MKPS & ASSOCIATES
(Formerly DASS MAULIK MAHENDRA K. AGRAWAL & CO.)
CHARTERED ACCOUNTANTS

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Above Maruti Showroom,
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INDEPENDENT AUDITOR'S REPORT

To the Members of
KNR Shankarampet Projects Private Limited

Report on the audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the Standalone Ind AS financial statements of **KNR Shankarampet Projects Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022 and the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its loss, 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.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report (but does not include the standalone Ind AS financial statements and our auditor's report thereon)

Our opinion on the 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 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 Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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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.

Responsibility of Management and Those Charged with Governance 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 it 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 financial statements.
As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss, the statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statement of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

g) 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 does not have any pending litigations which would impact its financial position except those disclosed in financial statements;

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ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were 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, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we have 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) contain any material mis-statement.

v. The Company has not declared or paid any dividend during the year.

3. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the year.

For MKPS & Associates
Chartered Accountants
(Firm's Registration No. 302014E)

MKPS & ASSOCIATES HYDERABAD CHARTERED ACCOUNTANTS

Vikash Modi
Partner
Membership No. 216468
UDIN:22216468AJUJND9529
Date: 27th May 2022
Place: Hyderabad

Annexure 'A' to the Independent Auditor's Report of KNR SHANKARAMPET PRIVATE LIMITED for the Year ended as on 31st March 2022.

Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report on even date:-

i) (a) (A) The company is maintaining proper records showing full particulars, including quantitative details and situation with respect to its property, plant and equipment.
(B) The company does not have any intangible assets as on 31st march 2022.

(b) The property, plant and equipment of the company have been physically verified by the management at regular intervals and no material discrepancies have been noticed on such verification during the year.

(c) The Company has no immovable property as on 31st march 2022.

(d) The company has not revalued any of its Property, Plant & Equipment and Intangible assets during the year.

(e) According to the information and explanations provided to us and on the basis of our examination of the records of the company, we report that no proceedings have been initiated during the year or are pending against the company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii) (a) The Inventories of the company have been physically verified by the management at regular intervals, which in our opinion is reasonable. No material discrepancies have been noticed on such verification during the year.

(b) The company has not been sanctioned any working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets and hence the reporting requirements under sub-clause (b) of clause (ii) of paragraph 3 of the order are not applicable.

iii) The company has not made any investments in, nor provided any guarantee or security nor granted any loans or advances in the nature of loans, to companies, firms, Limited Liability Partnerships or any other parties. Hence, the reporting requirements under clause (a) to (f) of paragraph 3(iii) of the order are not applicable.

iv) The Company has not entered into any transaction in respect of loans, investments, guarantee and securities, which attracts compliance to the provisions of the sections 185 and 186 of the Companies Act, 2013. Hence, the reporting requirements under clause (iv) of paragraph 3 of the order are not applicable.

v) The company has not accepted any deposits during the period under audit. Consequently, the directives issued by Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed thereunder are not applicable to the company.

vi) The company is prima-facie maintaining the cost records as specified by the Central Government under sub section (1) of Section 148 of the Companies Act, 2013.

vii) (a) According to the information and explanations given to us and based on our examination of the books of the company, the company is regular in depositing undisputed applicable statutory dues including Goods and Services Tax, income-tax except provident fund, employees' state insurance, Professional tax and labour cess to the appropriate authorities. As on 31st March, 2022, there are no undisputed

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statutory dues payable for a period exceeding more than six months from the date they became payable except labour cess of amount Rs 3.32 crores.

(b) According to the information and explanations given to us, there are no statutory dues referred to in clause (a) above which have not been deposited on account of any dispute.

viii) In our opinion and according to the information and explanations given to us, there are no transactions relating to previously unrecorded income that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix) (a) According to the information and explanations given to us and as per the books of accounts and records examined by us, in our opinion, the company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender.

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

(c) In our opinion and according to the information and explanations given to us, no fresh term loans have been taken during the year.

(d) On an overall examination of the financial statements of the company, in our opinion, no funds raised on short term basis have been prima-facie being used for long term purposes during the year.

(e) The company does not have any subsidiary, joint venture or associate and hence the reporting requirements under sub-clause (e) of clause (ix) of paragraph 3 of the order are not applicable.

(f) The company does not have any subsidiary, joint venture or associate and hence the reporting requirements under sub-clause (f) of clause (ix) of paragraph 3 of the order are not applicable.

x) (a) According to the information and explanations provided to us and based on our examination of the books of accounts and other records, we report that the company has not raised any moneys raised by way of initial public offer or further public offer (including debt instruments) during the year. Hence, the reporting requirements under sub-clause (a) of clause (x) of paragraph 3 of the order are not applicable.

(b) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares except issue of optionally convertible debentures during the year as detailed out in note 13(b). In respect of the same, in our opinion and as explained by the management, the company has complied with the requirements of section 42 of the Act and Rules Framed thereunder.

xi) (a) Based on the audit procedures performed by us for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us by the management, we report that we have neither come across any instance of fraud by the company or on the company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

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(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and till the date of this report.

(c) According to the information and explanations provided to us, no whistle blower complaints have been received during the year and upto the date of this report.

xii) The company is not a Nidhi Company and hence the reporting requirements under clause (xii) of paragraph 3 of the order are not applicable.

xiii) According to the information and explanations given to us, all transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

xiv) (a) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports for the year under audit, issued to the company, in determining the nature, timing and extent of audit procedures.

xv) According to the information and explanations provided to us and based on our examination of the records of the company, the company has not entered into any non-cash transactions with directors or persons connected with them and hence the provisions of section 192 of the Act are not applicable to the company.

xvi) (a) In our opinion and according to the information and explanations given to us, the company is not required to be registered under Section 45 - IA of the Reserve Bank of India, 1934. Hence, the reporting requirements under sub-clause (a), (b) and (c) of clause (xvi) of paragraph 3 of the order are not applicable.

(b) According to the information and explanation given to us by the management, in our opinion, there is no Core Investment Company as part of the Group. Hence, the reporting requirements under sub-clause (d) of clause (xvi) of paragraph 3 of the order are not applicable.

xvii) The company has incurred cash loss of Rs.3,585.9 lakhs during the year ended March 31, 2022.

xviii) There has been no resignation of statutory auditors during the year.

xix) On the basis of the financial ratios, ageing and expected dates of realisation of assets and payment of financial liabilities, other information accompanying the 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 uncertainty exists as on the date of the audit report indicating that the company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts upto the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

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xx) (a) In respect of other than ongoing projects, the company has transferred unspent amount to a Fund specified in Schedule VII to the Companies Act, 2013, within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act.

(b) According to the information and explanations given to us, there was no unspent amount in respect of ongoing projects which is required to be transferred to a special account, within a period of thirty days from the end of the financial year in compliance with section 135(6) of the said Act. Accordingly, clause 3(xx)(b) of the Companies (Auditor's Report) Order,2020 is not applicable.

xxi) Preparation of consolidated financial statements is not applicable to the company. Hence, the reporting requirements under clause (xxi) of paragraph 3 of the order is not applicable.

For MKPS & Associates
Chartered Accountants
FRN 302014E

Vikash Modi

MKPS & ASSOCIATES HYDERABAD CHARTERED ACCOUNTANTS

Vikash Modi
Partner
Membership No. 216468
UDIN: 22216468AJUJND9529
Date: 27th May 2022
Place: Hyderabad.

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT
(Referred to in our Report of even date)

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 with reference to financial statements of **KNR Shankarampet Projects Private Limited** ("the Company") as of March 31, 2022 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 financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). 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 with reference to financial statements based on our audit. We conducted our audit in accordance with 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 with reference to financial statements.

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Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For MKPS & Associates
Chartered Accountants
(Firm's Registration No. 302014E)

Vikash Modi

MKPS & ASSOCIATES
HYDERABAD
CHARTERED ACCOUNTANTS

Vikash Modi
Partner
Membership No. 216468
UDIN: 22216468AJUJND9529
Date:27th May 2022
Place: Hyderabad

KNR Shankarampet Projects Pvt Ltd
CIN: U45309TG2018PTC123778
Balance Sheet as at March 31, 2022

(Rs. in Lakhs)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
I Assets			
1) Non-current assets			
a) Property, plant and equipment	3	11.41	-
b) Financial Assets			
i) Financial Asset Receivable	4	46,891.69	39,825.49
c) Other non-current assets	5	5,672.16	5,834.11
		52,575.26	**45,659.60**
2) Current assets			
a) Inventories	6	9.62	-
b) Financial assets			
i) Cash and cash equivalents	7	81.84	917.03
ii) Other Bank Balance	8	1,158.61	-
iii) Other Financial Asset	9	1,576.33	664.79
c) Other Current assets	10	499.46	673.45
		3,325.86	**2,255.27**
Total Assets		**55,901.12**	**47,914.87**
II Equity and Liabilities			
Equity			
a) Equity Share capital	11	5,211.50	5,211.50
b) Instruments entirely equity in nature	11.5	-	4,087.50
c) Other equity	12	1,000.81	4,586.74
Total Equity		**6,212.31**	**13,885.74**
Liabilties			
1) Non - current liabilities			
a) Financial liabilities			
i) Borrowings	13	44,320.10	12,685.34
b) Provisions	14	1,065.17	-
		45,385.27	**12,685.34**
2) Current liabilities			
a) Financial liabilities			
i) Borrowings	15	1,900.63	938.03
ii) Trade Payables	16		
- total outstanding dues of micro enterprises and small		10.61	-
- total outstanding dues of creditors other than micro		424.96	18,350.71
iii) Other financial liabilities	17	1,006.67	978.26
b) Other current liabilities	18	960.56	1,076.79
c) Provisions	19	0.11	-
		4,303.54	**21,343.79**
Total Liabilities		**49,688.81**	**34,029.13**
Total Equity and Liabilities		**55,901.12**	**47,914.87**

