

PATEL KNR INFRASTRUCTURES LTD.

17TH ANNUAL REPORT

2022-2023

PATEL KNR INFRASTRUCTURES LTD.

CIN: U45201MH2006PLC162856

BOARD OF DIRECTORS	Ms. Kavita Shirvaikar Mr. Kamidi Narasimha Reddy Mr. Rahul Agarwal Mr. K Ramasubramanian, Independent Director Ms. Sunanda Rajendran, Independent Director <i>(Wef June 2, 2023)</i>
CHIEF EXECUTIVE OFFICER	Ms. Kavita Shirvaikar
CHIEF FINANCIAL OFFICER	Mr. Rishi R Vyas
COMPANY SECRETARY	Ms. Mangala Ganesh Mudhliyar
AUDITORS	M/s. M K Dandeker & Co. LLP Chartered Accountants, Chennai.
BANKERS	AXIS BANK LTD.
REGISTERED OFFICE	PATEL ESTATE ROAD JOGESHWARI (W) MUMBAI – 400 102.
NAME AND ADDRESS OF DEBENTURE TRUSTEES	IDBI TRUSTEESHIP SERVICES LIMITED Asian Bldg, Ground floor, 17, R Kamani Marg, Ballard Estate, Mumbai -400 001. T: +91 022 40807007 Fax: +91 022 66311776 Email: itsl@idbitrustee.com Website: www.idbitrustee.com

PATEL KNR INFRASTRUCTURES LTD.

CIN: U45201MH2006PLC162856

REGD OFFICE: Patel Estate Road, Jogeshwari (W), Mumbai – 400102.

Phone No.022 26767500 Email id: cs.pkil@pateleng.com

BOARDS' REPORT

The Directors are pleased to present the Seventeenth (17th) Annual report together with the Audited Accounts for the year ended March 31, 2023.

Financial highlights

The performance of the Company for the year ended on 31st March 2023 is summarized as follows:

Particulars	(Rs. In Lakhs)	
	2022-23	2021-22
Income for the year	4,480.41	4,308.13
Less: Expenditure	4698.74	4488.72
Profit/Loss before Depreciation & Tax (PBDT)	(218.33)	(180.59)
Less: Depreciation	14.39	14.53
Profit /(Loss) before Tax (PBT)	(232.72)	(195.12)
Less: Provision for Tax	84.11	37.35
Profit /(Loss) after Tax (PAT)	(316.83)	(232.47)
Other Comprehensive Income	102.88	31.59
Total Comprehensive Income for the year	(213.95)	(200.88)

Information on state of affairs of the Company

During the year under review, the Company has received two annuities of Rs. 3,294 Lakhs each from NHAI. However, as per the disclosure requirements of IND-AS the amount of total income stood at Rs. 4,480.41 Lakhs which comprises of Interest Income of Rs. 181.45 Lakhs, O& M income of Rs. 2900.79 Lakhs and finance income of Rs. 1398.17 Lakhs on the carriage way, which is to be recognized as a financial asset. Operation and maintenance expenditure during the year is high as compared to the previous year due to provision for the next Periodic maintenance as per revised estimate of Rs. 3,153 Lakhs being made in the books and hence there appears a loss during the year.

Operation and Maintenance (O&M) of project is as per O&M Agreement. M/s Patel-KNR JV is executing O&M. The Company received the final completion certificate from NHAI on 31.03.2017, though provisional completion Certificate was received on 29.12.2009.

Dividend:

Due to loss, the Board of Directors has not recommended any dividend for the year ended March 31, 2023.

Reserves

An amount of Rs. (316.83) Lakhs has been transferred to Reserves and Rs.492.42 Lakhs has been transferred to Debenture Redemption Reserve for the year ended March 31, 2023.

Share Capital

There is no change in the capital structure of the Company during the year.

A. Buy Back of Securities

The Company has not bought back any of its securities during the year under review.



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B. Sweat Equity

The Company has not issued any Sweat Equity Shares during the year under review.

C. Bonus Shares

No Bonus Shares were issued during the year under review.

D. Employees Stock Option Plan

The Company has not provided any Stock Option Scheme to the employees.

Subsidiaries / Joint Ventures / Associate Companies

The Company has no subsidiaries / joint ventures / associate companies. The Company is a subsidiary of Patel Engineering Ltd.

Related party transactions:

All the transactions entered by the Company with Related Parties during the financial year 2022-23 were in the ordinary course of Business and at arm's length basis.

There were no materially significant transactions with related parties during the financial year 2022-23 which were in conflict with the interest of the Company. All the Related Party Transactions as required under AS-18 are reported in the Notes to the financial statements.

Non-Convertible Debentures:

Your company had earlier issued Non-convertible Debentures aggregating Rs.40900 Lakhs and the outstanding balance as on March 31, 2023 is Rs.15634.00 Lakhs and the Company is classified as a Large Corporate entity pursuant to SEBI circular No. SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018.

Credit Rating of Non-convertible Debentures (NCD):

The credit rating assigned by Credit Analysis & Research Limited to the NCDs of the Company is "CARE AA+ (SO)" vide their letter dated December 7, 2022 (Previous rating being the same).

Particulars of loans given, Investments made, Guarantees given and Securities provided under Section 186

Since the Company falls under the category of providing infrastructural facilities under Schedule VI of the Companies Act, 2013, none of the provisions of Section 186 except sub-section (1) are applicable to the Company. Hence no separate disclosures are made with respect to the particulars of loans given, investments made, guarantees given and securities provided by the Company.

Internal Financial Controls

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. During the year under review, no material or serious observation has been received from the Statutory Auditors of the Company for inefficiency or inadequacy of such controls.

K.m. S



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Directors and Key Managerial Persons:

The Board of Directors of the Company as on March 31, 2023 comprise of:

1. Ms. Kavita Shirvaikar, Chief Executive Officer and Director
2. Mr. Kamidi Narasimha Reddy, Non Executive Director
3. Mr. Rahul Agarwal, Non Executive Director
4. Mr. K Ramasubramanian, Independent Director
5. Ms. Radhika B S, Independent Director

Appointment of Director:

Mr. Rahul Agarwal was appointed as Non-Executive Director of the Company at the Annual General meeting of the Company held on September 9, 2022.

Resignation of Director:

Mr. B S Reddy submitted his unwillingness to be reappointed as Director of the Company at the AGM of the Company held on September 9, 2022 and ceased to be Director & CEO wef the said date.

The Board places on record its deep appreciation for the valuable services rendered by Mr. B S Reddy during his tenure with the Company.

Independent Directors:

The Company has received necessary declarations from the independent directors under Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013 and that they have complied with the Code for Independent Directors, as prescribed in Schedule IV to the Companies Act.

Retirement by Rotation of the Director:

As per the provisions of Section 152 of the Companies Act, 2013, Mr. K N Reddy, Director retire by rotation at the Annual General Meeting and being eligible, offer himself for re-appointment. Your Directors recommend his re-appointment.

Key Managerial Personnel:

Mr. Anurag Kankaria resigned as Company Secretary with effect from December 31, 2022 due to personal reasons. Ms. Mangala Ganesh Mudhliyar was appointed as Company Secretary with effect from January 6, 2023.

Mr. B S Reddy ceased to be Chief Executive Officer (CEO) with effect from September 9, 2023 and Ms. Kavita Shirvaikar, Director, was appointed as CEO of the Company with effect from the same date.

Accordingly, Ms. Kavita Shirvaikar, Mr. Rishi K Vyas and Ms. Mangala Ganesh Mudhliyar act as the Chief Executive Officer, Chief Financial Officer and Company Secretary of the Company respectively and are the Key Managerial Personnel (KMP) of the Company as per the provisions of the Companies Act, 2013 (the Act).

Number of meetings of the Board of Directors

During the year ended March 31, 2023, the Board met 5 times. The meetings of the Board of Directors of the Company was held on May 16, 2022, August 05, 2022, November 9, 2022, January 6, 2023 and February 06, 2023.



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Evaluation of Board's performance:

In compliance with the Companies Act, 2013, the Company has a formal mechanism for evaluating the performance of the individual Director(s) of the Board.

A separate meeting of independent Directors was held during the year under review wherein, the Independent Directors evaluated the performance of the non-independent directors, the Board as a whole and the Chairperson of the Company.

Directors' Responsibility statement:

As required under Section 134 (3)(c) of the Companies Act, 2013, your Board of Directors of the Company hereby states and confirms that:

- a) in the preparation of the annual accounts for the financial year ended March 31, 2023, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2023 and of the profit and loss of the company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis and
- e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Audit Committee:

The Audit committee consists of three directors out of which two are independent directors. The composition of Audit Committee of the Board comprises of the following:

1. Mr. K Ramasubramanian – Independent Director
2. Ms. Radhika B S- Independent Director and
3. Ms. Kavita Shirvaikar – Director

The Committee's composition meets with requirements of Section 177 of the Companies Act, 2013. The Committee's role, terms of reference, the authority and the power of Chairman are in conformity with the requirements of the Companies Act, 2013.

During the financial year ended on 31st March, 2023, four meetings of the Audit Committee of the Company were held on May 16, 2022, August 05, 2022, November 9, 2022 and February 06, 2023.

During the year under review, the Board of Directors of the Company had accepted all the recommendations of the Committee.



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Nomination and Remuneration Committee:

The Nomination and Remuneration committee (NRC) consists of three directors out of which two are independent directors. The composition of NRC of the Board comprises of the following:

1. Mr. K Ramasubramanian – Independent Director
2. Ms. Radhika B S- Independent Director and
3. Ms. Kavita Shirvaikar – Director

The Committee's composition and terms of reference are in compliance with provisions of the Companies Act, 2013. No meetings of members of NRC was held during the financial year under review. However, circular resolutions were passed by members of NRC during the financial year.

Nomination & Remuneration Policy:

The Company has framed a Remuneration policy pursuant to Section 178 of the Companies Act, 2013 and the said policy is available on the Company's website at the link <http://www.knrcl.com/policies-pkil.html>.

