

**KNR SRIRANGAM INFRA
PRIVATE LIMITED**

**ANNUAL REPORT
FY 2019-20**

INDEPENDENT AUDITOR'S REPORT

To the Members of M/s. KNR Srirangam Infra Private Limited

Report on the Ind AS Financial Statements

Opinion

We have audited the Ind AS financial statements of **KNR Srirangam Infra Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the 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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit, changes in equity and its cash flows for the year ended on that date.

Other Matter

The financial statements of the Company for the year ended March 31, 2019 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements for the year ended March 31, 2019 which were audited by another auditor, on which they expressed an unmodified opinion vide their report dated May 23, 2019.

Our opinion is not qualified in respect of this matter.

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 there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Information Other than the 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 Board's Report but does not include the 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 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the Board report and other reports, if we conclude that there is a material misstatement therein, we will communicate the matter to those charged with governance.

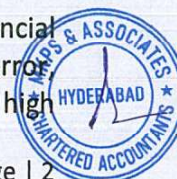
Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("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, 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. Those Board of Directors are also 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 with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements 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 override the internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to begin audit procedures that are appropriate in 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 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, 2016 ("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:

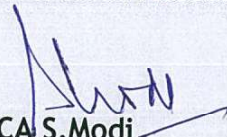
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, the statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
- d) In our opinion, the aforesaid Ind AS financial statements comply with the 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

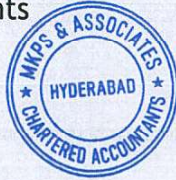


g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position;
- 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.

For MKPS & Associates
ICAI Firm Registration Number: 302014E
Chartered Accountants


CA S. Modi
Partner



Membership Number: 051361
UDIN: 20051361AAAAAY7864

Place: Hyderabad
Date: May 30, 2020.

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

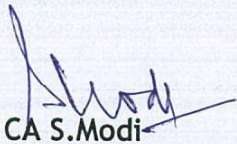
(Referred to in our Report of even date)

1. The Company do not have any fixed assets as on the date of the balance sheet. Accordingly, the reporting related fixed assets is not applicable.
2. The company is engaged in the business of infrastructure development and maintenance and hence clause 3(ii) of Companies (Auditor's Report) Order 2016 relating to inventory is not applicable.
3. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships 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) of Companies (Auditor's Report) Order 2016 are not applicable.
4. The Company has not entered into any transaction in respect of loans, investments, guarantee and securities, which attracts compliance to the provisions of section 185 and 186 of the Companies Act, 2013. Therefore the paragraph 3 (iv) of Companies (Auditor's Report) Order 2016 is not applicable to the company.
5. The Company has not accepted deposits and 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 framed there under are not applicable to the Company.
6. In our opinion and according to the information and explanations given to us, maintenance of cost records as specified by the Central Government under sub section (1) of section 148 of the Companies Act, 2013 is not applicable to the company.
7. a. According to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services Tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities.
b. According to the information and explanation given to us, there were no statutory dues pending in respect of income tax, GST, customs duty, cess and any other statutory dues which have not been deposited on account of dispute.
8. The Company has not defaulted in repayment of loans or borrowings to a financial institution, bank, Government or dues to debenture holders, if any.
9. According to the information and explanations given to us and based on our examination of records of the company, we report that the term loans were applied for the purposes they were raised.



10. Based on the information and explanation given to us, no material fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
11. The company has not paid or provided any managerial remuneration during the year. Accordingly, paragraph 3 (xi) of the Companies (Auditor's Report) Order, 2016 is not applicable..
12. The Company is not a Nidhi Company and hence clause3 (xii) of the Companies (Auditor's Report) Order 2016 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 the Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
14. 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 fully or partly convertible debentures during the year.
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. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, paragraph 3(xvi) of the Order is not applicable.

For MKPS & Associates
ICAI Firm Registration Number: 302014E
Chartered Accountants


CA S. Modi

Partner

Membership Number: 051361

UDIN: 20051361AAAAAY7864

Place: Hyderabad

Date: May 30, 2020.



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 **KNR Srirangam Infra Private Limited** ("the Company") as of March 31, 2020 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 controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For MKPS & Associates

ICAI Firm Registration Number: 302014E

Chartered Accountants


CA S. Modi
Partner



Membership Number: 051361

UDIN: 20051361AAAAAY7864

Place: Hyderabad

Date: May 30, 2020.

