

**PATEL KNR Heavy Infrastructures Ltd.**  
**Balance Sheet as at March 31, 2022**

(Rs. in Lakhs)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
<b>I ASSETS</b>			
<b>1) NON-CURRENT ASSETS</b>			
a) Property, plant and equipment	4	38.20	21.73
b) Financial Assets			
i) Financial asset Receivables	5	24,929.93	29,607.18
ii) Other Financial Asset	10	227.78	310.78
c) Other non-current assets	6	500.56	309.86
		<b>25,696.47</b>	<b>30,249.55</b>
<b>2) CURRENT ASSETS</b>			
a) Financial assets			
i) Investments	7	6,249.39	7,724.22
ii) Financial asset Receivables	5	6,037.54	3,111.44
iii) Cash and cash equivalents	8	86.05	235.37
iv) Other Bank Balances	9	412.81	-
v) Other Financial Asset	10	1,255.23	1,252.56
b) Current tax asset (net)	11	886.73	710.70
c) Other current assets	12	33.55	190.28
		<b>14,961.30</b>	<b>13,224.57</b>
		<b>40,657.77</b>	<b>43,474.12</b>
<b>TOTAL ASSETS</b>			
<b>II EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
a) Equity Share capital	13	2,382.38	2,382.38
b) Instrument entirely equity in nature	13.4	4,104.22	4,104.22
c) Other equity	14	5,270.63	2,014.87
<b>Total Equity</b>		<b>11,757.23</b>	<b>8,501.47</b>
<b>LIABILITIES</b>			
<b>1) NON - CURRENT LIABILITIES</b>			
a) Financial liabilities			
i) Borrowings	15	22,697.66	27,316.39
ii) Other financial liabilities	16	109.57	410.94
b) Other non-current liabilities	17	86.19	103.61
		<b>22,893.42</b>	<b>27,830.94</b>
<b>2) CURRENT LIABILITIES</b>			
a) Financial liabilities			
i) Borrowings	15	4,632.50	4,153.75
ii) Trade Payables			
Dues to Micro & Small Enterprises	18	-	-
Due to other than Micro & Small Enterprises	18	56.50	633.34
iii) Other financial liabilities	16	16.22	30.59
b) Other current liabilities	19	39.08	53.75
c) Provisions	20	1,262.82	2,270.28
		<b>6,007.12</b>	<b>7,141.71</b>
<b>Total Liabilities(1+2)</b>		<b>28,900.54</b>	<b>34,972.65</b>
<b>TOTAL EQUITY AND LIABILITIES</b>			
		<b>40,657.77</b>	<b>43,474.12</b>

Corporate information and Significant accounting policies 1 to 3

Notes referred to above form an integral part of the financial statements

As per our report of even date attached

**For M.K. Dandekar & Co**

Chartered Accountants

(Firm Registration No. 000679S )

**For and on behalf of the Board**

**S. Poosaidurai**

Partner

Membership No: 223754

**K.N Reddy**

(Director)

DIN: 00382412

**B.S.Reddy**

(Director)

DIN: 01675600

Place: Hyderabad

Date: 14-05-2022



**S. Vaikuntanathan**  
Chief Financial Officer

**Mohit Agarwal**  
Company Secretary



**PATEL KNR Heavy Infrastructures Ltd.**  
**Statement of Profit And Loss for the Year ended March 31, 2022**

(Rs. in Lakhs)

PARTICULARS	Note No	Year ended March 31, 2022	Year ended March 31, 2021
		Audited	Audited
<b>I</b> Revenue from Operations	21	5,784.62	7,217.11
<b>II</b> Other income	22	1,955.02	1,440.36
<b>III Total Revenue (I + II)</b>		<b>7,739.64</b>	<b>8,657.47</b>
<b>IV Expenses</b>			
Operating & Maintenance expenses	23	678.59	1,885.30
Employee benefits expenses	24	3.56	-
Finance costs	25	3,550.89	4,702.65
Depreciation	4	9.86	4.26
Other expenses	26	240.98	178.59
<b>Total expenses (IV)</b>		<b>4,483.88</b>	<b>6,770.80</b>
<b>V Profit before exceptional items and tax (III - IV)</b>		<b>3,255.76</b>	<b>1,886.67</b>
<b>VI Exceptional items</b>		-	-
<b>VII Profit/(Loss) before tax (V - VI)</b>		<b>3,255.76</b>	<b>1,886.67</b>
<b>VIII Tax expense</b>			
1) Current tax	27	-	-
2) Prior Period Tax	27	-	(1.25)
3) MAT Credit	27	-	697.31
4) Deferred tax		-	-
		-	<b>696.06</b>
<b>IX Profit/(Loss) for the period (VII-VIII)</b>		<b>3,255.76</b>	<b>1,190.61</b>
<b>X Other Comprehensive Income</b>			
Actuarial gains and losses		-	-
<b>XI Total Comprehensive Income for the period (IX+X)</b>		<b>3,255.76</b>	<b>1,190.61</b>
<b>XII Basic Earnings per equity share</b>			
1) Basic	33	13.67	5.00
2) Diluted		13.67	5.00

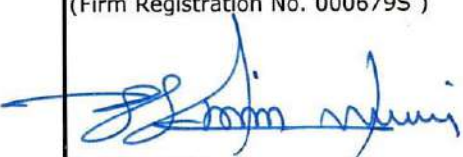
Corporate information and Significant accounting policies 1 to 3

Notes referred to above form an integral part of the financial statements  
As per our report of even date attached

**For M.K. Dandeker & Co**

Chartered Accountants  
(Firm Registration No. 000679S )

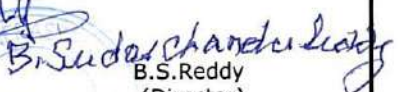
**For and on behalf of the Board**

  
**S. Poosaidurai**  
Partner  
Membership No: 223754



Place: Hyderabad  
Date: 14-05-2022

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

  
**B.S.Reddy**  
(Director)  
DIN: 01675600

  
**S. Vaikuntanathan**  
Chief Financial Officer

  
**Mohit Agarwal**  
Company Secretary

**PATEL KNR Heavy Infrastructures Ltd.**  
**Statement Of Changes In Equity For the Year ended March 31, 2022**

**A - Equity Share Capital**

(Rs. In Lakhs)

Particulars	No. of Shares	
	in Lakhs	Amount in Rs. Lakhs
<b>As at April 01, 2020</b>	238.24	2,382.38
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	-	-
Changes in equity share capital during the year	-	-
<b>As at March 31, 2021</b>	<b>238.24</b>	<b>2,382.38</b>
<b>As at April 01, 2021</b>	238.24	2,382.38
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	-	-
Changes in equity share capital during the year	-	-
<b>At March 31, 2022</b>	<b>238.24</b>	<b>2,382.38</b>

**B - Instruments entirely equity in nature**

(Rs. In Lakhs)

Particulars	Amount in Rs. Lakhs
Opening as on April 1, 2020	4,104.22
Addition during the year	-
<b>Closing as on March 31, 2021</b>	<b>4,104.22</b>
Opening as on April 1, 2021	4,104.22
Addition during the period	-
<b>Closing as on March 31, 2022</b>	<b>4,104.22</b>

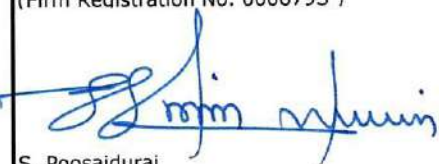
**C - Other Equity**

(Rs. In Lakhs)