Corporate Social Responsibility Policy (CSR policy):

Pursuant to provisions of Section 135 (1) of the Companies Act, 2013, the provisions of CSR are not applicable to the Company for the financial year 2022-23. However, the Company has contributed to CSR by way of transfer to PM CARES Fund a sum of Rs.6.43 Lakhs during the financial year.

The provisions of Section 135 of the Companies Act, 2013 (the Act) with respect to constitution of CSR Committee is not applicable since the threshold of spending on CSR activities does not exceed Rs.50 lakhs and hence no committee was constituted. The powers are entrusted with the Board.

The Annual Report on CSR activities is provided in **Annexure I**, annexed to this Report.

The CSR policy of the Company is available on the Company's website at the link <http://www.knrcl.com/policies-pkil.html>

Cost Records

The Company is maintaining the cost records as specified by the Central Government under sub section (1) of section 148 of the Companies Act, 2013 in respect of services carried out by the Company.

Auditors:

i) Statutory Auditors:

M/s. M K Dandekar & Co LLP (formerly known as M K Dandekar & Co), (FRN: 000679S /S000103), the Statutory Auditors of the Company hold office until the conclusion of the 21st AGM to be held in the year 2027.

K. n. s.



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ii) Secretarial Auditor:

The Board of Directors appointed M/s. Neena Deshpande & Co., Company Secretaries to conduct Secretarial Audit of the Company for the financial year ended March 31, 2023.

The Report of the Secretarial Auditor is annexed to this Report as **Annexure II**. The Secretarial Audit Report does not contain any qualification, reservation, adverse remarks or disclaimer except with respect to the following:

- 1) delay in prior intimation in terms of Regulation 50(1) Of Listing Regulation to NSE about due date for payment of interest / redemption of debentures and
- 2) delay in prior intimation in terms of Regulation 60(2) Of Listing Regulation to NSE about record date for the purposes of payment of interest / redemption of debentures.

The shareholders may note that the Company had given 6 days prior notice to NSE instead of 11 days as per Regulation 50(1) due to inadvertence. Further, the record date was not informed to NSE on time as per Regulation 60(2) due to oversight. The Company had paid the required fine under both the Regulations, to National Stock Exchange of India Ltd.

Auditors' Report:

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

Conservation of energy, technology absorption and foreign exchange earnings and outgo

(A) Conservation of Energy and Technology Absorption:

The provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are not applicable to the Company. However, Conservation of energy continues to be one of the important objectives of the Company and all possible efforts have been made to minimize its consumption. The Company has made all possible efforts to absorb the technology to its fullest capacity.

(B) Foreign exchange earnings and Outgo:

There are no Foreign exchange earnings and outgo during the year.

Extract of the annual return

In accordance with the provisions of the Companies Act, 2013 and the Rules framed thereunder, the Annual return in Form MGT -7 for the year 2022-23 is made available on the website of the Company at the link <http://www.knrcl.com/annual-return.html>

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Risk management policy

In compliance with the requirement of the Companies Act, 2013 and to effectively and efficiently manage risk and address challenges, the Company has formulated Risk Management Policy.

Vigil Mechanism:

The Company has established a system of Vigil Mechanism for the employees to report genuine concerns/grievances. The vigil mechanism is presently overseen by the Board. There are no complaints / grievances received from any Directors or employees of the Company under Vigil Mechanism policy during the financial year.

The Vigil Mechanism policy of the Company is available on the Company's website at the link <http://www.knrcl.com/policies-pkil.html>

Particulars of Employees:

The information required under section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable to the company for the year under review.

Disclosure under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The disclosures pertaining to the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 is not applicable to the Company.

Other Disclosures

- i) There are no material changes and commitments affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the Boards' report.
- ii) No orders have been passed by any Regulator or Court or Tribunal which can have impact on the going concern status and the Company's operations in future during the year under review.
- iii) The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act 2013 read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review. Hence, the requirement for furnishing of details relating to deposits covered under Chapter V of the said Act or the details of deposits which are not in compliance with the Chapter V of the said Act is not applicable. The Company has not accepted any unsecured loan from its Directors.
- iv) The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India, with respect to general and Board meetings.
- v) No fraud has been reported by the Auditors, to the Audit Committee and the Board.
- vi) There is no Corporate Insolvency Resolution Process initiated under the Insolvency and Bankruptcy Code, 2016.

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Acknowledgement:

The Directors acknowledge and thank the Parent Companies, business associates, Government authorities and bankers for their support and co-operation.

By order of the Board,
for **Patel KNR Infrastructures Ltd.**

K.m.S.

Kavita Shirvaikar
CEO & Director
DIN: 07737376



By order of the Board,
for **Patel KNR Infrastructures Ltd.**

K N Reddy

K N Reddy
Director
DIN: 00382412

Hyderabad
May 11, 2023



Annexure I - Annual report on Corporate Social Responsibility (CSR) for the financial year 2022-23

1. Brief outline on CSR Policy of the Company

Recognizing that business enterprises are economic organs of society and draw on societal resources, **Patel KNR Infrastructures Limited** ("The Company") believes that a company's performance must be measured by its contribution to building economic, social and environmental capital towards enhancing societal sustainability. It is important for businesses not only to provide products and services to satisfy the customer, but also to ensure that the business is not harmful to the environment in which it operates. In order for an organization to be successful, the business must be built on ethical practices.

We need to bridge the divide to a fairer, more socially inclusive world. A world where we all live with, rather than at the expense of, nature and the environment. We still have time to act. But we don't have time to waste.

Further, the Company believes that an effective Corporate Social Responsibility (CSR) strategy shall be well formulated, articulated aligned with business. It must also have the unstinting support of the key stakeholders to become a long-term sustainability agenda.

2. Composition of CSR Committee:

The Company has not constituted any CSR committee since the amount to be spent by the Company does not exceed Rs.50 Lakhs per year, pursuant to subsection 9 of Section 135 of the Companies Act, 2013. The Board is entrusted with the functions of CSR Committee.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

CSR committee: Not applicable

CSR Policy: <http://www.knrcl.com/policies-pkil.html>

CSR projects : Nil

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1.	2022-23	NIL	NIL

6. Average net profit of the company as per section 135(5): ₹ 0

7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 0

K.m.S



(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: ₹ 0

(c) Amount required to be set off for the financial year, if any: ₹ 0

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 0

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount (in ₹)	Date of transfer	Name of the Fund	Amount (in ₹)	Date of transfer
6,43,914	NIL	Not Applicable	NIL	NIL	Not Applicable

(b) Details of CSR amount spent against ongoing projects for the financial year:

Sr. No	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes / No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
Not Applicable												

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

Sr. No	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (₹)	Mode of implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
1	PM CARE S Fund	Contribution to Prime Minister's Citizen Assistance and Relief in	-	-	-	6,43,914	No	NA	NA



		Emergency Situations Fund (PM CARES Fund)							
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(d) Amount spent in Administrative Overheads: NIL

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 6,43,914

(g) Excess amount for set off, if any:

Sl. No.	Particular	Amount (₹)
(i)	Two percent of average net profit of the company as per section 135(5)	NIL
(ii)	Total amount spent for the Financial Year	6,43,914
(iii)	Excess amount spent for the financial year [(ii)-(i)]	6,43,914
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	6,43,914

9. (a) Details of Unspent CSR amount for the preceding three financial years:

(₹)

Sl. No.	Particular	1	2	3	
1.	Preceding Financial Year.	2019-20	2020-21	2021-22	Total
2.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Nil	Nil	Nil	Nil
3.	Amount spent in the reporting Financial Year (in ₹).	Nil	Nil	Nil	Nil
4.	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any. i. Name of the Fund ii. Amount (in ₹). iii. Date of transfer	Nil	Nil	Nil	Nil
5.	Amount remaining to be spent in succeeding financial years. (in ₹)	Nil	7,08,410	10,11,451	17,19,861*

*The said amount of Rs.17,19,861 has been transferred to PM CARES Fund on 08.08.2022.



(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project	
								Completed	Ongoing
Not applicable									

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):

(a)	Date of creation or acquisition of the capital asset(s).	Not Applicable
(b)	Amount of CSR spent for creation or acquisition of capital asset.	
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):

N.A.



K.m.g.

Kavita Shirvaikar
(Director & CEO)
DIN: 07737376

K Ramasubramanian

K Ramasubramanian
(Independent Director)
DIN: 01623890

May 11, 2023



Address: Flat No. 201 M, 2nd Mezzanine Floor, Govardhan Dham CHSL,
Opp. ST Workshop, LBS Road, Khopat, Thane West - 400601
Email: csneenadeshpande@gmail.com, Mob: 9223393811

SECRETARIAL AUDIT REPORT

Form No. MR-3

For the financial year ended 31st March, 2023

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

To,
The Members,
PATEL KNR INFRASTRUCTURES LIMITED
Jogeshwari, Mumbai - 400102

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Patel KNR Infrastructures Limited** (CIN: U45201MH2006PLC162856) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023 ('Audit Period'), complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Patel KNR Infrastructures Limited** ("the Company") for the financial year ended on 31st March, 2023 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

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- III. The Depositories Act, 1996 and the Regulations & Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 (FEMA) & the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings: **Not Applicable**
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011: **Not Applicable**
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018: **Not Applicable**
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014: **Not Applicable**
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client: **Not Applicable**
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: **Not Applicable**
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018: **Not applicable.**

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VI. I have relied on the representation made by the Company and its Officers for systems and mechanism put in place by the Company for Compliances under other applicable Act, Laws and Regulations to the Company.

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

- a. Secretarial Standards issued by The Institute of Company Secretaries of India.
- b. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- c. The Debt Listing Agreement entered into by the Company with the National Stock Exchange of India.

I further report that compliance of applicable financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors and other designated professionals.

