

# PATEL KNR HEAVY INFRASTRUCTURES LIMITED

Dated 25<sup>th</sup> May 2017

To

Dept. of Corporate Services,

BSE Limited

PJ Towers, Dalal Street,

Fort, MUMBAI – 400001

Fax: +91 – 22- 2272 2037 / 39 / 41

+91 22 2272 3121 / 3719 / 1557

Dear Sir,

Sub: Intimation under clause 52 of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

With reference to the captioned subject, we wish to inform you that the Board of Directors of the Patel KNR Heavy Infrastructures Limited (the Company) at its Meeting held on 29<sup>th</sup> May 2017, has approved the Audited Financial Results for the year ended 31<sup>st</sup> March 2017. Accordingly, please find enclosed herewith the following-

1. Audited Financial Results along with Auditors' Report thereon under clause 52(1)
2. Form A for audit report with unmodified opinion under clause 52(3)
3. Half Yearly Statement containing details for Non- Convertible Debentures (NCD's) under clause 52(4) and signed by Debenture Trustees under clause 52(5) stating that it has taken note of contents under clause 52(4)
4. Extent and nature of securities created with respect to the NCDs as per Regulation 54(2)

The above information is furnished to you in terms of the relevant provisions of the Uniform Listing Agreement entered into by the Company with the Exchanges.

Thanking you,

Yours faithfully,

for Patel KNR Heavy Infrastructures Limited

Authorised Signatory



Enclosed – As above

**Regd.off: KNR House, 4th Floor, Plot No.114, Phase-1, Kavuri Hills, Hyderabad-500 033**

**Phone: +91-040-40268761/ 62 Fax: +91-40-40268760, E-mail: pkhil@knrcl.com,**

**CIN: U70102TG2006PLC049949**

**PATEL KNR HEAVY INFRASTRUCTURES LIMITED**

CIN: U70102TG2006PLC049949

Regd Office: KNR House, 4th Floor, Plot No.114, Phase-I, Kavuri Hills, Hyderabad-500033

Ph: +91 40 40268761/62, Fax: +91 40 40268760

**AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2018**

(Rs. In Lakhs)

Particulars	For the Half year ended March 31, 2018	For the Half year ended March 31, 2017	For the Year ended March 31, 2018	For the Year ended March 31, 2017
	Un-audited	Un-audited	Audited	Audited
<b>1. INCOME FROM OPERATIONS</b>				
(a) Income from Sales and Services	2,861.51	4,653.96	5,805.74	8,419.84
(b) Other Income	635.96	1,113.75	1,053.85	1,848.35
<b>Total Income (a+b)</b>	<b>3,497.47</b>	<b>5,767.71</b>	<b>6,859.59</b>	<b>10,268.19</b>
<b>2. EXPENDITURE</b>				
a. Operating Expenses	1,154.32	1,806.83	1,421.75	2,782.14
b. Employees Benefit Expenses	1.20	1.20	2.40	2.40
c. Depreciation	1.46	1.37	2.93	2.92
d. Finance Cost	2,442.24	3,366.22	5,369.12	6,268.19
e. Other Expenditure	299.02	104.86	374.50	182.21
<b>Total Expenditure (a+b+c+d+e)</b>	<b>3,898.24</b>	<b>5,280.48</b>	<b>7,170.70</b>	<b>9,237.86</b>
<b>3. PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX(1-2)</b>	<b>(400.77)</b>	<b>487.23</b>	<b>(311.11)</b>	<b>1,030.33</b>
4. Exceptional items	-	-	-	-
<b>5. PROFIT/(LOSS) BEFORE TAX (3-4)</b>	<b>(400.77)</b>	<b>487.23</b>	<b>(311.11)</b>	<b>1,030.33</b>
6. Tax expense	(29.73)	-	-	-
<b>7. NET PROFIT/(LOSS) AFTER TAX (5-6)</b>	<b>(371.04)</b>	<b>487.23</b>	<b>(311.11)</b>	<b>1,030.33</b>
8. Other Comprehensive Income(OCI) (Net of Tax)	-	-	-	-
<b>9. TOTAL COMPREHENSIVE INCOME (7+8)</b>	<b>(371.04)</b>	<b>487.23</b>	<b>(311.11)</b>	<b>1,030.33</b>
10. Paid up Equity Share Capital (Face Value of Rs 10 each)	2,382.38	2,382.38	2,382.38	2,382.38
11. Paid up Debt Capital	41,207.75	43,801.20	41,207.75	43,801.20
12. Reserves including Revaluation Reserves as per balance sheet of the previous accounting year including DRR	765.20	1,076.31	765.20	1,076.31
16. Debentures Redemption Reserve (DRR)	365.00	365.00	365.00	365.00
17. Earnings per Share (EPS)	(1.56)*	2.05*	(1.31)	4.32
18. Debt Equity Ratio	5.68	7.25	5.68	7.25
19. Debt Service Coverage Ratio#	0.78	0.80	0.74	0.82
20. Interest Service Coverage Ratio	0.84	1.14	0.94	1.16