See accompanying notes forming part of the financial statements
Significant Accounting Policies 1 & 2

Notes referred to above form an integral part of the accounts

As per our report of even date attached
For MKPS & Associates,
Chartered Accountants
FRN: 302014E

Vikash Modi

Vikash Modi
Partner
Membership No: 216468
UDIN: 22216468AJUJND9529
Place : Hyderabad
Date: May 27, 2022

MKPS & ASSOCIATES ★ HYDERABAD ★ CHARTERED ACCOUNTANTS

For and on behalf of the Board

K. Narsimha Reddy
Director
DIN:00382412
Place : Hyderabad
Date: May 27, 2022

K. Jalandhar Reddy
Director
DIN : 00434911
Place : Hyderabad
Date: May 27, 2022

KNR SHANKARAMPET PROJECTS PVT. LTD ★

KNR Shankarampet Projects Pvt Ltd
CIN: U45309TG2018PTC123778
Statement of Profit And Loss for the year ended March 31, 2022

(Rs. in Lakhs)

PARTICULARS	Note No.	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Revenue from Operations	20	26,704.20	36,777.52
Other income	21	63.28	97.74
Total Revenue		**26,767.48**	**36,875.26**
Expenses			
Construction and Operating expenses	22	20,810.43	32,852.51
Employee benefits expenses	23	29.80	-
Finance costs	24	2,569.86	1,362.97
Depreciation and amortization expenses	25	0.01	-
Other expenses	26	6,943.31	-
Total expenses		**30,353.41**	**34,215.48**
Profit before exceptional items and tax		**(3,585.93)**	**2,659.78**
Exceptional items		-	-
Profit/(Loss) before tax		**(3,585.93)**	**2,659.78**
Tax expense			
1) Current tax		-	-
2) Adjustment of tax relating to earlier periods		-	-
3) Deferred tax		-	-
Total Tax Expenses (VIII)		-	-
Profit (Loss) for the period (VII-VIII)		**(3,585.93)**	**2,659.78**
Other Comprehensive Income			
Actuarial gains and losses		-	-
Total Comprehensive Income for the period (IX+X) (Comprising Profit(Loss) and Other Comprehensive Income for the period)		**(3,585.93)**	**2,659.78**
Earnings per equity share			
1) Basic	28	(688.08)	510.37
2) Diluted		(688.08)	510.37

See accompanying notes forming part of the financial statements
Significant Accounting Policies 1 & 2
Notes referred to above form an integral part of the accounts
As per our report of even date attached

For MKPS & Associates,
Chartered Accountants
FRN: 302014E

Vikash Modi

Vikash Modi
Partner
Membership No: 216468
Place : Hyderabad
Date: May 27, 2022

MKPS & ASSOCIATES HYDERABAD CHARTERED ACCOUNTANTS

For and on behalf of the Board

K. Narsimha Reddy
Director
DIN:00382412
Place : Hyderabad
Date: May 27, 2022

K. Jalandhar Reddy

K. Jalandhar Reddy
Director
DIN : 00434911
Place : Hyderabad
Date: May 27, 2022

KNR SHANKARAMPET PROJECTS PVT. LTD

KNR Shankarampet Projects Pvt Ltd
CIN: U45309TG2018PTC123778
Statement of Cash Flow for the year ended March 31, 2022

(Rs. in Lakhs)

PARTICULARS	For the Year ended March 31, 2022	For the Year ended March 31, 2021
A) Cash flow from Operating activities		
Net Profit before Tax	(3,585.93)	2,659.78
Adjustments for		
Depreciation & Amortisation Expenses	0.01	
Construction Expenses	18,432.64	32,852.51
Construction Income	(18,432.64)	(32,852.51)
Finance Income	(5,862.42)	(3,925.01)
Interest Income on Mob Adv	-	(97.74)
Interest Expense on Mob Adv	-	127.29
Interest Expense	2,521.55	1,235.68
Interest Income on Fixed Deposit	(6.73)	
Operating profit before working capital changes	**(6,933.52)**	-
(Increase)/Decrease in Trade and Other Receivables	(890.69)	1,229.41
(Increase)/Decrease in Inventories	(9.62)	
(Increase)/Decrease in Financial Asset Receivables	(1,203.78)	(13,679.94)
Increase/(Decrease) in Trade Payables and Other Liabilities	(16,937.67)	7,905.62
Cash generated from operations	**(25,975.28)**	**(4,544.91)**
Taxes paid	317.53	-
Net cash used in operating activities	**(25,657.75)**	**(4,544.91)**
B) Cash flow from Investing activities		
Payment (net of proceeds) for property, plant and equipment and intangible assets	(11.42)	-
Maturity/ (investment) in bank deposits other than cash and cash equivalent	(1,158.61)	-
Interest received	4.28	-
Net cash used in investing activities	**(1,165.75)**	-
C) Cash flow from Financing activities		
Sub Debt from Promotor	(4,087.51)	2,543.00
Proceeds from Borrowings	32,597.36	3,756.45
Interest paid	(2,521.55)	(1,248.80)
Net cash from financing activities	**25,988.31**	**5,050.65**
Net change in Cash and Cash Equivalents (A+B+C)	(835.19)	505.74
Cash and Cash Equivalents (Opening Balance)	917.03	411.29
Cash and Cash Equivalents (Closing Balance)	**81.84**	**917.03**

Notes:

1 Components of Cash & Cash Equivalents

Cash in Hand	81.84	917.03
	81.84	**917.03**

2 The Cash flow statement is prepared in accordance with the Indirect Method stated in Ind AS - 7 on Cash Flow Statements and presents the cash flows by operating, investing and financing activities.

3 Figures in brackets represent cash outflows.

See accompanying notes forming part of the financial statements
Significant Accounting Policies **1 & 2**
Notes referred to above form an integral part of the accounts
As per our report of even date attached
For MKPS & Associates,
Chartered Accountants
FRN: 302014E

Vikash Modi

Vikash Modi
Partner
Membership No: 216468
Place : Hyderabad
Date: May 27, 2022

MKPS & ASSOCIATES HYDERABAD CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

K. Narsimha Reddy
Director
DIN:00382412
Place : Hyderabad
Date: May 27, 2022

K. Jalandhar Reddy

K. Jalandhar Reddy
Director
DIN : 00434911
Place : Hyderabad
Date: May 27, 2022

KNR SHANKARAMPET PROJECTS PVT. LTD

KNR Shankarampet Projects Pvt Ltd
CIN: U45309TG2018PTC123778
Statement of Changes in Equity for the year ended March 31, 2022

A - Equity Share Capital

(Rs. in Lakhs)

Particulars	No. of Shares	Amount in Rs. Lakhs
As at April 01, 2020	521,150	5,211.50
Changes in equity share capital during the year	-	-
As at March 31, 2021	**521,150**	**5,211.50**
As at April 01, 2021	521,150	5,211.50
Changes in equity share capital during the year	-	-
As at March 31, 2022	**521,150**	**5,211.50**

B - Instrument entirely equity in Nature

(Rs. in Lakhs)

Particulars	Loan from Promotor Company
As at April 01, 2020	1,544.50
Addition during the year	2,543.00
Less: Adjustment/Deletion	-
As at March 31, 2021	**4,087.50**
As at April 01, 2021	4,087.50
Addition during the year	3,382.00
Less: Adjustment/Deletion	(7,469.50)
As at March 31, 2022	-

C - Other Equity

(Rs. in Lakhs)

Particulars	Retained Earning	Other Comprehensive Income	Total
Balance as at 1st, April, 2020	1,926.96	-	1,926.96
Total Comprehensive Income for the Year	2,659.78	-	2,659.78
Balance as at March 31, 2021	**4,586.74**	**-**	**4,586.74**
Balance as at 1st, April, 2021	4,586.74	-	4,586.74
Total Comprehensive Income for the Year	(3,585.93)	-	(3,585.93)
Balance as at March 31, 2022	**1,000.81**	**-**	**1,000.81**

See accompanying notes forming part of the financial statements

Significant Accounting Policies 1 & 2

Notes referred to above form an integral part of the accounts

As per our report of even date attached

For MKPS & Associates,
Chartered Accountants
FRN: 302014E

Vikash Modi

MKPS & ASSOCIATES HYDERABAD CHARTERED ACCOUNTANTS

Vikash Modi
Partner
Membership No: 216468
Place : Hyderabad
Date: May 27, 2022

For and on behalf of the Board

K N Reddy

K Jalandhar Reddy

K. Narsimha Reddy
Director
DIN: 00382412
Place : Hyderabad
Date: May 27, 2022

K. Jalandhar Reddy
Director
DIN: 00434911
Place : Hyderabad
Date: May 27, 2022

KNR SHANKARAMPET PROJECTS PVT. LTD.

