nil	Nil
b	Stores & Spares	30.90	Nil
c	Capital goods	140.17	593.20

### 44. EXPENDITURE/REMITTANCE IN FOREIGN CURRENCY

		(₹ in Lakhs)	
S No.	Particulars	March 31, 2023	March 31, 2022
a	On account of Travel/Other expenses (including boarding & lodging expenses)	Nil	Nil

### 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 Private Limited	8	KNR Palani Infra Private Limited
2	KNR Infrastructure Projects Private Limited	9	KNRC Holdings and Investment Private Limited
3	KNR Energy Limited	10	KNR Guruvayur Infra Private Limited
4	KNR Srirangam Infra Private Limited *	11	KNR Ramanattukara Infra Private Limited
5	KNR Tirumala Infra Private Limited#	12	KNR Ramagiri Infra Private Limited
6	KNR Shankarampet Projects Private Limited#	13	Manjeri City Infrastructures and Developers LLP @
7	KNR Somwarpet Infra Project Private Limited	14	Benedire Infrastructures and Developers LLP @

\* Ceased to be Subsidiary with effect from October 14, 2022

# Ceased to be Subsidiary with effect from October 20, 2022

@ The Company has acquired LLP's on January 31, 2022.

## 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.)**
**(ii) Step-down Subsidiaries :**

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

**(iii) Associate Companies :**

1. Patel KNR Infrastructures Limited
2. Patel KNR Heavy Infrastructures Limited

**(iv) Joint Venture :**

1. SEL-KNR-JV (At Bangladesh)

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

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

**(vi) Relatives of KMPs :**

1	Shri. M.Rajesh Reddy	Son-in-law of Shri K.Narsimha Reddy
2	Shri. V.Krishna Reddy	Brother of Smt. K.Yashoda
3	Kamidi Reality Private Limited	Company in which Directors are Interested

**(vii) Other Related parties :**

1	KNR Constructions Limited Employees group gratuity fund	Post employment benefit plan
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## 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.)

#### (b) Disclosure of related party transactions :

(Rupees in Lakhs, except share data)

Sl. No.	Particulars	Subsidiaries (including Step-down subsidiaries)		Associates		Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
1	Work contract receipts received	1,26,280.86	1,12,947.62	1,946.94	3,347.49	-	-	-	-	-	-
2	Interest Income on Inter corporate loans	16.58	15.24	-	-	-	-	-	-	-	-
3	Sale of Movable Assets	129.82	-	-	-	-	-	-	-	-	-
4	Interest paid on Mob.Adv. Received	268.90	7.26	-	-	-	-	-	-	-	-
5	Other Expenses	23.32	114.97	-	-	-	-	-	-	-	-
6	Inter corporate Loans given/ (recovered)	(169.58)	145.58	-	-	-	-	-	-	-	-
7	Investment in Equity Shares	11,240.00	1,542.50	-	-	-	-	-	-	-	-
8	Sale /Redemption of investments equity shares	11,122.25	6,063.25	-	-	-	-	-	-	-	-
9	Investment (Equity Nature)	7,079.32	16,639.53	-	-	-	-	-	-	-	-
10	Sale/ Redemption of investments (Equity Nature)	3,024.41	16,530.50	-	-	-	-	-	-	-	-
11	Investment in LLP	-	3,695.17	-	-	-	-	-	-	-	-
12	Mobilisation advance received / (recovered)	13,887.01	(338.37)	-	(122.71)	-	-	-	-	-	-
13	Re-imbursment of expenditure incurred/(Recovered)	772.28	1,771.01	22.48	4.46	-	-	(2.05)	1.93	-	-
14	Advance paid/(recovered)	(2,418.93)	3,395.43	-	-	-	-	-	-	-	-
15	Retention deposit & Withheld deducted/(released)	95.08	-	-	-	-	-	-	-	-	-
16	Advance received against sale of property rights /(Property sold)	-	-	-	-	-	-	(5,169.98)	5,169.98	-	-
17	Short Term Employee Benefits	-	-	-	-	-	-	2,934.08	1,378.25	-	-
18	Post-employment Benefits *	-	-	-	-	-	-	33.08	33.08	-	-
19	Other Long-term Benefits	-	-	-	-	-	-	-	-	-	-
20	Termination Benefits	-	-	-	-	-	-	-	-	-	-
21	Share based payment	-	-	-	-	-	-	-	-	-	-
22	Dividend paid	-	-	-	-	-	-	359.24	361.94	-	-
23	Land lease rent paid	375.00	-	-	-	-	-	39.18	17.29	-	-
24	Office rent paid	-	-	-	-	-	-	12.40	11.86	-	-
25	Directors sitting fee paid	-	-	-	-	-	-	58.20	42.70	-	-
26	Contribution to Post-employment Benefit Plans	-	-	-	-	-	-	-	-	6.00	152.89







## 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.)**

(Rupees in Lakhs, except share data)

Sl. No.	Particulars	Subsidiaries (including Step-down subsidiaries)		Associates		Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
<b>6</b>	<b>Inter corporate Loans given/ (recovered)</b>										
	KNR Tirumala Infra Private Limited	(145.58)	-	-	-	-	-	-	-	-	-
	KNR Shankarampet Project Private Limited	(24.00)	-	-	-	-	-	-	-	-	-
<b>7</b>	<b>Investment in Equity Shares</b>										
	KNR Ramanattukara Infra Private Limited	11,240.00	-	-	-	-	-	-	-	-	-
	KNR Somwarpet Infra Project Private Limited	-	1,512.50	-	-	-	-	-	-	-	-
<b>8</b>	<b>Sale /Redemption of investments in equity</b>										
	KNR Tirumala Infra Private Limited	3,652.88	3,509.62	-	-	-	-	-	-	-	-
	KNR Shankarampet Project Private Limited	2,657.87	2,553.63	-	-	-	-	-	-	-	-
	KNR Srirangam Infra Private Limited	4,811.50	-	-	-	-	-	-	-	-	-
<b>9</b>	<b>Investment (Equity Nature)</b>										
	KNR Tirumala Infra Private Limited	-	4,080.00	-	-	-	-	-	-	-	-
	KNR Shankarampet Project Private Limited	-	3,382.00	-	-	-	-	-	-	-	-
	KNR Somwarpet Infra Project Private Limited	759.00	4,688.50	-	-	-	-	-	-	-	-
	KNRC Holdings and Investments Private Limited	4,234.86	-	-	-	-	-	-	-	-	-
	KNR Palani Infra Private Limited	1,140.50	-	-	-	-	-	-	-	-	-
<b>10</b>	<b>Sale /Redemption of investments (Equity nature)</b>										
	KNR Tirumala Infra Private Limited	-	9,061.00	-	-	-	-	-	-	-	-
	KNR Shankarampet Project Private Limited	-	7,469.50	-	-	-	-	-	-	-	-
	KNR Srirangam Infra Private Limited	3,024.41	-	-	-	-	-	-	-	-	-
<b>11</b>	<b>Investment in LLP</b>										
	Benedire Infrastructures and Developers LLP	-	405.00	-	-	-	-	-	-	-	-
	Manjeri City Infrastructures and Developers LLP	-	3,290.17	-	-	-	-	-	-	-	-
<b>12</b>	<b>Mobilisation advance received/(recovered)</b>										
	KNR Srirangam Infra Private Limited	-	(71.91)	-	-	-	-	-	-	-	-
	KNR Shankarampet Project Private Limited	-	(266.46)	-	-	-	-	-	-	-	-
	KNR Ramanattukara Infra Private Limited	12,696.64	-	-	-	-	-	-	-	-	-
	KNR Somwarpet Infra Project Private Limited	1,834.59	-	-	-	-	-	-	-	-	-
	Patel Knr Heavy Infrastructure Limited	-	-	-	(122.71)	-	-	-	-	-	-

## 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.)

(Rupees in Lakhs, except share data)

Sl. No.	Particulars	Subsidiaries (including Step-down subsidiaries)		Associates		Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
<b>13</b>	<b>Re-imbursment of expenditure incurred/ (Recovered)</b>										
	KNR Muzaffarpur Barauni Tollways Private Limited	772.28	1,771.01	-	-	-	-	-	-	-	-
<b>14</b>	<b>Advance paid/(recovered)</b>										
	KNR Srirangam Infra Private Limited	(1,092.66)	970.97	-	-	-	-	-	-	-	-
	KNR Tirumala Infra Private Limited	(697.30)	697.30	-	-	-	-	-	-	-	-
	KNR Shankarampet Project Private Limited	(452.48)	452.19	-	-	-	-	-	-	-	-
	KNR Ramanattukara Infra Private Limited	(776.91)	951.94	-	-	-	-	-	-	-	-
	KNR Palani Infra Private Limited	448.31	-	-	-	-	-	-	-	-	-
<b>15</b>	<b>Retention deposit &amp; Withheld deducted/(released)</b>										
	KNR Palani Infra Private Limited	101.36	-	-	-	-	-	-	-	-	-
	KNR Somwarpet Infra Project Private Limited	107.89	-	-	-	-	-	-	-	-	-
<b>16</b>	<b>Advance received against sale of property rights / (Property sold)</b>										
	Kamidi Reality Private Limited	-	-	-	-	-	-	(5,169.98)	5,169.98	-	-
<b>17</b>	<b>Short Term Employee Benefits</b>										
	K.Narsimha Reddy	-	-	-	-	-	-	1,710.00	780.00	-	-
	K.Jalandhar Reddy	-	-	-	-	-	-	1,170.00	540.00	-	-
<b>18</b>	<b>Post-employment Benefits *</b>										
	K.Jalandhar Reddy	-	-	-	-	-	-	32.40	32.40	-	-
<b>19</b>	<b>Dividend paid</b>										
	K.Narsimha Reddy	-	-	-	-	-	-	226.05	225.00	-	-
	K.Jalandhar Reddy	-	-	-	-	-	-	94.40	94.40	-	-
<b>20</b>	<b>Land lease rent paid</b>										
	KNRC Holdings and Investments Private Limited	150.00	-	-	-	-	-	-	-	-	-
	Manjeri City Infrastructures and Developers LLP	225.00	-	-	-	-	-	-	-	-	-
	K.Jalandhar Reddy	-	-	-	-	-	-	-	17.29	-	-
<b>21</b>	<b>Office rent paid</b>										
	K.Jalandhar Reddy	-	-	-	-	-	-	12.40	11.86	-	-
<b>22</b>	<b>Directors sitting fee paid</b>										
	K.Yashoda	-	-	-	-	-	-	-	5.00	-	-
	B.V.Rama Rao	-	-	-	-	-	-	20.40	14.90	-	-
	L.B.Reddy	-	-	-	-	-	-	20.40	14.90	-	-
	G.C. Rekha	-	-	-	-	-	-	12.40	7.90	-	-
<b>23</b>	<b>Contribution to Post-employment Benefit Plans</b>										
	KNR Constructions Limited Employees group gratuity fund	-	-	-	-	-	-	-	-	6.00	152.89

\* 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.

## 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.)**
**(e) Disclosure in respect of commitments (Equity/Capital Commitment) with related parties as on March 31, 2023:**

(₹ in Lakhs)

Sl. No.	Particulars	Subsidiaries		Associates		Joint Ventures	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
1	KNR Srirangam Infra Private Limited*	-	106.73	-	-	-	-
2	KNR Somwarpet Infraproject Private Limited	2,103.60	2,862.50	-	-	-	-
3	KNR Palani Infra Private Limited	1,605.79	2,746.29	-	-	-	-
4	KNR Guruvayur Infra Private Limited	19,523.00	20,005.00	-	-	-	-
5	KNR Ramanattukara Infra Private Limited	10,814.00	22,490.00	-	-	-	-
6	KNR Ramagiri Infra Private Limited	9,605.00	9,605.00	-	-	-	-
	<b>Total</b>	<b>43,651.39</b>	<b>57,815.52</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**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	Interest	Total
<b>Opening Balance</b>	-	372.62	<b>372.62</b>
Interest/Dividend Accrued during the year	-	3,926.45	<b>3,926.45</b>
<b>Cash flows</b>			
Received	25,025.45	-	<b>25,025.45</b>
Repayment	(25,000.00)	-	<b>(25,000.00)</b>
Interest paid	-	(4,024.81)	<b>(4,024.81)</b>
<b>Non-Cash items</b>			
Impact of Unwinding Interest	-	(31.33)	<b>(31.33)</b>
<b>Closing Balance</b>	<b>25.45</b>	<b>242.93</b>	<b>268.38</b>

**47. SEGMENT INFORMATION**

The Company's operations predominantly consist of "Construction and Engineering activities". Hence there are no reportable segments. 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 and the segment report is reviewed by Chief Operating Decision Maker, accordingly the Company has considered the business as a whole as a single Operating Segment in accordance with Ind AS 108.

**48.** With respect to the search operation conducted by the Income Tax Department under Section 132 of the Income-tax Act, 1961 in March 2022, we further disclose that as on the date of issuance of these financial results, the Assessing Officer has initiated the proceedings for re assessment of income, as is relevant for each of the financial years from 2016-17 to 2021-22 under the applicable provisions of the Income tax Act, 1961 and further based on the deliberations with the Assessing Officer and as a prudent measure, the Company has made a provision of ₹ 2,475.26 Lakhs towards Income tax and ₹ 945.12 Lakhs towards interest on Income Tax for the above said years, which has been duly reflected in the Standalone Profit and Loss under the head "tax relating to earlier years" and "finance cost" respectively for the year ended March 31 2023.

## Notes forming part of the Financial Statements (Contd.)

- 49.** During the year ended March 31, 2023, the Company has divested its balance 51% stake in KNR Tirumala Infra Private Limited and KNR Shankarampet Projects Private Limited on October 20, 2022 for a value of ₹ 8,218.54 Lakhs and ₹ 5,069.53 Lakhs respectively, and 100% stake in KNR Srirangam Infra Private Limited on October 14, 2022 for a value of ₹ 14,655.20 Lakhs, which includes repayment of 100% sub debt infused by the Company of ₹ 3,024.41 Lakhs to CUBE Highways and Infrastructure III Pte. Limited, accordingly profit of ₹ 13,796.61 Lakhs were shown as exceptional item and tax of ₹ 2,746.72 Lakhs on above profit under Current tax in the Statement of Standalone Profit and Loss.
- 50.** During the year ended March 31, 2022 the Company has transferred its 49% stake in two of its 100% wholly owned subsidiaries i.e. KNR Tirumala Infra Private Limited and KNR Shankarampet Projects Private Limited, to CUBE Highways and Infrastructure III pte. Limited on December 30, 2021 for a value of ₹ 13,680.97 Lakhs and ₹ 10,851.23 Lakhs respectively, which includes repayment of 100% sub debt infused by the Company of ₹ 8,859.50 Lakhs and ₹ 7,469.50 Lakhs respectively, accordingly profit of ₹ 2,139.95 Lakhs was shown as exceptional item in the Statement of Standalone Profit and Loss.
- 51.** For the year ended March 31, 2023, two of Company's JOs i.e. Patel KNR JV & KNR Patel JV have sold their pending Arbitration claims through assignment deed, accordingly the Company has recognised share of revenue of ₹ 2,409.00 Lakhs and ₹ 52.00 Lakhs respectively and also the resultant tax impact of ₹ 770.78 Lakhs and ₹ 19.68 Lakhs respectively in the statement of Standalone profit and loss.
- 52.** For the year ended March 31, 2023, the Company has received a bonus of ₹ 725.86 Lakhs from one of the HAM Project i.e. KNR Tirumala Infra Private Limited for early Completion of the Project, which is included in the statement of Standalone profit and loss.
- 53.** During the year ended March 31, 2022, the Company has received an arbitration settlement in one of the Joint Venture project, the Company's share of Revenue of ₹ 323.63 Lakhs and Company's share of Interest Income of ₹ 759.90 Lakhs included in statement of Standalone Profit and Loss.
- 54.** There have been no events after the reporting date that require disclosure in the financial statements
- 55.** Contribution to political parties during the 2022-23 is ₹ Nil (for 2021-22 is ₹ Nil)
- 56.** The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- 57.** The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period
- 58.** The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- 59.** The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- 60.** The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

## Notes forming part of the Financial Statements (Contd.)

**61.** The Company has no Loans or Advances in the nature of Loans to specified persons that are Repayable on Demand or without specifying any terms or period of repayment.

**62.** The Company had no transactions with Companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 during the year.

### **63. DISCLOSURE IN ACCORDANCE WITH IND AS -116**

The Company recognised in the Statement of Profit and Loss

	(₹ in Lakhs)	
<b>Particulars</b>	<b>2022-23</b>	<b>2021-22</b>
Depreciation Charge on ROU Asset	444.62	263.18
Interest Expense on Lease Liabilities	31.33	33.24

The Company recognised following lease assets and liabilities in the Balance sheet.