During the Audit period under review and as per representations and clarifications provided by the management, I confirm that the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Debt Listing Agreement etc. as mentioned hereinabove except the following:

- 1) There was a delay in prior intimation in terms of Regulation 50(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to NSE about due date for payment of interest / redemption of debentures and
- 2) There was a delay in prior intimation in terms of Regulation 60(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to NSE about record date for the purposes of payment of interest / redemption of debentures.

I further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Address: Flat No. 201 M, 2nd Mezzanine Floor, Govardhan Dham CHSL,
Opp. ST Workshop, LBS Road, Khopat, Thane West - 400601
Email: csneenadeshpande@gmail.com, Mob: 9223393811

2. Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

3. Decisions at the Board Meetings and Committee Meetings, as represented by the management and recorded in minutes, were taken unanimously.

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

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

Date: 11th May, 2023
Place: Thane

For NEENA DESHPANDE & CO.
COMPANY SECRETARIES

NEENA ASHISH
DESHPANDE Digitally signed by NEENA
ASHISH DESHPANDE
Date: 2023.05.11 15:41:38
+05'30'

NEENA DESHPANDE
PROPRIETOR

FCS 7240

COP 7833

UDIN: F007240E000287399

M.K. DANDEKER & CO. LLP

Chartered Accountants

Phone : +91- 44 - 43514233
E-mail : admin@mkdandeker.com
Web : www.mkdandeker.com

No.185 (Old No.100) 2nd Floor,
Poonamallee High Road, Kilpauk,
Chennai - 600 010.

INDEPENDENT AUDITOR'S REPORT

To the Members of M/s. Patel KNR Infrastructures Limited

Report on the Ind AS Financial Statements

Opinion

We have audited the Ind AS financial statements of **Patel KNR Infrastructures Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the 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 Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and 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 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 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 ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have nothing to report in this regard.



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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the Ind AS financial statements and our auditor's report thereon. The Board report and other reports are expected to be made available to us after the date of this auditor's report.

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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, 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 implementation and maintenance of 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 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 Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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



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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to the 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 Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Ind AS financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of more significance in the audit of the Ind AS financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine



that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the 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 Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015.
- e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting 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 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, no remuneration has been paid by the Company to its Directors during the year so the provisions of section 197 of the Act are not applicable.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements wherever applicable.
 - 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.



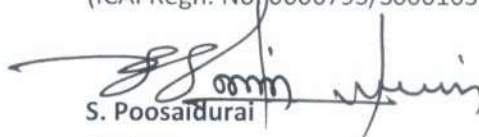
- iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any 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.

UDIN: 23223754BGVSTW8225

Date: May 11, 2023

Place: Hyderabad

For M.K. Dandeker & Co. LLP
Chartered Accountants
(ICAI Regn. No. 000679S/S000103)


S. Poosaidurai

Partner

Membership No. 223754



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

1. (a) (A) The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company is not having any intangible assets in its books of accounts as per IND AS financial statements.

(b) These Property, Plant and Equipment have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification.

(c) The Company is not having any immovable property.

(d) The Company has not revalued its Property, Plant and Equipment.

(e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
2. (a) The Company is engaged in the business of infrastructure development and maintenance and hence clause 3 (ii)(a) of the Companies (Auditor's Report) Order 2020 relating to inventory is not applicable.

(b) The Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time of the year and hence clause 3 (ii)(b) of the Companies (Auditor's Report) Order 2020 is not applicable.
3. During the year, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.
4. The Company has not entered into any transaction in respect of loans, investments, guarantees and securities, which attracts provisions of section 185 and 186 of the Companies Act, 2013. Hence, the clause 3(iv) of the Companies (Auditor's Report) order 2020 is not applicable to the Company.
5. The Company has not accepted deposits or amounts which are deemed to be deposits and hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules made thereunder are not applicable to the Company.



6. The Company is maintaining the cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act in respect of services carried out by the Company.
7. a. The company is generally regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities though there is a delay in filing of GSTR-3B in one instance.
- b. According to the information and explanations given to us, the following statutory dues which have not been deposited on account of dispute.

Name of the statute	Amount of demand due (Rs.)	Period to which the amount relates (Assessment Year)	Forum where the dispute is pending
Income Tax Act, 1961	4,07,62,840	2012-13 (Order u/s. 143(3) r.w.s. 147)	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	16,07,67,210	2013-14	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	1,73,44,270	2014-15 (Order u/s. 143(3) r.w.s. 147)	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	4,69,58,857	2017-18	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	5,50,60,860	2018-19	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	5,32,54,680	2020-21	Commissioner of Income Tax (Appeals)

8. According to the information and explanations given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
9. (a) As on the last day of the Financial year, the Company has not defaulted in repayment of loans or other borrowings or in payment of interest thereon to any lender.
- (b) According to the information and explanations given to us, the Company is not a declared willful defaulter by any bank or financial institution or other lender.
- (c) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any new Term loans during the year.



- (d) According to the information and explanations given to us, the Company has not raised any funds on short term basis during the year and hence clause 3 (ix)(d) of the Companies (Auditor's Report) Order 2020 is not applicable.
- (e) According to the information and explanations given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures and hence clause 3 (ix)(e) of the Companies (Auditor's Report) Order 2020 is not applicable.
- (f) According to the information and explanations given to us, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies and hence clause 3 (ix)(f) of the Companies (Auditor's Report) Order 2020 is not applicable.
10. (a) According to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including Debt instruments) during the year and hence clause 3 (x)(a) of the Companies (Auditor's Report) Order 2020 is not applicable.
- (b) According to the information and explanations given 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 or convertible debentures (fully, partially or optionally) during the year and hence clause 3 (x)(b) of the Companies (Auditor's Report) Order 2020 is not applicable.
11. (a) Based on the information and explanations given to us, no material fraud by the Company or any fraud on the Company has been noticed or reported during the year.
- (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 upto the date of this report.
- (c) Based on the information and explanations given to us, there are no whistle-blower complaints received during the year by the Company.
12. The Company is not a Nidhi Company and hence clause 3 (xii) of the Companies (Auditor's Report) Order 2020 is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.
14. (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 reports of the Internal Auditor for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
15. According to the information and explanations given 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 him. Hence, clause 3(xv) of the Companies (Auditor's Report) Order 2020 is not applicable.
16. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
17. The Company has incurred cash loss of Rs. 302.44 Lacs in the financial year and Rs. 217.93 Lacs in the immediately preceding financial year.
18. There has been no resignation of the statutory auditors during the year and hence clause 3 (xviii) of the Companies (Auditor's Report) Order 2020 is not applicable.
19. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that Company is 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 up to 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.
20. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (b) The Company has no unspent amount pursuant to any ongoing project, under sub section (5) of section 135 of the Companies Act. Hence clause 3 (xx)(b) of the Companies (Auditor's Report) Order 2020 is not applicable.



M.K. DANDEKER & CO. LLP
Chartered Accountants

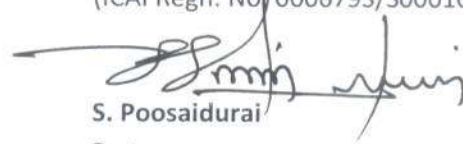
21. As preparation of Consolidated financial statements is not applicable to the Company, the reporting requirement under clause 3 (xxi) of the Companies (Auditor's Report) Order 2020 is not applicable.

UDIN: 23223754BGVSTW8225

Date: May 11, 2023

Place: Hyderabad

For M.K. Dandeker & Co. LLP
Chartered Accountants
(ICAI Regn. No. 000679S/S000103)



S. Poosaidurai

Partner

Membership No. 223754



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 over financial reporting of **Patel KNR Infrastructures Limited** ("the Company") as of March 31, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (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 over financial reporting 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 control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of 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 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 Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

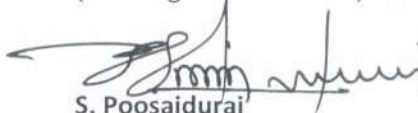
In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

UDIN: 23223754BGVSTW8225

Date: May 11, 2023

Place: Hyderabad

For **M.K. Dandeker & Co. LLP**
Chartered Accountants
(ICAI Regn. No. 000679S/5000103)


S. Poosaidurai

Partner

Membership No. 223754



PATEL KNR INFRASTRUCTURES LIMITED
Balance Sheet as at March 31, 2023

Amount in ₹ Lakhs

Particulars	Note	Amount in ₹ Lakhs	
		As at March 31, 2023	As at March 31, 2022
		Audited	Audited
ASSETS			
(1) Non-current assets			
a) Property, Plant and Equipment	1 (a)	75.47	89.86
b) Financial Assets			
i) Lease Receivable	2	8,803.68	11,092.72
c) Other Non-Current Assets			
Deposits	3	2.30	2.30
	A	8,881.45	11,184.88
Current assets			
a) Financial Assets			
i) Lease Receivable	2	6,588.00	6,588.00
ii) Trade receivables	2	-	-
iii) Investments	2	6,257.07	1,648.92
iv) Cash and bank balances	4	2,544.11	5,281.51
b) Current Tax Assets (net)	3	785.91	753.64
c) Other current assets	3	44.61	131.93
	B	16,219.70	14,404.00
TOTAL	A+B	25,101.15	25,588.88
EQUITY AND LIABILITIES			
EQUITY			
a) Equity Share capital	5	3,700.00	3,700.00
b) Other Equity	6	1,124.38	1,338.33
	C	4,824.38	5,038.33
LIABILITIES			
(1) Non-current liabilities			
a) Financial liabilities			
Borrowings	7	12,561.00	15,634.00
b) Provisions	8	-	-
	D	12,561.00	15,634.00
Current liabilities			
a) Financial liabilities			
i) Borrowings	7	3,076.20	2,532.62
ii) Trade payables	10	869.75	382.91
iii) Other Financial liabilities	9a)	692.75	804.85
b) Other current liabilities	9b)	381.68	49.65
c) Provisions	8	2,695.39	1,146.52
	E	7,715.77	4,916.55
Total Equity and Liabilities	C+D+E	25,101.15	25,588.88
Other notes forming part of accounts	19-41		
Significant accounting policies	34		

