

ALIGNED TO THE  
**NATION'S  
INTEREST**

**KNR CONSTRUCTIONS LIMITED**





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<http://www.knrcl.com/annualreports.html>

Or simply scan to download

### INVESTOR INFORMATION

Market Capitalisation as at March 31, 2021	: ₹ 60,015.5 Million
CIN	: L74210TG1995PLC130199
BSE Code	: 532942
NSE Symbol	: KNRCON
Dividend Payment Date	: Will be paid on or before October 29, 2021
AGM Date	: September 29, 2021
AGM Mode	: Video Conferencing (VC)/ Other Audio-Visual Means (OAVM)

**Disclaimer:** This document contains statements about expected future events and financials of KNR Constructions Limited (KNRCL) which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions and other forward looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.



# INFRASTRUCTURE PLAYS A KEY ROLE IN BUILDING THE GROWTH POTENTIAL OF THE INDIAN ECONOMY AND IMPROVING COMPETITIVENESS.



While 2020-21 impacted several aspects of the economic growth, one thing that remained constant is the consistent focus on the infra-development of the country. The Budget has further given a much-needed impetus to infrastructure development of the nation which would make the country competitive, reduce trade and transaction costs and improve factor productivity. With increasing focus on India's road network, it will ensure seamless movement of goods and human resources and drive home the growth agenda.

KNRCL is one of the proud partners of India's infrastructure development vision. With more than four decades of experience, strong execution record and strong financials, we are well-positioned to participate in the nation's development. Our constant endeavours to improvise ourselves everyday, lead to strong value-creation for each of our stakeholders.



# KPIs OF 2020-21: THE NUMBERS SAY IT ALL!

₹ **27,026** Million, +20%  
Revenue

**24.58**  
PE Ratio

₹ **5,358** Million, +10%  
EBITDA

**13.1**%  
ROE

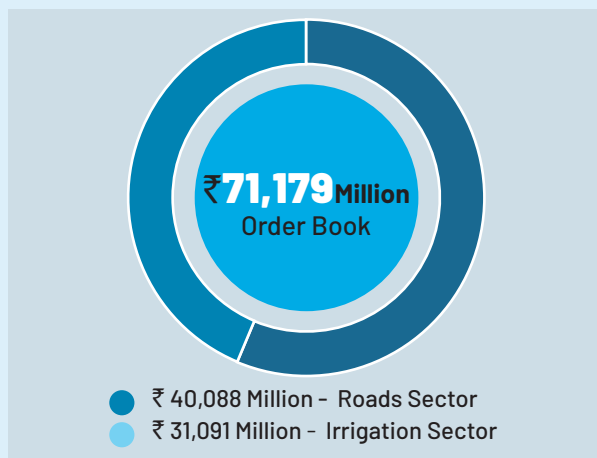
₹ **2,442** Million, +8%  
PAT

₹ **8.68**  
EPS

₹ **18,678** Million, 15%  
Net Worth

**Zero**  
Debt Equity

**1:1**  
Bonus Issue

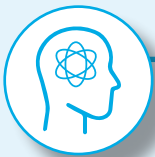


EBITDA: Earnings before interest taxes depreciation and amortisation  
PAT: Profit After Taxes  
EPS: Earning Per Share  
ROE: Return on Equity  
PE: Price Earnings Ratio





# COMMITTED TO THE NATION'S **INFRASTRUCTURAL GROWTH**



## **VISION**

To develop KNRCL as a Centre of excellence in the field of Infrastructure services by striving continuously to provide eco-friendly solution adopting state-of-the-art practices and commitment to quality through motivated human resource.



## **MISSION**

We would aim to add more business verticals to the organisation in the fields of construction of Elevated Metro Rail and Railway Projects.

# KNRCL: ONE MINUTE READ

## THE EXPERIENCE

KNRCL is one of the India's leading infrastructure companies providing Engineering, Procurement and Construction (EPC) services. Over the years we have developed experience and capability of executing technically complex projects on an individual or a joint venture basis. Our expertise is further reflected in winning and executing orders across different segments and regions of India.