Particulars	Debenture Redemption Reserve	Retained Earning	Total
Balance as at 1st, April, 2020	365.00	459.26	824.26
Total Comprehensive Income for the Year	-	1,190.61	1,190.61
Transfer to Debenture Redemption Reserve	-	-	-
<b>Balance as at March 31, 2021</b>	<b>365.00</b>	<b>1,649.87</b>	<b>2,014.87</b>
Balance as at 1st, April, 2021	365.00	1,649.87	2,014.87
Total Comprehensive Income for the Year	-	3,255.76	3,255.76
Transfer to Debenture Redemption Reserve	2,077.00	(2,077.00)	-
<b>Balance as at March 31, 2022</b>	<b>2,442.00</b>	<b>2,828.63</b>	<b>5,270.63</b>


As per our report of even date attached  
 For M.K. Dandekar & Co  
 Chartered Accountants  
 (Firm Registration No. 000679S )

For and on behalf of the Board




S. Poosaidurai  
 Partner  
 Membership No: 223754  
 Place: Hyderabad  
 Date: 14-05-2022

  
 K.N Reddy  
 (Director)  
 DIN: 00382412

  
 S. Vaikuntanathan  
 Chief Financial Officer



  
 B.S.Reddy  
 (Director)  
 DIN: 01675600

  
 Mohit Agarwal  
 Company Secretary



**PATEL KNR Heavy Infrastructures Ltd.**  
**Cash Flow Statement for the Year ended March 31, 2022**

(Rs. In Lakhs)

PARTICULARS	Year ended March 31, 2022	Year ended March 31, 2021
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	3,255.76	1,886.67
<b>Adjustments for</b>		
Depreciation	9.86	4.26
Interest Expenses	3,454.12	3,975.29
Derivative (Gain)/Loss on foreign currency derivatives & IRS	(218.37)	87.50
Loss on sale of Asset	0.86	-
Provision for Periodic Maintenance	-	1,180.56
Unwinding Interest on Periodic maintenance Expense	-	332.18
Modification Gain or Loss	(1,338.22)	-
Net Gain/(Loss) on FV of Mutual Fund Units	(267.93)	(246.73)
Unamortized Processing Fee-Expenses	13.77	-
Interest Income	(14.23)	-
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>4,895.62</b>	<b>7,219.73</b>
(Increase)/Decrease in Trade and Other Receivables	3,135.73	1,170.82
Increase/(Decrease) in Trade Payables and Other Liabilities	(1,703.16)	(2,462.58)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>6,328.19</b>	<b>5,927.97</b>
Taxes paid	(176.03)	(156.55)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>6,152.16</b>	<b>5,771.42</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(28.68)	-
Sale of Fixed Assets	1.50	-
Investments in FDR	(412.81)	-
Net Proceeds From Current Investments	1,742.77	1,868.12
Interest Received	14.23	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>1,317.01</b>	<b>1,868.12</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long Term Funds Borrowed/(Repaid)	(4,153.75)	(3,775.00)
Interest Paid	(3,464.74)	(3,961.58)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>(7,618.49)</b>	<b>(7,736.58)</b>
<b>Net change in Cash and Cash Equivalents (A+B+C)</b>	<b>(149.32)</b>	<b>(97.04)</b>
Cash and Cash Equivalents as at April 01, 2021 (Opening Balance)	235.37	332.41
Cash and Cash Equivalents as at March 31, 2022 (Closing Balance)	<b>86.05</b>	<b>235.37</b>

**Notes:**

**1 Components of Cash & Cash Equivalents**

Bank Balance - Current Account	86.05	235.37
Cash in Hand	-	-
	<b>86.05</b>	<b>235.37</b>

2 The Cash flow statement is prepared in accordance with the 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.

Notes referred to above form an integral part of the financial statements

As per our report of even date attached

**For M.K. Dandeker & Co**  
**Chartered Accountants**  
**(Firm Registration No. 000679S)**

S. Poosaidurai  
 Partner  
 Membership No: 223754



Place: Hyderabad  
 Date: 14-05-2022

**For and on behalf of the Board**

K.N Reddy  
 (Director)  
 DIN: 00382412

S. Vaikuntanathan  
 (CFO)

B.S.Reddy  
 (Director)  
 DIN: 01675600

Mohit Agarwal  
 Company Secretary

**PATEL KNR Heavy Infrastructures Limited**  
**Notes to the financial statements for the year ended March 31, 2022**

**1. Reporting entity**

PATEL KNR Heavy Infrastructures Limited (the 'Company') is a company domiciled in India, with its registered office situated at KNR House, Phase I, Kavuri hills, Jubilee 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 ('KNRCL') and Patel Engineering Infrastructures Ltd ('PEL').

The Company has entered into a Service Concession Arrangement ("SCA") with National Highway Authority of India ("NHAI") for the Design, Construction, Development, Finance, Operation, and Maintenance of Islam Nagar (KM 230.00) to Kadthal (KM 278.00) of Nagpur -Hyderabad Section on NH-7 in the State of Telangana, Under North-South Corridor (NHDP Phase -II) on BOT (Annuity) basis - Project Reference Number NS-2 /BOT/AP-07. The company achieved Provisional COD with effect from 11th June 2010.

**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.

**B. Functional and presentation currency**

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

**C. Basis of measurement**

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

Items	Measurement Basis
Certain financial assets and liabilities	Fair value

**D. Current Assets and Current Liabilities**

**Current Assets:**

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

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

All other assets shall be classified as non-current.

**Current Liabilities:**

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

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

All other liabilities shall be classified as non-current.

**E. Use of estimates and judgment**

The preparation of these financial statements in conformity with Ind AS requires the management to make estimates and assumptions considered in the reported amounts of assets, liabilities (including



**PATEL KNR Heavy Infrastructures Limited**  
**Notes to the financial statements for the year ended March 31, 2022**

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

**F. Measurement of fair values**

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

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

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

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

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

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

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

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

**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 capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any

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

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.



**PATEL KNR Heavy Infrastructures Limited**  
**Notes to the financial statements for the year ended March 31, 2022**

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

**ii. Subsequent expenditure**

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

**iii. Depreciation**

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

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

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

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

**i) Financial Asset under SCA**

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

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

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

**c. Financial instruments**

**i. Recognition and initial measurement**

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

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

**ii. Classification and subsequent measurement**

**Non-Derivative Financial assets**

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

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



**PATEL KNR Heavy Infrastructures Limited**  
**Notes to the financial statements for the year ended March 31, 2022**

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

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

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

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

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

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

***Financial liabilities: Classification, subsequent measurement and gains and losses***

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

***iii. De-recognition***

***Financial assets***

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

***Financial liabilities***

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

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





**iv. Offsetting**

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

**v. Non-derivative financial assets – service concession arrangements**

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

**d. Impairment**

**i. Impairment of financial instruments**

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

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

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

**Measurement of expected credit losses**

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

**Presentation of allowance for expected credit losses in the Balance Sheet**

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

**Write-off**

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



**PATEL KNR Heavy Infrastructures Limited**  
**Notes to the financial statements for the year ended March 31, 2022**

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

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

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

**e. Cash and cash equivalents**

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

**f. Employee benefits**

**Short-term employee benefits**

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

**g. Provisions (other than employee benefits)**

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

**h. Revenue recognition**

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

**Accordingly, the policy for Revenue is amended as under:**

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

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

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



**PATEL KNR Heavy Infrastructures Limited**

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

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

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

**Other Income**

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

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

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

**i. FOREIGN CURRENCY TRANSACTIONS AND DERIVATIVES**

**Foreign Currency transaction and translation expenditure**

At each Balance Sheet date, foreign currency monetary items are reported using the closing rate or at amount likely to be realized from or required to disburse. Exchange differences that arise on settlement of Long Term monetary items or on reporting at each Balance sheet date, of Long Term Monetary items at the closing rate are charged to Profit and loss account.