\* Not Annualized

# The Debt Service Coverage ratio has been below one due to IND-AS impacts.

**Notes:**

- 1) The Company adopted Indian Accounting Standard ("Ind AS") from April 1, 2016 with transition date of April 1, 2015 and accordingly these financial results have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard as prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India, as applicable.
- 2) The above financial results were reviewed and approved and taken on record by the Board in their meeting held on 25th May, 2018. The statutory auditors have performed audit of the above financial statements.
- 3) The Company has only one reportable business segment namely "execution of BOT (Annuity) road projects", as per IND-AS-108 "Segment Reporting", issued by the Institute of Chartered Accountants of India. Hence, segmental reporting is not required.
- 4) The figures for the half year ended March 31, 2018 are the balancing figures between the audited figures in respect of the full financial year and the published un audited year to date figures upto first half year of the current financial year.
- 5) Previous financial year's figures have been regrouped / re-arranged wherever necessary to make them comparable.

**For Patel KNR Heavy Infrastructures Ltd**

*B Sudas Chandra Rao*

B.S.Reddy  
Director  
DIN : 01675600



*K.N.Reddy*  
K.N.Reddy  
Director  
DIN: 00382412

Date : 25-05-2018  
Place : Hyderabad

**PATEL KNR HEAVY INFRASTRUCTURES LTD.**  
**Balance Sheet as at March 31, 2018**

Particulars	As At March 31, 2018	As At March 31, 2017
	Audited	Audited
<b>I ASSETS</b>		
<b>1) NON-CURRENT ASSETS</b>		
a) Property, plant and equipment	34.50	37.43
b) Financial Assets		
i) Trade Receivables	36,373.65	39,822.20
c) Other non-current assets	697.31	697.31
	<b>37,105.46</b>	<b>40,556.94</b>
<b>2) CURRENT ASSETS</b>		
a) Financial assets		
i) Investments	7,121.46	6,288.91
ii) Trade Receivables	4,809.02	3,084.41
iii) Cash and cash equivalents	130.69	192.75
iv) Other Financial Asset	1,252.56	1,252.56
b) Current tax asset (net)	636.60	569.05
c) Other current assets	9.07	8.93
	<b>13,959.40</b>	<b>11,396.61</b>
<b>TOTAL ASSETS(1+2)</b>	<b>51,064.86</b>	<b>51,953.55</b>
<b>II EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
a) Equity Share capital	2,382.38	2,382.38
b) Instrument entirely equity in nature	4,104.22	2,584.22
c) Other equity	765.20	1,076.31
<b>Total Equity</b>	<b>7,251.80</b>	<b>6,042.91</b>
<b>LIABILITIES</b>		
<b>1) NON - CURRENT LIABILITIES</b>		
a) Financial liabilities		
i) Borrowings	38,152.98	41,108.65
ii) Other financial liabilities	1,330.09	1,771.91
b) Other non-current liabilities	155.42	172.69
c) Provisions	878.56	-
	<b>40,517.05</b>	<b>43,053.25</b>
<b>2) CURRENT LIABILITIES</b>		
a) Financial liabilities		
i) Trade Payables	155.21	47.87
ii) Other financial liabilities	3,079.66	2,717.78
b) Other current liabilities	61.14	91.74
	<b>3,296.01</b>	<b>2,857.39</b>
<b>Total Liabilities(1+2)</b>	<b>43,813.06</b>	<b>45,910.64</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>51,064.86</b>	<b>51,953.55</b>



*B. Sudar Chandu Rao*

*KM Reddy*

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF PATEL KNR HEAVY INFRASTRUCTURES LIMITED**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of **PATEL KNR HEAVY INFRASTRUCTURES LIMITED** ('the Company'), which comprise the balance sheet as at 31 March 2018, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information

#### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (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.