	(₹ in Lakhs)	
<b>Particulars</b>	<b>2022-23</b>	<b>2021-22</b>
Carrying Amount of ROU Assets	691.92	930.72
Lease liability	566.07	641.48

## Notes forming part of the Financial Statements (Contd.)

## 64. KEY FINANCIAL RATIOS:

Ratio	Numerator	Denominator	As at March 31, 2023		As at March 31, 2022		Variation	Reason for variance		
			Numerator's Value	Denominator's Value	Ratio	Numerator's Value			Denominator's Value	Ratio
Current ratio	Current Assets	Current Liabilities	2,40,976	93,691	2.57	215,425	106,049	2.03	26.62%	Due to Increase in Trade Receivables for the current 2022-23.
Debt- Equity Ratio	Total Debt	Net Worth	25	2,73,428	0.00	-	224,197	-	0.00%	The Company doesn't have any outstanding debt as on 31.03.2023
Debt Service Coverage ratio	Earnings available for debt service	Debt Service	89,177	29,025	3.07	74,082	13,196	5.61	(45.27)%	
Return on Equity ratio	Net Profits after taxes - Preference Dividend	Average Shareholder's Equity	49,883	2,48,812	0.20	38,180	205,490	0.19	7.91%	Due to Increase in profit for the current 2022-23
Inventory Turnover ratio	Net Credit Purchases	Average Inventory	3,74,380	23,056	16.24	327,259	18,751	17.45	(6.96)%	
Trade Receivable Turnover Ratio	Cost of goods sold OR sales	Average Trade Receivable	3,74,380	93,118	4.02	327,259	85,630	3.82	5.20%	
Trade Payable Turnover Ratio	Net Sales	Average Trade Payables	3,74,380	33,529	11.17	327,259	26,713	12.25	(8.86)%	
Net Capital Turnover Ratio	Net Sales	Working Capital	3,74,380	1,47,286	2.54	327,259	109,376	2.99	(15.05)%	Due to Increase in Turnover for the current 2022-23
Net Profit ratio	Net Profit	Net sales	49,883	3,74,380	0.13	38,180	327,259	0.12	14.21%	Due to Increase in profit for the current 2022-23
Return on Capital Employed	Earnings before interest and taxes	Capital Employed	7,434	2,73,428	0.27	60,623	224,197	0.27	0.67%	

## Notes forming part of the Financial Statements (Contd.)

**65. ALL PROPERTY, PLANT AND EQUIPMENT ARE HELD IN THE NAME OF THE COMPANY, EXCEPT FOLLOWING: (CONTD.)**

Relevant line item in the Balance Sheet	Description of Property	Gross Carrying Value	Title Deeds held in the name of	Whether title deed holder promoter, director or their relative of promoter /director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the Company
Investment Property	Land	3,885,189	Shri K.Narsimha Reddy	Promoter and Managing Director	April 20, 2005	Due to regulatory restrictions in the respective state
Property, Plant and Equipment	Land	536,555	Shri K.Narsimha Reddy	Promoter and Managing Director	October 20, 2016	
Property, Plant and Equipment	Land	4,449,615	Shri K.Narsimha Reddy	Promoter and Managing Director	October 24, 2016	
Property, Plant and Equipment	Land	265,625	Shri K.Narsimha Reddy	Promoter and Managing Director	October 24, 2016	
Property, Plant and Equipment	Land	757,395	Shri K.Narsimha Reddy	Promoter and Managing Director	October 20, 2016	
Investment Property	Land	1,334,965	Shri K.Narsimha Reddy	Promoter and Managing Director	May 17, 2017	
Investment Property	Land	1,334,965	Shri K.Narsimha Reddy	Promoter and Managing Director	May 17, 2017	
Property, Plant and Equipment	Land	10,706,074	Shri K.Narsimha Reddy	Promoter and Managing Director	April 30, 2021	
Property, Plant and Equipment	Land	13,763,347	Shri K.Narsimha Reddy	Promoter and Managing Director	April 30, 2021	
Property, Plant and Equipment	Land	12,772,920	Shri K.Narsimha Reddy	Promoter and Managing Director	June 24, 2021	
Property, Plant and Equipment	Land	9,199,260	Shri K.Narsimha Reddy	Promoter and Managing Director	June 24, 2021	
Property, Plant and Equipment	Land	2,454,010	Shri K.Narsimha Reddy	Promoter and Managing Director	July 26, 2021	
Property, Plant and Equipment	Land	427,245	Shri K.Narsimha Reddy	Promoter and Managing Director	July 26, 2021	
Property, Plant and Equipment	Land	2,133,835	Shri K.Narsimha Reddy	Promoter and Managing Director	July 26, 2021	
Investment Property	Land	1,207,741	Shri. K Jalandhar Reddy	Promoter and Executive Director	February 15, 2010	
Property, Plant and Equipment	Land	578,221	Shri. K Jalandhar Reddy	Promoter and Executive Director	February 15, 2010	
Investment Property	Land	1,103,051	Shri. K Jalandhar Reddy	Promoter and Executive Director	February 24, 2010	
Investment Property	Land	1,463,538	Shri. K Jalandhar Reddy	Promoter and Executive Director	March 08, 2010	
Investment Property	Land	509,102	Shri. K Jalandhar Reddy	Promoter and Executive Director	March 23, 2010	
Investment Property	Land	1,724,915	Shri. K Jalandhar Reddy	Promoter and Executive Director	March 23, 2010	
Investment Property	Land	1,531,111	Shri. K Jalandhar Reddy	Promoter and Executive Director	March 24, 2010	
Investment Property	Land	2,488,053	Shri. K Jalandhar Reddy	Promoter and Executive Director	March 26, 2010	
Investment Property	Land	1,654,935	Shri. K Jalandhar Reddy	Promoter and Executive Director	March 31, 2010	
Investment Property	Land	534,316	Shri. K Jalandhar Reddy	Promoter and Executive Director	March 31, 2010	
Investment Property	Land	712,255	Shri. K Jalandhar Reddy	Promoter and Executive Director	March 31, 2010	
Investment Property	Land	788,464	Shri. K Jalandhar Reddy	Promoter and Executive Director	April 09, 2010	
Investment Property	Land	864,415	Shri. K Jalandhar Reddy	Promoter and Executive Director	April 19, 2010	
Investment Property	Land	485,450	Shri. K Jalandhar Reddy	Promoter and Executive Director	May 26, 2010	
Investment Property	Land	1,120,850	Shri. K Jalandhar Reddy	Promoter and Executive Director	May 26, 2010	
Investment Property	Land	438,505	Shri. K Jalandhar Reddy	Promoter and Executive Director	January 03, 2011	
Investment Property	Land	699,290	Shri. K Jalandhar Reddy	Promoter and Executive Director	March 03, 2011	
Investment Property	Land	333,456	Shri. K Jalandhar Reddy	Promoter and Executive Director	March 05, 2011	



## Notes forming part of the Financial Statements (Contd.)

### 65. ALL PROPERTY, PLANT AND EQUIPMENT ARE HELD IN THE NAME OF THE COMPANY, EXCEPT FOLLOWING: (CONTD.)

Relevant line item in the Balance Sheet	Description of Property	Gross Carrying Value	Title Deeds held in the name of	Whether title deed holder promoter, director or their relative of promoter /director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the Company
Property, Plant and Equipment	Land	5,552,450	Shri. K. Jalandhar Reddy	Promoter and Executive Director	April 30, 2021	
Property, Plant and Equipment	Land	15,177,110	Shri. K. Jalandhar Reddy	Promoter and Executive Director	April 30, 2021	
Property, Plant and Equipment	Land	2,180,868	Shri. K. Jalandhar Reddy	Promoter and Executive Director	April 30, 2021	
Property, Plant and Equipment	Land	6,757,682	Shri. K. Jalandhar Reddy	Promoter and Executive Director	April 30, 2021	
Property, Plant and Equipment	Land	12,691,905	Shri. K. Jalandhar Reddy	Promoter and Executive Director	June 24, 2021	
Property, Plant and Equipment	Land	5,174,005	Shri. K. Jalandhar Reddy	Promoter and Executive Director	June 27, 2022	
Property, Plant and Equipment	Land	822,895	Shri. K. Jalandhar Reddy	Promoter and Executive Director	June 27, 2022	
Investment Property	Land	1,085,446	Shri.V.Venu Gopal Reddy	Employee	August 07, 2010	
Investment Property	Land	1,174,860	Shri.V.Venu Gopal Reddy	Employee	September 14, 2010	
Investment Property	Land	859,220	Shri.V.Venu Gopal Reddy	Employee	September 28, 2010	
Investment Property	Land	547,602	Shri.V.Venu Gopal Reddy	Employee	December 27, 2010	
Property, Plant and Equipment	Land	327,925	Shri.V.Venu Gopal Reddy	Employee	March 18, 2011	
Investment Property	Land	299,310	Shri.V.Venu Gopal Reddy	Employee	March 29, 2011	
Investment Property	Land	138,063	Shri.V.Venu Gopal Reddy	Employee	June 14, 2011	
Investment Property	Land	143,457	Shri.V.Venu Gopal Reddy	Employee	June 14, 2011	
Investment Property	Land	512,940	Shri.V.Venu Gopal Reddy	Employee	April 30, 2012	
Property, Plant and Equipment	Land	1,038,580	Shri.V.Venu Gopal Reddy	Employee	December 01, 2016	
Investment Property	Land	32,359,314	K. Jalandhar Reddy & K. Smitha Reddy	Promoter and Executive Director	March 31, 2013	
Investment Property	Land	536,987	J.ANUDEEP	Employee	June 19, 2017	
Investment Property	Land	536,988	J.ANUDEEP	Employee	June 19, 2017	
Property, Plant and Equipment	Land	1,391,075	J.ANUDEEP	Employee	October 17, 2017	
Property, Plant and Equipment	Land	859,610	J.ANUDEEP	Employee	May 25, 2018	
Property, Plant and Equipment	Land	748,625	J.ANUDEEP	Employee	September 17, 2018	
Property, Plant and Equipment	Land	1,068,575	J.ANUDEEP	Employee	September 17, 2018	
Property, Plant and Equipment	Land	2,139,080	J.ANUDEEP	Employee	November 17, 2018	
Property, Plant and Equipment	Land	1,284,645	J.ANUDEEP	Employee	December 28, 2018	
Property, Plant and Equipment	Land	215,915	J.ANUDEEP	Employee	March 16, 2019	

## Notes forming part of the Financial Statements (Contd.)

**65. ALL PROPERTY, PLANT AND EQUIPMENT ARE HELD IN THE NAME OF THE COMPANY, EXCEPT FOLLOWING: (CONTD.)**

Relevant line item in the Balance Sheet	Description of Property	Gross Carrying Value	Title Deeds held in the name of	Whether title deed holder promoter, director or their relative of promoter /director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the Company
Property, Plant and Equipment	Land	1,605,311	J.ANUDEEP	Employee	April 09, 2019	
Property, Plant and Equipment	Land	1,285,561	J.ANUDEEP	Employee	April 09, 2019	
Property, Plant and Equipment	Land	900,135	J.ANUDEEP	Employee	August 03, 2019	
Property, Plant and Equipment	Land	900,135	J.ANUDEEP	Employee	August 03, 2019	
Property, Plant and Equipment	Land	110,145	J.ANUDEEP	Employee	July 08, 2019	
Property, Plant and Equipment	Land	963,510	J.ANUDEEP	Employee	September 04, 2019	
Property, Plant and Equipment	Land	855,520	J.ANUDEEP	Employee	February 07, 2020	
Property, Plant and Equipment	Land	1,067,300	J.ANUDEEP	Employee	September 29, 2020	
Property, Plant and Equipment	Land	1,068,100	J.ANUDEEP	Employee	September 29, 2020	
Property, Plant and Equipment	Land	641,370	J.ANUDEEP	Employee	April 19, 2021	
Property, Plant and Equipment	Land	1,284,710	Smt. K. Yashoda	Promoter and Non-Executive Director	January 24, 2019	
Property, Plant and Equipment	Land	1,072,535	Smt. K. Yashoda	Promoter and Non-Executive Director	July 03, 2019	

## Notes forming part of the Financial Statements (Contd.)

### 66. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by the Board of Directors on May 29, 2023.

67. 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)

**Mohan R Lavi**  
*Partner*  
Membership No: 029340  
UDIN: 23029340BGWHVP4977

Place : Hyderabad  
Date : May 29, 2023

*For and on behalf of the Board*

**K. Narsimha Reddy**  
*Managing Director*  
DIN: 00382412

**S. Vaikuntanathan**  
*Vice President (F&A)*

**K. Jalandhar Reddy**  
*Executive Director & CFO*  
DIN: 00434911

**V. Haritha**  
*Company Secretary*

# Independent Auditor's Report

To the Members of

**KNR CONSTRUCTIONS LIMITED**

## REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

### Opinion

We have audited the accompanying consolidated Ind AS financial statements of KNR CONSTRUCTIONS LIMITED ("the Holding Company") and its subsidiaries (collectively referred to as 'the Group') which includes 16 Joint operations of the Group accounted on a proportionate basis and Group's share of profit in its associates and joint venture, which comprise the consolidated Balance Sheet as at 31 March, 2023, 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 Ind AS 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 and on the other financial information of joint operations, subsidiaries, associates and joint venture referred to in the Other Matters below, the aforesaid consolidated Ind AS 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, 2023, 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 Consolidated Ind AS 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 consolidated Ind AS 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 Ind AS financial statements.

### Key Audit Matters:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the consolidated Ind AS 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><b>A) Revenue Recognition of long-term contracts of Holding Company</b></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"> <li>• Ensured that the revenue recognition method applied was appropriate based on the terms of the arrangement;</li> <li>• Agreed the total project revenue estimates to sales agreements, including amendments as appropriate;</li> <li>• We obtained an understanding of the processes and tested relevant controls, which impact the revenue recognition;</li> <li>• We assessed the reliability of management's estimates by comparing the actual results of delivered projects to previous estimates;</li> </ul>
<p><b>B) Litigations and Claims of Holding Company</b></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"> <li>• evaluating the Company's policies, procedures and controls in relation to litigation, claims and provision assessments;</li> <li>• independent enquiries to understand the background of each case, legal position and the material risks that may impact the consolidated Ind AS financial statements; and</li> <li>• assessing reasonableness of judgment made by management, determining the adequacy of the level of provisioning or disclosure in the consolidated Ind As financial statements.</li> </ul>

### INFORMATION OTHER THAN THE CONSOLIDATED IND AS 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 Ind AS financial statements and our auditor's report thereon. Our opinion on the consolidated Ind As 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 Ind AS 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 Ind As 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 IND AS 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 Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance

## Independent Auditor's Report (Contd.)

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 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 Ind AS 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 Ind AS financial statements by the Directors of the Holding company, as aforesaid.

In preparing the consolidated Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained

## Independent Auditor's Report (Contd.)

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 Ind AS financial statements including the disclosures, and whether the consolidated Ind AS 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 Ind AS financial statements. For the other entities included in the consolidated Ind AS 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.

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

### OTHER MATTERS

- a) The Consolidated Ind AS financial statement include the audited financial results of 11 subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of ₹1,65,231.83 lakhs, total revenue (before consolidation adjustments) of ₹1,53,714.42 lakhs (including of ₹ 24,917.07 lakhs of 3 subsidiaries divested during the year), total net profit/(loss) after tax (before consolidation adjustments) of ₹ 1,750.87 lakhs (including of ₹ (727.87) lakhs of 3 subsidiaries divested during the year), total comprehensive income (net) of ₹ 1,751.34 lakhs (including of ₹ 727.87 lakhs of 3 subsidiaries divested during the year) and net cash inflows of ₹ 179.20 lakhs for the year ended 31 March 2023, as considered in the consolidated Ind AS Financial statement, which have been audited by their respective independent auditors. The consolidated Ind AS financial statement also include the Group's share of net profit/(loss) after tax (before consolidation adjustments) of ₹ (305.82) lakhs and the Group's share of total comprehensive income (before consolidation adjustments) ₹ 102.88 lakhs for the year ended 31st March 2023, as considered in the consolidated Ind AS financial statement, in respect of 2 associates, whose financial statements have been audited by their respective independent auditors. The independent auditors' reports on financial statements of these entities have been furnished to us by the management and our opinion on the financial statement, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in the paragraph above.