**Forward Exchange Contract/Derivative accounting**

Exchange differences on such contracts are recognized in the statement of profit & loss in the reporting period in which the exchange rates changes.

The Derivatives are recognised at Fair value and the respective Income/ (Expenditure) has been charged to Profit & Loss Account.

- a) The functional reporting currency of the Company is Indian Rupee.
- b) Foreign Currency transactions are recorded on initial recognition in the reporting currency, using the exchange rate on the date of the transaction.
- c) At each Balance Sheet date, foreign currency monetary items are reported using the closing rate or at amount likely to be realized from or required to disburse. Exchange differences, that arise on settlement of Long Term monetary items or on reporting at each Balance sheet date, of Long Term Monetary items at the closing rate or realizable rate are adjusted in carrying value of the related fixed assets whereas for short term monetary items the same is recognized as income or expense.
- d) Forward Exchange Contract: Exchange differences on such contracts are recognized in the statement of profit & loss in the reporting period in which the exchange rates changes. Any profit or loss arising on the cancellation of such forward contract is recognized as income or expense for the period.
- e) Under Ind AS, foreign exchange forward contracts are mark-to-market as at Balance Sheet date and unrealized net gain or loss is recognised in profit and loss statement. Derivative assets and derivative liabilities are presented on gross basis.



**j. Recognition of interest income or expense**

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

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

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

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

**k. Income tax**

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

**i. Current tax**

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

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

**ii. Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

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

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized, or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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



**l. Borrowing cost**

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

**m. Segment reporting**

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

**n. 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

**o. Contingent liabilities and contingent assets**

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

Contingent assets have to be recognised in the financial statements in the period in which if it is virtually certain that an inflow of economic benefits will arise. Contingent assets are assessed continually, and no such benefits were found for the current financial year.

**p. 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.

**PATEL KNR Heavy Infrastructures Ltd.**  
**Notes to the financial statements for the Year ended March 31, 2022**

**4 - PROPERTY, PLANT AND EQUIPMENT**

(Rs. In Lakhs)

Particulars	Tangible Assets			
	Buildings*	Vehicles	Office Equipment	Total
<b>Cost</b>				
As at April 1, 2021	28.78	14.16	0.29	43.23
Additions	-	28.68	-	28.68
Disposals/Adjustments	-	(14.16)	-	(14.16)
<b>As at March 31, 2022</b>	<b>28.78</b>	<b>28.68</b>	<b>0.29</b>	<b>57.75</b>
<b>Depreciation</b>				
As at April 1, 2021	10.07	11.16	0.27	21.50
Charge for the period	2.34	7.50	0.02	9.86
Disposals/Adjustments	-	(11.81)	-	(11.81)
<b>As at March 31, 2022</b>	<b>12.41</b>	<b>6.85</b>	<b>0.29</b>	<b>19.55</b>
<b>Net block</b>				
<b>As at March 31, 2022</b>	<b>16.37</b>	<b>21.83</b>	<b>0.00</b>	<b>38.20</b>
As at March 31, 2021	18.71	3.00	0.02	21.73

\* The flat is mortgaged to Debenture Trustee

(Rs. In Lakhs)

Particulars	Tangible Assets			
	Buildings*	Vehicles	Office Equipment	Total
<b>Cost</b>				
As at April 1, 2020	28.78	14.16	0.29	43.23
Additions	-	-	-	-
Disposals/Adjustments	-	-	-	-
<b>As at March 31, 2021</b>	<b>28.78</b>	<b>14.16</b>	<b>0.29</b>	<b>43.23</b>
<b>Depreciation</b>				
As at April 1, 2020	7.73	9.30	0.21	17.24
Charge for the period	2.34	1.86	0.06	4.26
Disposals/Adjustments	-	-	-	-
<b>As at March 31, 2021</b>	<b>10.07</b>	<b>11.16</b>	<b>0.27</b>	<b>21.50</b>
<b>Net block</b>				
<b>As at March 31, 2021</b>	<b>18.71</b>	<b>3.00</b>	<b>0.02</b>	<b>21.73</b>
As at March 31, 2020	21.05	4.86	0.08	25.99



**PATEL KNR Heavy Infrastructures Ltd.**  
Notes to the financial statements for the Year ended March 31, 2022

**5 - FINANCIAL ASSET RECEIVABLE**

PARTICULARS	(Rs. In Lakhs)	
	As at	
	March 31, 2022	March 31, 2021
<b>NON - CURRENT</b>		
Financial Asset Receivable (Refer Note No : 30)	24,929.93	29,607.18
	<b>24,929.93</b>	<b>29,607.18</b>
<b>CURRENT</b>		
Financial Asset Receivable (Refer Note No : 30)	6,037.54	3,111.44
<b>Total Current Receivables</b>	<b>6,037.54</b>	<b>3,111.44</b>
<b>Total</b>	<b>30,967.47</b>	<b>32,718.62</b>

**6 - OTHER NON-CURRENT ASSETS**

PARTICULARS	(Rs. In Lakhs)	
	As at	
	March 31, 2022	March 31, 2021
GST Input credit	500.56	309.86
<b>Total</b>	<b>500.56</b>	<b>309.86</b>

**7 - INVESTMENTS**

PARTICULARS	(Rs. In Lakhs)			
	As at			
	No.of Units	March 31, 2022	No.of Units	March 31, 2021
<b>CURRENT</b>				
<b>Investment in Mutual Funds(Quoted) (Refer note)</b>				
-L&T Resurgent India Corporate Bond Fund	4,632,881	766.13	2,200,549	347.56
-ICICI Prudential Banking & PSU Debt Fund - Regular - Growth	-	-	5,662	158.87
-L&T Short Term Bond Fund - Regular - Growth	25,314,565	5,483.26	34,634,325	7,217.79
<b>Total Current Investments</b>	<b>29,947,446</b>	<b>6,249.39</b>	<b>36,840,535</b>	<b>7,724.22</b>
<b>Total</b>		<b>6,249.39</b>		<b>7,724.22</b>

**Note:**

The Company has recognised the investments at Fair Value(Market Value), along with the no.of units as on that date.

**8 - CASH AND CASH EQUIVALENTS**

PARTICULARS	(Rs. In Lakhs)	
	As at	
	March 31, 2022	March 31, 2021
<b>Balances with banks:</b>		
in current accounts	86.05	235.37
Cash on hand	-	-
<b>Total</b>	<b>86.05</b>	<b>235.37</b>

**9 - Other Bank Balances**

PARTICULARS	(Rs. In Lakhs)	
	As at	
	March 31, 2022	March 31, 2021
Fixed deposits	412.81	-
<b>Total</b>	<b>412.81</b>	<b>-</b>

**10 - OTHER FINANCIAL ASSETS**

PARTICULARS	(Rs. In Lakhs)	
	As at	
	March 31, 2022	March 31, 2021
<b>NON CURRENT</b>		
Derivative Asset on Forex (Refer Note No : 37)	227.78	310.78
	<b>227.78</b>	<b>310.78</b>
<b>CURRENT</b>		
<b>From related</b>		
Amounts Recoverable from Patel Engineering Ltd(Refer Note:35)	912.93	912.93
Amount withheld - NHAI	297.01	297.01
Amount Recoverable from NHAI	42.62	42.62
Other advances	2.67	-
<b>Total Current Financial Asset</b>	<b>1,255.23</b>	<b>1,252.56</b>
<b>Total</b>	<b>1,483.01</b>	<b>1,563.34</b>