KNR Srirangam Infra Private Limited
Balance Sheet as at March 31, 2020

(Rs. in Lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
I Assets			
1) Non-current assets			
a) Financial Assets			
i) Financial Asset Receivable	3	14,987.52	295.30
b) Other non-current assets	4	1,943.08	327.33
		16,930.60	622.62
2) Current assets			
a) Financial assets			
i) Cash and cash equivalents	5	270.04	10.91
ii) Other Financial Asset	6	258.59	-
b) Other current assets	7	3,739.15	480.32
		4,267.78	491.23
Total Assets		21,198.38	1,113.85
II Equity and Liabilities			
Equity			
a) Equity Share capital	8	4,811.50	1,100.00
b) Other equity	9	900.85	(0.22)
Total Equity		5,712.35	1,099.78
Liabilities			
1) Non - current liabilities			
a) Financial liabilities			
i) Borrowings	10	7,410.61	-
		7,410.61	-
2) Current liabilities			
a) Financial liabilities			
i) Trade Payables	11	2,746.96	-
ii) Other financial liabilities	12	577.40	13.95
b) Other current liabilities	13	4,751.06	0.12
		8,075.42	14.07
Total Liabilities		15,486.03	14.07
Total Equity and Liabilities		21,198.38	1,113.85

See accompanying notes forming part of the financial statements

As per our report of even date attached

For MKPS & Associates,

Chartered Accountants

FRN: 302014E

CA S. Modi

Partner

Membership No: 051361

UDIN:20051361AAAAAY7864

Place : Hyderabad

Date : 30-05-2020



For and on behalf of the Board

K.Narsimha Reddy

Director

DIN: 00382412



K. Jalandhar Reddy

Director

DIN: 00434911

KNR Srirangam Infra Private Limited
Statement of Profit And Loss For The Year Ended March 31, 2020

(Rs. in Lakhs)

PARTICULARS		Note No.	Year ended March 31, 2020 [Audited]	Year ended March 31, 2019 [Audited]
I	Revenue from Operations	14	29,084.21	-
II	Other income	15	287.33	-
III	Total Revenue (I + II)		29,371.54	-
IV	Expenses			
	Construction expenses	16	28,060.48	-
	Employee benefits expenses		-	-
	Finance costs	17	409.99	-
	Other expenses		-	-
	Total expenses (IV)		28,470.47	-
V	Profit before exceptional items and tax (III - IV)		901.07	-
VI	Exceptional items		-	-
VII	Profit/(Loss) before tax (V - VI)		901.07	-
VIII	Tax expense			
	1) Current tax		-	-
	2) Adjustment of tax relating to earlier periods		-	-
	3) Deferred tax		-	-
	Total Tax Expenses (VIII)		-	-
IX	Profit (Loss) for the period (VII-VIII)		901.07	-
X	Other Comprehensive Income			
	Actuarial gains and losses		-	-
	Total Comprehensive Income for the period (IX+X) (Comprising Profit(Loss) and Other Comprehensive Income for the period)		901.07	-
XI	Earnings per equity share			
	1) Basic	23	229.32	-
	2) Diluted		229.32	-

See accompanying notes forming part of the financial statements
As per our report of even date attached

For MKPS & Associates,
Chartered Accountants
FRN: 302014E



CA S. Modi

Partner

Membership No: 051361

UDIN:20051361AAAAAY7864

Place : Hyderabad

Date : 30-05-2020



K. Narasimha Reddy

Director

DIN: 00382412

K. Jalandhar Reddy

Director

DIN: 00434911

KNR Srirangam Infra Private Limited
Statement of Changes in Equity for the year ended on March 31, 2020

A - Equity Share Capital

Particulars	No. of Shares	(Rs. in Lakhs) Amount
As at April 01, 2018	1,000	10.00
Changes in equity share capital during the year	109,000	1,090.00
As at March 31, 2019	110,000	1,100.00
As at April 01, 2019	110,000	1,100.00
Changes in equity share capital during the year	371,150	3,711.50
As at March 31, 2020	481,150	4,811.50