Our opinion on the consolidated Ind AS financial statement is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

- b) The standalone Ind AS financial statement include the audited financial results of 12 Joint operations, whose financial statements reflect total assets (before consolidation adjustments) of ₹ 45,332.64 lakhs, total revenue (before consolidation adjustments) of

## Independent Auditor's Report (Contd.)

₹ 80,728.28 lakhs, total net profit/(loss) after tax (before consolidation adjustments) of ₹ 2,178.08 lakhs, total comprehensive income/(loss) (before consolidated adjustments) of ₹ 2,178.08 lakhs and net cash flow/(outflow) of ₹ (5,158.83) lakhs for year ended 31st March 2023, as considered in the standalone financial results, which have been audited by their respective independent auditors. The independent auditors reports on financial statements of these entities have been furnished to us by the management and our opinion on the financial statements, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

Our opinion on the consolidated Ind AS financial statement is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

- c) The standalone Ind AS financial statements include the unaudited financial results of 4 Joint operations whose financial information reflect total assets (before consolidation adjustments) of ₹ 893.12 lakhs, total revenues (before consolidation adjustments) of ₹ 118.23, total net profit/(loss) after tax (before consolidation adjustments) of ₹ 5.93 lakhs and total comprehensive income/(loss) (before consolidated adjustments) of ₹ 5.93 lakhs and net cash flow/(outflow) ₹ 5.04 lakhs for year ended 31st March 2023, as considered in the standalone financial results, which have not been audited by us. This financial information are unaudited and have been furnished to us by the Management and our opinion and conclusion on the statement, in so far as it relates to the amounts and disclosures included in respect of this entity, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, this financial information are not material to the Group.

Our report on the consolidated Ind AS financial statement is not modified in respect of the above matter with respect to our reliance on the financial information certified by the Board of Directors.

- d) The consolidated Ind AS financial results also include the Group's share of net profit of ₹ Nil lakhs for the year ended 31st March 2023, 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 year as the end of the year. In our opinion and according to the information and explanations given to us by the management, the financial information is not material to the Group.

Our report on the consolidated Ind AS financial statement is not modified in respect of the above matter with respect to our reliance on the financial information certified by the Board of Directors.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- A. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 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 the subsidiary companies and associate companies, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure I" a statement on the matters specified in paragraph 3(xxi) of the Order
- B. 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 Ind AS 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



## Independent Auditor's Report (Contd.)

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 accounts maintained for the purpose of preparation of the consolidated Ind AS financial statements.

- d) In our opinion, the aforesaid consolidated Ind AS 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, 2023 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, 2023 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 II", 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 Ind AS Financial Statements disclose the impact if any, of pending litigations as at March 31, 2023 on its financial position in its consolidated Ind AS 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.
  - iv. (a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The respective managements of the Holding Company and its subsidiaries which are companies incorporated

## Independent Auditor's Report (Contd.)

in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the respective Holding Company or any of such subsidiaries from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our

or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement

- v. The dividend declared or paid during the year by the Holding company and subsidiary companies incorporated in India, is in compliance with section 123 of the Act.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of accounts using accounting software which has a feature of recording audit trail (edit log) facility is applicable with effect from April 1, 2023 to the Company and its subsidiaries, which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

**Mohan R Lavi**  
Partner

Place: Bengaluru  
Date: 29th May 2023.

Membership No. 029340  
UDIN: 23029340BGWHVR9518

## Annexure 1

### TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF KNR CONSTRUCTIONS LIMITED

In terms of the information and explanations sought by us and given by the company and to the best of our knowledge and belief, we state that:

- 3 (xxi) There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated Ind AS financial statements.

Place: Bengaluru  
Date: 29th May 2023.

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

**Mohan R Lavi**  
Partner  
Membership No. 029340  
UDIN: 23029340BGWHVR9518

## Annexure 1 to The Independent Auditor's Report Of Even Date On The Consolidated Ind As Financial Statements Of Knr Constructions Limited (Contd.)

### 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, 2023 in conjunction with our audit of the consolidated Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 the consolidated Ind AS financial statements.

### MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

A company's internal financial control over financial reporting with reference to these consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Ind As 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 Ind AS 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 the consolidated Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made

## Annexure 1 to The Independent Auditor's Report Of Even Date On The Consolidated Ind As Financial Statements Of Knr Constructions Limited (Contd.)

only in accordance with authorisations of management and directors of the company; and

3. Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated Ind AS financial statements.

### INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROL OVER FINANCIAL REPORTING WITH REFERENCE TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated Ind AS 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 Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to the consolidated Ind AS 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 Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2023, 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 the consolidated Ind AS financial statements of the Holding Company, in so far as it relates to these 11 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

**Mohan R Lavi**  
Partner

Place: Bengaluru  
Date: 29th May 2023.

Membership No. 029340  
UDIN: 23029340BGWHVR9518

# Consolidated Balance Sheet

as at March 31, 2023

		(₹ in Lakhs)	
Particulars	Note	As At March 31, 2023	As At March 31, 2022
<b>I ASSETS</b>			
<b>1) Non-current assets</b>			
a) Property, plant and equipment	3	44,803.06	45,794.51
b) Capital work-in-progress	3.1	251.01	2,062.00
c) Right of use asset	53	691.92	930.72
d) Investment Property	3.2	13,272.42	9,037.56
e) Other Intangible assets	3.3	30,281.50	33,227.49
f) Financial Assets			
i) Investments	4	5,702.41	5,783.58
ii) Trade receivables	5	2,953.00	-
iii) Other financial assets	6	84,137.06	1,87,038.47
g) Deferred tax assets (net)	7	12,293.45	11,825.95
h) Non-Current tax assets (net)	8	3,422.74	6,223.87
i) Other non-current assets	9	20,473.47	35,485.98
<b>Total Non-current assets</b>		<b>2,18,282.04</b>	<b>3,37,410.13</b>
<b>2) Current assets</b>			
a) Inventories	10	23,422.70	22,740.50
b) Financial assets			
i) Investments	4	1,532.39	1,541.92
ii) Trade receivables	5	62,289.70	59,841.46
iii) Cash and cash equivalents	11	19,097.53	14,737.40
iv) Bank balances, other than (iii) above	12	2,922.28	11,182.50
v) Loans	13	11.14	1,009.64
vi) Other financial assets	6	38,618.04	29,571.62
c) Current tax assets (net)	8	1,330.20	533.13
d) Other current assets	14	66,694.78	48,464.06
<b>Total Current assets</b>		<b>2,15,918.76</b>	<b>1,89,622.23</b>
<b>TOTAL ASSETS</b>		<b>4,34,200.80</b>	<b>5,27,032.36</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity Share capital	15	5,624.70	5,624.70
b) Instruments Entirely Equity in nature	15.5	850.00	850.00
c) Other Equity	16	2,71,445.29	2,26,296.14
<b>Equity attributable to the share holders of the Company</b>		<b>2,77,919.99</b>	<b>2,32,770.84</b>
Non-controlling Interests		(3,137.18)	23,144.33
<b>Total equity</b>		<b>2,74,782.81</b>	<b>2,55,915.17</b>
<b>Liabilities</b>			
<b>1) Non-current liabilities</b>			
a) Financial liabilities			
i) Borrowings	17	49,162.26	1,37,248.26
ii) Lease liabilities	53	566.07	641.48
iii) Other financial liabilities	18	418.10	270.74
b) Provisions	20	1,380.05	6,263.14
c) Other non-current liabilities	21	1,127.75	1,059.59
<b>Total non-current liabilities</b>		<b>52,654.23</b>	<b>1,45,483.21</b>
<b>2) Current liabilities</b>			
a) Financial liabilities			
i) Borrowings	17	15,477.76	8,464.13
ii) Trade Payables	19		
Dues to Micro & Small Enterprises		167.04	268.34
Due to creditors other than Micro & Small Enterprises		38,602.67	30,438.44
iii) Other financial liabilities	18	15,787.20	14,681.67
b) Provisions	20	6,200.05	3,138.29
c) Other current liabilities	22	28,894.34	66,608.59
d) Current Tax Liabilities (net)	23	1,634.70	2,034.52
<b>Total current liabilities</b>		<b>1,06,763.76</b>	<b>1,25,633.98</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,34,200.80</b>	<b>5,27,032.36</b>
Corporate information and Significant accounting policies	1&2		

See accompanying notes forming part of the financial statements

As per our report attached

**For K. P. Rao & Co.,**  
Chartered Accountants  
(Firm Regn. No.003135S)

**Mohan R Lavi**  
Partner  
Membership No: 029340  
UDIN: 23029340BGWHVR9518

Place : Hyderabad  
Date : May 29, 2023

For and on behalf of the Board

**K. Narsimha Reddy**  
Managing Director  
DIN: 00382412

**S. Vaikuntanathan**  
Vice President (F&A)

**K. Jalandhar Reddy**  
Executive Director & CFO  
DIN: 00434911

**V. Haritha**  
Company Secretary

# Consolidated Statement of Profit and Loss

for the Year Ended March 31, 2023

(₹ in Lakhs)

Particulars	Note	Year ended March 31, 2023	Year ended March 31, 2022
<b>INCOME</b>			
<b>I</b> Revenue from Operations	24	4,06,235.97	3,60,582.24
<b>II</b> Other income	25	3,667.67	4,487.49
<b>III Total Income (I + II)</b>		<b>4,09,903.64</b>	<b>3,65,069.73</b>
<b>IV Expenses</b>			
Cost of materials consumed	26	1,49,474.45	1,18,071.56
Construction expenses	27	1,31,943.58	1,24,157.34
Construction Cost under Service Concession Arrangements		5,181.41	2,886.81
Employee benefits expense	28	17,420.51	14,605.27
Finance costs	29	15,307.60	14,811.39
Depreciation and amortisation expense	3 & 30	18,070.09	16,492.06
Other expenses	31	10,484.62	20,995.77
<b>Total expenses (IV)</b>		<b>3,47,882.26</b>	<b>3,12,020.20</b>
<b>V Profit/(Loss) before share of Profit/(Loss) from Associates and Joint Controlled entities (III-IV)</b>		<b>62,021.38</b>	<b>53,049.53</b>
<b>VI</b> Share of Profit/(Loss) from Associates and Joint controlled entities		(81.17)	1,148.70
<b>VII Profit/(Loss) before exceptional items and tax (V + VI)</b>		<b>61,940.21</b>	<b>54,198.23</b>
<b>VIII</b> Exceptional items - Expenses/(Income)	32	(6,184.49)	(2,139.95)
<b>IX Profit/(Loss) before tax (VII-VIII)</b>		<b>68,124.70</b>	<b>56,338.18</b>
<b>X Tax expense</b>	33		
1) Current tax		18,119.53	15,304.10
2) Adjustment of tax relating to earlier periods		3,139.40	1,146.10
3) Deferred tax		2,924.83	3,248.70
		<b>24,183.76</b>	<b>19,698.90</b>
<b>XI Profit/(Loss) for the year (IX- X)</b>		<b>43,940.94</b>	<b>36,639.28</b>
<b>XII Other comprehensive Income/(loss)</b>	34		
<b>a) Items that will not be reclassified to profit or loss</b>			
Remeasurements of the defined benefit plans		67.76	(81.23)
Deferred Tax on above items		(16.94)	21.11
<b>b) Items that will be reclassified to profit or loss</b>		-	-
<b>XIII Total Comprehensive Income for the period (XI+XII) (Comprising Profit/(Loss) and Other Comprehensive Income for the period)</b>		<b>43,991.76</b>	<b>36,579.16</b>
<b>Profit/(loss) attributable to (XI):</b>			
Owners of the Company		45,801.42	38,184.47
Non-controlling interests		(1,860.48)	(1,545.19)
		<b>43,940.94</b>	<b>36,639.28</b>
<b>Total comprehensive income attributable to (XIII):</b>			
Owners of the Company		45,852.24	38,124.35
Non-controlling interests		(1,860.48)	(1,545.19)
		<b>43,991.76</b>	<b>36,579.16</b>
<b>XIV Earnings per equity share: (In ₹)</b>			
1) Basic		16.29	13.58
2) Diluted		16.29	13.58
Corporate information and Significant accounting policies	1&2		

See accompanying notes forming part of the financial statements

As per our report attached

**For K. P. Rao & Co.,**  
Chartered Accountants  
(Firm Regn. No.003135S)

**Mohan R Lavi**  
Partner  
Membership No: 029340  
UDIN: 23029340BGWHVR9518

**K. Narsimha Reddy**  
Managing Director  
DIN: 00382412

**S. Vaikuntanathan**  
Vice President (F&A)

*For and on behalf of the Board*

**K. Jalandhar Reddy**  
Executive Director & CFO  
DIN: 00434911

**V. Haritha**  
Company Secretary

Place : Hyderabad  
Date : May 29, 2023

## Consolidated Statement of Changes In Equity

for the year ended March 31, 2023

### A - EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	Number	Amount
<b>As at April 01, 2021</b>	28,12,34,600	5,624.70
Add / (Less): Changes in equity share capital during the year	-	-
<b>As at March 31, 2022</b>	<b>28,12,34,600</b>	<b>5,624.70</b>
Add / (Less): Changes in equity share capital during the year	-	-
<b>As at March 31, 2023</b>	<b>28,12,34,600</b>	<b>5,624.70</b>

### B - OTHER EQUITY

(₹ in Lakhs)

Particulars	Reserves and Surplus				Items of other comprehensive income/(loss)	Instrument entirely equity in nature	Total Attributable to the shareholders of the Company	Non-controlling interests	Total
	Securities Premium	General Reserves	Exchange difference on transaction & translation	Retained Earnings	Other items of Other Comprehensive Income				
<b>Balance as at April 01, 2021</b>	9,786.96	2,849.00	-	1,77,826.88	(156.17)	850.00	1,91,156.67	865.47	1,92,022.14
Profit for the year	-	-	-	38,184.47	-	-	38,184.47	(1,545.19)	36,639.28
Other Comprehensive income/(loss) for the year	-	-	-	-	(60.12)	-	(60.12)	-	(60.12)
Dividends & Dividend tax paid	-	-	-	(703.09)	-	-	(703.09)	-	(703.09)
Exchange Differences on translation of foreign operations	-	-	-	-	-	-	-	-	-
Increase/(decrease) in non-controlling interests due to dilution/divestment/acquisition/right issue	-	-	-	(1,431.79)	-	-	(1,431.79)	23,824.05	22,392.26
<b>Balance as at March 31, 2022</b>	<b>9,786.96</b>	<b>2,849.00</b>	<b>-</b>	<b>2,13,876.47</b>	<b>(216.29)</b>	<b>850.00</b>	<b>2,27,146.14</b>	<b>23,144.33</b>	<b>2,50,290.47</b>



## Consolidated Statement of Changes In Equity (Contd.)

Particulars	Reserves and Surplus				Items of other comprehensive income/(loss)	Instrument entirely equity in nature	Total Attributable to the shareholders of the Company	Non-controlling interests	Total
	Securities Premium	General Reserves	Exchange difference on transaction & translation	Retained Earnings	Other items of Other Comprehensive Income				
<b>Balance as at April 01, 2022</b>	9,786.96	2,849.00	-	2,13,876.47	(216.29)	850.00	2,27,146.14	23,144.33	2,50,290.47
Profit for the year	-	-	-	45,801.42	-	-	45,801.42	(1,860.48)	43,940.94
Other Comprehensive income/(loss) for the year	-	-	-	-	50.82	-	50.82	-	50.82
Dividends & Dividend tax paid	-	-	-	(703.09)	-	-	(703.09)	-	(703.09)
Exchange Differences on translation of foreign operations	-	-	-	-	-	-	-	-	-
Increase/(decrease) in non-controlling interests due to dilution/divestment/acquisition/right issue	-	-	-	-	-	-	-	(24,421.03)	(24,421.03)
<b>Balance as at March 31, 2023</b>	<b>9,786.96</b>	<b>2,849.00</b>	<b>-</b>	<b>2,58,974.80</b>	<b>(165.47)</b>	<b>850.00</b>	<b>2,72,295.29</b>	<b>(3,137.19)</b>	<b>2,69,158.11</b>

(₹ in Lakhs)