As per our report attached

M.K. Dandekar & Co. LLP

Chartered Accountants

Firm's Registration No.: 000679S / S000103

by the hand of

CA S. Poosaidurai

Partner

Membership No.: 223754

UDIN:

Place : Hyderabad

Date : 11th May, 2023



For and on behalf of the Board

K.N.Reddy

K.N.Reddy
Director
DIN :00382412

K.m.s

Kavita Shirvaikar
Director & CEO
DIN :07737376

Rishi Vyas

Rishi Vyas
Chief Financial Officer

Mangala Ganesh Mudhliyar

Mangala Ganesh
Mudhliyar
Company Secretary

Place : Hyderabad
Date : 11th May, 2023

PATEL KNR INFRASTRUCTURES LIMITED

Statement of Profit and Loss for the Year Ended March 31, 2023

Amount in ₹ Lakhs

Particulars	Note	Year Ended March 31, 2023	Year Ended March 31, 2022
		Audited	Audited
REVENUE (I)			
Revenue from Operations	11	4,298.96	4,072.83
Other income	12	181.45	235.30
Total Revenue		4,480.41	4,308.13
EXPENSES (II)			
Operating expenses	13	2,900.79	2,405.98
Employee benefit expenses	14	3.44	3.00
Finance costs	15	1,565.94	1,803.55
Depreciation and amortisation	1 (a)	14.39	14.53
Administration Expenses	16	57.08	59.50
Other Expenses	17	171.49	216.69
Total Expenses		4,713.13	4,503.25
Profit/(loss) before tax (III = I-II)		(232.72)	(195.12)
Tax Expense:			
Current tax	18	50.22	37.35
MAT credit entitlement		-	-
Deferred tax		-	-
Tax Expenses (Earlier Years)		33.89	-
Profit/(loss) after tax for the year (V = III-IV)		(316.83)	(232.47)
Prior period adjustments (VI)		-	-
Profit for the year (VII=V+VI)		(316.83)	(232.47)
Other Comprehensive Income (VIII)		102.88	31.59
Total Comprehensive Income for the year (IX = VII-VIII)		(213.95)	(200.88)
Earnings per equity share (Basic and Diluted)		(0.86)	(0.63)
Face value per equity share		10.00	10.00

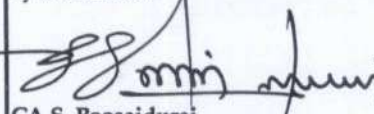
As per our report attached

M.K. Dandekar & Co. LLP

Chartered Accountants

Firm's Registration No.: 000679S / S000103

by the hand of


CA S. Poosaidurai

Partner

Membership No.: 223754

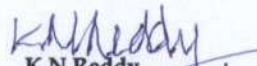
UDIN:

Place : Hyderabad

Date : 11th May, 2023



For and on behalf of the Board


K.N.Reddy

Director

DIN :00382412


Rishi Vyas

Chief Financial Officer

Place : Hyderabad

Date : 11th May, 2023


Kavita Shirvaikar

Director & CEO

DIN :07737376


Mangala Ganesh

Mudhliyar

Company Secretary

PATEL KNR INFRASTRUCTURES LIMITED

Cash Flow Statement For the Year Ended March 31, 2023

Amount in ₹ Lakhs

S. No.	Particulars	Year Ended	Year Ended
		March 31, 2023	March 31, 2022
		Audited	Audited
A	Net profit / (loss) before tax and extraordinary items	(232.72)	(195.12)
	Adjustment for		
	Depreciation and amortisation expense	14.39	14.53
	Interest expense	1,565.94	1,803.55
	Interest income from Bank deposits	(113.66)	(116.85)
	Realised gain on sale of Investments	(56.25)	(17.61)
	Operating profit before working capital changes	1,177.70	1,488.50
	Adjustments for:		
	Increase / (Decrease) in trade payables	486.84	(757.85)
	Increase / (Decrease) in other current liabilities	332.03	31.18
	Increase / (Decrease) in short term provisions	1,548.87	632.03
	(Increase) / Decrease in loan term loans and advances	2,289.04	2,515.17
	(Increase) / Decrease in other current assets	87.32	(61.13)
	Net cash generated from/(used in) operating activities	5,921.80	3,847.90
	Direct taxes paid (net of refunds)	(116.38)	(231.76)
	Net Cash(used in)/generated from Operating Activities	5,805.42	3,616.15
B	Cash flow from investing activities		
	Purchase of fixed assets	-	(37.17)
	Interest received	113.66	116.85
	Realised gain on sale of Investments	56.25	17.61
	(Investments) / redemptions in Mutual funds	(4,505.27)	(1,617.33)
	Net cash (used in)/generated from investing activities	(4,335.36)	(1,520.04)
C	Cash flow from financing activities		
	Repayment of borrowings	(2,529.42)	(2,530.00)
	Interest paid	(1,678.04)	(1,803.55)
	Net cash (used in)/generated from financing activities	(4,207.46)	(4,333.55)
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	(2,737.40)	(2,237.45)
	Cash and cash equivalents as at the beginning of the year	5,281.51	7,518.96
	Cash and cash equivalents as at the end of the year	2,544.11	5,281.51

Notes:

- Cash flow statement has been prepared under the 'Indirect Method' as set out in the Ind AS 7 - Cash Flow statements
- Cash and cash equivalents represent cash and bank balances.
- Previous year's figures have been regrouped/reclassified wherever applicable.

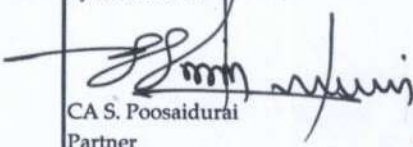
As per our report attached

M.K. Dandekar & Co. LLP

Chartered Accountants

Firm's Registration No.: 000679S / S000103

by the hand of



CA S. Poosaidurai

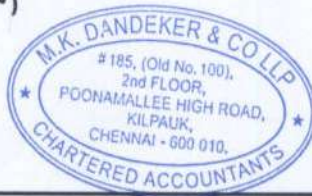
Partner

Membership No.: 223754

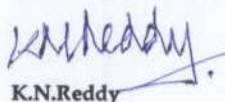
UDIN:

Place : Hyderabad

Date : 11th May, 2023



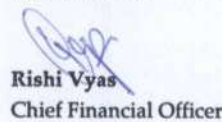
For and on behalf of the Board



K.N.Reddy

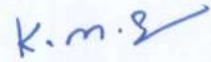
Director

DIN :00382412



Rishi Vyas

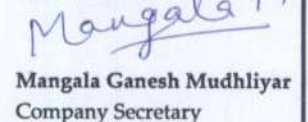
Chief Financial Officer



Kavita Shirvaikar

Director & CEO

DIN :07737376



Mangala Ganesh Mudhliyar

Company Secretary

Place : Hyderabad

Date : 11th May, 2023

PATEL KNR INFRASTRUCTURES LIMITED

Statement of changes in equity for the year ended 31 March 2023

a. Equity share capital

(Amount in ₹ Lakhs.)

	Amount
Balance as at 1st April 2022	3,700.00
Changes in equity share capital during the year	-
Balance as at the 31th March 2023	3,700.00

b. Other equity

(Amount in ₹ Lakhs.)

	Reserves and surplus	Items of OCI	Total
	Retained earnings	Other items of OCI	
Balance as at 1st April 2022	1,306.74	31.59	1,338.33
Total comprehensive income for the year ended 31 March 2023			
Changes during the period	(316.83)	102.88	(213.95)
Total comprehensive income	(316.83)	102.88	(213.95)
Transactions with owners, recorded directly in equity	-	-	-
Balance as at 31th March 2023	989.91	134.47	1,124.38

In terms of our report attached.

M.K. Dandekar & Co. LLP

Chartered Accountants

Firm's Registration No.: 000679S / S000103

CA S. Poosaidurai

Partner

Membership No.: 223754

UDIN:

Place : Hyderabad

Date : 11th May, 2023



For and on behalf of the Board

K.N.Reddy

Director

Din - 00382412

Rishi Vyas

Chief Financial Officer

Place : Hyderabad

Date : 11th May, 2023

Kavita Shirvaikar

Director & CEO

DIN :07737376

Mangala Ganesh

Mudhliyar

Company Secretary

PATEL KNR INFRASTRUCTURES LIMITED
Notes forming part of the financial statements

1 (a) Property, Plant and Equipment

Particulars	Cost						Depreciation			Book Value	
	As at April 01, 2022	Additions	Deductions	As at March 31, 2023	As at April 01, 2022	For the year	Deductions	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022	
	Owned Building	11.25	-	-	11.25	6.07	0.87	-	6.94	4.31	5.18
Plant and Equipment	31.53	-	-	31.53	1.74	2.10	-	3.84	27.69	29.79	
Vehicles	101.81	-	-	101.81	46.92	11.42	-	58.34	43.47	54.89	
Total	144.58	-	-	144.58	54.73	14.39	-	69.12	75.47	89.86	

1 (b) Property, Plant and Equipment

Particulars	Cost						Depreciation			Book Value	
	As at April 01, 2021	Additions	Deductions	As at March 31, 2022	As at April 01, 2021	For the year	Deductions	As at March 31, 2022	As at March 31, 2022	As at April 01, 2021	
	Owned Building	11.25	-	-	11.25	5.20	0.87	-	6.07	5.18	6.05
Plant and Equipment	-	31.53	-	31.53	-	1.74	-	1.74	29.79	-	
Vehicles	96.17	5.65	-	101.81	34.99	11.93	-	46.92	54.89	61.18	
Total	107.41	37.17	-	144.58	40.19	14.53	-	54.72	89.86	67.22	



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PATEL KNR INFRASTRUCTURES LIMITED
Notes forming part of the financial statements