**11 - CURRENT TAX ASSET(Net)**

PARTICULARS	(Rs. In Lakhs)	
	As at	
	March 31, 2022	March 31, 2021
TDS Receivable	886.50	710.70
TCS Receivable	0.23	-
<b>Total</b>	<b>886.73</b>	<b>710.70</b>

**12- OTHER CURRENT ASSETS**

PARTICULARS	(Rs. In Lakhs)	
	As at	
	March 31, 2022	March 31, 2021
Prepaid Expenses	33.55	67.57
Mobilisation advance to KNR Constructions Limited (Refer Note:35)	-	122.71
<b>Total</b>	<b>33.55</b>	<b>190.28</b>



**PATEL KNR Heavy Infrastructures Ltd.**  
**Notes to the financial statements for the Year ended March 31, 2022**

**13 - EQUITY CAPITAL**

PARTICULARS	(Rs. In Lakhs)	
	As at	
	March 31, 2022	March 31, 2021
<b>EQUITY SHARE CAPITAL</b>		
<b>Authorised Share capital</b>		
Equity Shares of Rs. 10/- each	3,000.00	3,000.00
<b>Issued, subscribed &amp; fully paid share capital</b>		
Equity Shares of Rs. 10/- each	2,382.38	2,382.38
<b>Total</b>	<b>2,382.38</b>	<b>2,382.38</b>

**13.1 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

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

Particulars	March 31, 2022		March 31, 2021	
	No. of Shares	Amount in Lakhs	No. of Shares	Amount in Lakhs
Number of Equity Shares at the beginning	238.24	2,382.38	238.24	2,382.38
Add:- Number of Shares Issued	-	-	-	-
Less: Number of Shares Brought Back	-	-	-	-
Number of Equity Shares at the end of the year	<b>238.24</b>	<b>2,382.38</b>	<b>238.24</b>	<b>2,382.38</b>

**The details of shareholder holding more than 5% shares as at March 31, 2022 & March 31, 2021 is set out below:**

Name of the shareholder	March 31, 2022		March 31, 2021	
	No. of Shares in Lakhs	% held	No. of Shares in Lakhs	% held
Patel Engineering Infrastructures Ltd & its Nominees	100.06	42.00	100.06	42.00
KNR Constructions Ltd & its Nominees	95.30	40.00	95.30	40.00
Fornido Developers Ltd (earlier known as "ENPRO Ltd")	42.88	18.00	42.88	18.00
	<b>238.24</b>	<b>100.00</b>	<b>238.24</b>	<b>100.00</b>

**13.3 The shareholding pattern of promoters at the end of the year as follows:**

Name of the shareholder	March 31, 2022			March 31, 2021		
	No. of Shares	% Of Total Shares	% Change during the year	No. of Shares	% Of Total Shares	% Change during the year
	Patel Engineering Infrastructures Ltd & its Nom	100.06	42.00	-	100.06	42.00
KNR Constructions Ltd & its Nominees	95.30	40.00	-	95.30	40.00	-
Fornido Developers Ltd (earlier known as "ENP	42.88	18.00	-	42.88	18.00	-
	<b>238.24</b>	<b>100.00</b>	<b>-</b>	<b>238.24</b>	<b>100.00</b>	<b>-</b>

**13.4 - Instrument entirely equity in Nature**

PARTICULARS	As at	
	March 31, 2022	March 31, 2021
	Loan from Promotor Companies	4,104.22
<b>Balance at the end of the period</b>	<b>4,104.22</b>	<b>4,104.22</b>

**Foot Note :** Loans from KNR Constructions Limited, Patel Engineering Infrastructure Limited & Patel KNR JV are in the nature of Sub-debt were recognised as a form of equity contribution from the respective, and the same is repayable at the option of the Company after satisfaction of senior Debt.

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

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

(Rs. In Lakhs)

**14 - OTHER EQUITY**

Particulars	Debenture Redemption Reserve	Retained Earning	Total
Balance as at 1st, April, 2020	365.00	459.26	824.26
Total Comprehensive Income for the Year	-	1,190.61	1,190.61
Transfer to Debenture Redemption Reserve	-	-	-
<b>Balance as at March 31, 2021</b>	<b>365.00</b>	<b>1,649.87</b>	<b>2,014.87</b>
Balance as at 1st, April, 2021	365.00	1,649.87	2,014.87
Total Comprehensive Income for the Year	-	3,255.76	3,255.76
Transfer to Debenture Redemption Reserve	2,077.00	(2,077.00)	-
<b>Balance as at March 31, 2022</b>	<b>2,442.00</b>	<b>2,828.63</b>	<b>5,270.63</b>





**PATEL KNR Heavy Infrastructures Ltd.**  
**Notes to the financial statements for the Year ended March 31, 2022**  
**15 - BORROWINGS**

PARTICULARS	As at	
	March 31, 2022	March 31, 2021
(Rs. In Lakhs)		
<b>Financial Liabilities</b>		
<b>NON - CURRENT</b>		
Secured loans		
Debtentures (Refer foot Note No : i)		
Rated, Listed, Redeemable Non Convertible debtentures	21,800.00	24,420.00
From banks (Refer foot Note No : iii)		
Foreign Currency Loan	897.66	2,896.39
<b>Total non-current borrowings</b>	<b>22,697.66</b>	<b>27,316.39</b>
<b>CURRENT</b>		
Secured loans		
Debtentures (Refer foot Note No : i)		
Rated, Listed, Redeemable Non Convertible debtentures	2,620.00	2,290.00
From banks (Refer foot Note No : iii)		
Foreign Currency Loan	2,012.50	1,863.75
<b>Current borrowings</b>	<b>4,632.50</b>	<b>4,153.75</b>
<b>Total</b>	<b>27,330.16</b>	<b>31,470.14</b>

**Foot Note i**

**Terms of Security**

**A first pari passu charge, save and except project assets.**

- By way of mortgage over all immovable properties, both present and future.
- By way of hypothecation over all tangible movable assets, including moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other moveable assets, both present and future
- Charge over all accounts including the DSRA, Escrow Account and the Sub-Accounts.
- By way of Hypothecation on all intangible assets of the company including but not limited to the goodwill and undertaking both present and future.
- Pledge of 100% of the share capital of the Company
- Charge over /assignment of the rights, titles, benefits, interests, claims and demand of the Company in the project documents

**Terms of Repayment**

	Series A	Series B	Series C	Series D	Series E	Series F	Total
<b>Rupees in lakhs</b>	18,000.00	2,320.00	920.00	1,630.00	3,190.00	13,940.00	40,000.00
<b>Coupon Rate</b>	10.34%	9.80%	10.05%	10.05%	10.30%	10.65%	
<b>Redemption Schedule</b>							
30-Sep-22	750.00	-	-	-	560.00	-	1,310.00
31-Mar-23	750.00	-	-	-	560.00	-	1,310.00
30-Sep-23	1,005.00	-	-	-	-	1,100.00	2,105.00
31-Mar-24	1,005.00	-	-	-	-	1,100.00	2,105.00
30-Sep-24	1,480.00	-	-	-	-	1,305.00	2,785.00
31-Mar-25	1,480.00	-	-	-	-	1,305.00	2,785.00
30-Sep-25	2,890.00	-	-	-	-	-	2,890.00
31-Mar-26	-	-	-	-	-	3,040.00	3,040.00
30-Sep-26	-	-	-	-	-	3,045.00	3,045.00
31-Mar-27	-	-	-	-	-	3,045.00	3,045.00
<b>Total</b>	<b>9,360.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,120.00</b>	<b>13,940.00</b>	<b>24,420.00</b>

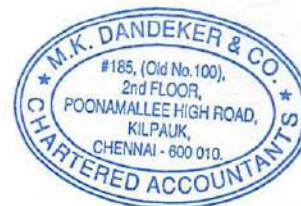
The Company has issued 40,000 Non-Convertible Debentures of face value of Rs.1.00 lakh each amounting to Rs.40,000 lakhs on 3rd Sep-2013. These Debentures were subsequently listed on 25th Sep, 2013 on BSE. The said debentures are redeemable half yearly with the redemption starting from Sep-2013 and ending on March-2027. Interest due on debentures during the year have been paid fully without delay. The said funds have been utilized in repayment of rupee loan, repayment of promoter's unsecured loan, issue expenses and maintenance of DSRA.