See accompanying notes forming part of financial statements

As per our report attached

**For K. P. Rao & Co.,**  
Chartered Accountants  
(Firm Regn. No.003135S)

**Mohan R Lavi**  
Partner  
Membership No: 029340  
UDIN: 23029340BGWHVR9518

Place : Hyderabad  
Date : May 29, 2023

*For and on behalf of the Board*

**K. Narsimha Reddy**  
Managing Director  
DIN: 00382412

**S. Vaikuntanathan**  
Vice President (F&A)

**K. Jalandhar Reddy**  
Executive Director & CFO  
DIN: 00434911

**V. Haritha**  
Company Secretary

## Consolidated Cash Flow Statement

for the Year Ended March 31, 2023

(₹ In Lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before tax</b>	<b>68,124.70</b>	<b>56,338.18</b>
<b>Adjustments for :</b>		
Depreciation and Amortisation expense	18,070.09	16,492.06
Liabilities no longer required written back	(110.89)	(106.33)
Provision for Doubtful Advances written back	-	(483.93)
Bad debts/advances written off	224.43	361.20
(Gain)/Loss on sale of property, plant and equipment	(128.06)	(134.69)
(Gain)/Loss on sale of Mutual funds	(165.17)	(111.49)
(Gain) / Loss on Fair value of Financial instruments	(747.12)	(230.36)
(Due from)/Due to Customer Written off	536.94	(1,213.32)
Exceptional Item	(6,184.49)	(2,139.95)
Provision for Doubtful Advances and Other Receivables	-	59.11
Finance Income on Financial Assets	(19,753.32)	(24,575.61)
Provision for Periodic maintenance	848.81	2,876.60
Un winding Interest on Lease liabilities	31.33	33.24
Un Winding Interest on Deferment of NHAI Premium	596.16	529.23
Un Winding Interest on Provision for MMR	357.14	255.10
Un Amortised Processing fee	15.67	26.78
Modification gain/loss	2,484.12	14,035.18
Provision for Foreseeable Losses	-	138.37
Finance costs	14,307.30	13,967.04
Interest Income	(431.66)	(1,308.50)
	<b>9,951.28</b>	<b>18,469.73</b>
Operating profit/(loss) before working capital changes	<b>78,075.98</b>	<b>74,807.91</b>
<b>Working capital adjustments:</b>		
(Increase)/Decrease in Trade and Other Receivables and prepayments	92,171.78	(77,677.73)
(Increase)/Decrease in Inventories	(682.20)	(7,941.60)
Increase/(Decrease) in Trade and other Payables	(30,668.68)	(2,492.03)
<b>Cash generated / (Used in) From Operations</b>	<b>1,38,896.88</b>	<b>(13,303.45)</b>
Share of profit/(loss) of an associate and a joint venture	81.17	(1,148.70)
Income Taxes (paid) / Refunds	(19,564.56)	(19,192.17)
<b>Net Cash Flows from/(used in) Operating Activities - (A)</b>	<b>1,19,413.49</b>	<b>(33,644.32)</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of property, plant and equipment	5,993.02	370.91
Purchase of property, plant and equipment and Capital Work-in-Progress	(15,377.07)	(35,730.41)

## Consolidated Cash Flow Statement (Contd.)

(₹ In Lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Proceeds from Sale/(Purchase) of investments	6,359.19	2,241.91
Interest Received	454.16	1,680.97
Bank Balances not considered as cash and cash equivalents	8,260.22	(9,141.01)
Loans to Joint Venture Partners	998.50	(253.04)
TDS on Interest Received	(6.77)	(17.08)
<b>Net Cash Flow from/ (used in) Investing Activities - (B)</b>	<b>6,681.25</b>	<b>(40,847.75)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Borrowings	48,084.00	81,017.70
Increase/(Decrease) from Short term borrowings	25.45	(71.24)
Repayment of Borrowings	(1,29,791.69)	(12,190.91)
Deferred Payment of Liability	(3.99)	-
Finance cost paid	(14,924.26)	(13,958.19)
Payment (to)/from non-controlling interest (net)	(24,421.03)	22,392.26
Dividends paid and Dividend Tax Paid	(703.09)	(703.09)
<b>Net Cash Flow from/ (used in) Financing Activities - (C)</b>	<b>1,21,734.61</b>	<b>76,486.53</b>
<b>Net increase/ (decrease) in Cash and Cash Equivalents - (A+B+C)</b>	<b>4,360.13</b>	<b>1,994.46</b>
Cash & Cash Equivalents at the beginning of the year	14,737.40	12,742.94
<b>Cash &amp; Cash Equivalents as at the end of the year (Refer Note 1)</b>	<b>19,097.53</b>	<b>14,737.40</b>
<b>Notes:</b>		
1 Cash & Cash equivalents includes:		
Cash in Hand	58.14	51.39
Bank Balance and Cheques on hand - current account	19,039.39	14,686.01
<b>Total Cash &amp; Cash equivalents</b>	<b>19,097.53</b>	<b>14,737.40</b>

- 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 the financial statements

As per our report attached

**For K. P. Rao & Co.,**  
Chartered Accountants  
(Firm Regn. No.003135S)

**Mohan R Lavi**  
Partner  
Membership No: 029340  
UDIN: 23029340BGWHVR9518

*For and on behalf of the Board*

**K. Narsimha Reddy**  
Managing Director  
DIN: 00382412

**S. Vaikuntanathan**  
Vice President (F&A)

**K. Jalandhar Reddy**  
Executive Director & CFO  
DIN: 00434911

**V. Haritha**  
Company Secretary

Place : Hyderabad  
Date : May 29, 2023

# 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 unrealized 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 recognized at cost, and the carrying amount is increased or decreased to recognize 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 recognizes 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 Joint Venture are accounted for using the equity method after initially recognized 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

## Notes forming part of the Consolidated financial statements (Contd.)

date as that of the Holding Company, i.e. March 31, 2023.

- 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 categorized 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).

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 categorized 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 recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

## Notes forming part of the Consolidated financial statements (Contd.)

### 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 recognized in profit or loss.

Subsequent expenditure is capitalized 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 recognized 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
<b>1.</b>	<b>Buildings</b>		
	RCC structure	60 years	60 years
	Temporary structure	3 Years	3 Years
<b>2.</b>	<b>Plant and Machinery</b>		
	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 *
<b>3.</b>	<b>Furniture and fittings</b>	10 Years	10 Years
<b>4.</b>	<b>Motor Vehicles</b>		
	Motor cycles, Scooters and other mopeds	10 Years	10 Years
	Motor buses, motor lorries, motor cars and motor taxis	8 Years	8 Years
<b>5.</b>	<b>Office equipment's</b>	5 Years	5 Years
<b>6.</b>	<b>Computers and data processing units</b>		
	Servers and networks	6 Years	6 Years
	End user devices such as, desktops, laptop etc.,	3 Years	3 Years
<b>7.</b>	<b>Laboratory equipment's</b>	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.

## Notes forming part of the Consolidated financial statements (Contd.)

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 recognizes 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 capitalized 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 recognized 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 recognized as a liability with a present value of annual

payments payable during the SCA. And the same was capitalized 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 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

## Notes forming part of the Consolidated financial statements (Contd.)

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 capitalized as a part of the cost of the intangible assets. Intangible assets are amortized 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 realizable 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.

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

- Amortized 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 amortized 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 unfavourable to the Entity

Financial liabilities are classified as measured at amortized 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 recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized



## Notes forming part of the Consolidated financial statements (Contd.)

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 derecognizes 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 derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognizes 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 recognizes 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 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

## Notes forming part of the Consolidated financial statements (Contd.)

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.

### 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.

## Notes forming part of the Consolidated financial statements (Contd.)

- 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 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 recognizeised 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.

## Notes forming part of the Consolidated financial statements (Contd.)

**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.

#### 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 recognizeise 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 recognizeises related restructuring costs or termination benefits.

### 2.24 Taxes on Income

Income tax comprises of current and deferred tax. It is recognizeised in profit or loss except to the extent that it relates to an item recognizeised 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 realizeise 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

## Notes forming part of the Consolidated financial statements (Contd.)

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 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

- a) The Functional Currency of the Group 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 realized 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:

## Notes forming part of the Consolidated financial statements (Contd.)

- 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.

### 2.29 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 capitalized 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 recognized 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, recognized revenue and profit are subject to revisions as the contract progresses to completion. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable.

#### 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 judgment 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.

### 2.32 Recent accounting pronouncements:

Standards issued but not yet effective and not early adopted by the Company

The Ministry of Corporate Affairs notified Companies (Indian Accounting Standards) Amendment Rules, 2023 on March 31, 2023 (G.S.R. 242 (E)). These amendments would be applicable from annual reporting periods beginning on or after 1 April 01, 2023.

Ind AS 1 - Presentation of Financial Statements

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

Ind AS 12 - Income Taxes

Ind AS 34 - Interim Financial Reporting

Ind AS 101 - First-time Adoption of Indian Accounting Standards

Ind AS 102 - Share-based Payment

Ind AS 103 - Business Combinations

Ind AS 107 - Financial Instruments: Disclosures

Ind AS 109 - Financial Instruments

Ind AS 115 - Revenue from Contracts with Customers

These amendments are effective from April 01, 2023. The Group is in process of evaluating the impact of such amendments and believes that the aforementioned amendments will not materially impact the Consolidated financial statements of the Company.

## Notes forming part of the Consolidated financial statements (Contd.)

**3. PROPERTY, PLANT AND EQUIPMENT**

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Tangible Assets</b>		
Land - Free Hold *	10,244.90	10,218.54
Buildings	2,116.26	2,069.34
Plant and Equipment	30,725.82	31,569.18
Furniture and Fixtures	172.03	193.75
Vehicles	1,206.41	1,273.94
Office equipment	149.56	169.10
Computers & Accessories	54.51	57.51
Road Development	133.57	243.15
	<b>44,803.06</b>	<b>45,794.51</b>

Note: Refer note 17 for details of assets pledged

(₹ in Lakhs)

Particulars	Tangible Assets								
	Land - Free Hold *	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Computers & Accessories	Road Development	Total
<b>Cost</b>									
As at April 01, 2022	10,218.54	4,153.99	1,33,369.50	499.39	3,360.52	542.98	287.15	262.25	1,52,694.32
Additions	78.87	458.14	13,072.45	33.67	566.91	76.25	42.15	-	14,328.44
Disposals/adjustments	(52.51)	-	(2,519.31)	(4.34)	(412.27)	(6.39)	(5.53)	-	(3,000.35)
<b>As at March 31, 2023</b>	<b>10,244.90</b>	<b>4,612.13</b>	<b>1,43,922.64</b>	<b>528.72</b>	<b>3,515.16</b>	<b>612.84</b>	<b>323.77</b>	<b>262.25</b>	<b>1,64,022.41</b>
<b>Depreciation</b>									
As at April 01, 2022	-	2,084.65	1,01,800.32	305.64	2,086.58	373.88	229.64	19.10	1,06,899.81
Charge for the period	-	411.22	13,518.52	51.27	456.28	89.87	40.39	109.58	14,677.13
Disposals/adjustments	-	-	(2,122.02)	(0.22)	(234.11)	(0.47)	(0.77)	-	(2,357.59)
<b>As at March 31, 2023</b>	<b>-</b>	<b>2,495.87</b>	<b>1,13,196.82</b>	<b>356.69</b>	<b>2,308.75</b>	<b>463.28</b>	<b>269.26</b>	<b>128.68</b>	<b>1,19,219.35</b>
<b>Net Carrying Amount</b>									
<b>As at March 31, 2023</b>	<b>10,244.90</b>	<b>2,116.26</b>	<b>30,725.82</b>	<b>172.03</b>	<b>1,206.41</b>	<b>149.56</b>	<b>54.51</b>	<b>133.57</b>	<b>44,803.06</b>
As at March 31, 2022	10,218.54	2,069.34	31,569.18	193.75	1,273.94	169.10	57.51	243.15	45,794.51

(₹ in Lakhs)

Particulars	Tangible Assets								
	Land - Free Hold *	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Computers & Accessories	Road Development	Total
<b>Cost</b>									
As at April 01, 2021	5,501.57	3,355.61	1,16,367.89	363.62	2,726.49	435.09	237.58	-	1,28,987.85
Additions	4,740.71	798.38	18,397.38	135.77	785.79	107.89	49.57	262.25	25,277.74
Disposals/adjustments	(23.74)	-	(1,395.77)	-	(151.76)	-	-	-	(1,571.27)
<b>As at March 31, 2022</b>	<b>10,218.54</b>	<b>4,153.99</b>	<b>1,33,369.50</b>	<b>499.39</b>	<b>3,360.52</b>	<b>542.98</b>	<b>287.15</b>	<b>262.25</b>	<b>1,52,694.32</b>
<b>Depreciation</b>									
As at April 01, 2021	-	1,823.69	90,505.44	280.69	1,838.63	310.02	196.32	-	94,954.79
Charge for the period	-	260.96	12,489.72	24.95	388.16	63.86	33.32	19.10	13,280.07
Disposals/adjustments	-	-	(1,194.84)	-	(140.21)	-	-	-	(1,335.05)
<b>As at March 31, 2022</b>	<b>-</b>	<b>2,084.65</b>	<b>1,01,800.32</b>	<b>305.64</b>	<b>2,086.58</b>	<b>373.88</b>	<b>229.64</b>	<b>19.10</b>	<b>1,06,899.81</b>
<b>Net Carrying Amount</b>									
<b>As at March 31, 2022</b>	<b>10,218.54</b>	<b>2,069.34</b>	<b>31,569.18</b>	<b>193.75</b>	<b>1,273.94</b>	<b>169.10</b>	<b>57.51</b>	<b>243.15</b>	<b>45,794.51</b>
As at March 31, 2021	5,501.57	1,531.92	25,862.45	82.93	887.86	125.07	41.26	-	34,033.06



## Notes forming part of the Consolidated financial statements (Contd.)

### 3.1 CAPITAL WORK-IN-PROGRESS

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Capital work-in-progress	251.01	2,062.00
	<b>251.01</b>	<b>2,062.00</b>

Particulars	Amount
<b>Cost</b>	
As at April 01, 2022	2,062.00
Additions	1,040.61
Disposal/capitalised	(2,851.60)
<b>As at March 31, 2023</b>	<b>251.01</b>
<b>Depreciation</b>	
As at April 01, 2022	-
Charge for the period	-
Disposal/adjusted	-
<b>As at March 31, 2023</b>	<b>-</b>
<b>Net Carrying Amount</b>	<b>251.01</b>
As at March 31, 2022	2,062.00

Particulars	Amount
<b>Cost</b>	
As at April 01, 2021	237.85
Additions	5,339.79
Disposal/capitalised	(3,515.64)
<b>As at March 31, 2022</b>	<b>2,062.00</b>
<b>Depreciation</b>	
As at April 01, 2021	-
Charge for the period	-
Disposal/adjusted	-
<b>As at March 31, 2022</b>	<b>-</b>
<b>Net Carrying Amount</b>	<b>2,062.00</b>
As at March 31, 2021	237.85

#### Ageing of Capital work-in-progress

Particulars	As at March 31, 2023					As at March 31, 2022				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	136.32	114.69	-	-	251.01	1,977.66	84.34	-	-	2,062.00
Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-
<b>Total capital work-in-progress</b>	<b>136.32</b>	<b>114.69</b>	<b>-</b>	<b>-</b>	<b>251.01</b>	<b>1,977.66</b>	<b>84.34</b>	<b>-</b>	<b>-</b>	<b>2,062.00</b>

As on the date of balance sheet, there is no capital work-in-progress project(s) whose completion is overdue or has exceeded the cost, based on the approved plan.

### 3.2 INVESTMENT PROPERTY

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Investment Property *	13,272.42	9,037.56
	<b>13,272.42</b>	<b>9,037.56</b>

\* Land and investment property includes ₹ 1896.38 Lakhs (P.Y ₹ 1836.41 Lakhs) held in the name of Directors, relatives of Directors for and on behalf of the Company.

Note: Refer note 17 for details of assets pledged.

