

INDEPENDENT AUDITOR'S REPORT

To the Members of
KNR Walayar Tollways Private Limited

Report on the audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the Standalone Ind AS financial statements of **KNR Walayar Tollways Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020 and the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

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Responsibility of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements


1. As required by the Companies (Auditor's Report) Order, 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.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, the statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The company does not have any pending litigations which would impact its financial position except those disclosed in financial statements;
 - 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.
3. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the year.

Place: New Delhi
Date: 04/06/2020

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




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

Annexure 'A' to the Independent Auditor's Report of KNR WALAYAR TOLLWAYS PRIVATE LIMITED for the Year ended as on 31st March 2020

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

- 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 title deeds of immovable properties are held in the name of the company.
- ii. As the company is engaged 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 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.
- vi. The Company is prima-facie maintaining the cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
- vii. a. According to the information and explanations given to us and 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, Goods service tax, cess and other statutory dues during the year with the appropriate authorities. As on 31st March 2020, 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 explanation given to us, there are no dues of provident fund, employee state insurance, income tax, Goods service tax, cess and other statutory dues which have not been deposited on account of 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 institutions or Government. The company has not issued debentures.



- ix. Money raised by way of term loans 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 managerial remuneration, hence paragraph 3(xi) of the order is not applicable to the company.
- xii. The Company is not a Nidhi Company and hence clause 3 (xii) of the Companies (Auditor's Report) Order 2016 is not applicable.
- xiii. 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 Standalone Ind AS financial statements as required by the applicable accounting standards.
- xiv. 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.
- xv. 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.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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



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

Place: New Delhi
Date: 04/06/2020

**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 with reference to financial statements of **KNR Walayar Tollways Private Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error.

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



Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

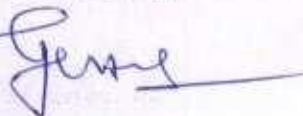
Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: New Delhi
Date: 04/06/2020

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




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

KNR Walayar Tollways Private Limited
Balance Sheet as at March 31, 2020

		(Rs. in Lakhs)	
Particulars	Note No.	As At March 31, 2020 Audited	As At March 31, 2019 Audited
I ASSETS			
1) NON-CURRENT ASSETS			
a) Property, plant and equipment	4	47.37	50.77
b) Investment property	4	1.04	1.04
c) Intangible assets	4	42,748.81	45,995.56
d) Other non-current assets	5	3.31	184.35
		42,800.53	46,231.72
2) CURRENT ASSETS			
a) Financial assets			
i) Investments	6	938.62	100.17
ii) Trade Receivables	7	1,314.64	1,030.14
iii) Cash and cash equivalents	8	778.68	127.82
iv) Other Bank balances	9	1,800.61	-
v) Other Financial Asset	10	174.29	170.88
b) Current tax Asset (net)	11	10.97	507.82
c) Other current assets	12	29.88	37.09
		5,047.69	1,973.92
TOTAL ASSETS		47,848.22	48,205.64
II EQUITY AND LIABILITIES			
EQUITY			
a) Equity Share capital	13	90.00	90.00
b) Instrument entirely equity in Nature	13.3	39,651.00	39,651.00
c) Other equity	14	(8,379.77)	(8,847.93)
Total Equity		31,361.23	30,893.07
LIABILITIES			
1) NON - CURRENT LIABILITIES			
a) Financial liabilities			
i) Borrowings	15	11,513.03	13,802.90
b) Provisions	16	2,231.30	1,527.41
		13,744.33	15,330.31
2) CURRENT LIABILITIES			
a) Financial liabilities:			
i) Trade Payables	17	63.39	60.37
ii) Other financial liabilities	18	2,673.69	1,905.46
b) Other current liabilities:	19	4.47	16.39
c) Provisions	16	1.11	0.04
		2,742.66	1,982.26
TOTAL LIABILITIES		16,486.99	17,312.57
TOTAL EQUITY AND LIABILITIES		47,848.22	48,205.64

Significant Accounting Policies

1 to 3

See accompanying notes forming part of the financial statements

As per our report of even date attached

For Gianender & Associates

Chartered Accountants

(ICAI Registration No.004661N)

G. K. Agrawal

G. K. Agrawal

Partner

Membership No: 081603

Place: New Delhi

Date: 04-June-2020



For and on behalf of the Board

K. Jalandhar Reddy

K. Jalandhar Reddy

Director

DIN : 00434911

V. Venu Gopal Reddy

V. Venu Gopal Reddy

Director

DIN : 08089571



KNR Walayar Tollways 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	Year ended March 31, 2019
			Audited	Audited
I	Revenue from Operations	20	6,782.10	6,155.94
II	Other income	21	185.27	392.67
III	Total Revenue (I + II)		6,967.37	6,548.61
IV	EXPENSES			
	Operation & Maintenance expenses	22	1,342.68	1,596.20
	Employee benefits expenses	23	108.91	98.53
	Finance costs	24	1,591.63	1,626.06
	Depreciation and amortization expenses	4	3,250.15	3,239.84
	Other expenses	25	203.85	243.22
	Total expenses (IV)		6,497.22	6,803.85
V	Profit before exceptional items and tax (III - IV)		470.15	(255.24)
VI	Exceptional items		-	-
VII	Profit/(Loss) before tax (V - VI)		470.15	(255.24)
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)		470.15	(255.24)
X	OTHER COMPREHENSIVE INCOME			
	Remeasurement of defined benefit obligation	26	(1.99)	1.13
	Total Comprehensive Income		(1.99)	1.13
XI	Total Comprehensive Income for the period (IX+X)		468.16	(254.11)
XII	Earnings per equity share	31		
	1) Basic		52.24	(28.36)
	2) Diluted		52.24	(28.36)

See accompanying notes forming part of the financial statements

As per our report of even date attached

For Gianender & Associates

Chartered Accountants

(ICAI Registration No.004661N)