During the FY 2018-19 the Rating of the company has been downgraded by one notch i.e AAA (SO) to AA+(SO), Hence the company is paying an additional interest on the outstanding NCD @0.30% p.a per each notch downgraded as per NCD Agreement.

**Foot Note - ii**

**Terms of Security**

- Mortgage /charge over the company's immovable and movable properties (other than project assets but including all receivables) both present and future.
- Charge/assignment of revenue receivables (including annuity payments received from NHAI).
- Charge over /assignment of the rights, titles and interests of the company in, to and in respect of all project agreements (in accordance with concession agreement).
- Assignment of insurance policies, contractor guarantees, contractor performance bonds and liquidated damages.
- Pledge of 100% share capital of the Company
- Charge over all bank accounts including the Escrow account, all sub- accounts in relation thereto and the Debt Service Reserve account.
- The aforesaid charge will rank pari-passu with the mortgages and charges created/to be created in favor of participating institutions/banks including the swap providers.



**PATEL KNR Heavy Infrastructures Ltd.**

**Notes to the financial statements for the Year ended March 31, 2022**

**Terms of Repayment**

The Company had hedged the above facility to cover against fluctuation in foreign currency and LIBOR to the satisfaction of the lenders through USD/INR options up to 30th Sep 2023. Loan amount repaid upto 31st March 2016 was hedged at Rs.50.7850/Per USD and balances loan amount repayable from 1st April 2016 to 30th Sep 2023 is hedged at Rs.70/Per USD. The Loan repayable after 31st March 2022 has been translated at hedged rate as on 31st March 2022 because the loan repayable is hedged at Rs.70/ Per USD, Whereas the exchange rate as on 31.03.2022 is Rs.75.91/Per USD.

**16 - OTHER FINANCIAL LIABILITIES**

(Rs. In Lakhs)

PARTICULARS	As at	
	March 31, 2022	March 31, 2021
<b>NON - CURRENT</b>		
Derivative Liability on Interest Rate Swap (Refer Note No : 37)	109.57	410.94
<b>Total non-current other financial liabilities</b>	<b>109.57</b>	<b>410.94</b>
<b>CURRENT</b>		
Interest accrued and due	-	10.62
Amount payable to Related Parties		
- Patel Engineering Ltd (Refer Note : 35)	0.09	0.09
- KNR Constructions Limited (Refer Note : 35)	5.00	6.80
- Patel KNR Jv (Refer Note : 35)	0.36	-
Outstanding Expenses	10.78	13.08
<b>Total current other financial liabilities</b>	<b>16.22</b>	<b>30.59</b>
<b>Total</b>	<b>125.80</b>	<b>441.52</b>

**17 - OTHER NON - CURRENT LIABILITIES**

(Rs. In Lakhs)

PARTICULARS	As at	
	March 31, 2022	March 31, 2021
Labour Cess Payable	86.19	103.61
<b>Total</b>	<b>86.19</b>	<b>103.61</b>

**18 - TRADE PAYABLES**

(Rs. In Lakhs)

PARTICULARS	As at	
	March 31, 2022	March 31, 2021
<b>CURRENT</b>		
Bills Payable -KNRCL (Refer Note : 35)	56.50	633.34
<b>Total current trade payables</b>	<b>56.50</b>	<b>633.34</b>
<b>Total</b>	<b>56.50</b>	<b>633.34</b>

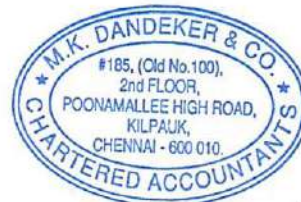
18.1 Trade payable other than acceptances include certain dues to Micro and Small Enterprises, under the Micro, Small and Medium Enterprises Development Act, 2006 that have been determined based on the information available with the company and the required disclosures are given below:

a)	Principal amount remaining unpaid	-	-
b)	Interest due thereon	-	-
c)	Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
d)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
e)	Interest accrued and remaining unpaid at the end of accounting year	-	-
f)	Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

**18.2: Ageing for trade payables from the due date of payment**

(Rs. in Lakhs)

Particulars	Outstanding for following periods from due date of payments				Total
	Less than 1 year	1-2 yrs.	2-3 yrs.	More than 3 years	
MSME	-	-	-	-	-
Others	56.50	-	-	-	56.50
Disputed Dues-MSME	-	-	-	-	-
Disputed Dues-Others	-	-	-	-	-



As at March 31, 2022					(Rs. in Lakhs)
Particulars	Outstanding for following periods from due date of payments				Total
	Less than 1 year	1-2 yrs.	2-3 yrs.	More than 3 years	
MSME	-	-	-	-	-
Others	633.34	-	-	-	633.34
Disputed Dues-MSME	-	-	-	-	-
Disputed Dues-Others	-	-	-	-	-
<b>19 - OTHER CURRENT LIABILITIES</b>					(Rs. In Lakhs)
PARTICULARS	As at				
	March 31, 2022	March 31, 2021			
Labour Welfare Cess Payable	17.27	17.27			
Statutory Dues TDS	21.81	36.48			
<b>Total</b>	<b>39.08</b>	<b>53.75</b>			
<b>20 - PROVISIONS</b>					(Rs. In Lakhs)
PARTICULARS	As at				
	March 31, 2022	March 31, 2021			
Provision for MMR	1,262.82	2,270.28			
<b>Total</b>	<b>1,262.82</b>	<b>2,270.28</b>			



**PATEL KNR Heavy Infrastructures Ltd.**  
**Notes to the financial statements for the Year ended March 31, 2022**

**21 - REVENUE FROM OPERATIONS**

(Rs. In Lakhs)

PARTICULARS	Year ended March 31, 2022	Year ended March 31, 2021
Finance Income on Annuity (Refer note : 30)	4,052.19	4,017.98
Operation & maintenance Income (Refer note : 30)	690.10	702.57
Major Maintenance Income	1,042.33	2,496.56
<b>Total</b>	<b>5,784.62</b>	<b>7,217.11</b>

**22 - OTHER INCOME**

(Rs. In Lakhs)

PARTICULARS	Year ended March 31, 2022	Year ended March 31, 2021
Interest on ICICI FDR	14.23	-
Net Gain/(Loss) on FV of Mutual Fund Units	180.51	246.73
Net Gain/(Loss) on sale of Mutual Fund Units	87.43	378.92
Derivative gain on FV of Interest rate swaps (Refer note :37)	301.36	307.68
Liabilities no longer required written back	-	11.28
COS Income	33.27	-
Modification gain on Financial Asset	1,338.22	495.75
<b>Total</b>	<b>1,955.02</b>	<b>1,440.36</b>

**23 - OPERATING & MAINTENANCE EXPENSES**

(Rs. In Lakhs)

PARTICULARS	Year ended March 31, 2022	Year ended March 31, 2021
Carriageway repairs & maintenances		
- Routine Maintenance	660.83	704.74
- Provision for Periodic Maintenance	-	1,180.56
COS Expenses	17.76	-
<b>Total</b>	<b>678.59</b>	<b>1,885.30</b>

**24 - EMPLOYEE BENEFITS EXPENSES**

(Rs. In Lakhs)