2 Financial Assets

Amount in ₹ Lakhs

Particulars	As at March 31, 2023			As at March 31, 2022		
	Current	Non-current	Total	Current	Non-current	Total
a) Financial Lease Receivables	6,588.00	8,803.68	15,391.68	6,588.00	11,092.72	17,680.72
	6,588.00	8,803.68	15,391.68	6,588.00	11,092.72	17,680.72
b) Trade receivables						
Unsecured, considered good						
Others	-	-	-	-	-	-
Debts outstanding for a period exceeding six months	-	-	-	-	-	-
Less: Allowance for expected credit losses	-	-	-	-	-	-
	-	-	-	-	-	-
c) Investments						
Mutual Funds	6,257.07	-	6,257.07	1,648.92	-	1,648.92
	6,257.07	-	6,257.07	1,649.00	-	1,649.00
d) Income tax						
Income tax net of provisions	-	-	-	-	-	-
	-	-	-	-	-	-

3 Other non-current and current assets

Amount in ₹ Lakhs

Particulars	As at March 31, 2023			As at March 31, 2022		
	Current	Non-current	Total	Current	Non-current	Total
a) Security deposits						
Unsecured, considered good	-	2.30	2.30	-	2.30	2.30
	-	2.30	2.30	-	2.30	2.30
b) Advances other than capital advances						
Advances to related parties	-	-	-	-	-	-
c) Advance recoverable other than in cash						
Prepaid expenses	44.26	-	44.26	51.86	-	51.86
NHAI	0.17	-	0.17	-	-	-
Others	0.19	-	0.19	80.07	-	80.07
Related party	-	-	-	-	-	-
	44.61	-	44.61	131.93	-	131.93
d) Income tax						
Income tax net of provisions	785.91	-	785.91	716.29	-	716.29
	785.91	-	785.91	716.29	-	716.29

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

4 Cash and Bank Balances

Amount in ₹ Lakhs

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Cash and cash equivalents		
a) Balances with banks	532.70	3,281.51
b) Cheques on hand	-	-
c) Cash on hand	-	-
Other Bank Balances		
a) Fixed deposits with banks	2,011.41	2,000.00
	2,544.11	5,281.51

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PATEL KNR INFRASTRUCTURES LIMITED
Notes forming part of the financial statements

5 Share Capital

(i) Authorised, issued, subscribed and paid up

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares in Lakhs	₹ Lakhs	No. of shares in Lakhs	₹ Lakhs
Authorised:				
Equity shares of ₹ 10 each	400.00	4,000.00	400.00	4,000.00
Issued, subscribed and fully paid up	370.00	3,700.00	370.00	3,700.00
Equity shares of ₹ 10 each	370.00	3,700.00	370.00	3,700.00

(ii) Reconciliation of the number of equity shares and share capital issued, subscribed and paid-up:

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares in Lakhs	₹ Lakhs	No. of shares in Lakhs	₹ Lakhs
At the beginning of the year	370.00	3,700.00	370.00	3,700.00
Issued during the year as fully paid	-	-	-	-
Others	-	-	-	-
At the end of the year	370.00	3,700.00	370.00	3,700.00

(iii) Terms / rights attached to shares

Equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

The Company has not issued any securities during the year with the right/option to convert the same into equity shares at a later date.

The Company has not reserved any shares for issue under options and contracts/commitments for the sale of shares/disinvestment.

The shares issued carry equal rights to dividend declared by the company and no restrictions are attached to any specific shareholder.

No dividend is declared by Board of Directors for the year ended 31st March, 2023. (Previous year - ₹. Nil)

(iv) Details of Shares held by Holding Company/Ultimate Holding Company/its subsidiaries or associates:

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares in Lakhs	₹ Lakhs	No. of shares in Lakhs	₹ Lakhs
Patel Engineering Ltd (Holding Company) Equity Share of Rs.10 each.	222.00	2,220.00	222.00	222.00
	222.00	2,220.00	222.00	222.00

(v) Details of Shareholders holding more than 5% shares in the company:

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares in Lakhs	%	No. of shares in Lakhs	%
Patel Engineering Ltd	222.00	60%	222.00	60%
KNR Constructions Ltd	148.00	40%	148.00	40%

(vi) 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 reporting date: NIL

(vii) Calls unpaid : NIL; Forfeited Shares : NIL



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PATEL KNR INFRASTRUCTURES LIMITED
Notes forming part of the financial statements

6 Other Equity as on 31.03.2023

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves & Surplus					₹ Lakhs	
			Capital reserve	Securities premium reserve	General Reserve	Revaluation Reserve	Debenture Redemption Reserve		Retained earnings
Balance at the beginning of the reporting period	-	-	-	-	-	-	510.60	827.73	1,338.33
Profit for the year	-	-	-	-	-	-	-	(316.83)	(316.83)
Other comprehensive income	-	-	-	-	-	-	-	102.88	102.88
Issue of share capital	-	-	-	-	-	-	-	-	-
Transfer from / (to) debenture redemption reserve	-	-	-	-	-	-	492.42	(492.42)	-
Balance at the end of the reporting period	-	-	-	-	-	-	1,003.02	121.36	1,124.38

Other Equity as on 31.03.2022

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves & Surplus					₹ Lakhs	
			Capital reserve	Securities premium reserve	General Reserve	Revaluation Reserve	Debenture Redemption Reserve		Retained earnings
Balance at the beginning of the reporting period	-	-	-	-	-	-	510.60	1,028.61	1,539.21
Transfer to retained earnings	-	-	-	-	-	-	-	(232.47)	(232.47)
Profit for the year	-	-	-	-	-	-	-	31.59	31.59
Other comprehensive income	-	-	-	-	-	-	-	-	-
Transfer from / (to) debenture redemption reserve	-	-	-	-	-	-	-	-	-
Balance at the end of the reporting period	-	-	-	-	-	-	510.60	827.73	1,338.33

The company has issued redeemable non convertible debentures. As per (share capital and debenture) Rules, 2014 (as amended), the company has transferred the entire amount of retained earnings to Debenture redemption reserve account.



PATEL KNR INFRASTRUCTURES LIMITED
Notes forming part of the financial statements

7 Borrowings

Amount in ₹ Lakhs

Particulars	As at March 31, 2023			As at March 31, 2022		
	Current	Non current	Total	Current	Non current	Total
Secured borrowings						
Debentures	3,073.00	12,561.00	15,634.00	2,530.00	15,634.00	18,164.00
Unsecured borrowings						
Loans from related parties	3.20	-	3.20	2.62	-	2.62
	3,076.20	12,561.00	15,637.20	2,532.62	15,634.00	18,166.62

i) The Company has issued 9.57% rated taxable Redeemable Non-Convertible Debentures of face value of Rs.10 Lakhs each amounting to Rs. 409 Crores on 2nd April 2010. The same are redeemable partly every year with the redemption starting from Oct'2010 and would be completed by 2027. The said debentures carry an interest rate of 9.57% payable half yearly. These debentures were subsequently listed on 01st June 2010 in NSE. Interest during the year have been paid fully without delay.

ii) All the above debentures are secured by 1) First charge on the entire assets, movable and immovable, present and future of the company, 2) First charge on the revenues and receivables of the company including the annuity, 3) First Charge on the debt service, reserve account, and other reserves, Trust and retention account and all other bank accounts of the company, 4) Assignment of all the contracts, project documents and insurance policies as regards the road project on NH-7 on annuity and 5) Next repayment date 14th October 2023.

8 Provisions

Amount in ₹ Lakhs

Particulars	As at March 31, 2023			As at March 31, 2022		
	Current	Non current	Total	Current	Non current	Total
Provision for client Bill Receivable	-					
Provisions for major maintenance reserve	2,695.39	-	2,695.39	1,109.17	-	1,109.17
	2,695.39	-	2,695.39	1,109.17	-	1,109.17

9a) Other financial liabilities

Amount in ₹ Lakhs

Particulars	As at March 31, 2023			As at March 31, 2022		
	Current	Non current	Total	Current	Non current	Total
i) Interest on Debentures	692.75	-	692.75	804.85	-	804.85
	692.75	-	692.75	804.85	-	804.85

9b) Other liabilities

Amount in ₹ Lakhs

Particulars	As at March 31, 2023			As at March 31, 2022		
	Current	Non current	Total	Current	Non current	Total
i) Other liabilities	13.17	-	13.17	42.32	-	42.32
ii) Statutory payables	368.51	-	368.51	7.33	-	7.33
	381.68	-	381.68	49.64	-	49.64

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PATEL KNR INFRASTRUCTURES LIMITED
Notes forming part of the financial statements

10 Trade payables

Amount in ₹ Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Due to related parties	839.02	382.22
Others	30.73	0.68
	869.75	382.91

Note:10.1: Ageing of Trade Payables

March 31, 2023

Amount in ₹ Lakhs

Particulars	Outstanding for following periods from due date of payments			
	Less than 1 year	1-2 yrs.	2-3 yrs.	More than 3 years
MSME	-	-	-	-
Others	30.49	-	-	0.24
Related Parties	834.79	-	0.04	4.20
Disputed Dues-MSME	-	-	-	-
Disputed Dues-Others	-	-	-	-
Disputed Dues-Related Parties	-	-	-	-

March 31, 2022

Amount in ₹ Lakhs

Particulars	Outstanding for following periods from due date of payments			
	Less than 1 year	1-2 yrs.	2-3 yrs.	More than 3 years
MSME	-	-	-	-
Others	0.45	-	0.06	0.18
Related Parties	377.98	0.04	2.86	1.34
Disputed Dues-MSME	-	-	-	-
Disputed Dues-Others	-	-	-	-
Disputed Dues-Related Parties	-	-	-	-

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PATEL KNR INFRASTRUCTURES LIMITED
Notes forming part of the financial statements

11 Revenue from operations

Amount in ₹ Lakhs

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Operating revenue:		
Finance Income as per IND AS	1,398.17	1,666.85
O & M Income as per IND AS	2,900.79	2,405.98
	4,298.96	4,072.83