B - Other Equity

Particulars	Retained Earning	Other Comprehensive Income	(Rs. in Lakhs) Total
As at April 01, 2018	(0.22)	-	(0.22)
Total Comprehensive Income for the Year	-	-	-
As at March 31, 2019	(0.22)	-	(0.22)
As at April 01, 2019	(0.22)	-	(0.22)
Total Comprehensive Income for the Year	901.07	-	901.07
As at March 31, 2020	900.85	-	900.85

See accompanying notes forming part of the financial statements
As per our report of even date attached

For MKPS & Associates,
Chartered Accountants
FRN: 302014E

GA S. Modi
Partner
Membership No: 051361
Place : Hyderabad
Date : 30-05-2020
UDIN : 20051361AAAAAY7864



For and on behalf of the Board
Hyderabad

K.Narsimha Reddy
Director
DIN: 00382412

K. Jalandhar Reddy
Director
DIN: 00434911

KNR Srirangam Infra Private Limited

Cash Flow Statement for the Year ended March 31, 2020

(Rs. in Lakhs)

PARTICULARS	For the Year ended 31-03-2020	For the Year ended 31-03-2019
A) Cash flow from Operating activities		
Net Profit before Tax	901.07	-
Adjustments for		
Depreciation & Amortisation Expenses	-	-
Construction Expenses	28,060.48	-
Construction Income	(28,060.48)	-
Finance Income	(1,023.73)	-
Interest Income on Mob Advance	(287.33)	-
Interest Expenses on Mob Advance	282.94	-
Interest Expenses	127.05	-
Preliminary Expenses written off	-	-
Operating profit before working capital changes	0.00	-
(Increase)/Decrease in Trade and Other Receivables	(6,564.03)	(807.65)
Increase/(Decrease) in Trade Payables and Other Liabilities	7,778.41	13.85
Cash generated from operations	1,214.38	(793.80)
Taxes paid	-	-
Net cash used in operating activities	1,214.38	(793.80)
B) Cash flow from Investing activities		
(Increase)/Decrease in Financial Asset Receivables	(12,143.38)	(295.30)
Increase/(Decrease) in Other Payable & Liabilities	-	-
Net cash used in investing activities	(12,143.38)	(295.30)
C) Cash flow from Financing activities		
Proceeds from issue of Equity Shares	3,711.50	1,090.00
Proceeds from Borrowings	7,603.68	-
Interest paid	(127.05)	-
Net cash from financing activities	11,188.13	1,090.00
Net change in Cash and Cash Equivalents (A+B+C)	259.13	0.91
Cash and Cash Equivalents (Opening Balance)	10.91	10.00
Cash and Cash Equivalents (Closing Balance)	270.04	10.91

Notes:

1 Components of Cash & Cash Equivalents

Cash in Hand	-	-
Bank Balance -Current Account	270.04	10.91
	270.04	10.91

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

3 Figures in brackets represent cash outflows.

See accompanying Notes to financial statements
As per our report of even date attached

For MKPS & Associates,
Chartered Accountants
FRN: 302014E

CA S. Modi
Partner
Membership No: 051361
UDIN: 20051361AAAAAY7864
Place : Hyderabad
Date : 30-05-2020



For and on behalf of the Board of Directors

K. Narasimha Reddy
Director
DIN: 00382412

K. Jalandhar Reddy
Director
DIN: 00434911



KNR Srirangam Infra Private Limited
Notes to the financial statements for the year ended March 31, 2020

1. Reporting entity

KNR Srirangam Infra Private Limited (the 'Company') is a company domiciled in India, with its registered office situated at KNR House, Phase - I, Kavuri hills, Hyderabad, Telangana. The Company has been incorporated under the provisions of the Companies Act, 2013 as a Special Purpose Vehicle ("SPV") promoted by KNR Constructions Limited ('KNR').

The Company has entered into a Service Concession Arrangement ("SCA") with National Highway Authority of India ("NHAI") for the) "Four laning of Trichiraopalli (Km.0.000) to Kallagam (Km.38.700) Section of NH-227 on Hybrid Annuity Mode in the State of Tamil Nadu under NHDP Phase-IV".

2. Basis of preparation & Significant Accounting Policies

A. Statement of compliance

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

The financial statements were authorized for issue by the Company's Board of Directors on 30-May-2020.

The Company was incorporated on 19th March 2018.

Details of the Company's accounting policies are detailed below.

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 rupee, 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.