G. K. Agrawal

Partner

Membership No: 081603

Place : New Delhi

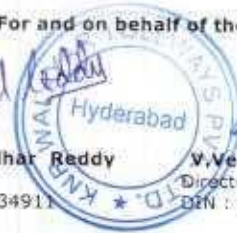
Date : 04-June-2020



For and on behalf of the Board

K. Jalandhar Reddy
K. Jalandhar Reddy
 Director
 DIN : 00434911

V. Venu Gopal Reddy
V. Venu Gopal Reddy
 Director
 DIN : 08089571



KNR Walayar Tollways Private Limited
Statement Of Changes In Equity For The Year Ended March 31, 2020

A - Equity Share Capital

Equity Shares of Rs. 10/- each issued, subscribed and fully paid

	No. of Shares in Lakhs	Amount in Rs. Lakhs
At 1 April, 2018		
Changes in equity share capital during the year	9.00	90.00
At 31 March, 2019	-	-
Changes in equity share capital during the year	9.00	90.00
At 31 March, 2020	-	-
	9.00	90.00

B - Instrument entirely equity in Nature

	(Rs. in Lakhs)
	Loan from Promotor Company
At 1 April, 2018	
Addition during the year	39,651.00
At 31 March, 2019	-
At 1 April, 2019	39,651.00
Addition during the year	39,651.00
At 31 March, 2020	-
	39,651.00

C - Other Equity

	(Rs. in Lakhs)	
Particulars	Retained Earning	Other Comprehensive Income
Balance as at 1st. April, 2018		
Total Comprehensive Income for the Year	(8,592.36)	(1.46)
Balance as at March 31, 2019	(255.24)	1.13
Balance as at 1st. April, 2019	(8,847.60)	(0.33)
Total Comprehensive Income for the Year	(8,847.60)	(0.33)
Balance as at 31 March, 2020	470.15	(1.99)
	(8,377.45)	(2.32)
		(8,379.77)

See accompanying Notes to financial statements.
 As per our report of even date attached
For Gianender & Associates
 Chartered Accountants
 (ICAI Registration No.004661N)

G. K. Agrawal
 Partner
 Membership No: 081603
 Place : New Delhi
 Date : 04-June-2020



For and on behalf of the Board

K. Jalandhar Reddy
 Director
 DIN : 00434911



V.Venu Gopal Reddy
 Director
 DIN : 08089571

KNR Walayar Tollways Private Limited
Cash Flow Statement For The Year Ended March 31, 2020

PARTICULARS	(Rs. in Lakhs)	
	As At March 31, 2020	As At March 31, 2019
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	470.15	(255.24)
Adjustments for		
Depreciation & Amortization Expenses	3,250.15	3,239.84
Interest Expenses & Other borrowing cost	1,440.80	1,514.39
Provision on Actuarial gain/(loss)	(1.99)	1.13
Provision For Major Maintenance	556.01	507.77
Unwinding interest on MMR	144.71	88.11
Liabilities no longer required written back	-	0.41
Un amortized processing fee	6.12	23.56
Interest on FDR	(36.53)	-
Gain on fair value of Mutual funds	(47.68)	(41.46)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	5,781.74	5,078.51
(Increase)/Decrease in Trade and Other Receivables	397.20	(244.13)
Increase/(Decrease) in Trade Payables and Other Liabilities	87.85	57.50
CASH GENERATED FROM OPERATIONS	485.05	(186.63)
Taxes paid	-	-
NET CASH FROM OPERATING ACTIVITIES	6,266.79	4,891.88
B) CASH FLOW FROM INVESTING ACTIVITIES		
(Purchase)/Sale of Investments	(2,557.37)	959.38
Interest/Dividend Received	2.53	41.30
NET CASH USED IN INVESTING ACTIVITIES	(2,554.84)	1,000.68
C) CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of borrowings	(1,804.00)	(4,338.00)
Deemed Equity part of Un-Secured Loan	-	-
Interest Paid	(1,257.09)	(1,524.52)
NET CASH FROM FINANCING ACTIVITIES	(3,061.09)	(5,862.52)
Net change in Cash and Cash Equivalents (A+B+C)	650.86	30.04
Cash and Cash Equivalents including cash credits at the Opening	127.82	97.78
Cash and Cash Equivalents including cash credits at the Closing	778.68	127.82

Notes:

1. Components of Cash & Cash Equivalents

Cash in Hand	46.61	57.15
Bank Balance -Current Account	732.07	70.67
Deposits with Bank	-	-
	778.68	127.82

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 Gianender & Associates

Chartered Accountants

(ICAI Registration No.004661N)

G. K. Agrawal

Partner

Membership No: 081603

Place : New Delhi

Date : 04-June-2020



For and on behalf of the Board

K. Jalandhar Reddy

Director

DIN : 00434911



V. Venu Gopal Reddy

Director

DIN : 08089571

KNR WALAYAR TOLLWAYS PRIVATE LIMITED

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

1. Reporting entity

KNR Walayar Tollways 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, 1956 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 Design, Build, Finance, Operate and Transfer (The "DBFOT") from KM 182.250 to KM 240.000 Walayar – Vadakkancherry of NH-47 in the State of Kerala, Under NHDP – II) on BOT (Toll) basis. The company achieved COD with effect from 31st October 2015.

2. Basis of preparation

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 04-June-2020.

Details of the Company's accounting policies are included in Note 3.

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
Net defined benefit (asset)/liability	Fair value of plan assets (if any) less present value of defined benefit obligations

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



KNR WALAYAR TOLLWAYS PRIVATE LIMITED

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

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 Directors.

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.



3. Significant accounting policies

a. Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized 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.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalized 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 recognized in the statement of profit and loss. Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed of).

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

b. Investment Property

The lands controlled by the company during the period is an asset held for capital appreciation which generates cash flows largely independently of other assets held by the company, hence recognized as an investment property.

Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and the cost of the item can be measured reliably.

c. Intangible Asset Under Service Concession Arrangements

i. Recognition and measurement

The Company recognizes an intangible asset arising from a service concession arrangement to the extent it has a right to charge for use of the concession infrastructure. The fair value, at the time of initial recognition of such an intangible asset received as consideration for providing construction or upgrade services in a service concession arrangement, is regarded to be its cost. Subsequent to initial recognition the intangible asset is measured at cost, less any accumulated amortization and accumulated impairment losses.



KNR WALAYAR TOLLWAYS PRIVATE LIMITED
Notes to the financial statements for the year ended March 31, 2020

ii. Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates.

iii. Amortization

The Company has followed life based amortization for intangible assets which are recognized under service concession arrangements, over the balance concession period.

Government grants – Viability Gap Funding (VGF)

Any VGF in the form of equity support in connection with project construction is accounted as a receivable and is adjusted to the extent of actual receipt.

d. Financial instruments

i. Classification and subsequent measurement

Non-Derivative Financial assets

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

- amortized cost;
- FVTOCI – debt investment;
- FVTOCI – 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.

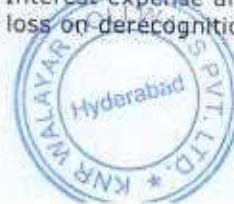
A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- 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.

All financial assets not classified as measured at amortized 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 amortized 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 amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.



ii. De recognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the 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 derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

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

iii. 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 realize the asset and settle the liability simultaneously.

iv. Non-derivative financial assets – service concession arrangements

The Company recognizes an intangible asset arising from a service concession arrangement when it has an unconditional contractual right to collect or 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 intangible assets are measured at fair value upon initial recognition and classified as Intangible asset.

e. Impairment

i. Impairment of financial instruments

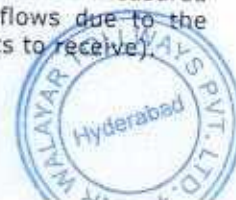
In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortized 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 recognizes 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 amortized cost are deducted from the gross carrying amount of the assets.

Write-off

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

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 recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss. Impairment loss recognized 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.

f. Employee benefits

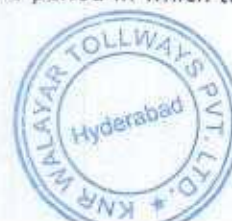
i. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized 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.

ii. Long Term and post employee benefits

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

- i. **Defined contribution plans:** The state governed provident fund scheme, employee state insurance scheme and employee pension scheme are defined contribution plans. The contribution paid/payable under the schemes is recognized during the period in which the employee renders the related service.



KNR WALAYAR TOLLWAYS PRIVATE LIMITED

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

- ii. **Defined benefit plans:** The employees' gratuity fund schemes and provident fund scheme managed by the Company's defined benefit plans. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the related obligations at the Balance Sheet date.

Re measurement, comprising actuarial gains and losses, the return on plan assets (excluding net interest) and any change in the effect of asset ceiling (wherever applicable) are recognized in other comprehensive income and is reflected immediately in retained earnings and is not reclassified to profit & loss.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognize the obligation on a net basis.

Gains or losses on the curtailment or settlement of any defined benefit plan are recognized when the curtailment or settlement occurs. Past service cost is recognized as expense at the earlier of the plan amendment or curtailment and when the Company recognizes related restructuring costs or termination benefits.

g. Provisions (other than employee benefits)

A provision is recognized 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.

Provision for major maintenance

Provisions are taken for contractual obligations to maintain the condition of infrastructure under concession, principally to cover the expense of major road repairs (surface courses, restructuring of slow lanes, etc.), bridges, tunnels etc. Provision for major maintenance is determined by discounting the expected maintenance expense spanning several years at a pre-tax rate that reflects the current market assessment of the time value and the risks specific to the liability and is updated annually. Provisions are also taken whenever recognized signs of defects are encountered on identified infrastructure.

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, 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:

The Company derives revenue primarily from toll collection and other miscellaneous construction contracts. Toll collections from the users of the infrastructure facility constructed by the Company under the Service Concession Arrangement is accounted for based on completion of the performance obligation which largely coincides with actual toll collection from the user. Revenue from sale of smart cards is accounted on recharge basis.



KNR WALAYAR TOLLWAYS PRIVATE LIMITED
Notes to the financial statements for the year ended March 31, 2020

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

- (1) Identify the contract with a customer
- (2) Identify the performance obligations in the contract
- (3) Determine the transaction price
- (4) Allocate the transaction price to the performance obligation in the contract, and
- (5) Recognize revenue when a performance obligation is satisfied.

Others

Dividend & Interest income are recognized when the right to receive is established. Other items of income are accounted as and when the right to receive arises and recovery is certain.

i. 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 recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

Deferred tax is recognized 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 recognized in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognized 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 recognizes 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 recognized, are reviewed at each reporting date and are recognized/ 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.

j. Borrowing cost



KNR WALAYAR TOLLWAYS PRIVATE LIMITED

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

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

k. Segment reporting

The Board of Directors assess the financial performance of the Company and makes 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.

l. 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 adjust the figures used in the determination of basic earnings per share to take into account:

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

m. 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 recognized 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.

n. 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.

o. 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.