**40** Years+

Experience \_\_\_\_\_

**~7,500** lane km

Successfully executed road projects \_\_\_\_\_

## THE EXPERTISE

- Construction of roads, highways, bridges and flyovers on EPC, BOT and Hybrid Annuity Model (HAM) basis
- Irrigation projects, urban water infrastructure management and agriculture



## THE DIVERSIFIED PORTFOLIO

### BOT/HAM PROJECTS

**668** lane km – Operational

**1,222** lane km – Under Construction

**5**

HAM projects with total bid project cost of ₹ 60,491.7 Million is under construction/development \_\_\_\_\_

**1**

Toll based project \_\_\_\_\_

**2**

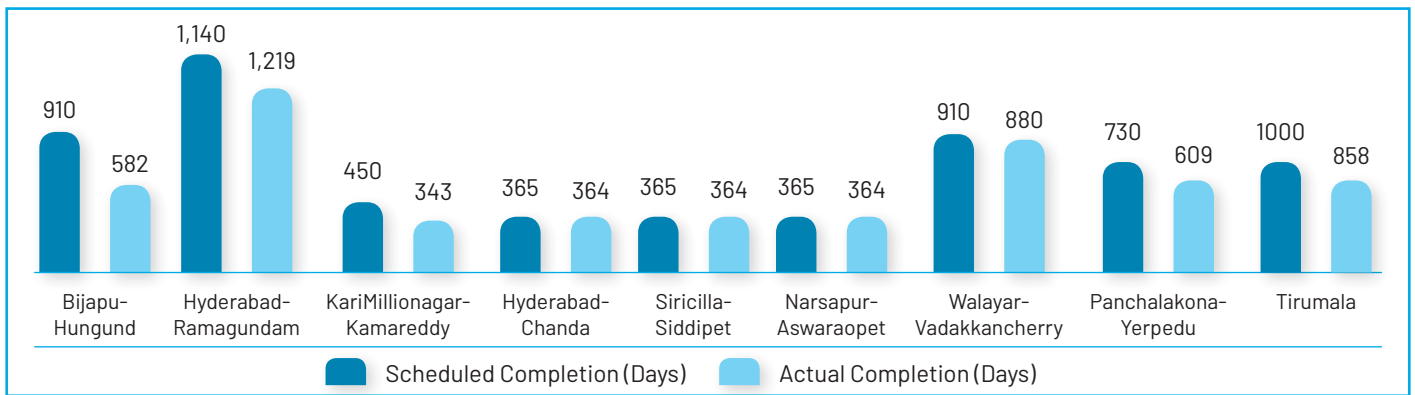
Annuity based projects \_\_\_\_\_



## THE STRENGTHS

### PROJECT EXECUTION

- Top management's involvement across all stages of execution
- Quicker decision making
- Ahead of schedule completion



### PAN INDIA PRESENCE

**11**

States \_\_\_\_\_

**75**

Projects \_\_\_\_\_

**₹ 1,04,513 Million**

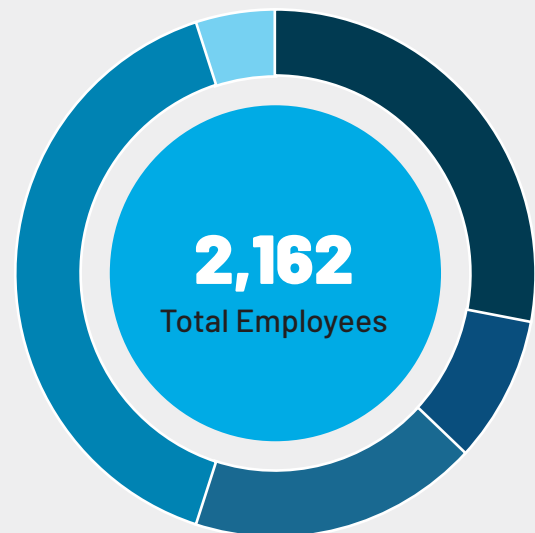
Project Value \_\_\_\_\_

### IN-HOUSE CONSTRUCTION EQUIPMENT

**₹ 11,620 Million**

Gross Block of Plant & Machinery -  
World-class construction equipment \_\_\_\_\_