KNR Shankarampet Projects Pvt Ltd
Notes to the Financial Statements for the year ended March 31, 2022

1. Corporate Information

KNR Shankarampet Projects Pvt Ltd ("the Company") is a company domiciled in India with its registered office situated at KNR House Phase I, Kavuri Hills, Jubilee Hills, Hyderabad, Telengana. The Company has been incorporated under the provisions of the Companies Act, 2013 as a Special Purpose Vehicle ("SPV") promoted by KNR Constructions Limited ('KNRCL').

The Company has entered into a Service Concession Arrangement("SCA") with National Highway Authority of India ("NHAI") for the Four laning of NH-161 from Ramsanpalle village (Design Km 39.980/Existing Km 44.757) to Mangloor village (Design Km 86.788/Existlng Km 91.350) (Design Length =46.808 Km) in the State of Telangana under Bharatmala Pariyojana on Hybrid Annuity Mode. The company received appointed date on 02nd May 2019.

2. Significant Accounting Policies

a) Purpose and Basis of Accounting and Preparation Of Financial Statements

The financial statements of the company comprises the Balance Sheet as at March 31, 2022, March 31, 2021 Statement of Profit and Loss including other Comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flows for year ended March 31, 2022, and for the year ended March 31, 2021.

The Financial Statements have been prepared in accordance with the Revised Guidance Note on Division to Schedule III to the Companies Act, 2013, Guidance note on Reports in Company Prospectuses (Revised 2019), and the Guidance Note on Financial Statements issued by the Institute of Chartered Accountants of India ("ICAI") (the "Guidance Notes") using the recognition and measurement principles of Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 ('Ind AS') and other generally accepted accounting principles and other relevant provisions relating to disclosures required in India.

Historical cost convention

The financial statements have been prepared on the historical cost basis using uniform policies as explained above for like transactions and other events in similar circumstances, except for following assets and liabilities that are measured at fair values at the end of each reporting period:

- certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments); and

- defined benefit plans - plan assets measured at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company considers the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.
In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:
- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that entity can access at measurement date

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- Level 2 inputs other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

- Level 3 inputs for the asset or liability that are not based on observable market data (unobservable inputs).

b) Operating cycle

Based on the nature of activities of the Company and the normal time between acquisitions of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of classifications of its assets and liabilities as current and non-current.

c) Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when:
- It is expected to be realised, or is intended to be sold or consumed, in the normal operating cycle; or
- It is held primarily for the purpose of trading; or
- It is expected to realise the asset within 12 months after the reporting period; or
- The asset is a cash or equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Similarly, a liability is classified as current if:
- It is expected to be settled in the normal operating cycle; or
- It is held primarily for the purpose of trading; or
- It is due to be settled within 12 months after the reporting period; or
- The Company does not have an unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. Terms of a liability that could result in its settlement by the issue of equity instruments at the option of the counterparty does not affect this classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

d) Property, plant, and equipment

Property, plant, and equipment are stated at historical cost less accumulated depreciation and cumulative impairment losses, if any. Historical cost includes purchase price, borrowing costs and any cost directly attributable to bringing the assets to its working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. Cost includes expenditure that is directly attributable to qualifying assets and includes borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant, and equipment when completed and ready for intended use.

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.

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Depreciation on assets has been provided on Straight line basis at the estimated useful lives. The estimated useful life and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimates being accounted for on a prospective basis. Depreciation on additions/ deductions is calculated pro-rata from/ to the month of additions/ deductions.

The residual values, useful lives and methods of depreciation of Property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate

Gains or losses arising from derecognition of a Property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

e) Foreign currency translation

Foreign currency transactions are recorded at the exchange rate prevailing on the date of the respective transactions between the functional currency and the foreign currency

Monetary items

Monetary foreign currency assets and liabilities remaining unsettled at the Balance Sheet date are translated at the rates of exchange prevailing on that date. Gains / losses arising on account of realisation / settlement of foreign currency transactions and on translation of foreign currency assets and liabilities are recognized in the Statement of Profit and Loss.

Exchange differences arising on the settlement of monetary items or on reporting date's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

Non-monetary items

Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency, are reported using the exchange rates that existed when the values were determined.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

f) Rights under Service concession arrangements (Hybrid Annuity Model)

Where Company has acquired contractual rights to receive specified determinable amounts, such rights are recognised and classified as "Financial Assets", The Company will recognise a financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset from the NHAI 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 Interest during construction and Tax expenses will not be adjusted with the financial asset and GST on expenses is also not form part of financial asset as GST will be recognized as an Input Tax Credit.

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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 are accounted for as part of the transaction price (Financial Asset) as defined in Ind AS 115.

g) Revenue recognition

The Company has adopted Ind AS 115 "Revenue from Contracts with Customers" with the date of initial application being April 1, 2018. Ind AS 115, revenue from contracts with customers, is mandatory for reporting period beginning on or after April 1, 2018 replaced existing revenue recognition requirements i.e. Ind AS 18 Revenue Recognition and Ind AS 11 Construction Contracts. There were no significant adjustments required to the retained earnings as on April 1, 2018.

Accordingly, the policy for Revenue is amended as under:
To recognize revenue, the Company applies the following five step approach:
(1) Identify the contract with a customer
(2) Identify the performance obligations in the contract
(3) Determine the transaction price
(4) Allocate the transaction price to the performance obligation in the contract, and
(5) Recognize revenue when a performance obligation is satisfied.

The Company recognize revenue when the Company satisfies a performance obligation by transferring a promised service (i.e. an asset) to NHAI.

Under the terms of contractual arrangements, the Company acts as a service provider. The Company 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 Company 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 Company will recognise a financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset from the NHAI for the construction services.

The Financial Asset due from the NHAI 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, concession support received are accounted for as part of the transaction price (i.e. Financial Asset).

h) Other income

All other income is recognized on accrual basis when no significant uncertainty exists on their receipt.

i) Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest is accrued on time proportion basis, by reference to the principle outstanding at the effective interest rate.

j) Dividends

Income from dividend on investments is accrued in the year in which it is declared, whereby the Company's right to receive is established.

k) Government grant

SHANKARAMPET PROJECTS KNR

Grants from governments are recognized at fair value where there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants related to income are deferred and recognized in profit or loss over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate.

Government grants whose primary condition is that the Company should purchase, construct, or otherwise acquire non-current assets are deducted from the carrying amount of such non-current assets.

I) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss ("FVTPL") are recognized immediately in the Statement of Profit and Loss.

Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

1. Classification of financial assets

Investments in debt instruments that meet the following conditions are subsequently measured at amortised cost (unless the same are designated as fair value through profit or loss (FVTPL)):

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (unless the same are designated as fair value through profit or loss)

- The asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- The contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments at FVTPL is a residual category for debt instruments and all changes are recognized in profit or loss.

2. Amortized cost and effective interest method

Income is recognized on an effective interest method as per Ind AS 109 for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognized in the Statement of Profit and Loss and is included in the "Other income" line item.

3. Impairment of financial assets (Expected credit loss model)

An impairment loss on financial asset is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Impairment loss if any are recognised in Statement of Profit or Loss for the period.

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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 debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

• 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 recognise impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Measurement of expected credit losses

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the Balance Sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

4. De-recognition of financial assets

The Company derecognize a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss if such gain or loss would have otherwise been recognized in the Statement of Profit or Loss on disposal of that financial asset.

Financial liabilities

Financial liabilities are classified at initial recognition, as financial liabilities as fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Loans and borrowings are subsequently measured at amortized costs using Effective Interest Rate method.

Financial liabilities at fair value through profit or loss (FVTPL) are subsequently measured at fair value.

Financial guarantee contracts are subsequently measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

Financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

Offsetting

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Financial assets and financial liabilities are offset, and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Non-derivative financial assets - service concession arrangements

The Company recognises a financial asset arising from a service concession arrangement when it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor of the concession for the construction or upgrade services provided. Such financial assets are measured at fair value upon initial recognition and classified as financial asset receivables. Subsequent to initial recognition, such financial assets are measured at amortized cost.

Classification as debt or equity

Debt and equity instruments issued by Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

m) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, deposits held at call with the financial institutions and on hand and short-term deposits with an original maturity of three months or less and which are subject to an insignificant risk of changes in value. For purpose of statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

n) Statement of cash flows

Cash flow statement is prepared segregating the cash flows from operating, investing and financing activities. Cash flow from operating activities is reported using indirect method. Under the indirect method, the net profit/(loss) is adjusted for the effects of:
a. transactions of a non-cash nature;
b. any deferrals or accruals of past or future operating cash receipts or payments and,
c. all other items of income or expense associated with investing or financing cash flows.

The cash flows from operating, investing and financing activities of the Company are segregated based on the available information. Cash and cash equivalents (including bank balances) are reflected as such in the Statement of cash flow. Those cash and cash equivalents which are not available for general use as on the date of Balance Sheet are also included under this category with a specific disclosure.

o) Borrowings

Borrowings are initially recognized at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using effective interest method. Fees paid on the establishment of loan facilities are recognized at transaction costs of the loan to the extent that it is probable that some or all the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all the facility will be drawn down, the fee is capitalized as prepayment for liquidity services and amortized over the period of the facility to which it relates.

The fair value of the liability portion of the optionally convertible debentures is determined using a market interest rate for equivalent non-convertible debentures. The amount is recorded as a liability on an amortized cost basis until extinguished on conversion or redemption of debentures. The reminder of the proceeds is attributable to the equity portion of the compound instrument. This is recognized and included in shareholders' equity, net of income tax effects, and not subsequently remeasured.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been

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extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other gains/(losses).