12 Other income

Amount in ₹ Lakhs

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Interest income from:		
Bank deposits	113.66	116.85
Gain on Sale of:		
Mutual Funds	56.25	17.61
Other Income	11.54	100.85
	181.45	235.30

13 Operating expenses

Amount in ₹ Lakhs

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Repairs and maintenance		
Regular Maintenance Cost	776.64	760.34
Periodic major maintenance	2,124.15	1,645.64
	2,900.79	2,405.98

14 Employee benefit expenses

Amount in ₹ Lakhs

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Salaries, wages and bonus	3.44	3.00
	3.44	3.00

15 Finance costs

Amount in ₹ Lakhs

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Interest on Non Convertible Debentures	1,565.78	1,803.53
Bank Charges	0.16	0.02
	1,565.94	1,803.55

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PATEL KNR INFRASTRUCTURES LIMITED
Notes forming part of the financial statements

16 Administration Expenses

Amount in ₹ Lakhs

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Insurance expenses	56.82	57.71
Printing and stationery	0.08	-
Travel Rail/Road	-	0.01
Travel-meals/Food expenses	-	0.01
General expenses	0.18	0.09
Other expenses	-	1.68
	57.08	59.50

17 Other Expenses

Amount in ₹ Lakhs

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Audit fees	4.88	5.19
Certification fees	-	1.77
Other Services	-	-
Rates and Taxes	-	-
Advertisement	0.81	0.65
Consultation Charges	81.43	70.67
Professional fees	52.39	38.99
Director's fees	1.60	1.60
Interest on Delayed payments	0.10	0.43
Conveyance exp	-	-
Bad Debts W.Off	0.00	0.00
CSR expenses	6.44	-
Other expenses	23.84	97.40
	171.49	216.69

(a) Professional fees includes Auditors remuneration (including service tax) as follows:

Amount in ₹ Lakhs

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
a) As auditor	4.88	5.19
b) For Certification matters	-	1.77
c) For other services	-	-
Total	4.88	6.96

18 Current tax

Amount in ₹ Lakhs

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Current tax (MAT)	50.22	37.35
Total	50.22	37.35

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PATEL - KNR INFRASTRUCTURES LIMITED
Notes forming part of the financial statements

19 Corporate Information

The Company was formed as SPV namely Patel-KNR Infrastructures Ltd and has been awarded on Build Operate and Transfer (BOT) Annuity basis, the widening of existing two-lane portion from Km 463.60 (A.P-Karnataka border) to Km 524.00 (Avathi village), covering 60.4 Kilometers, on National Highway No.7 (NH-7) in the state of KARNATAKA, to 4 lanes under the Concession Agreement dated 28th September, 2006 with the National Highways Authority of India. The Concession Agreement is for a period of 18 years from the date of the Commencement stated in clause 1.1 of the said agreement. At the end of Concession period, the entire facility will be transferred to NHAI.

20 The Company has not earned any income/incurred any expenditure in foreign currency during the year. (previous year: ₹ Nil)

21 Disclosure pursuant to Ind AS 19 "Employee benefits":

The company does not have eligible employees as specified under Ind AS -19 on 'Employee Benefits'. Hence, provision for post-employment benefits has not been provided.

22 Disclosure pursuant to Ind AS 23 "Borrowing Costs"

Borrowing cost capitalised during the year ₹ Nil. (previous year : ₹ Nil).

23 Disclosure of segment information pursuant to Ind AS 108 "Operating Segments"

The Company is engaged in the business of construction, operation and maintenance of road projects on a Build Operate Transfer basis in a single business segment. Hence reporting of operating segments does not arise. The Company does not have operations outside India. Hence, disclosure of geographical segment information does not arise.

24 Disclosure of related parties / related party transactions pursuant to Ind AS 24 "Related Party Disclosures"

a) List of related parties

Sl. No.	Name of the Related Party	Nature of Relationship
1)	Patel Engineering Limited	Holding Company
2)	KNR Constructions Limited	Associate company
Key Managerial Personnel:		
1)	K.N.Reddy	Director
2)	Rahul Agarwal	Director
3)	Kavita Shirvaikar	Director
4)	Rishi Vyas	Chief Financial Officer
5)	Mangala Ganesh Mudhliyar	Company Secretary

b) Disclosure of related party transactions:

Particulars	As at March 31, 2023	As at March 31, 2022
	₹ Lakhs	₹ Lakhs
Operation and Maintenance Expenses		
Associate Company		
KNR Constructions Limited	776.64	760.34
Major Maintenance Expenses		
Associate Company		
KNR Constructions Limited	537.93	1,013.60
Expenses Incurred on behalf of the Company by		
Holding company		
Patel Engineering Limited	19.67	36.75
Associate Company		
KNR Constructions Limited	-	-
	1,334.24	1,810.69

c) Amount due to and due from related parties(net):

Particulars	Amounts due (to)/from	
	As at March 31, 2023	As at March 31, 2022
Holding Company		
Patel Engineering Limited	(3.20)	(2.62)
Associate Company		
KNR Constructions Limited	(839.02)	(382.22)

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PATEL - KNR INFRASTRUCTURES LIMITED
Notes forming part of the financial statements

d) Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended 31 March 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2022: INR Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

e) There is no provision for bad and doubtful debts to related parties with regard to outstanding expenses and there is no expense recognized in respect of bad and doubtful debts due from related parties.

25 Disclosure pursuant to Ind AS 17 "Leases"

The Company has not acquired any assets either under Finance lease or under Operating lease. Hence disclosures pertaining to Ind AS 17 - "Leases" are not applicable.

26 Disclosure pursuant to Ind AS 33 "Earnings per share"

Basic and Diluted Earnings per share (EPS) computed in accordance with Ind AS 33 "Earnings per share".

Particulars	2022-23	2021-22
	₹ Lakhs	₹ Lakhs
Basic and Diluted Profit after tax as per accounts (₹) A	(316.83)	(232.47)
Weighted average number of shares outstanding B	370.00	370.00
Basic and Diluted EPS(₹) A / B	(0.86)	(0.63)
Face value per equity share (₹)	10	10

27 Disclosure pursuant to Ind AS 36 "Impairment of Assets"

Based on a review of the future discounted cash flows of the project facility, the recoverable amount is higher than the carrying amount and hence no provision for impairment is made for the year.

28 Disclosures as per Ind AS 37 - "Provisions, Contingent liabilities and Contingent assets "

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 the Concession agreement.

For this purpose, a regular maintenance along with periodic maintenances is required to be performed. Normally periodic maintenance includes resurfacing of pavements, repairs of structures and other equipments and maintenance of service roads.

As per industry practice, the periodic maintenance is expected to occur once in every 5 years. 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.

29 Disclosure as per Ind AS 1 - "Presentation of Financial Statements"

For the purpose of the company's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the parent. The primary objective of the company's capital management is to maximise the shareholder value.

(Ind AS 1 requires the company to make quantitative and qualitative disclosures regarding objectives policies and processes for managing capital. Also, if comparative amounts are reclassified, nature, amount and reason to be disclosed and not just the fact of reclassification.)

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PATEL - KNR INFRASTRUCTURES LIMITED
Notes forming part of the financial statements

30 Disclosure of Financial Instruments							
30.1 Disclosure of Financial Instruments by Category							
Financial instruments by categories	Note no.	31.03.2023			31.03.2022		
		FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost
Financial asset							
Lease Receivable	2	-	-	15,392	-	-	17,681
Investments	2	-	-	6,257	-	-	1,649
Deposits	3	-	-	2.30	-	-	2.30
Cash and cash equivalents	4	-	-	2,544.11	-	-	5,281.51
Other Current financial Assets	3	-	-	785.91	-	-	753.64
Total Financial Asset		-	-	24,981.07	-	-	25,367.09
Financial liability							
Borrowings	7	-	-	15,634.00	-	-	18,164.00
Loans from related parties	7	-	-	3.20	-	-	2.62
Other Current Financial Liabilities	9(a)&(b)	-	-	1,074.43	-	-	854.49
Trade Payables	10	-	-	869.75	-	-	382.91
Total Financial Liabilities		-	-	17,581.38	-	-	19,404.02

30.2 Default and breaches

There are no defaults with respect to payment of principal, interest and no breaches of the terms and conditions of the loan.
There are no breaches during the year which permitted lender to demand accelerated payment.

30.3 Fair value of Financial asset and liabilities at amortized cost

Particulars	Note no.	31.03.2023		31.03.2022	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets					
Lease Receivable	2	15,391.68	15,391.68	17,680.72	17,680.72
Investments	2	6,257.07	6,257.07	1,648.92	1,648.92
Deposits	3	2.30	2.30	2.30	2.30
Cash and cash equivalents	4	2,544.11	2,544.11	5,281.51	5,281.51
Other Current Assets	3	785.91	785.91	753.64	753.64
Total Financial Assets		24,981.07	24,981.07	25,367.09	25,367.09
Financial liability					
Borrowings	7	15,634.00	15,634.00	18,164.00	18,164.00
Loans from related parties	7	3.20	3.20	2.62	2.62
Other Current Financial Liabilities	9(a)&(b)	1,074.43	1,074.43	854.49	854.49
Trade Payables	10	869.75	869.75	382.91	382.91
Total Financial Liabilities		17,581.38	17,581.38	19,404.02	19,404.02

The carrying amount of current financial assets and current trade and other payables measured at amortised cost are considered to be the same as their fair values, due to their short term nature.

The carrying amount of Security Deposit measured at amortized cost is considered to be the same as its fair value due to its insignificant value.

The carrying value of Rupee Term Loan and Loan from Related Party approximate fair value as the instruments are at prevailing market rate.