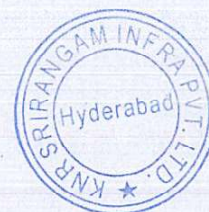
All other assets shall be classified as non-current.

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.



E. Use of estimates and judgment

The preparation of these financial statements in conformity with Ind AS requires the management to make estimates and assumptions considered in the reported amounts of assets, liabilities (including contingent liabilities), income and expenses. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ due to these estimates and the differences between the actual results and the estimates are recognized 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.

F. Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

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

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

Significant accounting policies

a. Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any

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



KNR Srirangam Infra Private Limited
Notes to the financial statements for the year ended March 31, 2020

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.

ii. Subsequent expenditure

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

iii. Depreciation

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.

b. Rights under Service Concession Arrangements (Hybrid Annuity Project)

i) Financial Asset under SCA

Where Company has acquired contractual rights to receive specified determinable amounts, such rights are recognised and classified as "Financial Assets", The Company will recognise a financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset from the NHAI for the construction services and such financial assets are classified as "Receivables against Service Concession Arrangements"(Financial Asset Receivable).

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

The Interest during construction and Tax expenses will not be adjusted with the financial asset and GST on expenses is also not form part of financial asset as GST will be recognized as an Input Tax Credit.

The amount due from the authority including Operation & Maintenance Income is accounted for in accordance with Ind AS 109 as measured at amortised cost and the interest calculated using the effective interest method is recognised in statement of profit and loss. As per the Concession Arrangement, the support during construction period are accounted for as part of the transaction price (Financial Asset) as defined in Ind AS 115.

c. Financial instruments

i. Recognition and initial measurement

All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition of financial asset.



ii. Classification and subsequent measurement

Non-Derivative Financial assets

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

- amortized cost;
- FVOCI – debt investment;
- FVOCI – equity investment; or
- FVTPL

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

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

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

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities: Classification, subsequent measurement and gains and losses

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

iii. De-recognition

Financial assets

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



Financial liabilities

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

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

iv. Offsetting

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

v. Non-derivative financial assets – service concession arrangements

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

d. Impairment

i. Impairment of financial instruments

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

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
- Trade receivables.

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

Measurement of expected credit losses

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

Presentation of allowance for expected credit losses in the Balance Sheet

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

Write-off

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



KNR Srirangam Infra Private Limited
Notes to the financial statements for the year ended March 31, 2020

off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

ii. Impairment of non-financial assets

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

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

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

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

e. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in Balance Sheet.

f. Employee benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

g. Provisions (other than employee benefits)

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

h. Revenue recognition

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

Accordingly, the policy for Revenue is amended as under:

To recognize revenue, the Company applies the following five step approach:

- (1) Identify the contract with a customer
- (2) Identify the performance obligations in the contract



KNR Srirangam Infra Private Limited
Notes to the financial statements for the year ended March 31, 2020

- (3) Determine the transaction price
 - (4) Allocate the transaction price to the performance obligation in the contract, and
 - (5) Recognize revenue when a performance obligation is satisfied.
- The Company recognize revenue when the Company satisfies a performance obligation by transferring a promised service (i.e. an asset) to NHAI.

Under the terms of contractual arrangements, the Company acts as a service provider. The Company constructs or upgrades infrastructure (construction or upgrade services) used to provide a public service and operates and maintains that infrastructure (operation services) for a specified period of time. The Company shall recognise and measure revenue for the services it performs. The nature of the consideration determines its subsequent accounting treatment i.e. as Financial Assets. The Company will recognise a financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset from the NHAI for the construction services.

The Financial Asset due from the NHAI is accounted and measured at amortised cost. The interest calculated using the effective interest method is recognised in the statement of profit and loss. As per the Concession Arrangement, concession support received are accounted for as part of the transaction price(i.e Financial Asset).

i. 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.

i. Recognition of interest income or expense

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset or to the amortised cost of the liability.

j. Income tax

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.

i. Current tax

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

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



ii. Deferred tax

Deferred tax is recognised 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.

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.

iii. Minimum Alternate Tax (MAT)

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

k. Borrowing cost

Borrowing costs are interest and other cost incurred in connection with the borrowing of funds. Borrowing costs other than processing fee directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use will be capitalised as part of the cost of that asset. Processing fee will be Amortised over a period of tenure on effective interest rate method, Other borrowing costs during operation period will be recognised as an expense in the period in which they are incurred.

l. 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.