Where the terms of the financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognized in profit or loss, which is measured as the difference between the carrying amount of financial liability and the fair value of equity instruments issued.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if lender agreed, after the reporting period and before the approval of the financial statement for issue, not to demand payment as a consequence of the breach.

p) Borrowing cost

Borrowing cost include interest calculated using the effective interest method, amortization of ancillary costs and other costs the Company incurs in connection with the borrowing of funds. General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying assets are capitalized during the period of time that is required to complete and prepare the qualifying asset for its intended use or sale. Capitalization of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying asset is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

q) Employee Benefits

Employee benefits includes provident fund, superannuation fund, employee state insurance scheme, gratuity, compensated absences, long service awards and post-employment medical benefits.

a. Short-term Employee Benefit

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, short-term compensated absences etc. and the expected cost of bonus, and ex-gratia are recognised in the period the related service is rendered at undiscounted amount of benefits expected to be paid in exchange for that service.

The cost of short-term compensated absences is accounted as under:

- in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- in case of non-accumulating compensated absences, when the absences occur.

b. Post-employment benefits

1) Defined contribution plans:

The Company offers its employees State governed provident fund linked with employee pension scheme as defined contribution plans. The contribution paid/ payable under the scheme is recognised during the period in which the employee renders the related service.

2) Defined benefit plans:

The Company operates a defined benefit gratuity plan, which requires contributions. Company's liability towards gratuity is determined at each year end.

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For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re- measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment, and the date that the Company recognises related restructuring costs.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The present value of the defined benefit liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

c. Other long-term employee benefit

The obligation for other long-term employee benefits such as long-term compensated absences, are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

r) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories include all costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory based on first-in-first-out basis. Cost of purchased inventory are determined after deducting rebates and discounts.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sales.

s) Provisions, contingent liabilities and contingent assets

Provisions are recognized when Company have a present obligation (legal or constructive) as a result of a past event, it is probable that Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that the reimbursement will be received, and the amount of the receivable can be measured reliably.

Contingent liabilities are disclosed in notes in case of a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation or a present obligation arising from past events, when no reliable estimate is possible.

Contingent assets are disclosed in the financial statements where an inflow of economic benefits is probable.

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t) Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments based on their relationship to the operating activities of the segment. The identification of operating segments and reporting of amounts is consistent with performance assessment and resource allocation by the management.

Inter-segment revenue is accounted based on transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under 'unallocated revenue / expenses / assets / liabilities'.

The Company operates in only one segment viz. "BOT Road Project" and hence the requirements of Ind AS 108 on "Segment Reporting" are not applicable. The Company activities are restricted within India and hence, no separate geographical segment disclosure is considered necessary.

u) Taxation

Income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognized outside statement of profit or loss is recognized outside statement of profit or loss. Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred tax is recognised on temporary differences, being the differences between the tax bases of assets and liabilities and their carrying amount in the financial statements. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all temporary differences. Deferred tax assets are recognised for temporary differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realized. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is reasonable certainty supported by convincing evidence that there will be sufficient future taxable income available to realize the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the entity has a legally enforceable right for such set off. Deferred tax assets are reviewed at each reporting date for their realisability.

The Company offsets deferred tax assets and deferred tax liabilities, and advance income tax and provision for tax, if it has a legally enforceable right and these relate to taxes in income levies by the same governing taxation laws.

Current and deferred tax relating to items directly recognised in other comprehensive income and reserves are recognised in other comprehensive income and reserves respectively and not in the Statement of Profit and Loss.

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Minimum Alternative Tax

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

v) Impairment of non-financial assets

The carrying values of assets / cash generating units at each reporting date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:
(a) an intangible asset that is not yet available for use; and
(b) an intangible asset that is amortized over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognized for such excess amount. The impairment loss is recognized as an expense in the Statement of Profit and Loss.

The recoverable amount is the higher of the fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset for which the estimated future cash flows have not been adjusted.

When there is indication that an impairment loss recognized for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognized.

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.

w) Provision for periodic maintenance / resurfacing obligations

The Company estimates and provides for contractual obligations as per Service Concession Arrangement (SCA) with NHAI to restore the infrastructure to a specified level of serviceability at periodic intervals or restore the infrastructure to a specified condition before it is handed over to NHAI. Provisions are measured based on management's estimate required to settle the obligation at the balance sheet date and are discounted using a rate that reflects the time value of money. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. The same is reviewed at each balance sheet date and adjustments if any to the carrying amount is provided for accordingly.

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x) Earning Per Share

Basic earnings per share is computed by dividing the profit / (loss) for the year by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit / (loss) for the year as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period unless they have been issued later. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

y) Standards issued but not yet effective

Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS 16 – Property Plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and there is no impact on its financial statements.

z) Critical accounting judgements and key sources of estimation uncertainty

The preparation of these financial statements is in conformity with Ind AS and requires the management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses, and the accompanying disclosures, and the disclosure of contingent liabilities.

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.

1. Useful lives of property, plant, and equipment

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Management reviews the useful lives of depreciable assets at each reporting date. As at balance sheet date, management assessed that the useful lives represent the expected utility of the assets to the Company. Further there is no significant change in the useful lives as compared to previous period.

2. Obligations relating to employee benefits

The employee benefit obligation depends on several factors that are determined on an actuarial basis using several assumptions. The assumptions used in determining the net cost/ (income) include the discount rate, inflation, and mortality assumptions. Any changes in these assumptions will impact upon the carrying amount of employment benefit obligations.

3. Deferred taxes

Deferred tax assets are recognised for unused tax credits to the extent that it is probable that taxable profit will be available against which the credits can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

4. Impairment of financial assets

The impairment provision for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's history, existing market conditions as well as forward looking estimates at the end of each reporting period.

aa) Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

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Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and there is no impact on its financial statements.

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3. Property, plant and equipment

Particulars	Gross Block				Accumulated depreciation				Carrying Amount
	Balance at April 1, 2021	Additions	Disposals	Balance at March 31, 2022	Balance at April 1, 2021	For the year	Disposals	Balance at March 31, 2022	Balance at March 31, 2022
Property, plant and equipment									
Plant and Machinery	-	7.61	-	7.61	-	0.01	-	0.01	7.60
Furniture and fixtures	-	2.17	-	2.17	-	0.00	-	-	2.17
Computers	-	1.64	-	1.64	-	0.00	-	-	1.64
Total	**-**	**11.42**	**-**	**11.42**	**-**	**0.01**	**-**	**0.01**	**11.41**

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4 Financial Asset Receivable

(Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non Current		
Financial Asset receivable	46,891.69	39,825.49
Total	**46,891.69**	**39,825.49**

5 Other non-current assets

(Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
GST Input tax credit	5,100.79	4945.21
Non current tax assets (Net)	571.37	888.90
Total	**5,672.16**	**5,834.11**

6 Inventories

(Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Value at lower of cost or net reaslible value		
Stores and Spares	9.62	-
Total	**9.62**	**-**

The cost of inventories recognised as an expense in the Statement of profit or loss amounting to ₹ 13.99 lacs (March 31, 2021:Nil).

7 Cash and Cash Equivalents

(Rs. in Lakhs)

PARTICULARS	As at March 31, 2022	As at March 31, 2021
Balances with banks:		
in current accounts	81.84	917.03
Total	**81.84**	**917.03**

8 Other Bank Balances

(Rs. in Lakhs)

PARTICULARS	As at March 31, 2022	As at March 31, 2021
Deposits with original maturity more than three months but less than twelve months	1,158.61	-
Total	**1,158.61**	**-**

9 Other Financial Asset

(Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Interest Receivable on Mob Adv	-	391.53
Withheld - NHAI	59.03	273.26
Interest accrued on fixed deposit	2.45	-
Financial Asset receivable	1,514.85	-
Total	**1,576.33**	**664.79**

10 Other Current Assets

(Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
COS Advance paid to EPC Contractor	394.24	660.70
Prepaid expenses	74.36	12.75
Advances to suppliers	30.86	-
Total	**499.46**	**673.45**

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11 Equity Capital

(Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
EQUITY SHARE CAPITAL		
Authorised Share capital		
5,21,200 Equity Shares of Rs. 1,000/- each	5,212.00	5,212.00
Issued, subscribed & fully paid share capital		
5,21,150 Equity Shares of Rs. 1,000/- each	5,211.50	5,211.50
Total	5,211.50	5,211.50

Terms/ Rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.1000/-per share. Each holder of equity shares is entitled to one vote per share. The Company has not declared any dividend during the current financial year.

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 preferential amounts. The distribution will be in proportion to the number of equity shares held by the Shareholders

11.1 The reconciliation of the number of shares outstanding at the beginning and at the end of the Year is set out below

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount in Lakhs	No. of Shares	Amount in Lakhs
Number of Equity Shares at the beginning	5,21,150	5,211.50	5,21,150	5,211.50
Add:- Number of Shares Issued	-	-	-	-
Less: Number of Shares Bought Back	-	-	-	-
Number of Equity Shares at the end of the year	5,21,150	5,211.50	5,21,150	5,211.50

11.2 The details of shareholder holding by holding company and its associates & holding more than 5% as at March 31, 2022 and March 31, 2021 is set out below:

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	% held	No. of Shares	% held
KNR Constructions Limited	2,65,787	51%	5,21,150	100%
Cube Highways and Infrastructure III pte Ltd.& its nominees	2,55,363	49%	-	0%
	5,21,150.00	100%	5,21,150	100%

11.3 Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the balance sheet date:

No shares have been issued by the Company for consideration other than cash, during the period of five years immediately preceding the reporting periods.