KNR Walayar Tollways Private Limited
Notes to the financial statements for the Year ended March 31, 2020

4 - PROPERTY, PLANT AND EQUIPMENT

Particulars	(Rs. in Lakhs)		
	Buildings	Tangible Assets CWIP	Total
Cost			
As at April 1, 2019	58.37	-	58.37
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2020	58.37	-	58.37
Depreciation			
As at April 1, 2019	7.60	-	7.60
Charge for the period	3.40	-	3.40
Disposals	-	-	-
As at March 31, 2020	11.00	-	11.00
Net block			
As at March 31, 2020	47.37	-	47.37
As at March 31, 2019	50.77	-	50.77

Particulars	(Rs. in Lakhs)		
	Buildings	Tangible Assets CWIP	Total
Cost			
As at April 1, 2018	58.37	-	58.37
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2019	58.37	-	58.37
Depreciation			
As at April 1, 2018	5.66	-	5.66
Charge for the period	1.94	-	1.94
Disposals	-	-	-
As at March 31, 2019	7.60	-	7.60
Net block			
As at March 31, 2019	50.77	-	50.77
As at March 31, 2018	52.71	-	52.71

4 - INVESTMENT PROPERTY

PARTICULARS	As at	
	March 31, 2020	March 31, 2019
Immovable Property - Land (Refer Note)	1.04	1.04
	1.04	1.04

Note : The management estimates Fair value of the property as on March 31, 2020 is Rs. 1.06 lakhs and PY 2018-19 is Rs. 1.06 lakhs. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Company consider information from a variety of sources including:

- current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences;
- discounted cash flow projections based on reliable estimates of future cash flows;
- capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

The fair values of investment properties have been determined by management. The main inputs used are the rental growth rates, expected vacancy rates, terminal yields and discount rates based on comparable transactions and industry data. All resulting fair value estimates for investment properties are included in level 3.

4 - INTANGIBLE ASSET

Particulars	(Rs. in Lakhs)			
	Computer software	Carriage Way	Intangible assets under development	Total
Cost				
As at April 1, 2019	0.18	58,530.14	-	58,530.32
Additions	-	-	-	-
Disposals	-	-	-	-
As at March 31, 2020	0.18	58,530.14	-	58,530.32
Depreciation				
As at April 1, 2019	0.18	12,534.58	-	12,534.76
Charge for the period	-	3,246.75	-	3,246.75
Disposals	-	-	-	-
As at March 31, 2020	0.18	15,781.33	-	15,781.51
Net block				
As at March 31, 2020	-	42,748.81	-	42,748.81
As at March 31, 2019	-	45,995.56	-	45,995.56

Particulars	(Rs. in Lakhs)			
	Computer software	Carriage Way	Intangible assets under development	Total
Cost				
As at April 1, 2018	0.18	58,530.14	-	58,530.32
Additions	-	-	-	-
Disposals	-	-	-	-
As at March 31, 2019	0.18	58,530.14	-	58,530.32
Depreciation				
As at April 1, 2018	0.16	9,296.70	-	9,296.86
Charge for the period	0.02	3,237.88	-	3,237.90
Disposals	-	-	-	-
As at March 31, 2019	0.18	12,534.58	-	12,534.76
Net block				
As at March 31, 2019	-	45,995.56	-	45,995.56
As at March 31, 2018	-	49,233.44	-	49,233.44



KNR Walayar Tollways Private Limited
Notes to the financial statements for the Year ended March 31, 2020

5 - OTHER NON-CURRENT ASSETS

PARTICULARS	As at	
	March 31, 2020	March 31, 2019
WCT Receivable	0.79	182.11
GST ITC/Receivable	0.88	0.60
VAT & Other Deposits	1.64	1.64
Total	3.31	184.35

6 - INVESTMENTS

PARTICULARS	No. of Units	As at	
		March 31, 2020	March 31, 2019
CURRENT			
ICICI Mutual Funds (Refer foot note)	319494.239 (PY 36237.149)	938.62	100.17
Total		938.62	100.17

Foot Note : Investment in Mutual funds are recognised at Fair value (i.e. market value), and the respective gain or loss has been recognised through profit and loss

7 - TRADE RECEIVABLE

PARTICULARS	As at	
	March 31, 2020	March 31, 2019
Toll Receivable (Refer foot note)	1,314.64	1,030.14
Total	1,314.64	1,030.14

Foot Note : toll receivable includes amount receivable from Kerala and Tamilnadu state road transportation (KSRTC and TNSRTC), the company received a high court order in favour of the company to collect the Toll from respective state transportation authorities, and the company is pursuing the receivables.

8 - CASH AND CASH EQUIVALENTS

PARTICULARS	As at	
	March 31, 2020	March 31, 2019
Balances with banks:		
In current accounts	732.07	70.67
Cash on hand	46.61	57.15
Total	778.68	127.82

9 - Other Bank Balances

PARTICULARS	As at	
	March 31, 2020	March 31, 2019
Fixed deposits (3months to 12 months)	1,800.61	-
Total	1,800.61	-

10 - OTHER FINANCIAL ASSETS

PARTICULARS	As at	
	March 31, 2020	March 31, 2019
CURRENT		
Receivables from NHAI	174.29	170.88
Total Current Other Financial Assets	174.29	170.88
Total	174.29	170.88

11 - CURRENT TAX ASSETS (Net)

PARTICULARS	As at	
	March 31, 2020	March 31, 2019
TDS Receivable	10.97	507.82
Total	10.97	507.82

12 - OTHER CURRENT ASSETS

PARTICULARS	As at	
	March 31, 2020	March 31, 2019
Un-secured Considered good	1.37	1.27
Staff Imprest & Salary Advances	28.51	35.82
Prepaid expenses		
Total	29.88	37.09



13 - EQUITY CAPITAL

PARTICULARS	(Rs. in Lakhs)	
	As at March 31, 2020	As at March 31, 2019
EQUITY SHARE CAPITAL		
Authorised Share capital 900,000 Equity Shares of Rs. 10/- each	90.00	90.00
Issued, subscribed & fully paid share capital 900,000 Equity Shares of Rs. 10/- each	90.00	90.00
Total	90.00	90.00

Terms/ Rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10/-per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend, if any proposed, by the board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

13.1 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	9.00	90.00	9.00	90.00
Add: Number of Shares Issued	-	-	-	-
Less: Number of Shares Bought Back	-	-	-	-
Number of Equity Shares at the end of the year	9.00	90.00	9.00	90.00

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

Name of the shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of Shares in Lakhs	% held	No. of Shares in Lakhs	% held
KNR Constructions Limited & its nominees	9.00	100.00	9.00	100.00
	9.00	100.00	9.00	100.00

13.3 - Instrument entirely equity in Nature

PARTICULARS	As at	
	March 31, 2020	March 31, 2019
Loan from Promoter Company	39,651.00	39,651.00
Balance at the end of the period	39,651.00	39,651.00

Foot Note : Un secured Loans from KNR Constructions Limited is in the nature of Sub-debt were recognised as a form of equity contribution, and the same was repayable after satisfaction of senior Debt and at the option of the Company.