## Notes forming part of the Consolidated financial statements (Contd.)

**3.2 INVESTMENT PROPERTY (CONTD.)**

(₹ in Lakhs)	
Particulars	Amount
<b>As at April 01, 2022</b>	9,037.56
Additions	9,457.06
Disposals	(5,222.20)
<b>As at March 31, 2023</b>	<b>13,272.42</b>
<b>Depreciation</b>	
As at April 01, 2022	-
Charge for the period	-
Disposal/adjusted	-
<b>As at March 31, 2023</b>	<b>-</b>
<b>Net Carrying Amount</b>	<b>13,272.42</b>
<b>As at March 31, 2023</b>	
As at March 31, 2022	9,037.56

(₹ in Lakhs)	
Particulars	Amount
<b>As at April 01, 2021</b>	7,244.26
Additions	1,793.30
Disposals	-
<b>As at March 31, 2022</b>	<b>9,037.56</b>
<b>Depreciation</b>	
As at April 01, 2021	-
Charge for the period	-
Disposal/adjusted	-
<b>As at March 31, 2022</b>	<b>-</b>
<b>Net Carrying Amount</b>	<b>9,037.56</b>
<b>As at March 31, 2022</b>	
As at March 31, 2021	7,244.26

**3.3 OTHER INTANGIBLE ASSETS**

(₹ in Lakhs)		
Particulars	As at March 31, 2023	As at March 31, 2022
Computer Software	5.12	4.99
Carriage way	30,276.38	33,222.50
Intangible assets under development	-	-
<b>Total</b>	<b>30,281.50</b>	<b>33,227.49</b>

(₹ in Lakhs)				
Particulars	Computer software	Carriage way	Intangible assets under development	Total
<b>Cost</b>				
<b>As at April 01, 2022</b>	54.15	49,612.54	-	49,666.69
Additions	2.35	-	-	2.35
Disposals	-	-	-	-
<b>As at March 31, 2023</b>	<b>56.50</b>	<b>49,612.54</b>	<b>-</b>	<b>49,669.04</b>
<b>Depreciation</b>				
As at April 01, 2022	49.16	16,390.04	-	16,439.20
Charge for the period	2.22	2,946.12	-	2,948.34
Disposals	-	-	-	-
<b>As at March 31, 2023</b>	<b>51.38</b>	<b>19,336.16</b>	<b>-</b>	<b>19,387.54</b>
<b>Net Carrying Amount</b>	<b>5.12</b>	<b>30,276.38</b>	<b>-</b>	<b>30,281.50</b>
<b>As at March 31, 2023</b>				
As at March 31, 2022	4.99	33,222.50	-	33,227.49

(₹ in Lakhs)				
Particulars	Computer software	Carriage way	Intangible assets under development	Total
<b>Cost</b>				
<b>As at April 01, 2021</b>	53.72	49,612.54	-	49,666.26
Additions	0.43	-	-	0.43
Disposals	-	-	-	-
<b>As at March 31, 2022</b>	<b>54.15</b>	<b>49,612.54</b>	<b>-</b>	<b>49,666.69</b>

## Notes forming part of the Consolidated financial statements (Contd.)

### 3.3 OTHER INTANGIBLE ASSETS (CONTD.)

(₹ in Lakhs)

Particulars	Computer software	Carriage way	Intangible assets under development	Total
<b>Depreciation</b>				
As at April 01, 2021	46.47	13,443.92	-	13,490.39
Charge for the period	2.69	2,946.12	-	2,948.81
Disposals	-	-	-	-
<b>As at March 31, 2022</b>	<b>49.16</b>	<b>16,390.04</b>	<b>-</b>	<b>16,439.20</b>
<b>Net Carrying Amount</b>	<b>4.99</b>	<b>33,222.50</b>	<b>-</b>	<b>33,227.49</b>
As at March 31, 2021	7.25	36,168.62	-	36,175.87

### 4. INVESTMENTS

(₹ in Lakhs)

Particulars		As at March 31, 2023	As at March 31, 2022
<b>Non-current</b>			
<b>Trade - Unquoted</b>			
<b>a)</b>	<b>Investment In Associate (Quasi Equity)</b>		
	Patel KNR Heavy Infrastructures Limited	1,793.69	1,793.69
	<b>Total</b>	<b>1,793.69</b>	<b>1,793.69</b>
<b>Trade - Unquoted</b>			
<b>b)</b>	<b>Equity instruments of associates (At Cost):</b>		
	Patel KNR Infrastructures Limited		
	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	449.75	535.33
	<b>Net Investment (I)</b>	<b>1,929.75</b>	<b>2,015.33</b>
	Patel KNR Heavy Infrastructures Limited		
	95,29,500 (95,29,500) equity shares of ₹ 10/- each, fully paid	952.95	952.95
	Add/(Less): Cumulative Share of Profit	2,112.66	2,108.25
	<b>Net Investment (II)</b>	<b>3,065.61</b>	<b>3,061.20</b>
	<b>Total Equity investment in associates (I + II)</b>	<b>4,995.36</b>	<b>5,076.53</b>
	Less : Impairment Made	1,086.64	1,086.64
	<b>Net Equity investment in associates</b>	<b>3,908.72</b>	<b>3,989.89</b>
	<b>Total Non- Current Investments (a+b)</b>	<b>5,702.41</b>	<b>5,783.58</b>
<b>Current</b>			
<b>c)</b>	<b>Investments in Mutual Funds</b>	<b>No.of Units</b>	
	Nippon - Mutual Fund	Nil	(PY 183.014)
			-
	<b>Total current investments</b>		<b>-</b>
			<b>9.53</b>
	<b>Total current investments</b>		<b>-</b>
			<b>9.53</b>
<b>Trade - Unquoted</b>			

## Notes forming part of the Consolidated financial statements (Contd.)

**4. INVESTMENTS (CONTD.)**

(₹ in Lakhs)

Particulars		As at March 31, 2023	As at March 31, 2022
<b>d)</b>	<b>Current Accounts in Joint Venture</b>		
	SEL - KNR JV	1,532.39	1,532.39
	<b>Total Current Investments (c+d)</b>	<b>1,532.39</b>	<b>1,541.92</b>
	<b>Total Investments (a+b+c+d)</b>	<b>7,234.80</b>	<b>7,325.50</b>
<b>Total Investments</b>			
i)	Aggregate amount of amortised cost of unquoted investments - Non Current (a)	1,793.69	1,793.69
ii)	Aggregate amount of unquoted equity investments in Associates - Non Current (b)	4,995.36	5,076.53
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)	-	9.53
v)	Aggregate amount of unquoted investments - Current (d)	1,532.39	1,532.39
		<b>7,234.80</b>	<b>7,325.50</b>

Note : Aggregate market value of quoted investments is ₹ Nil Lakhs (March 31, 2022 ₹ 9.53 Lakhs)

**5. TRADE RECEIVABLES**

(₹ in Lakhs)

Particulars		As at March 31, 2023	As at March 31, 2022
<b>Non-current</b>			
<b>Unsecured, considered good</b>			
	Trade Receivables (Arbitration Award Claims from JV's)	2,953.00	-
		<b>2,953.00</b>	<b>-</b>
<b>Current</b>			
<b>Unsecured, considered good</b>			
	Trade Receivables	62,289.70	59,841.46
<b>Unsecured, considered doubtful</b>			
	Trade Receivables	194.40	194.40
	Less: Provision for doubtful Trade Receivables	(194.40)	(194.40)
	<b>Total Current Trade Receivables</b>	<b>62,289.70</b>	<b>59,841.46</b>
	<b>Total</b>	<b>65,242.70</b>	<b>59,841.46</b>

## Notes forming part of the Consolidated financial statements (Contd.)

### 5.1 AGEING OF TRADE RECEIVABLES:

(₹ in Lakhs)

Particulars	Outstanding for the following periods from the due date of payment					Total
	Less than 6 months*	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
<b>As on March 31, 2023</b>						
Undisputed Trade Receivables - Considered Good	33,973.83	10,021.36	17,310.73	277.43	706.35	62,289.70
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade receivables - Considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>33,973.83</b>	<b>10,021.36</b>	<b>17,310.73</b>	<b>277.43</b>	<b>706.35</b>	<b>62,289.70</b>
<b>As on March 31, 2022</b>						
Undisputed Trade Receivables - Considered Good	58,121.97	232.36	366.78	258.17	862.18	59,841.46
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade receivables - Considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>58,121.97</b>	<b>232.36</b>	<b>366.78</b>	<b>258.17</b>	<b>862.18</b>	<b>59,841.46</b>

### 6. OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Non-current</b>		
<b>Unsecured, considered good:</b>		
Financial Asset Receivable	81,362.11	1,84,517.45
Retention deposits & With Held	46.13	46.13
Advances to Sub-contractors	28.82	28.82
Arbitration Award Claims from JV's	-	-
Receivable from WVEPL	2,700.00	2,446.07
<b>Unsecured, considered doubtful:</b>		
Retention Deposits	-	-
Less: Provision for Retention Deposits	-	-
<b>Total Non-Current Other Financial Assets</b>	<b>84,137.06</b>	<b>1,87,038.47</b>
<b>Current</b>		
<b>Unsecured, considered good:</b>		
Financial Asset Receivable	-	2,764.88
Advances to related parties (Refer note : 40)	37.12	17.20
Retention Deposits & Withheld	28,134.52	19,036.60

## Notes forming part of the Consolidated financial statements (Contd.)

**6. OTHER FINANCIAL ASSETS (CONTD.)**

(₹ in Lakhs)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Interest receivable	23.97	46.47
Security Deposits	2,173.13	1,779.85
Other Receivables	2,739.03	3,859.96
TDS Refund Receivable from Joint Venture's and Others	655.12	617.58
Receivable from WVEPL	1,449.08	1,449.08
Receivable from CUBE	3,406.07	-
<b>Unsecured, considered doubtful:</b>		
Security Deposits	85.82	85.82
Less: Provision for doubtful Security Deposits	(85.82)	(85.82)
Other Receivables	187.89	187.89
Less: Provision for doubtful Others	(187.89)	(187.89)
Retention Deposits	14.91	14.91
Less: Provision for Retention Deposits	(14.91)	(14.91)
<b>Total Current Other Financial Assets</b>	<b>38,618.04</b>	<b>29,571.62</b>
<b>Total Other Financial Assets</b>	<b>1,22,755.10</b>	<b>2,16,610.09</b>

**7. DEFERRED TAX ASSETS (NET)**

(₹ in Lakhs)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Deferred tax assets	12,370.75	11,920.18
Deferred tax liabilities	(77.30)	(94.23)
<b>Total</b>	<b>12,293.45</b>	<b>11,825.95</b>

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

(₹ in Lakhs)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
<b>Deferred tax assets</b>		
Expenditure disallowed under Income Tax Act, 1961	270.28	210.67
Provision for doubtful advances	455.57	695.75
Deferred tax on fair value of investment of properties	1,796.77	1,655.86
Property, plant and equipment	9,578.60	9,005.01
MAT credit entitlement	269.53	352.89
	<b>12,370.75</b>	<b>11,920.18</b>
<b>Deferred tax liabilities</b>		
On OCI (Gratuity)	(77.30)	(94.23)
	<b>(77.30)</b>	<b>(94.23)</b>
<b>Total</b>	<b>12,293.45</b>	<b>11,825.95</b>

## Notes forming part of the Consolidated financial statements (Contd.)

### 8. TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Non-current</b>		
Advance Tax	3,422.74	6,223.87
	<b>3,422.74</b>	<b>6,223.87</b>
<b>Current</b>		
Advance Tax	1,330.20	14,942.19
Less: Provision for Income Tax	-	(14,409.06)
	<b>1,330.20</b>	<b>533.13</b>
<b>Total</b>	<b>4,752.94</b>	<b>6,757.00</b>

### 9. OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Un-secured Considered good</b>		
Capital advances	554.52	7,154.31
Security Deposits	507.74	450.24
Dues from Statutory authorities	19,411.21	27,881.43
<b>Unsecured, considered doubtful:</b>		
Capital advances	9.71	9.71
Less: Provision for Capital Advances	(9.71)	(9.71)
<b>Total</b>	<b>20,473.47</b>	<b>35,485.98</b>

### 10. INVENTORIES

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Raw materials	10,490.83	9,133.05
Goods-in transit	630.82	872.47
Stores and spares	12,106.99	12,628.31
Goods-in transit	194.06	106.67
<b>Total</b>	<b>23,422.70</b>	<b>22,740.50</b>

## Notes forming part of the Consolidated financial statements (Contd.)

**11. CASH AND CASH EQUIVALENTS**

(₹ in Lakhs)		
Particulars	As at March 31, 2023	As at March 31, 2022
<b>Balances with banks:</b>		
in current accounts	19,039.39	14,686.01
Cash on hand	58.14	51.39
<b>Total</b>	<b>19,097.53</b>	<b>14,737.40</b>

**12. OTHER BANK BALANCES**

(₹ in Lakhs)		
Particulars	As at March 31, 2023	As at March 31, 2022
<b>Earmarked balances with Banks</b>		
Margin Money & Other fixed deposits	2,916.29	11,176.87
Un-claimed Dividend	5.99	5.63
<b>Total</b>	<b>2,922.28</b>	<b>11,182.50</b>

**13. LOANS**

(₹ in Lakhs)		
Particulars	As at March 31, 2023	As at March 31, 2022
<b>Current</b>		
<b>Unsecured, considered good:</b>		
<b>Loans to</b>		
Joint Venture Partners ( Refer note : 13.1)	11.14	1,009.64
<b>Total Current Loans</b>	11.14	1,009.64
<b>Total</b>	<b>11.14</b>	<b>1,009.64</b>

13.1 All the loans to joint venture partners are interest bearing.

**14. OTHER CURRENT ASSETS**

(₹ in Lakhs)		
Particulars	As at March 31, 2023	As at March 31, 2022
<b>Un-secured Considered good</b>		
Advances to Sub-contractors	15,813.19	14,624.79
Advances to Suppliers (Other than capital advances)	4,645.26	6,900.98
Staff Imprest & Salary Advances	332.50	293.43
Prepaid expenses	790.48	651.55
Due from Customers	44,898.54	25,912.31
Receivables from Others	214.81	81.00
<b>Considered doubtful</b>		
Advances to Sub-contractors	59.11	59.11
<b>Less: Provision for doubtful trade receivables</b>	(59.11)	(59.11)
<b>Total</b>	<b>66,694.78</b>	<b>48,464.06</b>



## Notes forming part of the Consolidated financial statements (Contd.)

### 15. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Amount in Lakhs	No. of Shares	Amount in Lakhs
<b>Authorised Share capital</b>				
Equity Shares of ₹ 2/- each	30,00,00,000	6,000.00	30,00,00,000	6,000.00
<b>Issued, subscribed &amp; fully paid share capital</b>				
Equity Shares of ₹ 2/- each	28,12,34,600	5,624.70	28,12,34,600	5,624.70
<b>Total</b>	<b>28,12,34,600</b>	<b>5,624.70</b>	<b>28,12,34,600</b>	<b>5,624.70</b>

#### 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, 2023		As at March 31, 2022	
	No. of Shares (FV of ₹ 2)	Amount in Lakhs	No. of Shares (FV of ₹ 2)	Amount in Lakhs
Number of Equity Shares at the beginning	28,12,34,600	5,624.70	28,12,34,600	5,624.70
Add: Number of Shares Issued	-	-	-	-
Add: Bonus shares issued	-	-	-	-
Less: Number of Shares Brought Back	-	-	-	-
Number of Equity Shares at the end of the year	<b>28,12,34,600</b>	<b>5,624.70</b>	<b>28,12,34,600</b>	<b>5,624.70</b>

#### 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.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

The Board of Directors has proposed in their meeting held on May 29, 2023 dividend of ₹ 0.25/- per fully paid equity share of ₹ 2/- each.

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, 2023 and March 31, 2022:

(₹ in Lakhs)

Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of Shares held	% holding	No. of Shares held	% holding
Kamidi Narsimha Reddy	9,04,20,000	32.15	9,00,00,000	32.00
Kamidi Jalandhar Reddy	3,77,59,210	13.43	3,77,59,210	13.43
HDFC Trustee Company Limited	1,85,42,546	6.59	1,79,98,600	6.40
DSP Flexi Cap Fund	1,81,08,779	6.44	1,85,44,865	6.59

#### 15.3 For the period of five years immediately preceding reporting period

- Shares allotted as fully paid-up pursuant to contract(s) without payment being received in cash. - Nil
- Aggregate Number and class of shares allotted as fully paid up by way of bonus shares.