11.4 Details of shares held by promoters

Promoter name	As at March 31, 2022				
	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
KNR Constructions Limited & its nominees	5,21,150	(2,55,363)	2,65,787	51%	-49%
	5,21,150	(2,55,363)	2,65,787	51%	-49%

Promoter name	As at March 31, 2021				
	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
KNR Constructions Limited & its nominees	5,21,150	-	5,21,150	100%	-
	5,21,150	-	5,21,150	100%	-

11.5 - Instrument entirely equity in Nature

(Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Loan from Promotor Companies	-	4,087.50
Balance at the end of the period	-	4,087.50

Note :Unscecured loan from KNR Constructions Limited is in the nature of sub-debt were recognized as a form of equity contribution. The Unsecured loans were repaid during the year.

12 Other Equity

(Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Surplus in the statement of profit and loss		
Balance at the beginning of the period	4,586.74	1,926.96
Add : Total Comprehensive Income	(3,585.93)	2,659.78
Balance at the end of the period	1,000.81	4,586.74

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13 Borrowings

(Rs. in Lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Current	Non-current	Current	Non-current
i) Secured - at amortised cost				
(a) Term Loans-Banks	**1,876.63**	36,850.60	938.03	12,685.34
ii) Unsecured - at amortised cost				
(a) 12% Optionally Convertible Debenture	-	7,469.50	-	-
Subtotal	**1,876.63**	**44,320.10**	**938.03**	**12,685.34**
Amount transferred to current maturities of long term debt	(1,876.63)	-	(938.03)	-
Total	-	44,320.10	-	12,685.34

Terms of Security :

a) A first mortgage and charge on all the Borrower's immovable properties,both present and future, save and except the Project Assets;
b) A first charge on all the Borrower's tangible moveable assets, including moveable plant and machinery, machinery spares, tools and accessories, furniture, fixture, vehicles and all other movable assets, both present and future save and expect the Project Assets;
c) A first charge over all accounts of the Borrower including the Escrow Account and the Sub-Accounts (or any account in substitution thereof) that may be opened in accordance with Escrow Agreement and the Supplementary Escrow Agreement, or any of the other Project Documents.
d) A first charge on all intangibles assets including but not limited to goodwill, rights, undertaking and uncalled capital present and future excluding the Project Assets.
e) A pledge of 51% of the issued,paid up and voting equity share capital of the Borrower held by the Promoter in the Borrower till the Final Settlement Date.
f) Non disposal undertaking on balance 49% of the stake.

(b) Unsecured Loan

Optionally Convertible Debentures
The Company had issued 7,469,500 on December 30, 2021 Unsecured, Optionally-Convertible Debentures ("OCDs") of Rs.100 each fully paid up aggregrating Rs 7,469.50 Lacs on private placement basis to Cube Highways and Infrastructure-III Pte Ltd ('Subscrier')

Redemption date: The OCDs shall be redeemable on or before October 4, 2036 (Final Redemption date).
Redemption frequency: on maturity
Premature redemption: The subscriber shall have the right to seek premature redemption of the OCDs at face value along with any accrued but unpaid interest on the OCDs. Premature redemption is subject to the Company having met all the restricted payment conditions as defined under the loan agreement with senior lenders or the debenture trust deed.

Conversion: In case where the redemption rights as mentioned above are not exercised by the Subscriber, then on the Final Redemption Date such OCDs will be, at the option of the Subscriber, convertible into equity shares of the Company at par on a 1:1 basis.

Coupon: Subject to the Company having met all the restricted payment conditions as defined in the senior loan agreements, the Subscriber shall be eligible to recievecoupon on a bi-annual basis at an annual interest rate of 12% which shall accrue and payable on each Annuity Payment date.("Coupon").

14 Provisions

(Rs. in Lakhs)

Particulars	As at March 31,2022	As at March 31,2021
Provision for periodic major maintenance works (Refer note 39)	1063.38	-
Provision for employee benefits		
- Gratuity (Refer note 29)	0.79	-
- Compensated absences	0.99	-
Total	1,065.17	-

15 Short-term borrowings

(Rs. in Lakhs)

Particulars	As at March 31,2022	As at March 31,2021
Loan repayable on demand		
Current maturity of long term debts	1876.63	938.03
Unsecured Loan from Related party		
KNR Constructions Limited	24.00	-
Total	1,900.63	938.03

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16 Trade Payables

(Rs. in Lakhs)

Particulars	As at March 31,2022	As at March 31,2021
Total outstanding dues of micro and small enterprises (Refer note 38)	10.61	-
Total outstanding dues to creditors other than micro and small enterprises	424.96	18,350.71
Total	**435.57**	**18,350.71**

Trade payables ageing schedule

As at March 31, 2022

Particulars	Unbilled	Not due	Less than 1 year	Outstanding for a period of 1-2 year	2-3 year	More than 3 years	Total
Undisputed outstanding dues of micro enterprises and small enterprises	-	-	10.61	-	-	-	**10.61**
Undisputed outstanding dues of creditors other than micro enterprises and small enterprises	-	-	424.96	-	-	-	**424.96**
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-

As at March 31, 2021

Particulars	Unbilled	Not due	Less than 1 year	Outstanding for a period of 1-2 year	2-3 year	More than 3 years	Total
Undisputed outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Undisputed outstanding dues of creditors other than micro enterprises and small enterprises	-	-	18,350.71	-	-	-	**18,350.71**
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-

17 Other Financial Liabilities

(Rs. in Lakhs)

Particulars	As at March 31,2022	As at March 31, 2021
CURRENT		
Interest accrued and due on term Loans	-	4.38
Interest accrued but not due on 12% Optionally Convertible Debentures	192.04	-
Interest Payable on Mob Adv	-	424.83
Amount payable to Related Parties		
KNR Constructions Limited	729.59	0.31
Withheld - KNRCL	85.04	546.41
Outstanding expenses	-	2.33
Total	**1,006.67**	**978.26**

18 Other Current Liabilities

(Rs. in Lakhs)

Particulars	As at March 31,2022	As at March 31, 2021
Dues to statutory authorities	471.54	407.59
COS advance received from Client	402.74	669.20
Advance from customers	86.28	-
Total	**960.56**	**1,076.79**

19 Provisions

(Rs. in Lakhs)

Particulars	As at March 31,2022	As at March 31, 2021
Current		
Provision for employee benefits		
-Gratuity* (Refer note 29)	-	-
Compensated absences	0.11	-
	0.11	**-**

* Amount of Rs.116 represents the Gratuity

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20 Revenue from Operations

(Rs. In Lakhs)

Particulars	For the year Ended March 31, 2022	For the Year ended March 31, 2021
Construction Income	18,432.64	32,852.51
Finance Income	5,862.42	3,925.01
COS Income	1,076.38	-
O&M Income	240.77	-
Major Maintenance Income	1,091.99	-
Total	**26,704.20**	**36,777.52**

21 Other Income

(Rs. In Lakhs)

Particulars	For the year Ended March 31, 2022	For the Year ended March 31, 2021
Interest on:		
- mobilisation advance given to EPC contractor	-	97.74
- bank deposits	6.73	-
- income tax refund	56.55	-
Total	**63.28**	**97.74**

22 Construction and Operating expenses

(Rs. in Lakhs)

Particulars	For the year Ended March 31, 2022	For the Year ended March 31, 2021
Construction Expenses	18,432.64	32,852.51
Cos Expenses	1,079.03	-
O&M Expenses	235.38	-
Periodic major maintenance expense (Refer note 39)	1,063.38	-
Total	**20,810.43**	**32,852.51**

23 Employee Benefits Expense

(Rs. in Lakhs)

Particulars	For the year Ended March 31, 2022	For the Year ended March 31, 2021
Salaries, Wages and Other Benefits	26.34	-
Contribution to provident and other funds	2.21	-
Gratuity expenses	0.79	-
Staff welfare Expenses	0.46	-
Total	**29.80**	**-**

24 Finance Costs

(Rs. in Lakhs)

Particulars	For the year Ended March 31, 2022	For the Year ended March 31, 2021
Interest During Construction	2,295.62	1,235.68
Interest on Unsecured Debentures	225.93	-
Interest on mobilisation advance received from NHAI	37.78	127.29
Unamortised Processing Fee - Exp	10.31	-
Other Borrowing Expenses	0.22	-
Total	**2,569.86**	**1,362.97**

25 Depreciation and amortisation expense

(Rs. in Lakhs)

Particulars	For the year Ended March 31, 2022	For the Year ended March 31, 2021
Depreciation of property, plant and equipment	0.01	-
Total	**0.01**	**-**

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26 **Other Expenses**

Particulars	For the year Ended	For the Year ended
Consultant/Professional charges	7.68	-
IE Charges- Consultancy	19.32	-
Lenders Agent Fee	2.50	-
Modification Gain /Loss	6,822.20	
Insurance	30.32	-
Interest on TDS Delays	0.00	-
Filing and License Fee	0.63	-
Audit Fee	5.38	-
CSR Expenses	34.68	-
Legal and Professional Fees	4.10	-
Management Service Charges	9.75	-
Travelling and conveyance	0.20	-
Vehicle Hire Charges	6.22	-
Communication costs	0.01	-
Miscellaneous expenses	0.32	-
Total	**6,943.31**	-