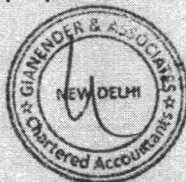
This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments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

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under and the Order issued under section 143(11) of the Act

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes





evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its loss, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. 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, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.;
- (d) in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
- (e) on the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting; and
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us :
  - i. The company has no pending litigation which would impact its financial



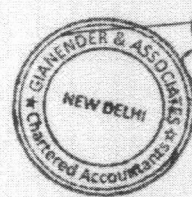
position except those disclosed in financial statements;

- ii. The company did not have any long-term contract including derivative contract for which there were any material foreseeable losses;
- iii. There were no amounts which were required by the company to be transferred to the Investor Education and Protection Fund, and;

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

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure B, a statement on the matters specified in the paragraph 3 and 4 of the Order.

For Gianender & Associates  
Chartered Accountants  
(Firm's Registration No. 004661N)



*G K Agrawal*  
G K Agrawal  
(Partner)  
(M.No. 081603)

Place: New Delhi  
Date : 25<sup>th</sup> May, 2018



## **ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **PATEL KNR HEAVY INFRASTRUCTURES LIMITED** 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 HEAVY INFRASTRUCTURES LIMITED** ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

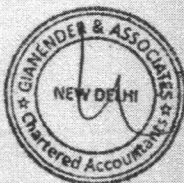
### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 my /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 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the 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, 2018, 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.

Place: New Delhi  
Date : 25<sup>th</sup> May, 2018

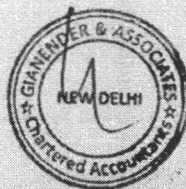
For Gianender & Associates  
Chartered Accountants  
(Firm's Registration No. 004661N)



*G K Agrawal*  
G K Agrawal  
(Partner)  
(M.No. 081603)



- i.
  - a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
  - b) The Fixed Assets have been physically verified by the management at regular intervals and no material discrepancies were noticed on such verification
  - c) The company has no immovable property hence paragraph 3(i)(c) of the Order is not applicable to the company.
- ii. As the company is engage in the business of infrastructure development, operations and its maintenance and there is no inventory in hand at any point of time, hence paragraph 3(ii) of the Order is not applicable to the company.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, limited liabilities partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, reporting under clause (a) to (c) of Para 3(iii) are not applicable.
- iv. The Company has not entered into any transaction in respect of loans, investments, guarantee and securities, which attracts compliance to the provisions of the sections 185 and 186 of the Companies Act, 2013. Therefore the paragraph 3(iv) of the Order is not applicable to the company.
- v. The Company has not accepted deposits in terms of the provisions of section 73 to 76 of the Companies Act, 2013 and rules framed there under. Therefore the paragraph 3(v) of the Order is not applicable to the company.
- vi. According to the information and explanations given to us, we are of the opinion that prima facie, cost records prescribed, pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148 of the Companies Act, are made and maintained.
- vii.
  - a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the company has been generally regular in depositing undisputed statutory dues including provident fund, employee state insurance, income tax, service tax, value added tax, cess and other statutory dues during the year with the appropriate authorities As on 31<sup>st</sup> March 2018, there are no undisputed statutory dues payables for period exceeding for a period more than six month from the date they become payable.
  - b) According to the information and explanations given to us, there were no statutory dues pending in respect of income tax, sales tax, VAT, custom duty and cess etc. on account of any dispute.
- viii. During the year the company has not defaulted in repayment of loans or borrowings to the banks. The company has not taken any loan or borrowings from any financial institution

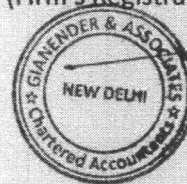


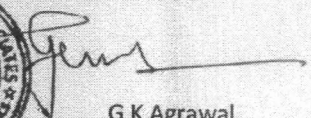
or Government during the year. The company has not defaulted in payment of dues to the debentures holders.

- ix. Money raised by way of term loan were applied for the purpose for which it was raised. The Company has not raised money by way of initial public offer or further public offer.
- x. According to the information and explanation given to us by the management which have been relied by us, there were no frauds on or by the company noticed or reported during the period under audit.
- xi. The company has not paid any managerial remuneration. Therefore the provisions of section 197 read with Schedule V of the Companies Act 2013 are not applicable.
- xii. The company is not a Nidhi Company, therefore para 3(xii) of the Order is not applicable.
- xiii. In our opinion and according to the information provided to use, the transaction entered with the related parties are in compliance with section 177 and 188 of the Act and are disclosed in the financial statements as required by the applicable accounting standards.
- xiv. In our opinion and according to the information provided to us, the company had not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information provided to us, the company has not entered into any non-cash transaction with directors or the persons connected with him covered under section 192 of the Companies Act 2013. Therefore, paragraph 3(xv) of the Order is not applicable to the company.
- xvi. According to the information provided to us, the company is not required to be registered under section 45IA of the Reserve Bank of India Act, 1934. Therefore, paragraph 3(xvi) of the Order is not applicable to the company.