### TALENTED EXECUTION TEAM



- 28% Project Engineering
- 40% Equipment Operators
- 9% Site Supervision
- 5% Admin and Office Staff
- 18% Site Engineers





## MARQUE CLIENTS



National Highways  
Authority of India (NHAI)



Andhra Pradesh  
Road Development  
Corporation (APRDC)



Ministry of Road  
Transport & Highways  
(MoRTH)



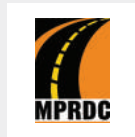
Hyderabad Growth  
Corridor Limited (HGCL)



Karnataka State  
Highway Improvement  
Project (KSHIP)



Karnataka Road  
Development  
Corporation (KRDC)



Madhya Pradesh  
Road Development  
Corporation Limited  
(MPRDC)



Bruhat Bangalore  
Mahanagara Palike  
(BBMP)



Uttar Pradesh State  
Highways Authority  
(UPSHA)



Telangana Irrigation  
(Government of  
Telangana)



A.P. Irrigation  
(Government of Andhra  
Pradesh)



NMDC Limited



Engineers India Limited  
(Government of India  
Undertaking)



Public Works  
Department (Government  
of Arunachal Pradesh)



Highways Department  
(Government of  
Tamilnadu)

## MD'S MESSAGE



### DEAR SHAREHOLDERS,

As I present this year's report before you, the year 2020-21 witnessed the most tumultuous time the world has ever seen over a century due to the devastating impact of the novel Covid-19 pandemic. The health emergency has pushed the conditions of survival of businesses to the limit, having a significant impact on a large part of the national economy and causing great social hardship. The operational challenges mounted due to restricted movement of men materials leading to disruption of supply lines during the first few months of the pandemic. The prolonged lockdown in the financial year further forced the country to face contraction in economic output which necessitated intervention from both the Government and the Reserve Bank of India by slew of measures to uplift the economy progressively.

Such situations demand companies to act quickly, to rethink not only products and services, but also the business models themselves, capable of connecting people, technology, organisation and all other forms of capital within a flexible and interactive system with equal attention to health and safety. Companies that place sustainability at the heart of their strategies will be able to emerge better and faster from the Covid-19 crisis.

This is particularly true for KNRCL. Our relentless commitment and dedication allowed us to overcome several challenges in the pandemic year. Our Company has adopted a holistic approach to wellness of the workers, safety norms, social distancing and necessary precautions at all the project sites. We also conducted mass vaccination camp for most of our staff and their families.

### PERFORMANCE SNAPSHOT

Your Company ended the year with a robust set of numbers. We achieved a turnover of ₹ 27,026.29 Million, growing by 20.43% and Profit After Tax of ₹ 2,441.8 Million, growing by 8.42%. Your Company with due approval from Board of Directors and shareholders, issued 1:1 bonus shares to all the eligible shareholders. We laid out strong execution plan and prudent



financial strategies leading to strong cash generation and taking your Company to a near zero debt level. Your Company's Networth surpassed ₹ 18,678.31 Million. The Board of Directors has proposed a final dividend of ₹ 0.25 per share, subject to approval of shareholders at the AGM.