KNR Srirangam Infra Private Limited
Notes to the financial statements for the year ended March 31, 2020

m. Earnings per share

The basic earnings per share ("EPS") for the year is computed by dividing the net profit/ (loss) after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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

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

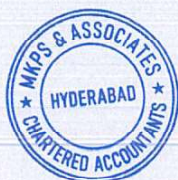
n. Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote.

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.

o. Cash flow statement

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating, investing and financing activities of the company are segregated.



KNR Srirangam Infra Private Limited
Notes to the financial statements for the Year ended March 31, 2020

8- EQUITY CAPITAL

(Rs. in Lakhs)

PARTICULARS	As at March 31, 2020	As at March 31, 2019
EQUITY SHARE CAPITAL		
Authorised Share capital 4,81,150 Equity Shares of Rs. 1,000/- each	4,811.50	4,811.50
Issued, subscribed & fully paid share capital 4,81,150 Equity Shares of Rs. 1,000/- each	4,811.50	1,100.00
Total	4,811.50	1,100.00

Terms/ Rights attached to equity shares

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

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

8.1 The reconciliation of the number of shares outstanding at the beginning and at the end of the year is set out below

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amount in Lakhs	No. of Shares	Amount in Lakhs
Number of Equity Shares at the beginning	110,000	1,100.00	1,000	10.00
Add:- Number of Shares Issued	371,150	3,711.50	109,000	1,090.00
Less: Number of Shares Bought Back	-	-	-	-
Number of Equity Shares at the end of the year	481,150	4,811.50	110,000	1,100.00

8.2 The details of shareholder holding by holding company and its associates as at March 31, 2020 and March 31, 2019 is set out below:

Name of the shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	% held	No. of Shares	% held
KNR Constructions Limited & its nominees	481,150	100%	110,000	100%
	481,150	100%	110,000	100%

9 - OTHER EQUITY

PARTICULARS	As at March 31, 2020	As at March 31, 2019
Surplus in the statement of profit and loss		
Balance at the beginning of the period	(0.22)	(0.22)
Add: (Loss)/ Profit for the period	901.07	-
Balance at the end of the period	900.85	(0.22)



KNR Srirangam Infra Private Limited
Notes to the financial statements for the Year ended March 31, 2020

3- Financial Assets Receivable

PARTICULARS	(Rs. In Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Non Current		
Financial asset Receivable	13,460.34	295.30
GST withhold receivable	1,440.63	-
Withhold contingencies receivable	86.55	-
Total	14,987.52	295.30

4- Other Non current Assets

PARTICULARS	(Rs. in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
GST Input Credit	1,476.34	136.33
TDS Receivable	466.74	-
Unamortised processing fee	-	191.00
Total	1,943.08	327.33

5 - CASH AND CASH EQUIVALENTS

PARTICULARS	(Rs. in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Balances with banks:		
in current accounts	270.04	10.91
Total	270.04	10.91

6- Other Financial Assets

PARTICULARS	(Rs. in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Amount receivable from Related parties (refer note : 24)		
Interest on Mobilisation advance	258.59	-
Total	258.59	-

7- Other Current Assets

PARTICULARS	(Rs. in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Amount paid to Related Parties (refer note : 24)		
Mobilization Advance paid to EPC Contractor	3,723.20	454.55
Prepaid expenses	15.95	25.78
Total	3,739.15	480.32



KNR Srirangam Infra Private Limited
Notes to the financial statements for the Year ended March 31, 2020

10 - Borrowings

	(Rs. in Lakhs)	
PARTICULARS	As at March 31, 2020	As at March 31, 2019
NON - CURRENT		
Secured loans		
From banks		
- Term loans	7,410.61	-
Total	7,410.61	-

Terms of Security :

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

Repayment Terms : As on 31.03.2020 the company has availed a term loan of Rs.7,600 Lakhs at the interest rate of 1 year MCLR + spread of 0.85% P.a. and the term loan is repayable in 27 Semi Annual Instalments starting from Q2 of Fy 2021-22.