14 - OTHER EQUITY

PARTICULARS	As at	
	March 31, 2020	March 31, 2019
i) Surplus in the statement of profit and loss		
Balance at the beginning of the period	(8,847.60)	(8,592.36)
Add: Comprehensive Income/(Loss) for the period	470.15	(255.24)
	(8,377.45)	(8,847.60)
ii) Other Comprehensive Income-Gratuity		
Balance at the end of the period	(2.32)	(0.33)
	(8,379.77)	(8,847.93)



KNR Walayar Tollways Private Limited
Notes to the financial statements for the Year ended March 31, 2020

15 - BORROWINGS

PARTICULARS	As at	
	March 31, 2020	March 31, 2019
NON - CURRENT		
Secured loans		
From banks (Refer Foot Note)		
Term loans:	11,513.03	13,802.90
	11,513.03	13,802.90
Total non-current borrowings		
	11,513.03	13,802.90
Total borrowings	11,513.03	13,802.90

Foot Note

Terms of Security

- 1 A first mortgage on all immovable assets (if any) and first charge by way of hypothecation on all moveable assets (including but not limited to all current/non-current assets) both present and future, ranking Pari-Passu with other lenders save and except assets forming part of the project assets as defined in the Concession Agreement
- 2 First-charge /assignment on all intangible assets (other than Project Assets as defined in the Concession Agreement) including but not limited to the goodwill, rights, undertakings and uncalled capital both present and future, ranking pari-passu with other lenders to be availed in the manner and to the extent permissible under the Concession Agreement save and except assets forming part of the Project Assets as defined in the Concession Agreement
- 3 First-charge on all bank accounts including, without limitation, TRA/Escrow Account, and any other bank account to be established by company and each of the other accounts required to be created by the company. Provided that the charge on the retention account and other bank accounts as mentioned above shall always be subject to and the payments from the accounts shall always be in the manner and only to the extent of order of priorities of payments as permitted under the Escrow Agreement
- 4 A first Charge over all rights, title and interest of the Company related to the project from all contracts, insurances, licenses in to and under all project agreement (including the Concession Agreement) to which the borrower is party to including contractor guarantees, liquidated damages and all other contracts relating to the project, provided such charge shall be limited to and to arise to the extent provided under Substitution agreement.
- 5 A pledge of 51% (fifty one percent) of the total issued, paid up and voting equity share capital of the Company held by the Sponsor till final settlement date.

Terms of Repayment

All term loans from banks are repayable in 48 balloned quarterly installments ranging from Rs. 100 Lakhs to Rs. 1750 Lakhs beginning from 1st April 2016 to 31st March 2028. The rate of interest is lead bank 1 year MCLR rate + 0.10%.

16 - PROVISIONS

PARTICULARS	As at	
	March 31, 2020	March 31, 2019
NON - CURRENT		
Major Maintenance (Refer Foot Note)	2,224.03	1,523.31
Gratuity	7.27	4.10
Total non -current provisions		
	2,231.30	1,527.41
CURRENT		
Gratuity	1.11	0.04
Total provisions	2,232.41	1,527.45

Foot Note:

Movement of Provision for Major Maintenance

PARTICULARS	As at	
	March 31, 2020	March 31, 2019
Balance as at 1 April	1,523.31	927.43
Provision made during the year	556.01	507.77
On winding Interest on MMR	144.71	88.11
Provision utilised during the year	-	-
Provision reversed during the year	-	-
Balance as at 31 March	2,224.03	1,523.31

17 - TRADE PAYABLES

PARTICULARS	As at	
	March 31, 2020	March 31, 2019
CURRENT		
Amount payable to-Related Parties (Refer Note : 33)		
O&M Expenses	63.39	60.37
Total current trade payables	63.39	60.37
Total Trade Payables	63.39	60.37

18 - OTHER FINANCIAL LIABILITIES

PARTICULARS	As at	
	March 31, 2020	March 31, 2019
CURRENT		
Current maturities of long-term debts:		
Term loans - Banks	2,296.00	1,804.00
Interest accrued and due on term loans*	183.71	-
Amount payable to Related Parties (Refer Note : 33)		
KNR Constructions Limited	107.11	67.41
Outstanding Expenses	86.87	34.05
Total current other financial liabilities	2,673.69	1,905.46
Total other financial liabilities	2,673.69	1,905.46

* Includes differential interest rate charged by lenders, which is under consideration by the lenders for reduction of rate of interest.