## OVERVIEW OF INDIA'S INFRASTRUCTURE DEVELOPMENT

India's road network continues to be recognised as the second-largest globally with a 5.89 Million kilometers. It transports over 64.5% of all goods in the country through road network and 90% of India's total passenger traffic. Over the years, road transportation has strongly evolved with an improvement in connectivity between cities, towns and villages in the country. The Government has laid a roadmap to complete a total of 2,00,000 km of national highways by 2022. A series of initiatives are being proposed to attract significant investor interest. In the next five years, National Highways Authority of India (NHAI) will be able to generate ₹ 1 Lakh Crore (USD 14.30 Billion) annually from toll and other sources. In Union Budget 2021, the Government has given a massive push to the infrastructure sector by allocating ₹ 2,33,083 Crore (USD 32.02 Billion) to enhance the transport infrastructure. The Government also expanded the 'National Infrastructure Pipeline (NIP)' to 7,400 projects out of which 217 projects worth ₹ 1.10 Lakh Crore (USD 15.09 Billion) were completed as of 2020. In 2021-22, under Jal Jeevan scheme, a sum of ₹ 50,000 Crore budgetary allocation is made in addition to ₹ 26,940 Crore assured fund available under the 15th Finance Commission tied-grants to RLB/ PRIs for water & sanitation, matching State share and externally aided projects. Thus, in 2021-22, more than ₹ 1 Lakh Crore is planned to be invested in the country on ensuring tap water supply to rural homes. The Government also has suggested investment of ₹ 5,000,000 Crores (USD 750 Billion) for railways infrastructure from 2018-30 and 2021 budget envisaged an investment of ₹ 2.15 Lakh Crores.

## CURRENT ROAD SCENARIO

Notwithstanding the initial lockdown due to COVID-19, overall 13,327 Kms of Highways were constructed with per day construction of 37 Kms. NHAI awarded 141 projects in 2020-21 for constructing 4,788 KMs of roadways, costing ₹ 1,71,226 Crores with EPC share of 46% and HAM

share of 54%. For the current fiscal NHAI is planning an awarding of ₹ 2.25 Lakhs Crores.

## OUR POSITIONING

With infrastructure forming the core of development, your Company is rightly aligned to the nation's interest. Your Company's order book of ₹ 71,179 Million as on March 31, 2021, comprises EPC Road projects of ₹ 40,088 Million (56%) and EPC irrigation projects of ₹ 31,091 Million (44%) and out of the order book 26% from captive HAM projects and 74% from third parties, with 62% from state and 9% from central and 3% from the others. With the onset of FY 2021-22, till my presentation of this report, your Company has bagged two six-laning NHAI HAM projects - Valancherry bypass to Kappirikkad in Kerala at a BPC of ₹ 21,400.00 Million with an approximate EPC value of ₹ 15,950.00 Million (excluding GST) and another HAM project from Ramanattukara to Valancherry Bypass at a BPC of ₹ 23,675.00 Million with an approximate EPC value of ₹ 17,450 Million (excluding GST). Further, your Company also bagged one project of four-laning of Bangalore-Mangalore Section including six - lane flyover at Kalladka Town on EPC basis in Karnataka, valuing ₹ 9,829 Million (Excluding GST) at the end of the last quarter of FY 2020-21 and during the first quarter of current financial year declared as L1 for one HAM project in the state of Andhra Pradesh for a value of ₹ 10,415.00 Million (BPC). With adequate liquidity and near zero debt level, your Company shall endeavour to complete the projects in time to achieve a sustainable growth.

At KNRCL, I strongly believe that the future is promising. Your Company's foundations, solid strategy as well as the resilience and agility of its business models, proved to be vital in bringing success despite challenges. This past year will remain the key pivots in your Company's future growth trajectory as well. I would like to acknowledge our Board, Senior Management, Employees, Customers, Bankers, Investors, Vendors and Government agencies for their continued support and trust. We look forward to achieve bigger and better milestones going ahead.

Best wishes,

**K. NARSIMHA REDDY**

Founder Promoter and Managing Director

## ED'S MESSAGE



### DEAR SHAREHOLDERS,

The last financial year has seen the COVID-19 crisis impacting the world in ways that few could have imagined. It has forever altered the way we look at the society and business. As our nation continues to navigate the uncertainty created by the second wave of the pandemic, the aggressive vaccination drive across the country creates a strong hope of normalising the unsettled world.