Particulars	No. of shares	₹ In Lakhs
Equity share of ₹ 2/- each *	14,06,17,300	2,812.35

- Shares which were bought back in any of the years. - Nil
- Calls unpaid by any director or officer of the Company during the year. - Nil

## Notes forming part of the Consolidated financial statements (Contd.)

**15. EQUITY SHARE CAPITAL (CONTD.)**
**15.4 Shareholding of Promoters / Promoter group:**

Promoter / Promoter group Name	As at March 31, 2023			As at March 31, 2022		
	No. of Shares	% Of Total Shares	% Change during the year	No. of Shares	% Of Total Shares	% Change during the year
Kamidi Narsimha Reddy	9,04,20,000	32.15%	0.47%	9,00,00,000	32.00%	(2.69%)
Kamidi Jalandhar Reddy	3,77,59,210	13.43%	0.00%	3,77,59,210	13.43%	(3.82%)
Kamidi Yashoda	80,15,010	2.85%	0.00%	80,15,010	2.85%	(33.29%)
Merreddy Rajesh Reddy	75,00,000	2.67%	(16.67%)	90,00,000	3.20%	(18.18%)

**15.5 Instruments Entirely equity in nature**

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Loan from Promoter of SPV	850.00	850.00
	<b>850.00</b>	<b>850.00</b>

**16. OTHER EQUITY**

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Securities premium reserve	9,786.96	9,786.96
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	2,13,876.47	1,77,826.88
Add: (Loss)/ Profit for the period	45,801.42	38,184.47
Less: Amount Transferred to Non Controlling Interest	-	(1,431.79)
Less: Dividend paid	(703.09)	(703.09)
	<b>2,58,974.80</b>	<b>2,13,876.47</b>
d) Other Comprehensive Income - Gratuity	(165.47)	(216.29)
<b>Balance at the end of the period (a+b+c+d)</b>	<b>2,71,445.29</b>	<b>2,26,296.14</b>

**17. BORROWINGS**

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Non-current</b>		
<b>Secured loans</b>		
From banks		
Term loans (Refer note: 17.4)	43,865.84	1,32,546.04
	<b>43,865.84</b>	<b>1,32,546.04</b>
<b>Unsecured loans</b>		
Deferred Payment Liability - NHAI Premium	5,296.42	4,702.22
	<b>5,296.42</b>	<b>4,702.22</b>
<b>Total non-current borrowings</b>	<b>49,162.26</b>	<b>1,37,248.26</b>

## Notes forming part of the Consolidated financial statements (Contd.)

### 17. BORROWINGS (CONTD.)

(₹ in Lakhs)		
Particulars	As at March 31, 2023	As at March 31, 2022
<b>Current</b>		
<b>Loan repayable on Demand Secured loans From Banks</b>		
Term Loan (refer note: 17.4)	15,452.31	8,464.13
Cash Credit	-	-
Working capital demand loans (refer note: 17.1 and 17.2)	25.45	-
<b>Total current borrowings</b>	<b>15,477.76</b>	<b>8,464.13</b>
<b>Total</b>	<b>64,640.02</b>	<b>1,45,712.39</b>

#### 17.1 Working Capital Facilities: Cash Credit facilities from consortium of banks are secured by:

- 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 31.03.2022 is Rs 110.03 Crores
- Personal guarantee of Director.

17.2 The interest rate for working capital demand loan and cash credit facilities varies from 8.15% to 9.40 % per annum

17.3 The quarterly returns of current assets filed by the Company with banks are in agreement with the books of account.

#### 17.4 Term Loans of Subsidiaries:

##### For KNR Muzaffarpur Barauni Tollway Private Limited

##### 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 01, 2017 to April 01, 2030. The numbers of balance installments as on March 31, 2023 are 25. The interest charged by the lenders is at 10.35% p.a. and Interest is payable monthly.

##### For KNR Palani Infra Private Limited

##### Terms of Security :

- A first mortgage and charge on all the Borrower's immovable properties,both present and future, save and except the Project Assets;
- 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;

## Notes forming part of the Consolidated financial statements (Contd.)

### 17. BORROWINGS (CONTD.)

- 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 31.03.2023 the Company has availed a term loan of ₹23,080.44 Lakhs at the interest rate of Axis 1 year MCLR + spread of 1.05% P.a. and the term loan is repayable in 27 Semi Annual Instalments starting from Q1 of 2023-24.

#### For KNR Ramanattukara Infra Private Limited

Terms of Security :

- a) A first charge on all the Borrower's tangible movable assets and all other movable assets both present and future save and except the Project Assets;
- b) A first charge on the Project's book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, present and future intangibles, goodwill, uncalled capital (present and Future);
- c) A first charge on Projects bank accounts, including but not limited to the escrow account opened in a designated bank, where all cash inflows from the Project shall be deposited and all proceeds shall be utilised in a manner and priority to be decided by the Lenders/Investors .
- d) Hypothecation of all the Company's rights and interests under all the agreements related to the Project, Letter of Credit (If any), and guarantee or performance bond provided by any party for any contract related to the project in favour of the Borrower.
- e) Hypothecation of all applicable insurance policies.
- f) Pledge of 51% equity shares and preference shares (subject to regulatory compliance) of the borrower till the facilities is entirely repaid.
- g) Non disposal undertaking on balance 49% equity shares and preference shares.
- h) Pledge of 100% over NCDs /CCDs extended by Sponsor to Borrower, if funds are infused by Sponsor in the form of above instruments.

Repayment Terms : As on 31.03.2023 the Company has availed a Short term loan of ₹122,00.00 Lakhs at the interest rate of HDFC 3M MCLR + spread of 0.40% P.a. and the term loan is repayable in 3 Quarterly starting from Q1 of 2023-24.

### 18. OTHER FINANCIAL LIABILITIES

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>Non-current</b>		
Retention Deposits and Withheld Amount	-	1.99
Interest on NHAI Premium Payable	395.93	246.58
Other Payables	22.17	22.17
<b>Total non-current other financial liabilities</b>	<b>418.10</b>	<b>270.74</b>

## Notes forming part of the Consolidated financial statements (Contd.)

### 18. OTHER FINANCIAL LIABILITIES (CONTD.)

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Current</b>		
Interest accrued but not due on other than Mobilisation Advance	1.93	107.95
Interest accrued but not due on Mobilisation Advance	649.27	1,160.21
Interest accrued but not due on optionally convertible debentures	-	419.81
Advance Received from Related Parties ( Refer note : 40)	21.50	96.02
Unclaimed dividend (Refer note : 18.1)	6.07	5.70
Retention Deposits and With held	11,869.87	10,301.69
Security Deposits	836.68	643.86
Outstanding Expenses	2,401.88	1,946.43
<b>Total current other financial liabilities</b>	<b>15,787.20</b>	<b>14,681.67</b>
<b>Total</b>	<b>16,205.30</b>	<b>14,952.41</b>

**18.1** During the year, an un-paid dividend amount of ₹ 18,493 /- for relating to F.Y 2014-15 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, 2023	As at March 31, 2022
<b>Current</b>		
<b>Trade payables (Refer note 19.1)</b>		
Dues to Micro & Small Enterprises (Refer note 19.2)	167.04	268.34
Dues to creditors other than Micro & Small Enterprises	15,691.48	19,575.76
Bills Payable (Sub-contractors/Labour/Service)	22,911.19	10,862.68
<b>Total current trade payables</b>	<b>38,769.71</b>	<b>30,706.78</b>
<b>Total</b>	<b>38,769.71</b>	<b>30,706.78</b>

#### 19.1 Ageing for trade payables from the due date of payment

(₹ in Lakhs)

Particulars	Less than one year	1-2 years	2-3 years	More than 3 years	Total
<b>As on March 31, 2023</b>					
Undisputed dues of micro enterprises and small enterprises	167.04	-	-	-	167.04
Undisputed dues of creditors other than micro enterprises and small enterprises	33,986.53	1,421.75	590.60	2,603.79	38,602.67
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
<b>Total</b>	<b>34,153.57</b>	<b>1,421.75</b>	<b>590.60</b>	<b>2,603.79</b>	<b>38,769.71</b>

## Notes forming part of the Consolidated financial statements (Contd.)

**19. TRADE PAYABLES (CONTD.)**

(₹ in Lakhs)

Particulars	Less than one year	1-2 years	2-3 years	More than 3 years	Total
<b>As on March 31, 2022</b>					
Undisputed dues of micro enterprises and small enterprises	261.19	7.15	-	-	268.34
Undisputed dues of creditors other than micro enterprises and small enterprises	25,586.54	3,086.43	240.95	1,524.53	30,438.45
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
<b>Total</b>	<b>25,847.73</b>	<b>3,093.58</b>	<b>240.95</b>	<b>1,524.53</b>	<b>30,706.79</b>

**19.2** 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	As at March 31, 2023	As at March 31, 2022
a) Principal amount remaining unpaid	167.04	268.34
b) Interest due thereon	0.50	0.42
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	0.92	0.42
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	0.92	0.42

**20. PROVISIONS**

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Non-current</b>		
Provision for employee benefits		
Gratuity (Refer note : 39)	1,155.02	1,002.73
Compensated absences	-	2.86
Provision for contractual obligations (Refer note : 20.1)	225.03	5,257.55
<b>Total non-current provisions</b>	<b>1,380.05</b>	<b>6,263.14</b>

## Notes forming part of the Consolidated financial statements (Contd.)

### 20. PROVISIONS (CONTD.)

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Current</b>		
Provision for Capital expenditure (Refer note : 20.2)	741.50	741.50
Provision for Expenses	1,258.26	2,212.59
Provision for employee benefits:		
Gratuity (Refer note : 39)	200.29	183.86
Compensated absences	-	0.34
Provision for contractual obligations (Refer note : 20.1)	4,000.00	-
<b>Total current provisions</b>	<b>6,200.05</b>	<b>3,138.29</b>
<b>Total</b>	<b>7,580.10</b>	<b>9,401.43</b>

**20.1** In respect of subsidiaries, KNR Muzaffarpur Barauni Tollway Private Limited and KNR Palani 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, 2023	As at March 31, 2022
<b>Balance at the beginning of the year</b>	<b>5,257.55</b>	<b>2,125.85</b>
Provision made during the year	2,153.08	2,876.60
Un winding Interest on MMR	357.14	255.10
Provision utilised during the year	-	-
Provision reversed/adjusted during the year	(3,542.74)	-
<b>Balance as at end of the year</b>	<b>4,225.03</b>	<b>5,257.55</b>

**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, 2023	As at March 31, 2022
Security Deposits	319.13	250.97
Advance received from clients	808.62	808.62
<b>Total</b>	<b>1,127.75</b>	<b>1,059.59</b>

## Notes forming part of the Consolidated financial statements (Contd.)

**22. OTHER CURRENT LIABILITIES**

(₹ in Lakhs)		
Particulars	As at March 31, 2023	As at March 31, 2022
Mobilisation Advance received from clients - Others	5,718.84	19,519.03
Advance received from Related party (Refer note: 45)	-	5,169.98
Due to Customers	14,317.50	34,868.02
Security deposits	919.73	1,962.33
Dues to statutory authorities	7,385.29	4,375.40
Others	552.98	713.83
<b>Total</b>	<b>28,894.34</b>	<b>66,608.59</b>

**23. CURRENT TAX LIABILITIES (NET)**

(₹ in Lakhs)		
Particulars	As at March 31, 2023	As at March 31, 2022
<b>Current</b>		
Income Tax Provision	18,190.66	17,075.38
Less: Advance tax paid	(16,555.96)	(15,040.86)
<b>Total</b>	<b>1,634.70</b>	<b>2,034.52</b>

**24. REVENUE FROM OPERATIONS**

(₹ in Lakhs)		
Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Income from Contracts & Services	3,74,010.19	3,28,111.67
Construction Income	3,774.18	2,821.31
Other Operating Income	28,451.60	29,649.26
<b>Total</b>	<b>4,06,235.97</b>	<b>3,60,582.24</b>

**25. OTHER INCOME**

(₹ in Lakhs)		
Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest Income	431.66	1,308.50
Interest Income on fair value of interest free loans	747.12	230.36
Gain/(Loss) on fair value of FD	65.83	62.59
Interest on Income tax refunds	168.71	232.81
Profit on sale of mutual Funds	165.17	111.49
Gain on foreign currency transactions	2.57	-



## Notes forming part of the Consolidated financial statements (Contd.)

### 25. OTHER INCOME (CONTD.)

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2023	Year ended March 31, 2022
<b>Other non-operating income</b>		
Profit on Sale of Assets	212.67	138.13
Discount Received from suppliers	672.12	1,049.24
Liabilities no longer required written back	110.89	106.33
Insurance Claim Received	145.68	210.63
Gain on fair value of Mutual funds	7.46	-
Provision for Doubtful advances /debtors written back	-	483.93
Miscellaneous Income	937.79	553.48
<b>Total</b>	<b>3,667.67</b>	<b>4,487.49</b>

### 26. COST OF MATERIALS CONSUMED

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2023	Year ended March 31, 2022
<b>Construction Materials, Stores &amp; Spares</b>		
Opening Stock	22,740.50	14,798.90
Add: Net Purchases	1,50,156.65	1,26,013.16
	<b>1,72,897.15</b>	<b>1,40,812.06</b>
Less: Closing Stock	23,422.70	22,740.50
<b>Total Consumption</b>	<b>1,49,474.45</b>	<b>1,18,071.56</b>

### 27. CONSTRUCTION EXPENSES

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2023	Year ended March 31, 2022
Sub-contract expenses	33,423.64	34,021.53
Spreading & Assortment exp.	75,121.29	67,676.87
Power and Fuel	1,195.36	1,549.26
Seigniorage charges / Royalty	3,531.73	3,346.25
Transport Charges	6,043.43	5,616.22
Hire Charges	1,738.81	1,371.43
Watch & Ward	666.72	579.41
Other Recoveries by Clients	395.75	73.59
Repairs to Buildings & others	251.42	214.72
Repairs to Machinery	424.25	405.62
Repairs to Vehicles	825.36	488.15

## Notes forming part of the Consolidated financial statements (Contd.)

**27. CONSTRUCTION EXPENSES (CONTD.)**

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Toll Maintenance Expenses	215.15	215.92
Periodic / Major maintenance expenditure	2,153.08	2,876.60
Premium expenses	2.11	-
Repairs & Maintenance - DLP	6.17	68.58
Operation and Maintenance expenses - Routine	876.03	28.67
Other Construction Expenses	5,073.28	5,624.52
<b>Total</b>	<b>1,31,943.58</b>	<b>1,24,157.34</b>

**28. EMPLOYEE BENEFITS EXPENSE**

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, Wages and Other Benefits	16,920.47	14,184.63
Contribution to Provident and Other Funds (Refer note : 39)	316.97	258.49
Staff welfare Expenses	183.07	162.15
<b>Total</b>	<b>17,420.51</b>	<b>14,605.27</b>

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.

**29. FINANCE COSTS**

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Interest Expense on</b>		
Working capital demand loans and cash credit	282.87	261.57
Term Loans	6,881.21	10,262.99
Interest on Unsecured Debentures	1,000.90	493.90
Interest on secured NCDs	1,646.32	-
Interest on Mobilisation Advance	1,044.17	1,593.90
Others	292.75	306.96
Unwinding Interest	1,853.55	844.35
Interest on Income Tax (Refer Note: 47)	1,195.07	-
	<b>14,196.84</b>	<b>13,763.67</b>

## Notes forming part of the Consolidated financial statements (Contd.)

### 29. FINANCE COSTS (CONTD.)

(₹ in Lakhs)		
Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Other Borrowing Costs</b>		
Processing charges	204.92	223.59
BG / LC charges	476.23	606.80
Bank and Other Financial Charges	429.61	217.33
<b>Total</b>	<b>15,307.60</b>	<b>14,811.39</b>

### 30. DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lakhs)		
Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation & Amortisation	17,625.47	16,228.88
Depreciation & Amortisation - Right of Use assets	444.62	263.18
<b>Total</b>	<b>18,070.09</b>	<b>16,492.06</b>

### 31. OTHER EXPENSES

(₹ in Lakhs)		
Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Travelling & Conveyance (includes Boarding & Lodging expenses)	358.38	282.98
Postage, Telegrams and Telephones	70.79	66.71
Business Promotion expenses	112.99	14.52
Advertisement and publicity	23.29	10.77
Legal & Professional charges	1,408.76	1,181.76
Insurance	1,217.06	854.28
Rates and taxes excluding taxes of Income	772.31	549.15
Payments to the Auditor	35.29	32.05
Printing & Stationery	146.28	126.39
Tender expenses	167.83	25.93
Office maintenance	143.53	119.41
Rent expenses	580.45	540.41
Electricity charges	827.35	515.94
Directors Sitting fees	58.20	42.70
Loss on sale of Assets	84.61	3.44
Bad Debts / Advances Written off	224.43	361.20
Provision for Doubtful Advances, Receivables and Deposits	-	59.11
Donation	185.79	226.33

## Notes forming part of the Consolidated financial statements (Contd.)

**31. OTHER EXPENSES (CONTD.)**

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(Gain) / Loss on Fair value of Mutual funds	-	0.04
CSR Expenses (Refer note 31.1)	811.77	913.63
Interest on Statutory Dues	32.15	302.85
Loss on Foreign Currency Transactions	-	14.21
Modification gain/loss	2,484.12	14,035.18
Miscellaneous expenses	739.24	716.78
<b>Total</b>	<b>10,484.62</b>	<b>20,995.77</b>

**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.

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
a) Amount required to be spent by the Company during the year	902.89	745.61
b) Amount of expenditure incurred	811.77	913.63
c) Shortfall at the end of the year	91.12	(168.02)
d) Total of previous year's shortfall	190.26	99.14
e) Reason for shortfall	The shortfall is due to Ongoing Projects and the said amount is transferred to Un Spent account as per the provisions of Companies Act	
f) Nature of CSR activities		
1. Construction / acquisition of any assets	304.22	298.45
2. On Purposes other than (1) above	507.55	615.18
g) Details of related party transactions	Nil	Nil
h) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.	Since no provision is made for short fall the amount is shown as Nil	Since no provision is made for short fall the amount is shown as Nil