31 Fair Value Measurement

31.1 Fair value hierarchy

As at March 31, 2023

Financial Asset & Liabilities Measured at Amortized cost for which fair values are to be disclosed	Note No.	Level 1 (₹ Lakhs)	Level 2 (₹ Lakhs)	Level 3 (₹ Lakhs)	Total (₹ Lakhs)
Financial Assets					
Lease receivable	2	-	15,391.68	-	15,391.68
Investments	2	-	6,257.07	-	6,257.07
Deposits	3	-	2.30	-	2.30
Other current financial assets	3	-	785.91	-	785.91
Total of Financial Assets		-	22,436.96	-	22,436.96
Financial Liabilities					
Borrowings	7	-	15,634.00	-	15,634.00
Loans from related parties	7	-	3.20	-	3.20
Other Current Financial Liabilities	9(a)&(b)	-	1,074.43	-	1,074.43
Trade Payables	10	-	869.75	-	869.75
Total Financial liabilities		-	17,581.38	-	17,581.38

As at March 31, 2022

Financial Asset & Liabilities Measured at Amortized cost for which fair values are to be disclosed	Note No.	Level 1 (₹ Lakhs)	Level 2 (₹ Lakhs)	Level 3 (₹ Lakhs)	Total (₹ Lakhs)
Financial Assets					
Lease receivable	2	-	17,681	-	17,680.72
Investments	2	-	1,649	-	1,648.92
Deposits	3	-	2.30	-	2.30
Other current financial assets	3	-	753.64	-	753.64
Total Financial Assets		-	20,085.58	-	20,085.58
Financial Liabilities					
Borrowings	7	-	18,164.00	-	18,164.00
Loans from related parties	7	-	2.62	-	2.62
Other Current Financial Liabilities	9(a)&(b)	-	854.49	-	854.49
Trade Payables	10	-	382.91	-	382.91
Total Financial Liabilities		-	19,404.02	-	19,404.02

There are no transfer between level 1 and level 2 during the year

The company policy is to recognise transfers into and transfer out of fair values hierarchy levels as at the end of the reporting period.

31.2 Valuation technique and inputs used to determine fair value

Financial assets and liabilities	Valuation method	Inputs
Financial assets		
Security deposit & other loans and advances	Income	Cash flow
Financial liabilities		
Loans from Related parties	Income	Effective rate of borrowing
Other financial liabilities	Income	Cash flow

31.3 Asset pledged as security

The Debentures together with the payments to be made are inter alia secured by the first charge created by the company in favour of the debenture Trustee over the mortgage properties together with any immovable property that the company acquires at a future date. In addition as a further security for the redemption and payment of the principal amount and all other amounts payable in connection with the debentures, the following shall be charged to the debenture trustee:

all rights title, interest and benefit in all and singular, the company's moveable plant and machinery whether affixed to earth or not as all tangible moveable assets both present and future; all intangible assets together with all benefits, rights and incidentals attached thereto which are now or shall at any time thereafter be owned by the company and all estate, right, title, interest, property, claims and demands whatsoever of the company unto and upon the same which description including the above description whether presently in existence or acquired hereafter; all, right, title, interest, property, claims and demands whatsoever of the company in, to, under and in respect of the bank accounts of the company including ESCROW accounts, the sub-accounts, the DSRA account and/or any replacement of any of the said accounts, together with any investment made therefrom and all other assets or securities which represent all amounts in such accounts and all monies securities, investments, instruments and other properties deposited in, credited to or required to be deposited in or credited to such accounts; all amounts owing to or received or receivable by in each case from time to time the company, whether now or at any time during the continuance of this deed, whether in relation to the project or otherwise, including all amounts and monies received or to be received by the company by way of annuity at anytime and all, right, title, interest, claims and demands whatsoever of the company in to or in respect of all the amounts owing to the company and/or received or receivable by the company whether now or any time thereafter.

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PATEL - KNR INFRASTRUCTURES LIMITED

Notes forming part of the financial statements

32 Disclosure in pursuant to Ind AS 107- Financial Instruments:

32.1 Financial Risk Management

The company's activities expose it to variety of financial risks namely; market risk, credit risk and liquidity risk. The company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established a risk management policy to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management systems are reviewed periodically to reflect changes in market conditions and the Company's activities. The Board of Directors oversee compliance with the Company's risk management policies and procedures, and reviews the risk management framework.

32.2 Market risk

The market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

32.2.1 Foreign currency risk

Foreign currency risk is the risk that fair value or future cash flows 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 in foreign currency.

32.2.2 Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Interest risk arises to the company mainly from Long term borrowings with variable rates. The company measures risk through sensitivity analysis.

Currently, Lending by Commercial Banks is at variable rate only, which is the inherent business risk.

32.2.3 Price risk

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

The company is not exposed to any price risk during the year.

The company measures risk through sensitivity analysis.

32.2.4 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets.

The company is exposed to liquidity risk due to bank borrowings and trade and other payables.

The company measures risk by forecasting cash flows.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking damage to the Company's reputation. The Company ensures that it has sufficient fund to meet expected operational expenses, servicing of financial obligations.

The following are the contractual maturities of financial liabilities

(₹ Lakhs)

As at March 31, 2023	Carrying Amount	upto 1 year	1 - 2 years	2 - 5 years	> 5 years
Non Derivative Financial Liability					
Borrowings	15,634.00	3,073.00	3,495.00	9,066.00	-
Loans from related parties	3.20	3.20	-	-	-
Trade Payables	869.75	869.75	-	-	-
Other financial liabilities	1,074.43	1,074.43	-	-	-
As at March 31, 2022	Carrying Amount	upto 1 year	1 - 2 years	2 - 5 years	> 5 years
Non Derivative Financial Liability					
Borrowings	18,164.00	2,530.00	3,073.00	10,868.00	1,693.00
Loans from related parties	2.30	2.30	-	-	-
Trade Payables	382.91	382.91	-	-	-
Other financial liabilities	854.49	854.49	-	-	-

32.2.5 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The company has other receivables primarily from government authority i.e. NHAI. Hence, the management believes that the company is not exposed to any credit risk.



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33 Disclosure pursuant to Appendix - A to Ind AS 11 - "Service Concession Arrangements"

33.1 Description and classification of the arrangement

The Company was formed as SPV namely Patel-KNR Infrastructures Ltd and has been awarded on Build Operate and Transfer (BOT) Annuity basis, the widening of existing two-lane portion from Km 463.60 (A.P-Karnataka border) to Km 524.00 (Avathi village), covering 60.4 Kilometers, on National Highway No.7 (NH-7) in the state of KARNATAKA, to 4 lanes under the Concession Agreement dated 28th September, 2006 with the National Highways Authority of India. The Concession Agreement is for a period of 18 years from the date of the Commencement stated in clause 1.1 of the said agreement. At the end of Concession period, the entire facility will be transferred to NHAI.

33.2 Significant Terms of the arrangements

33.2.1 Concession Fee, Other Fees and Excess Revenue Sharing:

As per Article 7 A.1 of the Concession Agreement, the company is liable to pay Concession Fee Re 1 every year. The concession fee shall be paid in advance within 90 days of the commencement of the year for which it is due and payable.

33.2.2 Obligation of the Company

- a The company shall not assign, transfer or sublet or create any lien or Encumbrance on the CA or the Concession granted or on the whole or any part of the Project Highway nor transfer, lease or part possession thereof, save and except as expressly permitted by CA or the Substitution Agreement.
- b The company is under obligation to carry out the routine and periodic maintenance of Project Highway as per Schedule L of the CA.

33.2.4 Details of any assets to be given or taken at the end of concession period

At the end of the Concession period the company shall deliver the actual or constructive possession of the Project Highway, free and clear of all encumbrances.

33.2.5 Details of Termination

CA can be terminated on account of default of the company or NHAI in the circumstances as specified under Article 37 of the CA.

34 Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

34.1 2. Basis of preparation

a. Statement of compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act. The Company's financial statements up to and for the year ended 31 March 2016 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act. As these are the Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided.

b. Functional and presentation currency

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

c. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement Basis
Certain financial assets and liabilities	Fair value

d. Current Assets and Current Liabilities

Current Assets:

An asset shall be classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) It is expected to be realized within twelve months after the reporting date, or
- (d) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets shall be classified as non-current.

Current Liabilities:

A liability shall be classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within twelve months after the reporting date; or
- (d) the company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities shall be classified as non-current.

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34.2 Basis of accounting

The Company maintains its accounts on accrual basis following the historical cost convention. Further, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also considered, wherever applicable except to the extent where compliance with other statutory promulgations override the same requiring a different treatment.

Fair value measurements are categorised 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
- Level 2 inputs are inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability

34.3 Use of estimates

The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialize. Estimates include the useful lives of property, plant and equipment and intangible fixed assets, allowance for doubtful debts/advances, future obligations in respect of retirement benefit plans, provisions for resurfacing obligations, fair value measurement etc.

The financial statements of the Company have been prepared in accordance with the significant accounting policies duly considering Management's assessment of various matters relating to arbitration/termination proceedings, future projections etc, which are significant to the Company and the final outcome of these matters, including legal/contractual interpretations, where applicable, could have a significant impact on the financial statements and the Management's evaluation of the same is very critical and fundamental to the preparation of these financial statements.

34.4 Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in Schedule III to the Companies Act, 2013 ("the Act"). The Cash Flow Statement has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in Schedule III to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations & Disclosure requirements) Regulations, 2015.

Amounts in the financial statements are presented in Indian Rupees rounded off to nearest rupee in line with the requirements of Schedule III. Per share data are presented in Indian Rupees to two decimal places.

34.5 Cash and Cash Equivalents

Cash and cash equivalents also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term highly liquid investments being not free from more than insignificant risk of change are not included as part of cash and cash equivalents. Bank overdrafts which are part of the cash management process is included as part of cash and cash equivalents.

34.6 Cash Flow Statement

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:

- changes during the period in inventories and operating receivables and payables and transactions of a non-cash nature;
- non-cash items such as depreciation, provisions, unrealised foreign currency gains and losses, and undistributed profits of associates; and
- all other items for which the cash effects are 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 Cash Flow Statement.

34.7 a) Property, Plant and Equipment

Property, Plant and Equipment is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation.

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.