PARTICULARS	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, Wages and Other Benefits	3.56	-
<b>Total</b>	<b>3.56</b>	<b>-</b>

**25 - FINANCE COSTS**

(Rs. In Lakhs)

PARTICULARS	Year ended March 31, 2022	Year ended March 31, 2021
Interest Expense on		
Interest on Debentures	2,744.71	2,963.41
Interest on ECB Loan	253.98	391.65
Other Borrowing Costs		
Other Financial Charges	14.17	14.10
Hedging Expenses	455.03	606.13
Un Winding Interest on Periodic Maintenance Exp	-	332.18
Derivative loss on FV of Forex options (Refer note :37)	83.00	395.18
Derivative loss on FV of Interest Rate Swaps (Refer note :37)	-	-
<b>Total</b>	<b>3,550.89</b>	<b>4,702.65</b>

**26 - OTHER EXPENSES**

(Rs. In Lakhs)

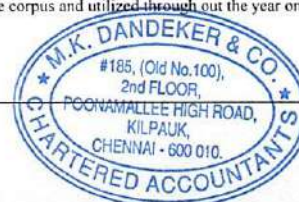
PARTICULARS	Year ended March 31, 2022	Year ended March 31, 2021
Agency Fee	22.86	22.09
Rating fee	9.50	11.21
Consultancy Fee	5.03	5.94
Advertising & Business Promotion Expenses	0.56	0.18
Interest on Income Tax/Service Tax/VAT	0.01	0.25
Independent Engineer Fee	45.52	28.18
Listing Fee	2.23	-
CSR Expenses (Refer note:26.1)	14.90	-
Arbitrator Fee	17.66	-
Rates & Taxes	0.02	10.99
Insurance Premium	103.09	83.99
Audit Fee	5.28	5.21
Legal & Professional Charges	3.65	10.23
Annual Custody fee	0.75	-
Loss on Sale of Asset	0.86	-
Other Expenses	9.06	0.32
<b>Total</b>	<b>240.98</b>	<b>178.59</b>

26.1 As per Section 135 of Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities

A CSR committee has been formed by the company as per the act. The funds were primarily allocated to the corpus and utilized throughout the year on these activities in schedule VII of the Companies Act, 2013.

a) Gross amount required to be spent by the company during the year Rs. 14.44 Lakhs (P.Y Rs. Nil)

b) Amount spent during the year on :



Particulars	Year ended March 31, 2022		Year ended March 31, 2021	
	In cash	Yet to be paid in cash	In cash	Yet to be paid in cash
1. Construction/ acquisition of any assets	-	-	-	-
2. On Purposes other than (1) above	14.90	-	-	-

**27 - TAX EXPENSES**

(Rs. In Lakhs)

PARTICULARS	Year ended March 31, 2022	Year ended March 31, 2021
Prior Period tax	-	(1.25)
MAT Credit Reversal	-	697.31
<b>Total</b>	-	<b>696.05</b>



28. 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 2022 and 31 March 2021 was as follows

	(Rs. In Lakhs)	
	March 31, 2022	March 31, 2021
Total Debts	27,330.16	31,480.78
Less: cash and cash equivalents	(86.05)	(235.37)
<b>Adjusted net debt</b>	<b>27,244.11</b>	<b>31,245.39</b>
Total equity	11,757.23	8,501.47
<b>Adjusted equity</b>	<b>11,757.23</b>	<b>8,501.47</b>
<b>Adjusted net debt to adjusted equity ratio</b>	<b>2.32</b>	<b>3.68</b>

Foot Note : Debt includes Long Term Borrowings (Including Current Maturities) and Interest accrued there on. Cash and Cash equivalents includes other Bank Balances.

29. Financial instruments - Fair values and risk management

A. Accounting classifications and fair values

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

March 31, 2022	(Rs. In Lakhs)			(Rs. In Lakhs)			
	Carrying amount			Fair Value			
	FVTPL	Amortised Cost	Total carrying amount	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>							
Financial asset Receivables	-	30,967.47	30,967.47	-	-	30,967.47	30,967.47
Derivative Asset	-	227.78	227.78	-	-	227.78	227.78
Investments	6,249.39	-	6,249.39	6,249.39	-	-	6,249.39
Cash and Cash equivalents	-	498.86	498.86	-	-	-	-
Other financial Assets	-	1,255.23	1,255.23	-	-	1,255.23	1,255.23
	<b>6,249.39</b>	<b>32,949.34</b>	<b>39,198.73</b>	<b>6,249.39</b>	<b>-</b>	<b>32,450.48</b>	<b>38,699.87</b>
<b>Financial liabilities</b>							
Non-Convertible Debentures	-	24,420.00	24,420.00	-	-	24,420.00	24,420.00
Secured bank loans	-	2,910.16	2,910.16	-	-	2,910.16	2,910.16
Derivative Liability	-	109.57	109.57	-	-	109.57	109.57
Trade payables	-	56.50	56.50	-	-	56.50	56.50
Other financial liabilities	-	16.22	16.22	-	-	16.22	16.22
	-	<b>27,512.45</b>	<b>27,512.45</b>	-	-	<b>27,512.45</b>	<b>27,512.45</b>

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 term loans are at approximate fair value as the instruments are at prevailing market rate

March 31, 2021	(Rs. In Lakhs)			(Rs. In Lakhs)			
	Carrying amount			Fair Value			
	FVTPL	Amortised Cost	Total carrying amount	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>							
Financial asset Receivables	-	32,718.62	32,718.62	-	-	32,718.62	32,718.62
Derivative Asset	-	310.78	310.78	-	-	310.78	310.78
Investments	7,724.22	-	7,724.22	7,724.22	-	-	7,724.22
Cash and Cash equivalents	-	235.37	235.37	-	-	-	-
Other financial Assets	-	1,252.56	1,252.56	-	-	1,252.56	1,252.56
	<b>7,724.22</b>	<b>34,517.33</b>	<b>42,241.56</b>	<b>7,724.22</b>	<b>-</b>	<b>34,281.96</b>	<b>42,006.19</b>
<b>Financial liabilities</b>							
Non-Convertible Debentures	-	26,710.00	26,710.00	-	-	26,710.00	26,710.00
Secured bank loans	-	4,760.14	4,760.14	-	-	4,760.14	4,760.14
Derivative Liability	-	410.94	410.94	-	-	410.94	410.94
Trade payables	-	633.34	633.34	-	-	633.34	633.34
Other financial liabilities	-	30.59	30.59	-	-	30.59	30.59
	-	<b>32,545.01</b>	<b>32,545.01</b>	-	-	<b>32,545.01</b>	<b>32,545.01</b>

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 term loans are at approximate fair value as the instruments are at prevailing market rate



**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.

**Financial asset receivable**

The Company has a financial asset receivable, which will be recovered on the fixed payments from the authority(NHAI) in the form of annuity throughout the concession period. The Management believes that the credit risk is negligible since its main receivable is from the grantor of the Concession which is Government authority.