**32. EXCEPTIONAL ITEMS**

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Loss / (Profit) on Sale of Investments (Refer Note: 48 & 49)	(6,184.49)	(2,139.95)
<b>Total</b>	<b>(6,184.49)</b>	<b>(2,139.95)</b>

## Notes forming part of the Consolidated financial statements (Contd.)

### 33. TAX EXPENSE

(₹ in Lakhs)		
Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>A - Current Tax</b>		
Current tax on profits for the year	18,119.53	15,304.10
Adjustments in respect of prior years	3,139.40	1,146.10
<b>Sub-Total</b>	<b>21,258.93</b>	<b>16,450.20</b>
<b>B - Deferred Tax</b>		
Deferred Tax Liability / (Asset) due to timing difference	2,924.83	3,248.70
<b>Sub-Total</b>	<b>2,924.83</b>	<b>3,248.70</b>
<b>Total</b>	<b>24,183.76</b>	<b>19,698.90</b>

#### 33.1 Reconciliation of tax expenses to accounting profit

(₹ in Lakhs)		
Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Accounting profit before tax	68,124.70	56,338.18
Enacted tax rates in India*	25.17%	25.17%
Tax	<b>17,145.62</b>	<b>14,566.87</b>
<b>Adjustments</b>		
Effect of income exempt from taxation	(518.44)	(166.51)
Effect of expenses that are not deductible in determining taxable profit	(2,068.80)	636.69
Effect of capital gains	2,788.29	-
Earlier year taxes	3,139.40	1,146.10
Deferred tax	2,924.83	3,248.70
Short term capital gain on Mutual funds	-	27.73
Others	772.86	239.32
<b>Tax Expenses recognised in the statement of profit and loss</b>	<b>24,183.76</b>	<b>19,698.90</b>
<b>Income tax credit/(expense) recognised in Other Comprehensive Income :</b>		
Tax effect on actuarial gains/losses on defined benefit obligations	(16.94)	21.11

### 34. OTHER COMPREHENSIVE INCOME

(₹ in Lakhs)		
Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Items that will not be reclassified to profit or loss		
i) Actuarial Gains & Losses	67.76	(81.23)
ii) Deferred tax	(16.94)	21.11
	<b>50.82</b>	<b>(60.12)</b>

## Notes forming part of the Consolidated financial statements (Contd.)

### 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, 2023 and March 31, 2022 was as follows

Particulars	(₹ in Lakhs)	
	March 31, 2023	March 31, 2022
Total debt	59,345.53	1,41,118.12
Less: cash and cash equivalents	22,019.81	25,919.90
<b>Adjusted net debt</b>	<b>37,325.72</b>	<b>1,15,198.22</b>
Total equity	2,77,919.99	2,32,770.84
<b>Adjusted equity</b>	<b>2,77,919.99</b>	<b>2,32,770.84</b>
<b>Adjusted net debt to adjusted equity ratio</b>	<b>0.13</b>	<b>0.49</b>

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 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, 2023

(₹ in Lakhs)

Particulars	Carrying amount			Fair Value			
	FVTPL	Amortised Cost	Total carrying amount	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>							
Investments in Associates	-	5,702.41	5,702.41	-	-	5,702.41	5,702.41
Other Investments	-	1,532.39	1,532.39	-	-	1,532.39	1,532.39
Trade receivables	-	65,242.70	65,242.70	-	-	65,242.70	65,242.70
Cash and cash equivalents	-	22,019.81	22,019.81	-	-	-	-
Loans	-	11.14	11.14	-	-	11.14	11.14
Other financials assets	-	1,22,755.10	1,22,755.10	-	-	1,22,755.10	1,22,755.10
	-	<b>2,17,263.55</b>	<b>2,17,263.55</b>	-	-	<b>1,95,243.74</b>	<b>1,95,243.74</b>
<b>Financial liabilities</b>							
Secured Bank loans	-	59,343.60	59,343.60	-	-	59,343.60	59,343.60
Deferred Payment Liability - NHAI Premium	-	5,296.42	5,296.42	-	-	5,296.42	5,296.42
Trade payables	-	38,769.71	38,769.71	-	-	38,769.71	38,769.71
Lease Liabilities	-	566.07	566.07	-	-	566.07	566.07
Other financial liabilities	-	16,205.30	16,205.30	-	-	16,205.30	16,205.30
	-	<b>1,20,181.10</b>	<b>1,20,181.10</b>	-	-	<b>1,20,181.10</b>	<b>1,20,181.10</b>

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.

## Notes forming part of the Consolidated financial statements (Contd.)

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

As at March 31, 2022

(₹ in Lakhs)

Particulars	Carrying amount			Fair Value			
	FVTPL	Amortised Cost	Total carrying amount	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>							
Investments in Associates held for sale	-	5,783.58	5,783.58	-	-	5,783.58	5,783.58
Other Investments	9.53	1,532.39	1,541.92	9.53	-	1,532.39	1,541.92
Trade receivables	-	59,841.46	59,841.46	-	-	59,841.46	59,841.46
Cash and cash equivalents	-	25,919.90	25,919.90	-	-	-	-
Loans	-	1,009.64	1,009.64	-	-	1,009.64	1,009.64
Other financials assets	-	2,16,610.09	2,16,610.09	-	-	2,16,610.09	2,16,610.09
	<b>9.53</b>	<b>3,10,697.06</b>	<b>3,10,706.59</b>	<b>9.53</b>	<b>-</b>	<b>2,84,777.16</b>	<b>2,84,786.69</b>
<b>Financial liabilities</b>							
Secured Bank loans	-	1,41,010.17	1,41,010.17	-	-	1,41,010.17	1,41,010.17
Deferred Payment Liability - NHA1 Premium	-	4,702.22	4,702.22	-	-	4,702.22	4,702.22
Trade payables	-	30,706.78	30,706.78	-	-	30,706.78	30,706.78
Lease Liabilities	-	641.48	641.48	-	-	641.48	641.48
Other financial liabilities	-	14,952.41	14,952.41	-	-	14,952.41	14,952.41
	<b>-</b>	<b>1,92,013.06</b>	<b>1,92,013.06</b>	<b>-</b>	<b>-</b>	<b>1,92,013.06</b>	<b>1,92,013.06</b>

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:

- 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.

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.

## Notes forming part of the Consolidated 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, 2023

(₹ in Lakhs)

Particulars	Contractual Cash flows				Total
	Carrying Amount	Upto 1 year	1 to 3 Years	More than 3 years	
<b>Non-derivative financial liabilities</b>					
Secured Bank loans	59,343.60	17,917.75	13,329.50	28,096.35	59,343.60
Deferred Payment Liability - NHAI Premium	5,296.42	-	359.00	4,937.42	5,296.42
Trade payables	38,769.71	34,153.57	2,012.35	2,603.79	38,769.71
Lease Liabilities	566.07	249.76	316.31	-	566.07
Other financial liabilities	16,205.30	3,241.06	4,051.33	8,912.92	16,205.30
	<b>1,20,181.10</b>	<b>55,562.14</b>	<b>20,068.48</b>	<b>44,550.47</b>	<b>1,20,181.10</b>

As at March 31, 2022

(₹ in Lakhs)

Particulars	Contractual Cash flows				Total
	Carrying Amount	Upto 1 year	1 to 3 Years	More than 3 years	
<b>Non-derivative financial liabilities</b>					
Secured Bank loans	1,41,010.17	8,464.13	17,951.80	1,14,594.24	1,41,010.17
Deferred Payment Liability - NHAI Premium	4,702.22	-	-	4,702.22	4,702.22
Trade payables	30,706.78	25,847.73	3,334.52	1,524.53	30,706.78
Lease Liabilities	641.48	208.65	341.28	91.55	641.48
Other financial liabilities	14,952.41	2,242.86	3,738.10	8,971.45	14,952.41
	<b>1,92,013.06</b>	<b>36,763.36</b>	<b>25,365.70</b>	<b>1,29,883.99</b>	<b>1,92,013.06</b>

#### 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:**

Particulars	Note No.	March 31, 2023	March 31, 2022
Borrowings outstanding	17	43,865.84	1,32,546.04
Borrowings Current maturities	17	15,477.76	8,464.13

#### Sensitivity analysis

(₹ in Lakhs)

Interest Rate Risk Analysis	Impact on profit/ loss after tax	
	Year Ended March 31, 2023	Year Ended March 31, 2022
Increase or decrease in Interest by 25bp	148.36	352..53

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:**

Particulars	Note No.	March 31, 2023	March 31, 2022
Investments in Mutual Funds	4	-	9.53

#### Sensitivity analysis

(₹ in Lakhs)

Price Rate Risk Analysis	Impact on profit/ loss after tax	
	Year Ended March 31, 2023	Year Ended March 31, 2022
Increase or decrease in NAV by 2%	-	0.19

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, 2023	March 31, 2022
<b>i)</b>	<b>Contingent Liabilities</b>		
a)	<b>Claims against the Group not acknowledged as debt #</b>		
	1. Disputed Income tax and Interest on TDS*	17,994.95	11,482.50
	2. Disputed Sales tax/ VAT/ Entry tax	1,312.60	3,032.05
	3. Disputed Service tax	607.05	303.53
	4. Disputed Customs	1,509.52	1,509.52
	5. Others (Civil cases)	1,341.69	1,341.69
	# Interest not ascertainable after the date of order, if any		
b)	<b>Guarantees</b>		
	Corporate guarantees given to banks and financial institutions for financial assistance extended to Joint Operations.	-	-
c)	<b>Other money for which the Group is contingently liable</b>		
	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
	<b>Total</b>	<b>22,765.82</b>	<b>17,669.86</b>

\*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 ₹ 4,422.19 Lakhs, for the A.Y 2006-07 to 2012-13 and A.Y 2014-15 the department has filed appeals against ITAT orders at the High Court of Judicature at Hyderabad for the State of Telangana.

The Company considers it appropriate not to create a liability for the above said amount on the basis of legal opinion and decided cases.

<b>ii)</b>	<b>Commitments</b>		
a)	Estimated amount of contracts remaining to be executed on capital account and not provided for	215.87	64.75
b)	Estimated amount of committed funding by way of equity/deemed equity to subsidiary companies	-	-
	<b>Total</b>	<b>215.87</b>	<b>64.75</b>
<b>iii)</b>	<b>Contingent Assets</b>		
	Arbitration claims awarded for various projects, but client not accepted (including insurance claims)	51,356.41	49,669.41

## Notes forming part of the Consolidated financial statements (Contd.)

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

(₹ in Lakhs)

	Year ended March 31 2023	Year ended March 31 2022
i. Profit (loss) attributable to equity shareholders(basic)	45,801.42	38,184.47
ii. Weighted average number of equity shares (basic)	2,812.35	2,812.35
<b>Basic EPS</b>	<b>16.29</b>	<b>13.58</b>
i. Profit (loss) attributable to equity shareholders(diluted)	45,801.42	38,184.47
ii. Weighted average number of equity shares (diluted)	2,812.35	2,812.35
<b>Diluted EPS</b>	<b>16.29</b>	<b>13.58</b>

### 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, 2023	March 31, 2022
Present value of obligations as at beginning of the year	1,351.70	1,056.97
Interest cost	81.84	59.37
Current Service cost	165.75	161.90
Benefits paid	-	(6.38)
Actuarial (gain)/loss on obligations		
- Due to change in financial obligations	(62.55)	(33.75)
- Due to change in demographic assumptions	11.32	-
- Due to experience adjustments	(13.16)	113.59
Past service cost	-	-
Present value of obligations as at end of year	<b>1,534.90</b>	<b>1,351.70</b>

#### Assets recognised in the Balance Sheet

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
Liability at the end of the period / year	1,534.90	1,352.49
Fair value of plan assets at the end of the period /year	(179.58)	(167.50)
Amount to be recognised in Balance Sheet	<b>1,355.32</b>	<b>1,185.00</b>

#### Expenses recognised in the Statement of Profit & Loss

(₹ in Lakhs)

	March 31, 2023	March 31, 2022
Current service cost	165.75	162.69
Interest cost	73.20	56.35
Expected return on plan assets	-	-
Net Actuarial (gain)/loss recognised in the year	-	-
Expenses recognised in statement of profit and loss	<b>238.95</b>	<b>219.05</b>

## Notes forming part of the Consolidated financial statements (Contd.)

**39. EMPLOYEE BENEFITS (CONTD.)**
**Amount recognised in statement of OCI**

	March 31, 2023	March 31, 2022
Remeasurement for the period - Obligation (gain)/loss	(67.76)	81.23
Remeasurement for the period - plan assets (gain)/loss	-	-
Total Remeasurement cost / (credit) for the period recognised in OCI	(67.76)	81.23
Closing amount recognised in OCI	(67.76)	81.23

(₹ in Lakhs)

**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 Limited
2. Patel KNR Heavy Infrastructures Limited

**(ii) Joint Venture :**

1. SEL-KNR-JV (At Bangladesh)

**(iii) Key Management Personnel's (KMPs):**

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

**(iv) Relatives of KMPs :**

1	Shri. M.Rajesh Reddy	Son-in-law of Shri K.Narsimha Reddy
2	Shri. J.V Panindra Reddy	Son-in-law of Shri K.Narsimha Reddy
3	Shri. V.Krishna Reddy	Brother of Smt. K.Yashoda
4	Kamidi Reality Private Limited,	Company in which Directors are Interested

**(v) Other Related parties :**

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

#### (b) Disclosure of related party transactions :

(Rupees In Lakhs, except share data)

Sl. No.	Particulars	Associates		Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
1	Work contract receipts received	1,946.94	3,347.49	-	-	-	-	-	-
2	Re-imburement of expenditure incurred / (Recovered)	22.48	4.46	-	-	(2.05)	1.93	-	-
3	Mobilisation advance received/ (recovered)	-	(122.71)	-	-	-	-	-	-
4	Advance received against sale of property rights /(Property sold)	-	-	-	-	(5,169.98)	5,169.98	-	-
5	Short Term Employee Benefits	-	-	-	-	2,934.08	1,378.25	-	-
6	Post-employment Benefits *	-	-	-	-	33.08	33.08	-	-
7	Other Long-term Benefits	-	-	-	-	-	-	-	-
8	Termination Benefits	-	-	-	-	-	-	-	-
9	Share based payment	-	-	-	-	-	-	-	-
10	Dividend paid	-	-	-	-	359.24	361.94	-	-
11	Land lease rent paid	-	-	-	-	39.18	17.29	-	-
12	Office rent paid	-	-	-	-	12.40	11.86	-	-
13	Directors sitting fee paid	-	-	-	-	58.20	42.70	-	-
14	Contribution to Post-employment Benefit Plans	-	-	-	-	-	-	6.00	152.89

#### (c) Related party balances outstanding are as follows :

(Rupees In Lakhs, except share data)

Sl. No.	Particulars	Associates		Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
<b>1</b>	<b>Debit balances outstanding</b>								
	Patel Knr Heavy Infrastructure Limited	2,074.59	2,048.14	-	-	-	-	-	-
	Patel Knr Infrastructure Limited	2,318.83	1,862.22	-	-	-	-	-	-
	M.Rajesh Reddy	-	-	-	-	-	2.05	-	-
<b>2</b>	<b>Credit Balances outstanding</b>								
	K.Narsimha Reddy *	-	-	-	-	37.53	36.75	-	-
	K.Jalandhar Reddy *	-	-	-	-	27.85	27.09	-	-
	S.Vaikuntanathan *	-	-	-	-	1.90	2.22	-	-
	V.Haritha *	-	-	-	-	0.82	1.63	-	-
	V.Krishna Reddy *	-	-	-	-	0.57	0.57	-	-
	K.Yashoda	-	-	-	-	1.97	-	-	-
	Kamidi Reality Private Limited,	-	-	-	-	-	5,169.98	-	-

## 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 :

(Rupees In Lakhs, except share data)

Sl. No.	Particulars	Associates		Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
<b>1</b>	<b>Work contract receipts received</b>								
	Patel Knr Heavy Infrastructure Limited	694.83	1,668.29	-	-	-	-	-	-
	Patel Knr Infrastructure Limited	1,252.11	1,679.20	-	-	-	-	-	-
<b>2</b>	<b>Re-imbusement of expenditure incurred/ (Recovered)</b>								
	Patel Knr Heavy Infrastructure Limited	22.48	4.46	-	-	-	-	-	-
	M.Rajesh Reddy	-	-	-	-	(2.05)	-	-	-
<b>3</b>	<b>Mobilisation advance received/(recovered)</b>								
	Patel KNR Heavy Infrastructure Limited	-	(122.71)	-	-	-	-	-	-
<b>4</b>	<b>Advance received against sale of property rights / (Property sold)</b>								
	Kamidi Reality Private Limited	-	-	-	-	(5,169.98)	5,169.98	-	-
<b>5</b>	<b>Short Term Employee Benefits</b>								
	K.Narsimha Reddy	-	-	-	-	1,710.00	780.00	-	-
	K.Jalandhar Reddy	-	-	-	-	1,170.00	540.00	-	-
<b>6</b>	<b>Post-employment Benefits *</b>								
	K.Jalandhar Reddy	-	-	-	-	32.40	32.40	-	-
<b>7</b>	<b>Dividend paid</b>								
	K.Narsimha Reddy	-	-	-	-	226.05	225.00	-	-
	K.Jalandhar Reddy	-	-	-	-	94.40	94.40	-	-
<b>8</b>	<b>Land lease rent paid</b>								
	K.Jalandhar Reddy	-	-	-	-	17.29	17.29	-	-
	K.Yashoda	-	-	-	-	21.89	-	-	-
<b>9</b>	<b>Office rent paid</b>								
	K.Jalandhar Reddy	-	-	-	-	12.40	11.86	-	-
<b>10</b>	<b>Directors sitting fee paid</b>								
	K.Yashoda	-	-	-	-	-	5.00	-	-
	B.V.Rama Rao	-	-	-	-	20.40	14.90	-	-
	L.B.Reddy	-	-	-	-	20.40	14.90	-	-
	G.C.Rekha	-	-	-	-	12.40	7.90	-	-
<b>11</b>	<b>Contribution to Post-employment Benefit Plans</b>								
	KNR Constructions Limited Employees group gratuity fund	-	-	-	-	-	-	6.00	152.89

\* 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.