27 **Remuneration paid to the statutory Auditors excluding Taxs**

(Rs. in Lakhs)

Particulars	For the year Ended March 31, 2022	For the Year ended March 31, 2021
Statutory Audit Fee	3.00	2.50
Tax Audit Fee	0.50	0.50
Other Services		0.62
Total	**3.50**	**3.62**

28 **Earnings per share (EPS)**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following table reflects the income and share data used in the basic and diluted EPS computations:

Profit/ (loss) attributable to equity holders:	**For the year Ended March 31,2022**	**For the year Ended March 31,2021**
Profit/(loss) for the year attributable to owners of the Company for calculating basic earnings per share	(3,585.93)	2,659.78
Adjustments for convertible instruments	-	-
Profit/(loss) for the year attributable to owners of the Company for calculating diluted earnings per share	(3,585.93)	2,659.78
Weighted average number of equity shares outstanding for calculating basic earnings per share	5.21	5.21
Effect of dilution:		
Convertible instrument		
Weighted average number of equity shares outstanding for calculating diluted earnings per share	5.21	5.21
Basic earnings per share	(688.080)	510.367
Diluted earnings per share	(688.080)	510.367

There have been no other transactions involving Equity shares or potential Equity shares between the reporting date and the date of authorisation of these financial statements.

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29 Disclosure relating to employee benefits pursuant to Ind AS 19 - Employee Benefits

(a) Defined contribution plan

The Company's contribution to Provident Fund amounts to ₹2.21 lacs (March 31, 2021: ₹ Nil lacs) has been recognised in the Statement of Profit or Loss under the head Employee benefits expense.

(b) Defined benefit plans (unfunded):

The Company provides for gratuity for employees in India as per Payment of Gratuity Act, 1972. Employees who are in continuous service for 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month completed proportionately for 15 days salary multiplied for number of completed years of service.

The gratuity scheme covers substantially all regular employees. Commitments are actuarially determined at year-end. The actuarial valuation is done based on "Projected Unit Credit" method. Gains and losses of changed actuarial assumptions are charged to Statement of Profit or loss.

Gratuity

(i) **Amount recognised in the Statement of Profit or Loss is as under:**

Description	March 31, 2022	March 31, 2021
Current service cost	0.79	-
Past service cost including curtailment (Gains)/Losses	-	-
Total Service Cost	**0.79**	-

(ii) **Net Interest Cost**

Description	March 31, 2022	March 31, 2021
Interest cost on defined benefit obligation	-	-
Interest income on plan assets	-	-
Net Interest Cost	-	-

(iii) **Bifurcation of Actuarial Gain/Loss on Obligation:**

Description	March 31, 2022	March 31, 2021
Actuarial (Loss)/Gain on arising from change in demographic assumption	-	-
Actuarial (Loss)/Gain on arising from change in financial assumption	-	-
Actuarial (Loss)/Gain on arising from experience adjustment	-	-
Actuarial (Loss)/Gain on for the year on obligation	-	-

(iv) **Other Comprehensive Income (OCI)**

Description	March 31, 2022	March 31, 2021
Actuarial (Loss)/Gain for the year on DBO	-	-
Actuarial (Loss)/Gain for the year on plan asset	-	-
Unrecognized actuarial (Loss)/Gain for the year	-	-

(v) **Bifurcation of PBO at the end of year in current and non current.**

Description	March 31, 2022	March 31, 2021
Current liability (Amount due within one year)	-	-
Non-Current liability (Amount due over one year)	0.79	-
Total PBO at the end of year	**0.79**	-

Disclosure relating to employee benefits pursuant to Ind AS 19 - Employee Benefits (Continued.)

(vi) **Change in defined benefit obligation**

Description	March 31, 2022	March 31, 2021
Defined benefit liability at the start of the year		
Adjustments related to employees transferred to/from fellow subsidiaries	-	-
Interest Cost	-	-
Current service cost	0.79	-
Re-measurements (gain)/loss for the year	-	-
Benefit paid directly by the Company	-	-
Defined benefit liability at the end of the year	**0.79**	-

(vii) **The amount included in the balance sheet arising in respect of its defined benefit obligation/plans**

Description	March 31, 2022	March 31, 2021
Present value of defined benefit obligations/ plans	0.79	-
Fair value of plan assets	-	-
Net defined benefit obligation	**0.79**	-

(viii) **Sensitivity analysis for gratuity liability:**

Description	March 31, 2022	March 31, 2021
Impact of change in discount rate		
Present value of obligation at the end of the		
- Impact due to decrease of 7.3%	0.85	-
- Impact due to increase of 6.7%	(0.74)	-
Impact of change in salary increase		
Present value of obligation at the end of the		
- Impact due to decrease of 6.5%	(0.74)	-
- Impact due to increase of 7.1%	0.85	-

The above sensitivity analysis is based on a change an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation liability recognised in the Balance Sheet.

Sensitivities due to mortality and withdrawals are not material and hence impact of change due to these not calculated.

Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to previous periods.

(ix) **Actuarial assumptions:**

Description	March 31, 2022	March 31, 2021
Discount rate range	6.95%	-
Salary Growth Rate	10%	-
Retirement age	58	-
Mortality rate	100% of IALM 2012-14	-
Attrition at age (Withdrawal rate %)	9%	-

KNR SHANKARAMPET PROJECTS PVT. LTD.

30 Capital management

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

The Company's adjusted net debt to equity ratio at March 31, 2022 and March 31, 2021 was as follows

(Rs. In Lakhs)

Particulars	March 31,2022	March 31, 2021
Debts	46,220.73	13,627.75
Less: cash and cash equivalents and other bank balances#	1,240.45	917.03
Adjusted net debt	**44,980.28**	**12,710.72**
Total equity*	6,212.31	13,885.74
Adjusted equity	6,212.31	13,885.74
Adjusted net debt to adjusted equity ratio	**7.24**	**0.92**

\# In current year other bank balances is also included.

* Total equity is equal to equity share capital plus other equity.

31 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.

March 31 ,2022

(Rs. in Lakhs)

Particulars	Carrying amount			Fair Value			
	FVTPL	Amortised Cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets							
Financial Asset Receivable	-	46,891.69	**46,891.69**	-	-	46,891.69	**46,891.69**
Cash and cash equivalents	-	81.84	**81.84**	-	-	-	-
Other Bank Balances	-	1,158.61	**1,158.61**	-	-	1,158.61	**1,158.61**
Other Financial Asset	-	1,576.33	**1,576.33**	-	-	1,576.33	**1,576.33**
	-	**49,708.47**	**49,708.47**	-	-	**49,626.63**	**49,626.63**
Financial liabilities							
Borrowings	-	46,220.73	46,220.73	-	-	46,220.73	46,220.73
Trade payables	-	435.57	435.57	-	-	435.57	435.57
Other financial liabilities	-	1,006.67	1,006.67	-	-	1,006.67	1,006.67
	-	**47,662.97**	**47,662.97**	-	-	**47,662.97**	**47,662.97**

i) The carrying amount of financial asset and liability is measured at amortized cost are considered to be the same as there fair values due to their short term nature.

ii) The Carrying value of Rupee term loans are at approximate fair value as the instruments are at prevailing market rate

March 31 ,2021

(Rs. in Lakhs)

Particulars	Carrying amount			Fair Value			
	FVTPL	Amortised Cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets							
Financial Asset Receivable	-	39,825.49	39,825.49	-	-	39,825.49	39,825.49
Cash and cash equivalents	-	917.03	917.03	-	-	-	-
Other Financial Asset	-	664.79	664.79	-	-	664.79	664.79
	-	**41,407.31**	**41,407.31**	-	-	**40,490.28**	**40,490.28**
Financial liabilities							
Borrowings	-	13,623.37	13,623.37	-	-	13,623.37	13,623.37
Trade payables	-	18,350.71	18,350.71	-	-	18,350.71	18,350.71
Other financial liabilities	-	978.26	978.26	-	-	978.26	978.26
	-	**32,952.34**	**32,952.34**	-	-	**32,952.34**	**32,952.34**

i) The carrying amount of financial asset and liability is measured at amortized cost are considered to be the same as there fair values due to their short term nature.

ii) The Carrying value of Rupee term loans are at approximate fair value as the instruments are at prevailing market rate

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31 Financial instruments - Fair values and risk management

B. Financial risk management

The Company has exposure to the following risks arising from financial instruments:
a) Credit risk
b) Liquidity risk
c) Market risk

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Board oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Board is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

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.

Trade receivables

The Company 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 company is not exposed to any credit risk.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both 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 optimizing 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.