Place: New Delhi  
Date : 25<sup>th</sup> May, 2018

For Gianender & Associates  
Chartered Accountants  
(Firm's Registration No. 004661N)



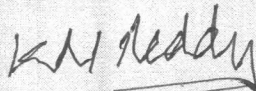
  
G K Agrawal  
(Partner)  
(M.No. 081603)

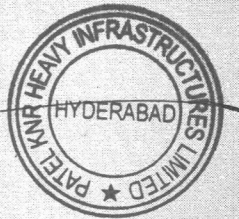



FORM A (for audit report with unmodified opinion)

1	Name of the Company	PATEL KNR Heavy Infrastructures Limited
2	Annual Financial statement for the year	31 <sup>st</sup> March 2018
3	Type of Audit Observations	Unmodified
4	Frequency of Observations	Not Applicable

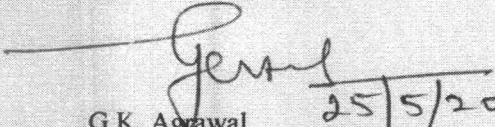
For PATEL KNR Heavy Infrastructures Limited

  
K. Narasimha Reddy  
Director



  
S. Vaikuntanathan  
CFO/ Compliance Officer

For Gianender & Associates  
Chartered Accountants  
FRN. 004661N

  
G.K. Aggarwal  
(Partner)  
M.No. 081603



25/5/2018

# PATEL KNR HEAVY INFRASTRUCTURES LIMITED

Date: 25<sup>th</sup> May 2018

To,

The Manager,

Listing Department,

BSE Limited

Phiroze jeejeebhoy Tower,

Dalal Street, Mumbai-400 001

Dear Sir,

Sub: Patel KNR Heavy Infrastructures Limited – NCD's

Ref: Communication for the year ended 31<sup>st</sup> March-2018

With Reference to the above, we submit herewith the information and documents as per the provision of the listing agreement thereunder.

1. The Asset Coverage Ratio works out to 1.18 times (Rs 484.59 Cr /Rs. 412.08 Cr) based on the net book value of the assets available for security including value of financial assets of Rs. 411.83 Crores as on 31<sup>st</sup> March 2018 and the same is considered for calculation of Assets coverage ratio.
2. The Debt Equity Ratio of the company as on 31<sup>st</sup> March 2018 is 5.68:1.
3. The Previous due date for the payment of interest and principal in respect of debentures was 31<sup>st</sup> March 2018 and the same was paid on due date.
4. The next due date of principal and interest in respect of debentures is 30<sup>th</sup> September 2018.

We confirm that the information submitted as above is true and correct and the undersigned has authority to submit the same to you.

Thanking You,  
Yours Sincerely,

For Patel KNR Heavy Infrastructures Limited

Countersigned by:  
For IDBI Trusteeship Limited

Authorized Signatory

Authorized Signatory

Regd.off: KNR House, 4th Floor, Plot No.114, Phase-1, Kavuri Hills, Hyderabad-500 033  
Phone: +91-040-40268761/ 62 Fax.: +91-40-40268760, E-mail: pkhil@knrcl.com,

CIN: U70102TG2006PLC049949



# PATEL KNR HEAVY INFRASTRUCTURES LIMITED

Regd.off: KNR House,4th Floor, Plot No.114, Phase-1, Kavuri Hills,Hyderabad-500 033

Phone:+91-040-40268761/ 62 Fax.:+91-40-40268760, E-mail: info@knrcl.com,

Web: www.knrcl.com, CIN: U70102TG2006PLC049949

---

Dated 25<sup>th</sup> May 2018

To

Dept. of Corporate Services,

B S E Limited

P J Towers, Dalal Street,

Fort, MUMBAI - 400001

Fax: +91 - 22- 2272 2037 / 39 / 41

+91 22 2272 3121 / 3719 / 1557

Dear Sir,

Sub: Disclosure under clause 54(2) of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.


With reference to the captioned subject, we wish to submit the information in respect of extent and nature of security created with respect to the PKHIL NCDs, as per Regulation 54(2) of the LODR Regulations as per the annexure enclosed.

The above information is furnished to you in terms of the relevant provisions of the Uniform Listing Agreement entered into by the Company with the Exchanges.