## 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.)

- 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 in Lakhs
<b>Parent</b>	55.92%	153,662.77	-175.67%	(77,188.96)	99.08%	50.35	-175.35%	(77,138.61)
KNR Agrotech & Beverages Private Limited	0.03%	71.48	0.03%	11.40	0.00%	-	0.03%	11.40
KNR Infrastructure Projects Private Limited	0.00%	(7.81)	0.00%	(0.27)	0.00%	-	0.00%	(0.27)
KNR Energy Limited	0.00%	4.61	0.00%	(0.28)	0.00%	-	0.00%	(0.28)
KNRC Holdings and Investments Private Limited	-3.79%	(10,416.84)	-3.76%	(1,653.59)	0.00%	-	-3.76%	(1,653.59)
KNR Srirangam Infra Private Limited*	1.34%	3,689.14	8.40%	3,689.14	0.00%	-	8.39%	3,689.14
KNR Tirumala Infra Private Limited#	0.67%	1,840.21	4.19%	1,840.21	0.00%	-	4.18%	1,840.21
KNR Shankarampet InfraProjects Private Limited#	0.47%	1,282.15	2.92%	1,282.15	0.00%	-	2.91%	1,282.15
KNR Somwarpet Infra Private Limited	8.38%	23,016.24	43.37%	19,055.66	0.00%	-	43.32%	19,055.66
KNR Guruvayur Infra Private Limited	13.22%	36,325.66	82.67%	36,325.66	0.00%	-	82.57%	36,325.66
KNR Ramanattukara Infra Private Limited	14.03%	38,559.74	87.75%	38,559.74	0.00%	-	87.65%	38,559.74
KNR Ramagiri Infra Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
KNR Palani Private Limited	9.54%	26,212.75	55.34%	24,317.45	0.00%	-	55.28%	24,317.45
Manjeri City Infrastructures and Developers LLP	-0.15%	(410.47)	-0.80%	(351.31)	0.92%	0.47	-0.80%	(350.84)
Benedire Infrastructures and Developers LLP	0.00%	(4.40)	-0.01%	(4.40)	0.00%	-	-0.01%	(4.40)
<b>Non-controlling interest in all subsidiaries</b>	<b>-1.14%</b>	<b>(3,137.18)</b>	<b>-4.23%</b>	<b>(1,860.48)</b>	<b>0%</b>	<b>-</b>	<b>-4.23%</b>	<b>(1,860.48)</b>
<b>Indian Associates (Investment as per the equity method)</b>								
Patel KNR Infrastructures Limited	0.16%	449.75	-0.19%	(85.58)	0%	-	-0.19%	(85.58)
Patel KNR Heavy Infrastructures Limited	0.77%	2,112.66	0.01%	4.40	0%	-	0.01%	4.40
<b>Joint ventures (investment as per the equity method)</b>								
SEL-KNR-JV	0.56%	1,532.38	0.00%	-	0.00%	-	0.00%	-
<b>Total</b>	<b>100.00%</b>	<b>274,782.81</b>	<b>100.00%</b>	<b>43,940.94</b>	<b>100.00%</b>	<b>50.82</b>	<b>100.00%</b>	<b>43,991.76</b>

\* Ceased to be Subsidiary with effect from October 14, 2022

# Ceased to be Subsidiary with effect from October 20, 2022

## Notes forming part of the Consolidated financial statements (Contd.)

**42. INVESTMENT IN ASSOCIATES AND JOINT VENTURE**
**Assets and liabilities statement**

(₹ in Lakhs)

Particulars	Associates		Joint Venture	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Current assets	33,114.39	29,365.30	7,326.98	7,326.98
Non-current assets	28,593.29	36,881.35	898.93	898.93
Current liabilities	14,894.99	10,923.67	1,887.03	1,887.03
Non-current liabilities	30,220.08	38,527.42	3,211.58	3,211.58
Equity	16,592.61	16,795.56	3,127.30	3,127.30
Proportion of the group's ownership interest	40%	40%	49%	49%
Carrying amount of the group's interest	6,637.04	6,718.22	1,532.39	1,532.39

**Statement of profit and loss**

(₹ in Lakhs)

Particulars	Associates		Joint Venture	
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
Income	9,240.08	12,047.77	-	-
Operating & Maintenance expenses	3,674.55	3,084.57	-	-
Construction Expenses	-	-	-	-
Employee benefits expense	7.13	6.56	-	-
Finance costs	4,582.50	5,354.44	-	-
Depreciation and amortisation expense	90.15	83.89	-	-
Other expenses	1,107.46	457.67	-	-
Profit/(Loss) before tax	(221.71)	3,060.64	-	-
Tax expense	84.11	37.35	-	-
Profit/(Loss) for the year	(305.82)	3,023.29	-	-
Group's share of profit for the year	(122.33)	1,209.31	-	-
Group's share of other comprehensive income for the year	41.15	12.64	-	-
Group's total comprehensive income for the year	(81.18)	1,221.95	-	-
Dividend received from the associates during the year	-	-	-	-

**43. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES CONSIDERED FOR CONSOLIDATION**

Sl. No.	Particulars	Country	Holding as at	
			March 31, 2023	March 31, 2022
<b>I)</b>	<b>Subsidiaries</b>			
1	KNR Agrotech & Beverages Private Limited	India	100%	100%
2	KNR Infrastructure Projects Private Limited	India	100%	100%
3	KNR Energy Limited	India	100%	100%
4	KNR Srirangam Infra Private Limited*	India	-	100%
5	KNR Tirumala Infra Private Limited#	India	-	51%
7	KNR Shankarampet Projects Private Limited#	India	-	51%
8	KNR Somwarpet Infra Project Private Limited	India	100%	100%
9	KNR Palani Infra Private Limited	India	100%	100%
10	KNR Guruvayur Infra Private Limited	India	100%	100%



## Notes forming part of the Consolidated financial statements (Contd.)

### 43. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES CONSIDERED FOR CONSOLIDATION (CONTD.)

Sl. No.	Particulars	Country	Holding as at	
			March 31, 2023	March 31, 2022
11	KNR Ramanattukara Infra Private Limited	India	100%	100%
12	KNR Ramagiri Infra Private Limited	India	100%	100%
13	KNRC Holdings and Investments Private Limited	India	100%	100%
14	Manjeri City Infrastructures and Developers LLP @	India	100%	100%
15	Benedire Infrastructures and Developers LLP @	India	100%	100%
<b>II) Step-down Subsidiaries</b>				
17	Mesmeric Software Solutions Private Limited	India	100%	100%
18	Nag Talent Ventures & Infotech Private Limited	India	100%	100%
19	Gradient Estates Private Limited	India	100%	100%
20	Asara Construction & Projects Private Limited	India	100%	100%
21	KNR Muzaffarpur Holdings Private Limited	India	100%	100%
22	KNR Muzaffarpur-Barauni Tollway Private Limited	India	51%	51%
<b>III) Associates</b>				
1	Patel KNR Infrastructures Limited	India	40%	40%
2	Patel KNR Heavy Infrastructures Limited	India	40%	40%
<b>IV) Joint Operations</b>				
1	KNR – Patel JV	India	51%	51%
2	Patel – KNR JV	India	50%	50%
3	KNR – SLEC JV	India	60%	60%
4	KNR-BPL JV	India	49%	49%
5	KNR-GVR JV	India	51%	51%
6	KNR-JKM-KAMALA JV	India	50%	50%
7	KNR-JKM JV	India	51%	51%
8	KNR-SLMI JV	India	Project specific	Project specific
9	KNR-TBCPL JV	India	51%	51%
10	KNR-PBEPL JV	India	75%	75%
11	KNR-SEW-GVR JV	India	51%	51%
12	PSK-KNR-GVR JV	India	51%	51%
13	BSCPL-KNR JV	India	50%	50%
14	KNR-HES-ACPL JV	India	51%	51%
15	KNR-NAVAYUGA-NCC-JV	India	60%	60%
16	KNR-HES JV	India	60%	60%
<b>V) Joint Venture</b>				
1	SEL-KNR-JV	Bangladesh	49%	49%

\* Ceased to be Subsidiary with effect from October 14, 2022

# Ceased to be Subsidiary with effect from October 20, 2022

@ The Company has acquired LLP's on January 31, 2022.

## 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:

Particulars	(₹ in Lakhs)	
	March 31, 2023	March 31, 2022
Receivables	65,242.70	59,841.46
Contract Assets	73,094.10	47,759.92
Contract Liabilities	20,036.34	54,387.05

### 45. RECONCILIATION BETWEEN THE OPENING AND CLOSING BALANCES IN THE FINANCIAL STATEMENT FOR FINANCIAL LIABILITIES AND ASSETS ARISING FROM FINANCING ACTIVITIES (IND AS - 7)

Particulars	(₹ in Lakhs)		
	Secured Loans	Deferred Payment of Liability	Finance cost
<b>Opening Balance</b>	<b>1,41,010.17</b>	<b>4,702.22</b>	<b>1,268.16</b>
Interest/Dividend Accrued during the year	-	-	15,307.60
<b>Cash flows</b>			-
Received	48,084.00	-	-
Repayment/Adjustment	(1,29,766.24)	(3.99)	(14,924.26)
Interest/Dividend paid			
<b>Non-Cash items</b>			
Unwinding Interest	-	596.16	(984.63)
Unamortised Processing fee/Others	15.67	2.03	(15.67)
<b>Closing Balance</b>	<b>59,343.60</b>	<b>5,296.42</b>	<b>651.20</b>

### 46. SEGMENT INFORMATION

The Group's operations predominantly consist of "Construction and Engineering activities". Hence there are no reportable segments. 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 and the segment report is reviewed by Chief Operating Decision Maker, accordingly the Company has considered the business as a whole as a single Operating Segment in accordance with Ind AS 108.

47. With respect to the search operation conducted by the Income Tax Department under Section 132 of the Income-tax Act, 1961 in March 2022, we further disclose that as on the date of issuance of these financial results, the Assessing Officer has initiated the proceedings for re assessment of income, as is relevant for each of the financial years from 2016-17 to 2021-22 under the applicable provisions of the Income tax Act, 1961 and further based on the deliberations with the Assessing Officer and as a prudent measure, the Company has made a provision of ₹ 2,475.26 Lakhs towards Income tax and ₹ 945.12 Lakhs towards interest on Income Tax for the above said years, which has been duly reflected in the Consolidated Profit and Loss under the head "tax relating to earlier years" and "finance cost" respectively for the year ended March 31, 2023.

## Notes forming part of the Consolidated financial statements (Contd.)

- 48.** During the year ended March 31, 2023, the Company has divested its balance 51% stake in KNR Tirumala Infra Private Limited and KNR Shankarampet Projects Private Limited on October 20, 2022 for a value of ₹ 8,218.54 Lakhs and ₹ 5,069.53 Lakhs respectively, and 100% stake in KNR Srirangam Infra Private Limited on October 14, 2022 for a value of ₹ 14,655.20 Lakhs, which includes repayment of 100% sub debt infused by the Company of ₹ 3,024.41 Lakhs to CUBE Highways and Infrastructure III Pte. Limited, accordingly The Company has recognised an amount of ₹ 6,184.49 Lakhs as a profit on sale of 3 SPV's as purchase consideration is more than the networth of the 3 SPV's, which is shown as exceptional item in the Statement of Consolidated Profit and Loss.
- 49.** During the year ended March 31, 2022, the Company has transferred its 49% stake in two of its 100% wholly owned subsidiaries i.e. KNR Tirumala Infra Private Limited and KNR Shankarampet Projects Private Limited, to CUBE Highways and Infrastructure III pte.Limited on December 30, 2021 for a value of ₹ 13,680.97 Lakhs and ₹ 10,851.23 Lakhs respectively, which includes repayment of 100% sub debt infused by the Company of ₹ 8,859.50 Lakhs and ₹ 7,469.50 Lakhs respectively, accordingly profit of ₹ 2,139.95 Lakhs was shown as exceptional item in the Statement of Consolidated Profit and Loss.
- 50.** For the year ended March 31, 2023, two of Company's Joint Operations i.e. Patel KNR JV & KNR Patel JV have sold their pending Arbitration claims through assignment deed, accordingly the Company has recognised share of revenue of ₹ 2,409.00 Lakhs and ₹ 52.00 Lakhs respectively and also the resultant tax impact of ₹ 770.78 Lakhs and ₹ 19.68 Lakhs respectively in the statement of Consolidated profit and loss.
- 51.** For the year ended March 31, 2023, the Company has received a bonus of ₹ 725.86 Lakhs from one of the HAM Project i.e. KNR Tirumala Infra Private Limited for early Completion of the Project, which is included in the statement of Consolidated profit and loss.
- 52.** During the year ended March 31, 2022, the Group has received an arbitration settlement in one of the Joint Venture project, the Company's share of Revenue of ₹ 323.63 Lakhs and Group's share of Interest Income of ₹ 759.90 Lakhs included in statement of Consolidated Profit and Loss.

### 53. DISCLOSURE IN ACCORDANCE WITH IND AS -116

The Group recognised in the Statement of Profit and Loss

Particulars	₹ in Lakhs	
	2022-23	2021-22
Depreciation Charge on ROU Asset	444.62	263.18
Interest Expense on Lease Liabilities	31.33	33.24

The Group recognised following lease assets and liabilities in the Balance sheet.

Particulars	₹ in Lakhs	
	2022-23	2021-22
Carrying Amount of ROU Assets	691.92	930.72
Lease liability	566.07	641.48

- 54.** The Group has no Loans or Advances in the nature of Loans to specified persons that are Repayable on Demand or without specifying any terms or period of repayment.
- 55.** The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- 56.** The Group has not been declared willful defaulter by any bank or financial institution or government or any government authority.

## Notes forming part of the Consolidated financial statements (Contd.)

57. The Group had no transactions with Companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 during the year.
58. The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period
59. There have been no events after the reporting date that require disclosure in the Consolidated financial statements.
60. Contribution to political parties by the Group during the 2022-23 is ₹ Nil (for 2021-22 is ₹ Nil)

### 61. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by the Board of Directors on May 29, 2023

62. Previous year's figures have been regrouped/reclassified/rearranged wherever considered necessary.

As per our report attached

**For K. P. Rao & Co.,**  
Chartered Accountants  
(Firm Regn. No.003135S)

**Mohan R Lavi**  
Partner  
Membership No: 029340  
UDIN: 23029340BGWHVR9518

*For and on behalf of the Board*

**K. Narsimha Reddy**  
Managing Director  
DIN: 00382412

**S. Vaikuntanathan**  
Vice President (F&A)

**K. Jalandhar Reddy**  
Executive Director & CFO  
DIN: 00434911

**V. Haritha**  
Company Secretary

Place : Hyderabad  
Date : May 29, 2023









If undelivered, please return to:  
KNR Constructions Limited  
CIN: L74210TG1995PLC130199  
'KNR House', 3rd & 4th Floors, Plot No. 114  
Phase I, Kavuri Hills, Hyderabad - 500033