For transition to Ind AS, the carrying value of PPE under previous GAAP as on 01 April 2015 is regarded as its cost. The carrying value was original cost less accumulated depreciation.

Administrative and other general overhead expenses that are specifically attributable to construction or acquisition of PPE or bringing the PPE to working condition are allocated and capitalised as a part of the cost of the PPE.

Property, Plant and Equipment not ready for the intended use on the date of the Balance Sheet are disclosed as "Capital work-in-progress".

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

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

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

Assets individually costing less than Rs.5,000 are fully depreciated in the year of purchase.

b) Rights under Service Concession Arrangements (Annuity Project)

Financial Asset under SCA

Where Company has acquired contractual rights to receive specified determinable amounts, such rights are recognised and classified as "Financial Assets", even though payments are contingent on Company ensuring that the infrastructure meets the specified quality or efficiency requirements. Such financial assets are classified as "Receivables against Service Concession Arrangements".

The cost incurred for work beyond the original scope per Concession agreement (normally referred as "Change of Scope") is recognised and classified as "Financial Assets" as and when incurred.

Pre-operative expenses including administrative and other general overhead expenses that are directly attributable to the development or acquisition of right under service Concession Arrangements are allocated and recognised and classified as "Financial Assets".

34.8 Revenue Recognition

i. Construction contracts

Construction contract revenue arises from construction of road as per the agreement with NHAI. Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably.

If the outcome of a construction contract can be estimated reliably, contract revenue is recognised in profit or loss in proportion to the stage of completion of the contract. The stage of completion is assessed by reference to surveys of work performed. Otherwise, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

Contract costs are recognised as expenses as incurred unless they create an asset related to future contract activity. An expected loss on a contract is recognised immediately in profit or loss.

ii. Service concession arrangements

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of duties and taxes and net of discounts, rebates and other similar allowances.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that the future economic benefits would flow to the entity and specific criteria have been met for each of the activities described below. The Company bases its estimates on historical results, taking into consideration the type of customer, type of transaction and specifics of the arrangement.

Revenue from annuity based projects is recognised in the Statement of Profit and Loss over the concession period of the respective projects based on the implicit rate of return embedded in the projected cash flows. Such income is duly adjusted for any variation in the amount and timing of the cash flows in the period in which such variation occurs.

iii. Other Income

Interest income is accrued at applicable interest rate on time proportion basis.

Dividend income is accounted when the right to receive the same is established.

Other items of income are accounted for as and when the right to receive arises.

Such Carriageway on completion is capitalized as Intangible Asset and amortized over the period of rights given under the Concession Agreement as they represent right to receive annuity during the concession period.

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34.9 Employee Benefits

The Company does not have eligible employees as specified under Ind AS-19 on 'Employee Benefits'. Hence, provision for post-employment benefits has not been provided.

34.10 Borrowing Costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

34.11 Segment reporting

The Board of Directors assess the financial performance of the Company and make strategic decisions and has been identified as being the Chief Operating Decision Maker (CODM). Based on the internal reporting provided to the CODM, the Company has only one reportable segment i.e. the BOT road project and hence no separate disclosures are required under Ind AS 108.

34.12 Earnings 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 at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually 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.

34.13 Taxes on income

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

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

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

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.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets – unrecognized or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

34.14 Impairment of Assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment at 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 recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

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 recognised 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 recognised 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 recognised.

34.15 Provisions, contingent liabilities and contingent assets

resources will be required to settle the obligation in respect of which a reliable estimate can be made. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. 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 have to be recognised in the financial statements in the period in which if it is virtually certain that an inflow of economic benefits will arise. Contingent assets are assessed continually and no such benefits were found for the current financial year.

34.16 Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

34.17 Operating Cycle

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

34.18 Claims

Claims against the company are accounted for as and when accepted.

Claims against the Company not acknowledged as debts are disclosed under contingent liabilities. Claims made by the company are recognised as and when the same is approved by the respective authorities with whom the claim is lodged.

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PATEL - KNR INFRASTRUCTURES LIMITED

Notes forming part of the financial statements

- 35 There are no Title Deeds of Immovable Property not held in the name of the Company.
- 35.1 The Company has no Investment Property.
During the year, no revaluation of Property, Plant and Equipment and Right-of-Use Assets has been done by the Company.
- 35.2 The Company has no Loans or Advances in the nature of Loans to specified persons that are Repayable on Demand or without specifying any terms or period of repayment.
- 35.2.1 No proceedings have been initiated or pending against the Company for holding any Benami Property under the Benami Transactions (Prohibitions) Act, 1988 and the rules made thereunder.
The Company has no Borrowings from Banks or Financial Institutions on the basis of security of only Current Assets. All the assets of the Company are pledged against the borrowings as mentioned in the Note-15. And quarterly returns or statements of current assets filed by the Company with Banks or Financial Institutions are in agreement with the books of accounts.
- 35.2.2 The Company has not been declared as willful defaulter by any bank or financial institution or other lender during the year.
The Company had no transactions with Companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 during the year.
- 35.2.4 The Company has no charges or satisfaction yet to be registered with ROC beyond the statutory period during the year.
The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act read with Companies (Restriction on number of layers) Rules, 2017 during the year
- 35.2.5 During the year, the Company has no Scheme of Arrangements approved by the Competent Authority to be implemented in the books of accounts.
- 36 During the year, 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.
- 37 During the year, 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.
- 38 The Company does not have any transaction 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.
- 38A The Company has not traded or invested in Crypto currency or Virtual currency during the financial year.
- 39 **Disclosures pertaining to Corporate Social Responsibility Activities:**
Corporate Social Responsibility Expenses
In terms of Provisions of Section 135 of the Companies Act 2013 and Rules made thereunder, the company is not required to spend any amount in pursuance of its Corporate Social Responsibility Policy as the Company is not falling in the categories of Companies as defined in the subsection 1 of section 135 of the Companies Act 2013. Though there is no statutory obligation to spend towards the Corporate Social responsibility expenses for the current financial year, the Company has contributed an amount of Rs. 6.44 lakhs towards corporate social responsibility expenses (CSR) to PM Cares Fund during the financial year ended on 31 Mar 2023. Accordingly, Unspent amount towards CSR expenses as on March 31, 2023 is Rs. NIL and unspent CSR expenses as on March 31, 2022 was Rs 10.11 Lakhs. However, the company had transferred the unspent amount to a fund specified in Schedule VII in terms of the second Proviso to Section 135(5) within Six months from the end of that financial year.

Break up of Amount Spent during the year ₹ Lakhs

Particulars	In Cash	Yet to be paid in cash	Total
As on March 31, 2023			
Construction/Acquisition of any assets	-	-	-
Purposes other than (i) above	6.44	-	6.44
Total	6.44	-	6.44
As on March 31, 2022			
Construction/Acquisition of any assets	-	-	-
Purposes other than (i) above	-	10.11	10.11
Total	-	10.11	10.11

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PATEL - KNR INFRASTRUCTURES LIMITED

Notes forming part of the financial statements

During the year, company did not incur any expenditure on account of Corporate Social Responsibility with related parties.
Provision movement During the year ₹ Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Provision	10.11	-
Addition during the year	6.44	10.11
Utilised during the year	16.55	-
Closing provision	-	10.11

Unspent / (Excess) Amount ₹ Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Opening unspent / (Excess) balance	10.11	-
Amount deposited in Specified Fund of Sch. VII within 6 months	16.55	-
Amount required to be spent during	6.44	10.11
Amount Spent during the year	-	-
Closing unspent / (Excess) balance	0.00	10.11

40 The following Ratios to be disclosed:

S.No.	Ratios	2022-23	2021-22	% Change in ratio	Explanation provided for any change in ratio by more than 25% in current year as compared to previous year
1	Current Ratio	2.10	2.93	-28.25%	Increase in principal amount of NCD repayment as per the Schedule and increase in provision for major maintenance
2	Debt – Equity Ratio	3.24	3.61	-10.25%	
3	Debt Service Coverage Ratio	1.26	1.01	24.75%	
4	Return on Equity Ratio	-0.09	-0.06	36.29%	Due to the increase in the operating expenses, the company incurred losses. Consequently, Return on Equity reduced.
5	Inventory Turnover Ratio	-	-	-	Not Applicable
6	Trade Receivables Turnover Ratio	-	-	-	Not Applicable
7	Trade Payables Turnover Ratio	1.72	1.34	28.39%	Due to increase in Trade payable owing to Road maintenance work taken up during March 23 at the insistence of NHAI and which was pending to be paid as on 31 March 2023
8	Net working Capital Turnover Ratio	0.51	0.43	17.76%	
9	Net Profit Ratio	-0.07	-0.05	31.05%	Due to the increase in the operating expenses, the company incurred losses. Consequently, Return on Equity reduced.
10	Return on Capital Employed	0.25	0.18	37.85%	Due to the increase in the operating expenses, the company incurred losses. Consequently, Return on Equity reduced.
11	Return on Investment	5.86%	3.31%	77.04%	Surplus funds were Invested in mutual funds hence the change in returns

41 Due to Micro, Small and Medium Enterprises

There has been no claimed transaction during the period with MICRO, Small and Medium Enterprises covered under the MICRO, Small and Medium Enterprises Development Act. (MSMED Act, 2006) Hence, reporting details of principal and interest does not arise.

As per our report attached

M.K. Daneker & Co. LLP

Chartered Accountants

Firm's Registration No.: 000679S / S000103

by the hand of

CA S. Poosaidurai

Partner

Membership No.: 223754

UDIN:

Place : Hyderabad

Date : 11th May, 2023

For and on behalf of the Board of Directors

K.N.Reddy
K.N.Reddy

Director

Din - 00382412

Rishi.Vyas
Rishi.Vyas

Chief Financial Officer

Place : Hyderabad

Date : 11th May, 2023

K.m.s
Kavita Shirvaikar

Director & CEO

DIN : 07737376

Mangala Ganesh
Mangala Ganesh Mudhliyar

Company Secretary