11 - Trade Payables

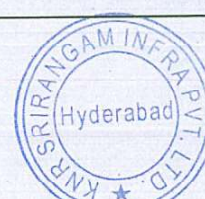
	(Rs. in Lakhs)	
PARTICULARS	As at March 31, 2020	As at March 31, 2019
Amount payable to Related Parties		
KNR Constructions Limited	2,746.96	-
Total	2,746.96	-

12- Other Financial Liabilities

	(Rs. in Lakhs)	
PARTICULARS	As at March 31, 2020	As at March 31, 2019
CURRENT		
Interest Payable on Mob Advance	254.65	-
Amount payable to Related Parties (refer note : 24)		
KNR Constructions Limited	82.54	3.46
With hold KNRCL	209.81	10.49
Outstanding expenses	30.40	-
Total current other financial liabilities	577.40	13.95
Total other financial liabilities	577.40	13.95

13 - Other Current Liabilities

	(Rs. in Lakhs)	
PARTICULARS	As at March 31, 2020	As at March 31, 2019
Advance received from Client	4,556.25	-
Dues to statutory authorities	194.81	0.12
Total	4,751.06	0.12



KNR Srirangam Infra Private Limited
Notes to the financial statements for the Year ended March 31, 2020

14 - Revenue from Operations

PARTICULARS	(Rs. in Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Construction Income	28,060.48	-
Finance Income	1,023.73	-
Total	29,084.21	-

15 - Other Income

PARTICULARS	(Rs. in Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Interest Income on Mobilisation advance given to EPC contractor	287.33	-
Total	287.33	-

16 - Operating Expenses

PARTICULARS	(Rs. in Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Construction Expenses	28,060.48	-
Total	28,060.48	-

17 - Finance Cost

PARTICULARS	(Rs. in Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Interest on Term loan	127.05	-
Interest on Mobilisation advance received from NHA1	282.94	-
Total	409.99	-



18 Capital management

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

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

(Rs. in Lakhs)	
March 31, 2020	
Debts	7,410.61
Less: cash and cash equivalents	270.04
Adjusted net debt	7,140.57
Total equity	5,712.35
Adjusted equity	5,712.35
Adjusted net debt to adjusted equity ratio	1.25

19 Financial instruments - Fair values and risk management

A. Accounting classifications and fair values

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

March 31, 2020

	(Rs. in Lakhs)			(Rs. in Lakhs)			
	Carrying amount			Fair Value			
	FVTPL	Amortised Cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets							
Financial Asset Receivable	-	14,987.52	14,987.52	-	-	14,987.52	14,987.52
Cash and cash equivalents	-	270.04	270.04	-	-	-	-
Other financial Asset	-	258.59	258.59	-	-	259	258.59
	-	15,516.15	15,516.15	-	-	15,246.11	15,246.11
Financial liabilities							
Secured Loan from Banks	-	7,410.61	7,410.61	-	-	7,410.61	7,410.61
Trade Payable	-	2,746.96	2,746.96	-	-	2,746.96	2,746.96
Other financial liabilities	-	577.40	577.40	-	-	577.40	577.40
	-	10,734.97	10,734.97	-	-	10,734.97	10,734.97

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

March 31, 2019

	(Rs. in Lakhs)			(Rs. in Lakhs)			
	Carrying amount			Fair Value			
	FVTPL	Amortised Cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets							
Financial Asset Receivable	-	295.30	295.30	-	-	295.30	295.30
Cash and cash equivalents	-	10.91	10.91	-	-	-	-
	-	306.20	306.20	-	-	295.30	295.30
Financial liabilities							
Other financial liabilities	-	13.95	13.95	-	-	13.95	13.95
	-	13.95	13.95	-	-	13.95	13.95

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



19 Financial instruments - Fair values and risk management

B. Financial risk management

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

- a) Credit risk
- b) Liquidity risk
- c) Market risk

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management. The Company's Board oversees how management monitors compliance with the Company's risk management policies and procedures,

a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The carrying amounts of financial assets represent the maximum credit risk exposure.