**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, 2022**

		(Rs. In Lakhs)		
		Contractual Cashflows		
	Carrying Amount	Upto 1 year	1 to 3 Years	More than 3 years
Derivative Liability	109.57	-	109.57	-
<b>Non-derivative financial liabilities</b>				
Non-Convertible Debentures	24,420.00	2,620.00	9,780.00	12,020.00
Secured bank loans	2,910.16	2,012.50	897.66	-
Trade payables	56.50	56.50	-	-
Other financial liabilities	16.22	16.22	-	-
	<b>27,512.45</b>	<b>4,705.22</b>	<b>10,787.23</b>	<b>12,020.00</b>

**March 31, 2021**

		(Rs. In Lakhs)		
		Contractual Cashflows		
	Carrying Amount	Upto 1 year	1 to 3 Years	More than 3 years
Derivative Liability	410.94	-	-	410.94
<b>Non-derivative financial liabilities</b>				
Non-Convertible Debentures	26,710.00	2,290.00	6,830.00	17,590.00
Secured bank loans	4,760.14	1,863.75	2,896.39	-
Trade payables	633.34	633.34	-	-
Other financial liabilities	30.59	30.59	-	-
	<b>32,545.01</b>	<b>4,817.68</b>	<b>9,726.39</b>	<b>18,000.94</b>



**PATEL KNR Heavy Infrastructures Limited**

**Notes to the financial statements for the Year ended March 31, 2022**

The following table details the company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

**March 31, 2022**

	Carrying Amount	Contractual Cashflows		
		Upto 1 year	1 to 3 Years	More than 3 years
<b>Financial Assets</b>				
Financial asset Receivables	30,967.47	6,037.54	11,116.91	13,812.85
Derivative Asset	227.78	-	227.78	-
Investments	6,249.39	6,249.39	-	-
Cash and Cash equivalents	498.86	498.86	-	-
Other financial Assets	1,255.23	1,255.23	-	-
	<b>39,198.74</b>	<b>14,041.02</b>	<b>11,344.70</b>	<b>13,812.85</b>

**March 31, 2021**

	Carrying Amount	Contractual Cashflows		
		Upto 1 year	1 to 3 Years	More than 3 years
Financial asset Receivables	32,718.62	1,751.15	11,275.14	19,692.16
Derivative Asset	310.78	-	310.78	-
Investments	7,724.22	7,724.22	-	-
Cash and Cash equivalents	235.37	235.37	-	-
Other financial Assets	1,252.56	1,252.56	-	-
	<b>42,241.56</b>	<b>10,963.31</b>	<b>11,585.92</b>	<b>19,692.16</b>

**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 exposed to foreign currency risk as it has borrowing and options to payable in foreign currency

**The company's exposure to foreign currency rate risk due to borrowings is as follows:**

Particulars	Note No.	(Rs. In Lakhs)	
		March 31, 2022	March 31, 2021
Foreign currency Borrowings-Non Current	15	897.66	2,896.39
Foreign currency Borrowings - Current maturities	15	2,012.50	1,863.75

(USD. In Lakhs)	
Foreign currency Borrowings outstanding in USD	42.00
	68.63

**Sensitivity analysis**

(Rs. In Lakhs)

Foreign Currency Rate Risk Analysis	Impact on profit/ loss after tax	
	FY 2021-22	FY 2020-21
Increase or decrease in foreign currency by Rs.1	55.32	80.88

Note : In case of Decrease in Foreign currency rate, Profit will increase and vice versa

**Interest rate risk**

Interest rate risk is the risk that fair value of future cashflow 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 not exposed to Interest rate risk as it is not having any variable interest rate borrowings.





**PATEL KNR Heavy Infrastructures Limited****Notes to the financial statements for the Year ended March 31, 2022****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.	(Rs. In Lakhs)	
		March 31, 2022	March 31, 2021
Investments in Mutual Funds	7	6,249.39	7,724.22

**Sensitivity analysis**

(Rs. In Lakhs)

Price Rate Risk Analysis	Impact on profit/ loss after tax	
	FY 2021-22	FY 2020-21
Increase or decrease in NAV by 2%	139.74	170.70

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

**30. Service concession arrangement**

The Company has entered into a Service Concession Arrangement ("SCA") with National Highway Authority of India ("NHAI") for the Design, Construction, Development, Finance, Operation, and Maintenance of Islam Nagar (KM 230.00) to Kadtal (KM 278.00) of Nagpur -Hyderabad Section on NH-7 in the State of Telangana, Under North-South Corridor (NHDP Phase -II) on BOT (Annuity) basis - Project Reference Number NS-2 /BOT/AP-07 for a period of Twenty (20) years from commencement date i.e. 02-Mar-2008 including construction period and The company achieved PCOD with effect from 11th June 2010 and final COD on 27th December 2016.

The Company has right to receive an annuity payment of INR 8874.00 Lakhs from the grantor/authority. Accordingly, the Company has recognised its financial 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 revenue of Rs. 5,784.62 Lakhs, consisting of Rs. 4,052.19 Lakhs as a Income on financial asset, Rs.690.10 Lakhs as a income on operation & maintenance and Rs. 1,042.33 Lakhs as a income on Major Maintenance.

The Company has a financial asset receivable of Rs. 30,967.47 Lakhs as on March 31, 2022.



**PATEL KNR Heavy Infrastructures Limited**

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

**31 Contingent Liability and Commitments and Contingent Assets**

(Rs. in Lakhs)

Particulars	2021-22	2020-21
<b>a) Contingent Liability</b>		
Arbitral award passed in the favour of SPV to be passed on to EPC Contractor.	8,908.73	8,908.73
<b>b) Contingent Assets</b>		
Arbitral award passed in the favour of SPV	8,908.73	8,908.73

**Note:** The Above Arbitration claims are excluding of interest @SBI PLR+2% p.a

**32 Remuneration paid to the Statutory Auditors excluding Taxes**

(Rs. in Lakhs)

Audit and Other Fees	2021-22	2020-21
Statutory Audit Fees	3.75	3.75
Tax Audit	0.50	-
Other Services	0.98	1.46
Out of Pocket Expenses	-	-

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

(Rs. in Lakhs)

Particulars	2021-22	2020-21
i. Profit (loss) attributable to equity shareholders(basic)	3,255.76	1,190.61
ii. Weighted average number of equity shares (basic)	238.24	238.24
<b>Basic EPS</b>	<b>13.67</b>	<b>5.00</b>
i. Profit (loss) attributable to equity shareholders(diluted)	3,255.76	1,190.61
ii. Weighted average number of equity shares (diluted)	238.24	238.24
<b>Diluted EPS</b>	<b>13.67</b>	<b>5.00</b>

**34 Employee Benefits**

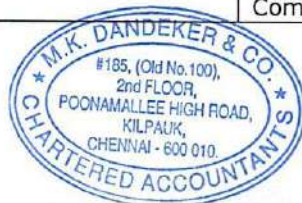
Actuarial valuation for gratuity to the company is not applicable during the year because the numbers of Employees are less than ten.

So, the disclosure is pursuant the requirements of Ind AS - 19 is not required.

**35 Related Party Transactions:**

**List of related parties and nature of relationship**

S. No.	Name of the related party	Nature of relationship
1	KNR Constructions Limited	Share Holder
2	PATEL Engineering & Infrastructure Limited	Share Holder
3	Patel - KNR JV	Fellow Associate Entity
	<b>KEY MANAGEMENT PERSONNEL</b>	
4	Mr. B.S. REDDY	Director
5	Mr. K.N. REDDY	Director
6	Mr. Chittaranjan Kumar Singh	Director
7	Ms. Venkata Padma Daruvuri	Director
8	Ms. Radhika Bajentri Singanamala	Director
9	S. Vaikuntanathan	CFO
10	Mohit Agarwal	Company Secretary



PATEL KNR Heavy Infrastructures Limited

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

Transactions during the year

(Rs. In Lakhs)

S. No.	Name of the related party	Nature of transactions	March 31, 2022	March 31, 2021
1	KNR Constructions Limited	Operation & Maintenance Expenditure	660.83	704.74
		Periodic Maintenance	1,007.46	2,451.96
		Reimbursement of Expenditure	22.87	179.49
		Mobilisation advance	-	330.32
		Mobilisation advance(recovered)	122.70	298.52
		Royalty Reimbursement(paid)	-	87.88
2	Patel - KNR JV	Sub Contract Expenses	17.76	-
3	Company Secretary - KMP	Remuneration	3.54	-