19 - OTHER CURRENT LIABILITIES

PARTICULARS	As at	
	March 31, 2020	March 31, 2019
Dues to statutory/government authorities	4.47	16.39

KNR Walayar Tollways Private Limited
Notes to the financial statements for the Year ended March 31, 2020

20 - REVENUE FROM OPERATIONS

PARTICULARS	(Rs. in Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Toll Revenue		
TOTAL	6,782.10	6,155.94

21 - OTHER INCOME

PARTICULARS	(Rs. in Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Interest From FDR's	36.53	-
Interest on TDS Refund	88.90	-
Gain on mutual funds	47.68	41.46
Change of Scope Income	12.16	350.80
Other Income	0.00	0.41
TOTAL	185.27	392.67

22 - OPERATION & MAINTENANCE EXPENSES

PARTICULARS	(Rs. in Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Operations & Maintenance Expenses - Routine	774.51	737.63
Major Maintenance Expenses - Periodic	556.01	507.77
Change of Scope Expenses	12.16	350.80
TOTAL	1,342.68	1,596.20

23 - EMPLOYEE BENEFITS EXPENSE

PARTICULARS	(Rs. in Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, Wages and Other Benefits	100.58	91.62
Contribution to Provident and Other Funds	8.08	6.36
Staff Welfare expenses	0.25	0.55
TOTAL	108.91	98.53

24 - FINANCE COSTS

PARTICULARS	(Rs. in Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Interest on Term Loans - Banks		
Other Borrowing Cost	1,422.47	1,502.25
Other Borrowing Cost	24.45	35.70
Unwinding Interest on Major Maintenance	144.71	88.11
TOTAL	1,591.63	1,626.06

25 - OTHER EXPENSES

PARTICULARS	(Rs. in Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Travelling & Conveyance	1.92	3.83
Arbitration Fee	-	75.87
Postage, Telegrams and Telephones	4.37	5.41
Printing & Stationery	0.01	0.05
Advertisement and publicity	2.99	2.38
Petrol & Diesel expenses	-	0.14
Mess Expenses	9.68	9.14
Rates and taxes	1.47	0.06
Audit Fee	6.21	5.67
Legal, Professional & Consultancy Expenses	102.48	79.93
Insurance	57.73	41.95
GST Expenses	15.01	18.09
Interest on TDS	0.00	0.05
Other Expenses	1.98	0.65
TOTAL	203.85	243.22

26 - OTHER COMPREHENSIVE INCOME

PARTICULARS	(Rs. in Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
i) Items that will not be reclassified to profit or loss		
Actuarial Gains & Losses	(1.99)	1.13
TOTAL	(1.99)	1.13

KNR Walayar Tollways Private Limited
Notes to the financial statements for the Year ended March 31, 2020

27. 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 31 March 2020 was as follows

	(Rs. in Lakhs)	
	March 31, 2020	March 31, 2019
Debits	13,992.73	15,606.90
Less: cash and cash equivalents	(778.68)	(127.82)
Adjusted net debt	13,214.05	15,479.08
Total equity	31,361.23	30,893.07
Adjusted equity	31,361.23	30,893.07
Adjusted net debt to adjusted equity ratio	0.42	0.50

Foot Note : Debt includes Long Term Borrowings (Including Current Maturities) and Interest accrued there on.

28. 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)			
	FVTPL	Carrying amount	Fair Value			
		Amortised Cost	Level 1	Level 2	Level 3	Total
Financial assets						
Investments in mutual funds	938.62	-	938.62	-	-	938.62
Trade Receivables	-	1,314.64	-	-	1,314.64	1,314.64
Other financial assets	-	174.29	-	-	174.29	174.29
Cash and cash equivalents	-	778.68	-	-	-	778.68
	938.62	2,267.61	938.62	-	1,488.93	2,427.54
Financial liabilities						
Secured bank loans	-	13,809.03	-	-	13,858.00	13,858.00
Trade payables	-	63.39	-	-	63.39	63.39
Other financial liabilities	-	377.69	-	-	377.69	377.69
	-	14,250.11	-	-	14,299.08	14,299.08

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

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

March 31, 2019

	(Rs. in Lakhs)		(Rs. in Lakhs)			
	FVTPL	Carrying amount	Fair Value			
		Amortised Cost	Level 1	Level 2	Level 3	Total
Financial assets						
Investments in mutual funds	100.17	-	100.17	-	-	100.17
Trade Receivables	-	1,030.14	-	-	1,030.14	1,030.14
Other financial assets	-	170.88	-	-	170.88	170.88
Cash and cash equivalents	-	127.82	-	-	-	127.82
	100.17	1,328.84	100.17	-	1,201.02	1,301.19
Financial liabilities						
Secured bank loans	-	15,606.90	-	-	15,662.00	15,662.00
Trade payables	-	60.37	-	-	60.37	60.37
Other financial liabilities	-	101.46	-	-	101.46	101.46
	-	15,768.73	-	-	15,823.83	15,823.83

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

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



28. Financial instruments - Fair values and risk management**B. Financial risk management**

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

- a) credit risk
- b) liquidity risk
- c) market risk

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

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

a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers; loans and investments in debt securities.

The carrying amounts of financial assets represent the maximum credit risk exposure.

Trade receivables

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

As on March 31, 2018 Company has to receive money from the Road Transportation Corporation of Tamilnadu & Kerala States, and the management of the company believes that the credit risk is negligible.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimizing its cash return on investments.

Exposure to liquidity risk

The following tables detail the company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the company may be required to pay.

March 31, 2020

	Carrying Amount	Contractual Cash flows (Rs. in Lakhs)		
		Upto 1 Year	1-3 years	More than 3 year
Non-derivative financial liabilities				
Secured bank loans	13,809.03	3,433.24	8,888.54	4,410.70
Trade payables	63.39	63.39	-	-
Other financial liabilities	377.69	377.69	-	-
	14,250.11	3,874.32	8,888.54	4,410.70

March 31, 2019

	Carrying Amount	Contractual Cash flows (Rs. in Lakhs)		
		Upto 1 Year	1-3 years	More than 3 year
Non-derivative financial liabilities				
Secured bank loans	15,606.90	3,115.23	7,458.67	9,218.72
Trade payables	60.37	60.37	-	-
Other financial liabilities	101.46	101.46	-	-
	15,768.73	3,277.06	7,458.67	9,218.72



c) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Foreign Currency Risk

Foreign Currency risk is the risk that fair value or future cash flow of a financial instrument will fluctuate because of changes in foreign exchange rate.