Trade receivables

The Company generally does not have trade receivable as collection of toll income coincide as and when the traffic passes through toll

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and

March 31, 2020

(Rs. in Lakhs)

	Carrying Amount	Contractual Cash flows		
		Upto 1 Year	1-3 years	More than 3 year
Non-derivative financial liabilities				
Secured Loan from Banks	7,410.61	-	3,590.80	3,819.81
Trade Payable	2,746.96	2,746.96	-	-
Other financial liabilities	577.40	577.40	-	-
	10,734.97	3,324.36	3,590.80	3,819.81

March 31, 2019

(Rs. in Lakhs)

	Carrying Amount	Contractual Cash flows		
		Upto 1 Year	1-3 years	More than 3 year
Non-derivative financial liabilities				
Other financial liabilities	13.95	13.95	-	-
	13.95	13.95	-	-

c) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the

Foreign Currency Risk

Foreign Currency risk is the risk that fair value or future cash flow of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is not exposed to foreign currency risk as it has no borrowing or no material payables in foreign currency

Interest rate risk

Interest rate risk is the risk that fair value or future cash flow of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to Interest rate risk as the Interest rate for one year from disbursement is fixed.

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is not exposed to price risk as there are no Investments.

20 Service Concession Arrangement

Description of the Arrangement

The Company has entered into a Service Concession Arrangement ("SCA") with National Highway Authority of India ("NHAI") for the Four laning of Trichiraopalli (Km.0.000) to Kallagam (Km.38.700) Section of NH-227 on Hybrid Annuity Mode in the State of Tamil Nadu under NHDP Phase-IV.

Significant terms of arrangement

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

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

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

Nature & extent

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

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

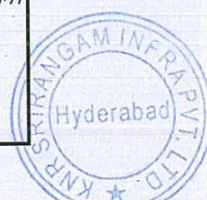
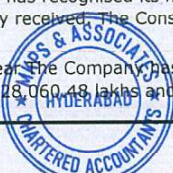
The company will also get the Interest @ RBI bank rate +3% on Semi annual basis on the reducing balance completion cost remaining to be paid as per Article 23.6.4 of the Concession Agreement.

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

Classification

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

During the year the Company has received a Construction Support of Rs. 159.19 Crores (Excluding GST) and recognised construction income of Rs. 28,060.48 lakhs and finance income of Rs. 1,023.73 lakhs and the above items has been adjusted with financial asset receivable.



KNR Srirangam Infra Private Limited
Notes to the financial statements for the period ended March 31, 2020

21 Contingent Liability and Commitments and Contingent Assets

Particulars	(Rs. in Lakhs)	
	As at March, 2020	As at March, 2019
a) Contingent Liability	Nil	Nil
b) Capital Commitment	Nil	Nil
c) Other Commitments towards the project	46,632.17	74,464.00

22 Remuneration paid to the Statutory Auditors excluding Taxes

Audit and Other Fees	(Rs. in Lakhs)	
	2019-20	2018-19
Statutory Audit Fees	2.50	0.05
Other Services	-	-

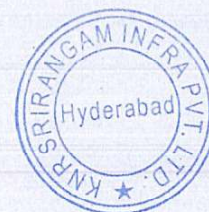
23 Disclosure pursuant to Ind AS 33 "Earnings Per Share(EPS)"

Particulars	2019-20	2018-19
i. Profit (loss) attributable to equity shareholders(basic)	901.07	-
ii. Weighted average number of equity shares (basic)	3.93	-
Basic EPS	229.32	-
i. Profit (loss) attributable to equity shareholders(diluted)	901.06	-
ii. Weighted average number of equity shares (diluted)	3.93	-
Diluted EPS	229.32	-

24 Disclosure of Related Parties/ Related Party Transactions pursuant to Ind As 24: Related party Disclosure"

List of related parties and nature of relationship

S. No.	Name of the related party	Nature of relationship
1	KNR Constructions Limited	Holding Company
2	Mr. K. Narasimha Reddy	Director
3	Mr. K. Jalandhar Reddy	Director



KNR Srirangam Infra Private Limited
Notes to the financial statements for the period ended March 31, 2020

Transactions during the year ended

(Rs. In Lakhs)				
S. No.	Name of the related party	Nature of transactions	March 31, 2020	March 31, 2019
1	KNR Constructions Limited	Equity Share Capital	3,711.50	1,090.00
		Mobilization Advance Paid	6,991.85	454.55
		Mobilization Advance Recovered	(3,723.20)	-
		EPC Cost (Excluding GST)	27,831.83	-
		EPC Cost Paid	23,563.42	-
		Utility Expenses (Excluding GST)	885.32	-
		Utility Expense Paid	718.50	-
		Reimbursement of expenses received	138.49	3.31
		Reimbursement of expenses paid	(59.41)	-
		Interest income on Mob.Adv	287.33	-