March 31 ,2022 **(Rs. in Lakhs)**

Particulars	Carrying Amount	Contractual Cash flows Less than 1 year	1-2 year	2-5 year	More than 5 years	Total
Non-derivative financial liabilities						
Borrowings	46,220.73	1,876.63	2,503.10	7,841.95	33,999.05	46,220.73
Trade payables	435.57	435.57	-	-		435.57
Other financial liabilities	1,006.67	1,006.67	-	-		1,006.67
	47,662.97	**3,318.87**	**2,503.10**	**7,841.95**	**33,999.05**	**47,662.97**

March 31 ,2021 **(Rs. in Lakhs)**

Particulars	Carrying Amount	Contractual Cash flows Less than 1 year	1-2 year	2-5 year	More than 5 years	Total
Non-derivative financial liabilities						
Borrowings	13,623.37	938.03	4,690.13	7,995.21	-	13,623.37
Trade payables	18,350.71	18,350.71	-	-	-	18,350.71
Other financial liabilities	978.26	978.26	-	-	-	978.26
	32,952.34	**20,267.01**	**4,690.13**	**7,995.21**	-	**32,952.34**

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 optimizing the return.

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

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 Company is not exposed to Interest rate risk as the Interest rate for one year from disbursement is fixed..

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 , The Company is not exposed to price risk as there are no Investments.

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32 Service Concession Arrangement

Description of the Arrangement

The Company has entered into a Service Concession Arrangement("SCA") with National Highway Authority of India ("NHAI") for Four laning of NH-161 from Ramsanpalle village (Design Km 39.980/Existing Km 44.757) to Mangloor village (Design Km 86.788/Existing Km 91.350) (Design Length =46.808 Km) in the State of Telangana under Bharatmala Pariyojana on Hybrid Annuity Mode. The company received appointed date on 02nd May 2019.

Significant terms of arrangement

The Concessionaire is obligated to construct the Asset(Road), to meet the obligation the Concessionaire will get the Construction support of 40% of Bid Project Cost (BPC) from the authoritv and the balance cost need to be funded throuoh Debt and Eouitv.

The Concession agreement entered between the parties is for a period of 17 years including 2 years of construction period.

The Construction Support from the Authority i.e. 40% of BPC will be adjusted with price index multiple on the respective mile stone payment. Based on the Price index multiple on the respective mile stones the Completion cost will be derived.

Nature & extent

The Concessionaire is not having any right to collect the toll from users, At the end of the concession period the road will be transferred to the authority and the Company will have no further involvement in its operation or maintenance.

The Company will receive the Semi annual Annuity payments on the balance completion cost from the Authority as per Article 23.6.3 of the Concession Agreement.

The company will also get the Interest @ RBI bank rate +3% on Semi annual basis on the reducing balance completion cost remaining to be paid as per Article 23.6.4 of the Concession Agreement.

The company will also get the Operation & Maintenance Income based on the O&M bid submitted on semi annual basis as per Article 23.7 of the Concession Agreement, and the same will be adjusted with price index multiple on the respective date.

Classification

The Company has right to receive an annuity payment from the Authority as per Article 23.6 of the Concession Agreement , Accordingly, the Company has recognised its financial asset. And the revenue will be created on the Financial asset as per IND AS 115, instead of actual Annuity received. The Construction income & Construction Cost will be recognised based the expenditure incurred from time to time.

During the year The Company has received a Construction Support of Rs.1,0224.57 Lakhs (Excluding GST) and recognised Construction Income for Rs. 18,432.64 lakhs finance income of Rs. 5,862.42 lakhs, O&M Income of Rs.240.77 Lakhs and Major Maintenance Income of Rs.1,091.99 Lakhs , the above itmes has been adjusted with financial asset receivable.

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33 Related parties

A. List of related parties and nature of relationship

S. No.	Name of the related party	Nature of relationship
1	KNR Constructions Limited	Holding Company & EPC Contractor
2	Cube Highways and Infrastructure III Pte Ltd	Shareholder
3	Cube Highways And Transportation Assets Advisors Pvt. Ltd.	Entities in which persons covered above can exercise significant influence
4	Mr. K. Narasimha Reddy	Director
5	Mr. K. Jalandar Reddy	Director
6	Kapil Nayyar	Director
7	Jayesh Ramniklal Desai	Director
8	Mr. Gaurav Malhotra	Director

B. Transactions with related parties during the year ended

(Rs. in Lakhs)

S. No.	Name of the related party	Nature of transactions	March 31, 2022	March 31, 2021
1	KNR Constructions Limited	Instrument Entirely Equity in Nature	3,382.00	2,543.00
		Mobilisation Advance Recovered	-	(4,267.85)
		EPC Expenses (Excluding GST)	16,896.43	31,132.72
		EPC Cost Paid	-	(18,492.84)
		EPC Inflation Expenses (Excluding GST)	1,410.29	1,522.22
		COS &Utility Shifting Expenses (Excluding GST)	2,342.22	2,118.24
		Utility Shifting Expenses paid	-	(2,112.13)
		Interest Income on Mobilisation Advance	-	97.74
		COS Advance Given	-	660.70
		Reimbursement of Expenses (paid)	-	7.16
		Reimbursement of Expenses	755.51	0.38
		Unsecured Loan	24.00	-
		Operation and Maintenance Expenses	206.71	
2	Cube Highways and Infrastructure III Pte Ltd	Optionally Convertible Debentures-Unsecured	7,469.50	-
		Interest on Unsecured -OCD	225.93	-
3	Cube Highways And Transportation Assets Advisors Pvt. Ltd.	Management Service Charges	9.75	-
4	Kapil Nayyar	Director Sitting Fee	0.80	-
5	Jayesh Ramniklal Desai	Director Sitting Fee	0.80	-

C. Balances outstanding

(Rs. in Lakhs)

S. No.	Name of the related party	Nature of transactions	March 31, 2022	March 31, 2021
1	KNR Constructions Limited	Share capital	(2,657.87)	(5,211.50)
		Instrument Entirely Equity in Nature (Sub Debt)	-	(4,087.50)
		Interest on Mobilisation Advance Receivable	-	(391.53)
		EPC Payable	(148.53)	(18,350.71)
		Withheld Payable	(85.04)	(546.41)
		Reimbursement of Expenses Payable	(729.59)	(0.31)
		Unsecured Loan Payable	(24.00)	-
		Operation and Maintenance Payable	(203.44)	-
		COS Receivables	394.24	660.70
2	Cube Highways and Infrastructure III Pte Ltd	Optionally Convertible Debentures-Unsecured	(7,469.50)	-
		Share capital	(2,553.63)	-
		Interest accrued but not due on OCD	(192.04)	-
3	Cube Highways And Transportation Assets Advisors Pvt. Ltd.	Management Service Charges	(4.30)	-

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34 Ratio Analysis and its elements

Ratio	Numerator	Denominator	Unit of measurement	March 31, 2022			March 31, 2021			Variation	Reason for variation [if variation > (+/-) 25%]
				Numerator's Value	Denominator's Value	Ratio	Numerator's Value	Denominator's Value	Ratio		
Current ratio	Current Assets	Current Liabilities	Times	3,325.86	4,303.54	0.77	2,255.27	21,343.79	0.11	631.39%	Variance due to increase in current assets and current liability in current year.
Debt- Equity Ratio	Total Debt	Shareholder's Equity	Times	46,220.73	6,212.31	7.44	13,623.37	13,885.74	0.98	658.35%	During th year company has received the debt from the promoter company and also taken additional amount of loan from the bank from the agreed amount
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses (Depreciation & amortisation) + Finance costs	Debt service = Interest + Lease Payments + Principal Repayments	Times	(1,016.06)	2,521.55	(0.40)	4,022.75	1,235.68	3.26	-112.38%	No principal repayments was made by the company during the year or in earlier periods and also during the year company has borrowed the availed the amount for OCD and additional amount of loan from the bank so that is why interest cost has been increased significantly
Return on Equity ratio	Net Profits after taxes - Preference Dividend	Average Shareholder's Equity	Percentage	(3,585.93)	10,049.03	(0.36)	2,659.78	11,284.35	0.24	-251.39%	Variance dure to increase loss and decrease other quity during the year.
Inventory Turnover ratio	Cost of goods sold or Sales	Average Inventory	Times	26,704.20	4.81	5,551.81	36,777.52	-	-	0.00%	In previous year there was no inventory in the company and less inventory was pending as on date
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	Times			-			-	0.00%	In this company, there was no sales on credit basis as company is in the business of construction
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	Times	27,753.74	9,393.14	2.95	32,852.51	12,112.57	2.71	8.94%	In comparison to the previous year the outstanding against the creditiors was less
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets - Current liabilities	Times	26,704.20	(977.68)	(27.31)	36,777.52	(19,088.52)	(1.93)	1317.66%	1) No sales return as company wasn't tarded in the trading or manufacturing business of goods 2) During the year, company has paid the amount to the creditors. 3) During the year company has availed the additional amount of loan from the bank so that is why the amount for current maturity has been increased significantly
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	Times	(3,585.93)	26,704.20	(0.13)	2,659.78	36,777.52	0.07	-285.68%	Variance due to loss in current year
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth* + Total Debt + Deferred Tax Liability	Percentage	(1,016.07)	52,433.04	(0.02)	4,022.75	27,509.11	0.15	-113.25%	variance due to increase in finace cost.
Return on Investment	Income generated from investments	Weighted average value of investments	Percentage			-			-	0.00%	This ratio was not applicable because company has neither invested the funds into the mutual funds or in any company during the year or in previous year

Note: The above Non-GAAP measures presented may not be comparable to similarly titled measures reported by other companies. Further, it should be noted that these are not a measure of operating performance or liquidity defined by generally accepted accounting principles.

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35 Foreign Currency Transactions:
There are no foreign currency transactions entered during the FY 2021-22 and FY 2020-21.