The Company is not exposed to foreign currency risk as it has no borrowing or no material payables in foreign currency.

Interest rate risk

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

The interest risk arises to the company mainly from long term borrowings with variable rates. The Company measures risk through sensitivity analysis.

The Company is exposed to Interest rate risk as it has variable interest rate borrowings.

The company's exposure to interest rate risk due to borrowings is as follows:

Particulars	Note No.	March 31, 2020	March 31, 2019
Borrowings outstanding	14	11,513.03	13,802.90
Borrowings Current maturities	17	2,296.00	1,804.00

Sensitivity analysis

Interest Rate Risk Analysis	Impact on profit/ loss after tax	
	FY 2019-20	FY 2018-19
Increase or decrease in Interest by 25bp	36.77	44.41

Note : In case of Increase in Interest rate, Profit will reduce and vice versa

Price risk

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

The company is exposed to price risk due to investments in mutual funds and classified as fair value through profit and loss.

The company measures risk through sensitivity analysis.

The company's risk management policy is to mitigate the risk by investments in diversified mutual funds.

The company's exposure to price risk due to investments in mutual fund is as follows:

Particulars	Note No.	March 31, 2020	March 31, 2019
Investments in Mutual Funds	6	938.62	100.17

Sensitivity analysis

Price Rate Risk Analysis	Impact on profit/ loss after tax	
	FY 2019-20	FY 2018-19
Increase or decrease in NAV by 2%	10.39	11.60

Note : In case of Decrease in NAV, Profit will reduce and vice versa

28C. Service concession arrangement

The Company has entered into a service concession arrangement with National Highways Authorities of India (NHAI) for development, maintenance and management of Four Laning of 53.89 Km for the package from Walayar to Vadakkancherry Section of NH-47 from Km 182.250 to Km240.000 in the state of Kerala through Public Private Partnership (PPP) on Design, Build, Finance, Operate and Transfer (DBFOT) on Toll basis under NHDP-II for a period of 20 years including construction period, and the SCA does not provide any alteration to the arrangement. The Company has achieved its 100% PCOD on 31st October, 2015.

The Company has received a cash support by way of grant for a sum of INR 26,460.00 Lakhs (29% of the total project cost). And the same was adjusted against the intangible asset.

The Company has right to charge users of asset as toll without any minimum guarantee from the grantor. Accordingly, the Company has recognised an intangible asset. At the end of the concession period the toll road will become the property of the grantor and the Company will have no further involvement in its operation or maintenance.

During the year, the Company has recorded toll revenue of Rs. 6782.10 lakhs.

The Company has recognised a gross intangible asset of INR 58,530.14 Lakhs and the amortization is charged on the basis of useful life of asset.



KNR WALAYAR TOLLWAYS PRIVATE LIMITED

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

29 Contingent Liability and Commitments and Contingent Assets

Particulars	(Rs. in Lakhs)	
	2019-20	2018-19
a) Contingent Liability		
Arbitral award passed in the favour of SPV to be passed on to EPC Contractor.	22,232.06	17,060.05
Claims against the company	Nil	Nil
b) Capital Commitment		
Commitment to the extent not provided for	Nil	Nil
c) Contingent Assets		
Arbitral award passed in the favour of SPV	17,060.05	17,060.05

Note : The Above Arbitration claims includes interest of Rs. 3445.95 lakhs

30 Amount paid to the Statutory Auditors (Excluding of taxes)

Audit and Other Fees	(Rs. In Lakhs)	
	2019-20	2018-19
Statutory Audit Fees	5.00	5.00
Tax Audit	0.55	0.55
Other Services	0.48	0.12
Out of Pocket Expenses	0.18	0.00

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

Particulars	(Rs. In Lakhs)	
	2019-20	2018-19
i. Profit (loss) attributable to equity shareholders(basic)	470.15	(255.24)
ii. Weighted average number of equity shares (basic)	9.00	9.00
Basic EPS	52.24	(28.36)
i. Profit (loss) attributable to equity shareholders(diluted)	470.15	(255.24)
ii. Weighted average number of equity shares (diluted)	9.00	9.00
Diluted EPS	52.24	(28.36)

32 Employee Benefits

The disclosure is pursuant to the requirements of Ind AS - 19

Defined Benefit plans:

The Company operates gratuity plan through a trust wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement whichever is earlier. The benefit vests after five years of continuous service.

The amount to be recognized in the Balance Sheet:

Particulars	(Rs. In Lakhs)	
	2019-20	2018-19
Present value of the obligation at the end of the period	8.38	4.14
Fair value of plan assets at end of period	-	-
Net liability/(asset) recognized in Balance Sheet and related analysis	8.38	4.14



KNR WALAYAR TOLLWAYS PRIVATE LIMITED

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

Expense to be recognized in the statement of Profit and Loss:

Particulars	(Rs. In Lakhs)	
	2019-20	2018-19
Interest cost	0.32	0.26
Current service cost	1.92	1.59
Expected return on plan asset		
Premium Expenses		
Expenses to be recognized in the statement of profit and loss accounts	2.24	1.85

Expense to be recognized in the statement of OCI:

Particulars	(Rs. In Lakhs)	
	2019-20	2018-19
Due to Change in financial assumptions	0.56	(0.07)
Due to experience adjustments	0.55	(1.06)
Due to Demographic adjustments	0.87	
Amounts to be recognized in the Other Comprehensive Income	1.99	(1.13)

Table Showing Changes in Present Value of Obligations:

Particulars	(Rs. In Lakhs)	
	2019-20	2018-19
Present value of the obligation at the beginning of the period	4.14	3.42
Interest cost	0.32	0.26
Current service cost	1.93	1.59
Benefits paid (if any)		
Actuarial (gain)/loss	1.99	(1.13)
Present value of the obligation at the end of the period	8.38	4.14

Actuarial (Gain)/Loss on Planned Assets:

Particulars	(Rs. In Lakhs)	
	2019-20	2018-19
Actual return on plan assets	Nil	Nil
Expected return on plan assets	Nil	Nil
Actuarial gain/ (Loss)	1.99	(1.13)

Actuarial (Gain)/Loss recognized:

Particulars	(Rs. In Lakhs)	
	2019-20	2018-19
Actuarial (gain)/loss - obligation	1.99	(1.13)
Actuarial (gain)/loss - plan assets	Nil	Nil
Total Actuarial (gain)/loss	1.99	(1.13)
Actuarial (gain)/loss recognized	1.99	(1.13)
Outstanding actuarial (gain)/loss at the end of the period	1.99	(1.13)

Summary of membership data at the date of valuation and statistics based thereon:

Particulars	(Rs. In Lakhs)	
	2019-20	2018-19
Number of employees	68	56
Total monthly Basic salary	Rs 7.81 Lakhs	Rs 6.32 Lakhs
Average Past Service(Years)	2.39 years	1.80 years
Average remaining working lives of employees(Years)	34.89 years	34.70 years
Average Age(Years)	7.01 years	15.24 years



KNR WALAYAR TOLLWAYS PRIVATE LIMITED

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

The assumptions employed for the calculations are tabulated:

Discount rate	6.55 % per annum
Salary Growth Rate	4.00%
Mortality	IALM 2006-08 Ultimate
Expected rate of return	0
Withdrawal rate (Per Annum)	20.00% P.A at younger ages reducing to 1.00% P.A at older ages

	March 31, 2020	March 31, 2019
Discount rate Sensitivity		
Increase by 1.0%	7.92	3.70
(% change)	-5.47%	-10.64%
Decrease by 1.0%	8.91	4.68
(% change)	6.3%	12.93%
Salary growth rate Sensitivity		
Increase by 1.0%	8.91	4.69
(% change)	6.4%	13.31%
Decrease by 1.0%	7.90	3.68
(% change)	-5.65%	-11.09%
Withdrawal rate (W.R.) Sensitivity		
W.R. x 110%	8.35	4.21
(% change)	-0.29%	1.79%
W.R. x 90%	8.38	4.06
(% change)	0.07%	-2.04%

33 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 & EPC Contractor
2	Mr. K. Narasimha Reddy	Director
3	Mr. K. Jalandhar Reddy	Director

Transactions during the year ended

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	Instruments entirely Equity in nature	-	-
		EPC Change of Scope	12.16	350.80
		O&M Expenditure	774.51	737.63
		Reimbursement of expenses made on our behalf	221.53	179.87

Balances outstanding

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	90.00	90.00
		Instruments entirely Equity in nature	39,651.00	39,651.00
		Withheld	43.14	39.46
		O&M Payable	63.39	60.37
		Reimbursement of Expenses Payable	63.97	27.95



KNR WALAYAR TOLLWAYS PRIVATE LIMITED

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

34 Investment Property

The lands controlled by the company during the period is an asset held for capital appreciation which generates cash flows largely independently of other assets held by the company, hence recognized as an investment property.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with cost model and are stated at original cost net of tax/duty credits availed, if any.

Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

35 Foreign Currency Transactions:

S. No.	Particulars	2019-20	2018-19
1	CIF Value of Imports	Nil	Nil
2	Expenditure in Foreign Currency	Nil	Nil
3	Earnings in Foreign Currency	Nil	Nil

36 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.

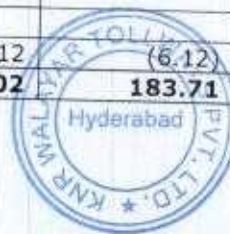
37 The duration and impact of the COVID-19 pandemic remains unclear at present as on book closure date. Hence, it is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods. However, the company is protected by the clauses 34.6 of the Concession Agreement to claim such loss under force majeure event in the form of revenue loss compensation by way of extension of the concession period. The management of the Company will study the impact & the appropriate claim will be lodged after this pandemic period. Accordingly, the financial position and results of operations as of and for the year ended 31st March 2020 have not been adjusted to reflect their impact.

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

FY 2019-20

(Rs. In Lakhs)

Particulars	Long Term Borrowings	Interest
Opening Balance	15,606.90	-
Interest Accrued during the year		1,446.92
Cash flows		
Repayment	(1804.00)	
Interest paid		(1,257.09)
Non-Cash items		
Foreign Exchange		
Impact of EIR	6.12	(6.12)
Closing Balance	13,809.02	183.71



KNR WALAYAR TOLLWAYS PRIVATE LIMITED

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

FY 2018-19

(Rs. In Lakhs)

Particulars	Long Term Borrowings	Interest
Opening Balance	19,921.35	10.12
Interest Accrued during the year		1,537.95
Cash flows		
Repayment	(4,338.00)	
Interest paid		(1,524.52)
Non-Cash items		
Foreign Exchange		
Impact of EIR	23.56	(23.56)
Closing Balance	15,606.90	0.00

39 Segment Information

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

40 Taxes on Income

The Company does not have any taxable income and book profit under Minimum Alternative Tax (MAT) 115JB. The Company is eligible for deduction under section 80IA of Income Tax Act and the tax holiday period of the company's project falls within the concession period of the company as defined in Section 80IA. Since deferred tax on Timing differences between Accounting Income and Taxable Income that arise during the year is reversing during such tax holiday period, no deferred tax asset/liability arises and accordingly no provision is made in the accounts.

41 Previous year's figures have been regrouped/reclassified/rearranged wherever considered necessary.

For Gianender & Associates

Chartered Accountants
ICAI Regn. No.004661N

For and on behalf of the Board



G. K. Agrawal

Partner

M.No.081603

Place: New Delhi

Date: 04-June-2020



K. Jalandhar Reddy

Director

DIN: 00434911

V. Venu Gopal Reddy

Director

DIN: 08089571