Balances outstanding

(Rs. In lakhs)

S. No.	Name of the related party	Nature of transactions	March 31, 2022	March 31, 2021
1	KNR Constructions Limited	Share Capital	952.95	952.95
		Instrument entirely equity in nature	1033.69	1033.69
		Operation & maintenance & Other Expenses Payable	55.87	53.10
		Major Maintenance payable	0.63	580.24
		Reimbursement of Expenditure	5.00	0.54
		Mobilisation advance	-	122.70
		COS Expenses payable	-	6.26
		Royalty Reimbursement	-	-
2	PATEL Engineering & Infrastructure Limited	Share Capital	1000.60	1000.60
		Instrument entirely equity in nature*	1550.53	1550.53
		Advance Recoverable*	912.93	912.93
		With-hold amount payable	-	-
		Reimbursement of Expenditure	0.09	0.09
3	Patel - KNR JV	Instrument entirely equity in nature	1520.00	1520.00
		With-hold amount payable	0.36	-

\*Confirmation not obtained



**36 Foreign Currency Transactions:**

(Rs. In Lakhs)			
S. No.	Particulars	2021-22	2020-21
1	Foreign exchange outgo(Principal + Expenses)	2,567.85	2,693.39
2	Expenditure in Foreign Currency		
	i) Agency Fee	20.48	19.77
	ii) Interest payment	228.58	352.48
	iii) Hedging premium Expense	455.03	606.13
3	Earnings in Foreign Currency	Nil	Nil

**37 Foreign Exchange transaction, translation and Hedge accounting**

The company has a foreign currency monetary loan with standard chartered bank, the principal loan amount and interest is being hedged at Rs.70 till the end of the tenure of loan. As per Ind-As the loan amount was being re-stated at fair value (at the closing rate) and the gain or loss on foreign currency translation amount was accounted through Profit and Loss.

**Derivative Instruments – Foreign Exchange Forward contracts**

Under Ind AS, foreign exchange forward contracts are mark-to-market as at each Balance Sheet date and unrealized net gain or loss is recognized. Derivative assets and derivative liabilities are presented on gross basis.

- 38** There are no Title Deeds of Immovable Property not held in the name of the Company.
- 39** The Company has no Loans or Advances in the nature of Loans to specified persons that are Repayable on Demand or without specifying any terms or period of repayment.
- 40** No proceedings have been initiated or pending against the Company for holding any Benami Property under the Benami Transactions (Prohibitions) Act, 1988 and the rules made thereunder.
- 41** The Company has no Borrowings from Banks or Financial Institutions on the basis of security of only Current Assets. All the assets of the Company are pledged against the borrowings as mentioned in the Note-15. And quarterly returns or statements of current assets filed by the Company with Banks or Financial Institutions are in agreement with the books of accounts.
- 42** The Company has not been declared as willful defaulter by any bank or financial institution or other lender during the year.
- 43** The Company had no transactions with Companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 during the year.
- 44** The Company has no charges or satisfaction yet to be registered with ROC beyond the statutory period during the year.
- 45** The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act read with Companies (Restriction on number of layers) Rules, 2017 during the year
- 46** During the year, the Company has no Scheme of Arrangements approved by the Competent Authority to be implemented in the books of accounts.



**PATEL KNR Heavy Infrastructures Limited**

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

- 47** During the year, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 48** During the year, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 49** The Company does not have any transaction not recorded in the books of accounts that has been surrendered or disclosed as Income during the year in the tax assessments under the Income Tax Act, 1961.
- 50** The Company has not traded or invested in Crypto currency or Virtual currency during the financial year.
- 51** **Disclosures pertaining to Corporate Social Responsibility Activities:**

There is no short fall under the category mentioned in subsection 1 of "Section 135 - Corporate Social Responsibility" of the Companies Act, 2013 . For details relating to CSR expenses, Please refer to point no.21.1.

52. Key financial ratios:

Ratio	Numerator	Denominator	As at March 31, 2022		As at March 31, 2021		Variation	Reason for variance		
			Numerator's Value	Denominator's Value	Ratio	Numerator's Value			Denominator's Value	Ratio
<b>Current ratio</b>	Current Assets	Current Liabilities	14,961	6,007	2.49	13,225	7,142	1.85	34.50%	Due to Reduction in Debt and Increase in the Short term financial asset Receivables
<b>Debt- Equity Ratio</b>	Total Debt	Net Worth	27,330	11,757	2.32	31,481	8,501	3.70	-37.23%	Due to Repayment of Debt and Increase in the networth
<b>Debt Service Coverage ratio</b>	Earnings available for debt service	Debt Service	5,810	7,705	0.75	7,078	8,478	0.83	-9.69%	
<b>Return on Equity ratio</b>	Net Profits after taxes - Preference Dividend	Average Shareholder's Equity	3,256	10,129	0.32	1,191	7,906	0.15	113.44%	Due to Increase in the Current year Profits
<b>Inventory Turnover ratio</b>	Net Credit Purchases	Average Inventory(3)	-	-	-	-	-	-	0.00%	Not Applicable
<b>Trade Receivable Turnover Ratio</b>	Cost of goods sold OR sales	Average Trade Receivable	-	-	-	-	-	-	0.00%	Not Applicable
<b>Trade Payable Turnover Ratio</b>	Net Credit Purchases	Average Trade Payables	-	-	-	-	-	-	0.00%	Not Applicable
<b>Net Capital Turnover Ratio</b>	Net Sales	Working Capital	5,785	8,954	0.65	7,217	6,083	1.19	-45.55%	Due to Reduction in Debt and Increase in the Short term financial asset Receivables
<b>Net Profit ratio</b>	Net Profit	Net sales	3,256	5,785	0.56	1,191	7,217	0.16	241.17%	Due to Reduction in Finance Cost and Current Tax Expenses
<b>Return on Capital Employed</b>	Earnings before interest and taxes	Capital Employed	6,817	39,087	0.17	6,594	39,972	0.16	5.72%	
<b>Return on Investment</b>	Income generated from investments	Weighted average value of investments	-	-	-	-	-	-	0.00%	

**PATEL KNR Heavy Infrastructures Limited**

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

**53 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

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

Particulars	Long Term Borrowings	Instrument entirely equity in Nature	Interest Accrued
<b>Opening Balance</b>	<b>31,470.14</b>	<b>4,104.22</b>	<b>10.62</b>
Interest Accrued during the year			3,467.89
<b>Cash flows</b>			
Received			
Repayment	(4,153.75)		
Interest paid			(3,454.12)
<b>Non Cash items</b>			
Foreign Exchange			
Impact of EIR	13.77		(13.77)
<b>Closing Balance</b>	<b>27,330.16</b>	<b>4,104.22</b>	<b>-</b>

**55 Segment Information**

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

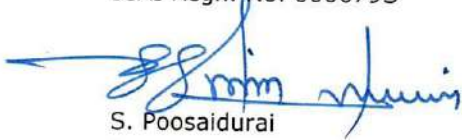
**56 Taxes on Income**

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.

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

**For M.K. Dandeker & Co**

Chartered Accountants  
ICAI Regn. No. 000679S




S. Poosaidurai  
Partner  
M.No. 223754



Place: Hyderabad  
Date: 14.05.2022

**For and on behalf of the Board**



**K. N. Reddy**  
(Director)

**B. S. Reddy**  
(Director)

DIN: 00382412

DIN: 01675600



**S. Vaikuntanathan**  
(CFO)



**Mohit Agarwal**  
(CS)