36 Segment Information

The company is into the business of developing the infrastructure of HAM basis and there are no seperate reportable operating segments as per Ind As-108.

37 Reconciliation between the Opening and Closing balances in the financial statement for Liabilities and Financial Assets arising from Financial Activities (Ind AS - 7)

(Rs. in Lakhs)

Particulars	Long Term borrowings-Term Loan	Instrument entirely equity in nature	Interest accrued
Opening Balance	13,623.37	4,087.50	4.38
Interest Accrued during the year			192.04
Cash Flows			
Received	32,597.36	-	-
Repayment	-	(4,087.50)	-
Interest Paid	-	-	(4.38)
Non Cash Items			
Impact of EIR (Cumulative)	(24.00)	-	-
Closing Balance	46,196.73	-	200.80

38 MSME related disclosure

(Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	10.61	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
- Principal	-	-
- Interest	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

39 Provisions

The Company is required to operate and maintain the project highway during the entire concession period and hand over the project back to the Authority (NHAI) as per the maintenance standards prescribed in Concession agreement.
For this purpose, a regular maintenance along with periodic maintenances is required to be performed. Normally periodic maintenance includes resurface of pavements, repairs of structures and other equipment's and maintenance of service roads.
The maintenance cost/ bituminous overlay may vary based on the actual usage during maintenance period. Accordingly on the grounds of matching cost concept and based on technical estimates, a provision for major maintenance expenses is reviewed and is provided for in the accounts annually.

Provisions for major maintenance work (Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	-	-
Add : Additional provision charged to profit and loss	1,063.38	-
Less : Utilised	-	-
Less : Unused amounts reversed	-	-
Add : Unwinding of discount and changes in discount	-	-
Closing balance	1,063.38	-

40 Corporate social responsibility

(Rs. in Lakhs)

	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
a)	Gross amount required to be spent by the Company during the year	30.58	-
b)	Amount spent during the year		
	i) Construction/acquisition of any asset - In cash	-	-
	ii) On purposes other than (i) above	34.68	-
c)	Shortfall/(Excess amount spent)		
	Opening Balance	-	-
	Amount required to be spent during the year	30.58	-
	Amount spent during the year	34.68	-
	Closing balance	(4.10)	-
d)	Details related to spent / unspent obligations:		
	i) Contribution to Public Trust		
	ii) Contribution to Charitable Trust		
	iii) Unspent amount in relation to:		
	- Ongoing project		
	- Other than ongoing project		
e)	Details of related party transactions, if any	No	
f)	Nature of CSR activities		
	a) Health care facility		
	b) Computer and accessory		
	c) Laboratory items		

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Notes to the financial statements for the year ended March 31, 2022

Capital Work In Progress

S.No	Particulars	up to 31.03.2021	Additions For Q1 June, 2021	Additions For Q2 September, 2021	Additions Upto 5 October, 2021	Additions Upto 15December, 2021	Additions for Q3 December, 2021	Additions for Q4 march, 2022	Total Cost for FY 2021-22	Total Cost
1	EPC Cost	6,84,50,69,046.00	76,18,82,383.00	73,88,47,208.00		17,19,57,873.00	1,69,55,449.00		1,68,96,42,913.00	8,53,47,11,959.00
	EPC Cost Inflation	-	-	-	-	-	-	-	-	-
2	Finance Costs									
	Interest on Term Loan	13,09,60,295.82	3,04,49,024.99	4,17,78,666.93	40,13,976.00	-			7,62,41,687.92	20,72,01,983.74
	Loan Syndication Fee	-								-
	Management Fee	-							-	-
	Upront Fees	0				-			-	-
	Lead Bank fee	2,08,45,000.00	-	-		-			-	2,08,45,000.00
	BG Charges	1,19,85,223.04	7,40,402.00	-					7,40,402.00	1,27,25,625.04
	Review Charges	3,30,000.00	-	3,00,000.00					3,00,000.00	6,30,000.00
	Other Borrowing Expenses	14,382.80	-	-					-	14,382.80
3	Consultancy & Professional Fees	-								-
	Lender Independent Engineer Fee	38,00,000.00	3,00,000.00	4,50,000.00	1,50,000.00	3,00,000.00			12,00,000.00	50,00,000.00
	IE fee (NHAI)	1,56,85,487.00	-	71,54,374.00					71,54,374.00	2,28,39,861.00
	Insurance Advisory Fee	3,00,000.00	-	-					-	3,00,000.00
	Legal Consultant Fee	13,51,641.00	-	-					-	13,51,641.00
	Lenders Agent's Fee	2,50,000.00	-	1,00,000.00					1,00,000.00	3,50,000.00
	Security Trustee Charges	9,25,500.00	-	2,50,000.00					2,50,000.00	11,75,500.00
	Rating fee	8,44,869.00	-	2,25,000.00					2,25,000.00	10,69,869.00
	Professional Fee/Consultancy	2,25,099.00	67,649.00	10,500.00					78,149.00	3,03,248.00
4	Employee Benefits Expenses	-	22,500.00	75,000.00					97,500.00	97,500.00
	Salaries	-	-	-					-	-
5	Other Expenses	-								-
	Audit Fees	6,32,000.00	1,12,500.00	67,500.00	-	-	-	-	1,80,000.00	8,12,000.00
	Bank Charges	-		-	-	-	-	-		-
	Cost Audit Fee	-		-	-	-	-	-	-	-
	Courier & Postage Charges	1,745.00	-	-	-	-	-	-	-	1,745.00
	Filing Charges	52,33,071.80	1,200.00	1,900.00					3,100.00	52,36,171.80
	General Expenses	3.00	-	-					-	3.00
	Insurance	93,86,572.00	3,90,903.00	12,81,862.00		10,31,065.00			27,03,830.00	1,20,90,402.00
	Interest on TDS	15,541.00	-	788.00					788.00	16,329.00
Misc. Expenses										
	Office Exp	1,87,325.00	-	-	-	-	-	-	-	1,87,325.00
Out of Pocket Expenses										
	Printing & Stationery Expenses	4,952.00	-	-	-	-	-	-	-	4,952.00
	Boarding & Lodging Expenses	16,683.00	-	-	-	-	-	-	-	16,683.00
	Travelling Expenses	1,11,961.00	-	-	-	-	-	-	-	1,11,961.00
	Unamortised processing fee	-22,26,895.00	-6,03,671.00	1,63,013.00	-	-	-	-	-4,40,658.00	-26,67,553.00
	Preliminary Expenses Written Off	19,615.00	-	-	-	-	-	-	-	19,615.00
	EPC Inflation Expenses	28,20,57,145.00	-	14,10,28,572.00	-	-	-	-	14,10,28,572.00	42,30,85,717.00
	Utility Shifting & Tree Cutting Expenses	36,21,38,473.00	7,85,91,645.00	-	-	98,00,838.00			8,83,92,483.00	45,05,30,956.00
		7,69,01,64,735.46	**87,19,54,535.99**	**93,17,34,403.93**	**41,63,976.00**	**18,30,89,776.00**	**1,69,55,449.00**		**2,00,78,98,140.92**	**9,69,80,62,876.38**
	Utility Shifting Revenue	36,21,38,473.00	7,85,91,645.00	-	-	98,00,838.00	-2.00		8,83,92,481.00	45,05,30,956.00
	Total	**7,32,80,26,262.46**	**79,33,62,890.99**	**93,17,34,403.93**	**41,63,976.00**	**17,32,88,938.00**	**1,69,55,451.00**		**1,91,95,05,659.92**	**9,24,75,31,920.38**

KNR SHANKARAMPET PROJECTS

41 Impact of covid-19 pandemic on the operations of the company is likely to be negligible as it has fixed annuity income and being essential services, the operation of the road asset was in progress even during covid-19. The management will continue to monitor and assess impact of economic conditions arising due to covid-19. The impact of covid -19 may differ from that affected at the date of financial statements.

42 Contigent Liablities and Commitments and Contigent assets

(Rs. In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
a) Contigent liability	-	-
b) Capital Commitment	-	-
c) Other Commitments towards the project	10.02	16906.45

43 The Code on Social Security,2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

44 There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

45 The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

46 The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

47 The Company does not have any transactions with struck-off companies.

48 The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

49 The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

50 The Company have not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall: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 to or on behalf of the Ultimate Beneficiaries.

51 The Company have not received any fund from any person or entity, 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.

52 The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

53 The Company has not availed any facilities from banks on the basis of security of current assets.

54 The Corresponding previous period's figures have been regrouped wherever necessary to confirm to the presentation of the current year's accounts.

55 The financial statements were approved for issue by the Board of Directors on May 27, 2022.

As per our report of even date attached
For MKPS & Associates,
Chartered Accountants
FRN: 302014E

Vikash Modi

MKPS & ASSOCIATES HYDERABAD CHARTERED ACCOUNTANTS

Vikash Modi
Partner
Membership No: 216468
UDIN: 22216468AJUJND9529
Place : Hyderabad
Date: May 27, 2022

For and on behalf of the Board

K Jalandhar Reddy

K. Narsimha Reddy
Director
DIN:00382412
Place : Hyderabad
Date: May 27, 2022

K. Jalandhar Reddy
Director
DIN : 00434911
Place : Hyderabad
Date: May 27, 2022

KNR Shankarampet Projects Private Limited Hyderabad

KNR SHANKARAMPET PROJECTS PVT. LTD