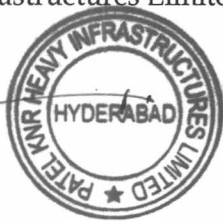
Thanking you,

Yours sincerely,

for Patel KNR Heavy Infrastructures Limited



Authorised Signatory



# PATEL KNR HEAVY INFRASTRUCTURES LIMITED

Regd.off: KNR House, 4th Floor, Plot No.114, Phase-1, Kavuri Hills, Hyderabad-500 033

Phone: +91-040-40268761/ 62 Fax.: +91-40-40268760, E-mail: info@knrcl.com,

Web: www.knrcl.com, CIN: U70102TG2006PLC049949

## Extent and nature of security created with respect to the NCDs, as per Regulation 54(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

- i. first ranking pari passu charge by way of simple mortgage in favour of the Debenture Trustee (for the benefit of the Debenture Holders) over the Mortgaged Property, save and except the Project Assets;
- ii. first pari passu charge on all the Issuer's tangible moveable assets, including moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, both present and future save and except the Project Assets;
- iii. first pari passu charge on all the intangible assets of the Issuer including but not limited to goodwill, rights, undertaking and uncalled capital present and future excluding the Project Assets (provided that all amounts received on account of any of these shall be deposited in the Escrow Account that the charges on the same shall be subject to the extent permissible as per the priority specified in the Clause 25.2.1 and 25.3 of the Concession Agreement and Clause 3.3.1 and Clause 3.3.2 of the Escrow Agreement. Further, a charge on uncalled capital, as set in above, shall be subject however to the provisions of Clause 11.1 (xiii) of the Concession Agreement;
- iv. first pari passu charge over all accounts of the Issuer, including the DSRA, Escrow Account and sub-Accounts (except for the PKHIL Debenture Redemption Reserve Account, PKHIL ECB Redemption Reserve Account and PKHIL ECB Finance Parties Holding Account) (or any account in substitution thereof) that may be opened and the Escrow Agreement, or any of the other Project Documents and all funds from time to time deposited therein, the receivables and all Authorised Investments or other securities, provided that:
  - a. the same being applied to the extent of waterfall of priority of payment as specified in Clause 25.2.1 and Clause 25.3 of the Concession Agreement and Clause 3.3.1 and Clause 3.3.2 of the Escrow Agreement and not beyond that;
  - b. the charge over the receivables shall be enforceable by the Senior Lenders or on their behalf only for the purpose of ensuring that the receivables are credited to the Escrow Account for the purpose of being applied to the extent of waterfall of priority of payment as specified in Clause 25.2.1 and Clause 25.3 of the Concession Agreement and Clause 3.3.1 and Clause 3.3.2 of the Escrow Agreement and not beyond that;

*K.N. Laddu*



# PATEL KNR HEAVY INFRASTRUCTURES LIMITED

Regd.off: KNR House,4th Floor, Plot No.114, Phase-1, Kavuri Hills,Hyderabad-500 033

Phone:+91-040-40268761/ 62 Fax.:+91-40-40268760, E-mail: info@knrcl.com,

Web: www.knrcl.com, CIN: U70102TG2006PLC049949

- v. pledge of 100% (One Hundred percent) of the issued, paid up and voting equity share capital of the Issuer held by the Promoters in the Issuer till the Final Redemption Date. Provided that any enforcement of the pledge over shall be subject to Clause 11.1 (xiii) of the Concession Agreement and the prior approval of NHAI provided therein
- vi. Assignment by way of security of the following:
  - a. all the rights, title, interest, benefits, claims and demands whatsoever of the Issuer in the Project Documents;
  - b. the rights, title and interest of the Issuer in, to and under all the Government Approvals;
  - c. all the rights, title, interest, benefits, claims and demands whatsoever of the Issuer in any letter of credit, guarantee including Contractors' guarantees and Liquidated Damages and performance bond provided by any party to the Project Document;
  - d. all the rights, title, interest, benefits, claims and demands whatsoever of the Issuer under all Insurance Contracts;

provided that, the charge on assignment mentioned in paragraph (f) above shall be enforceable in (A) the manner specified in the New Substitution Agreement so as to enable the Nominated Company (as defined under the Concession Agreement) to substitute the Issuer in respect thereof as per the Substitution Agreement; and (B) only for the purpose of ensuring that the amounts received thereupon are credited to the Escrow Account for the purpose of being applied in the order of priority specified in Clause 25.2.1 and Clause 25.3 of the Concession Agreement and Clause 3.3.1 and Clause 3.3.2 of the Escrow Agreement and not beyond that.

*KM Reddy*