Balances outstanding

(Rs. In Lakhs)				
S. No.	Name of the related party	Nature of transactions	March 31, 2020	March 31, 2019
1	KNR Constructions Limited	Share capital	4811.50	1,100.00
		Mobilization Advance receivable	3723.20	454.55
		Interest receivable on Mob Adv	258.59	-
		EPC Cost Payable	2,695.66	-
		Utility Expenses payable	51.30	-
		Reimbursement of expenses payable	82.54	3.46
		With Held Payable	209.81	-

25 Foreign Currency Transactions:

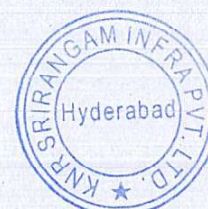
There are no foreign currency transactions entered during the FY 2018-19 and FY 2019-20

26 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.

27 The duration and impact of the COVID-19 pandemic remains unclear as on book closure date. Hence, it is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods.

However, the company is protected by the clauses 28.6 of the Concession Agreement to claim such loss under force majeure event. The Construction period and dates set forth in the Project completion schedule shall be extended by a period equal in length to the duration for which the force majeure event subsists. The management of the Company will study the impact & the appropriate claim will be lodged after this pandemic period.



KNR Srirangam Infra Private Limited
CWIP as on 31-03-2020

S.No	Particulars	up to 31.03.2019	Additions upto the Q4 ended FY 2019-20	Total
1	EPC Cost	-	2,783,183,375.00	2,783,183,375.00
2	Finance Costs	-	-	-
	Lead Bank fee	19,100,000.00	-	19,100,000.00
	Interest During Construction		12,705,144.22	
	BG Charges		4,654,103.50	4,654,103.50
3	Consultancy & Professional Fees			-
3	Consultancy Charges			
	Lender Independent Engineer Fee	500,000.00	1,800,000.00	2,300,000.00
	Consultancy Fee	1,784,500.00	102,869.00	1,887,369.00
	Independent Engineer Fee	933,497.00	10,809,671.00	11,743,168.00
	Professional charges	31,000.00	92,000.00	123,000.00
	Legal Consultant Fee	1,350,000.00	-	1,350,000.00
	Lenders Agent's Fee	158,333.00	100,000.00	258,333.00
	Security Trustee Charges	445,833.00	250,000.00	695,833.00
4	Employee Benefits Expenses	-	-	-
5	Other Expenses			-
	Audit Fees	5,000.00	250,000.00	255,000.00
	Bank Charges	561.80	17,057.97	17,619.77
	Review Charges		300,000.00	
	Certification Fees		21,000.00	21,000.00
	Filing Charges	4,695,130.00	227,080.00	4,922,210.00
	Freight Charges			-
	Office Maintenance		43,293.00	43,293.00
	Hire Charges			-
	Insurance -	406,883.00	4,308,639.00	4,715,522.00
	Interest on TDS, GST delay filing	108.00	89,094.00	89,202.00
	Misc. Expenses	7,212.12	5,440.00	12,652.12
	Printing & Stationery Expenses	1,137.00		1,137.00
	Travelling Expenses	110,350.00	1,400.00	111,750.00
	Unamortised Processing fee		-206,732.00	-206,732.00
	Utility Shifting & Tree Cutting Expenses		88,531,675.00	88,531,675.00
		29,529,544.92	2,907,285,109.69	2,923,809,510.39
	Utility Shifting Revenue	-	88,531,675.00	88,531,675.00
	Total	29,529,544.92	2,818,753,434.69	2,835,277,835.39



KNR Srirangam Infra Private Limited

Notes to the financial statements for the period ended March 31, 2020

28 Segment Information

The Company is into the business of developing the Infrastructure facility on HAM basis, and there are no separate reportable operating segments as per Ind AS 108.

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

For MKPS & Associates,
Chartered Accountants
FRN: 302014E


CA S. Modi

Partner

M.No. 051361

UDIN: 20051361AAAAAY7864

Place: Hyderabad

Date: 30.05.2020



For and on behalf of the Board


K. Narasimha Reddy

(Director)

DIN: 00382412




K. Jalandhar Reddy

(Director)

DIN: 00434911