While we thank and appreciate frontline workers for their service, our heartfelt sympathies to those who have been affected by this pandemic.

### OUR RESPONSE TO UNCERTAINTY

I am delighted to write to you that during the financial year ended March 31, 2021, KNRCL successfully executed projects and achieved the targeted turnover of ₹ 2,7026.29 Million despite adversities. We continued to align ourselves to the nation's infrastructure agenda by remaining resilient, reinforced by our high quality and diverse projects portfolio and an equal support from our experienced Board and management team. Our response to the pandemic was also prompt and decisive. Utmost care is taken on staff health and wellness by strictly implementing social distancing, sanitisation, mask wearing and quarantine facilities at all the projects sites. Further mass vaccination camp was also organised for the staff and their family members. During the lockdown period, mobile technology was used extensively for real-time data collection and transmission between the jobsite and project managers in the back office as well with investors and bankers and other agencies. During the second wave, greater emphasis was laid on reducing assembling of work force, work schedules have been redrawn. This has resulted in scaling down the production levels at different project sites. Our people responded in a positive and energetic manner and as a result of their efforts our business has shown resilience.



## PROJECTS REVIEW

KNRCL is at present executing five HAM projects. Out of these, three HAM projects are expected to achieve COD/PCOD during June to September 2021. With the order book position of ₹ 71,179 Million as on March 31, 2021, KNRCL also received LOA for two HAM projects of NHAI in Kerala and one NHAI EPC road project in Karnataka in the last quarter of financial year 2020-21 which is not added in the above order book, KNRCL is declared as L1 in one HAM project of NHAI in Andhra Pradesh in the first quarter of current financial year. KNRCL shall be giving major thrust for the outstanding irrigation projects of ₹ 31,091 Million in the current year.

I would further like to share with you that during the year, your Company could sold its 100% stake in KNR Walayar Tollways Pvt Ltd to one of the Investors with almost book value and received the entire consideration as per the terms and conditions of the Share Purchase Agreement and repaid entire un-secured loan of Promoters and made your Company debt free.

## WAY FORWARD

The outcome in the previous fiscal was the result of our sustained strategy over the past few years coming into fruition. The outstanding financial performance gives me reason to believe that the investments and strategies adopted during the last several years, along with our ability to demonstrate our strengths as a trusted, reliable and dependable construction partner during the current year, has laid the foundation for your Company to further expedite its growth initiatives into the future. It will be holistically supported by financial capital, modern construction machinery, human capital and our strong technology platform. With a soaring network of ₹ 18,678.31 Million and near zero debt level, KNRCL further hopes to improve the current ratings. Three HAM projects are set to be monetised before the end of this financial year. This gives me reason to be very excited for the future and growth of KNRCL.

I would like to thank the Management Team and Employees for their hard work and contribution. I would like to thank and acknowledge our Board members for their continuous mentoring and support

in our dedication to align ourselves to the nation's infrastructure agenda, while we solicit staff commitment and cooperation to achieve our milestone, we also thank our investors, bankers and Government agencies for their unstinted support and cooperation.

I am equally grateful for the ongoing support received from our customers, business partners and shareholders. This past year has only served to strengthen our ties which I hope will pave the way for us to work together to meet our stakeholder commitments whilst always being cognizant of the environmental and social responsibilities.

Best wishes,

**K. JALANDHAR REDDY**

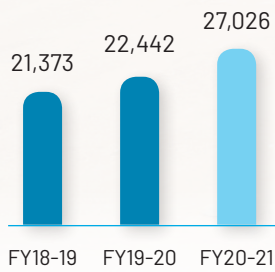
Promoter and Executive Director



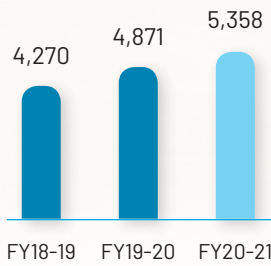
# PERFORMANCE TREND



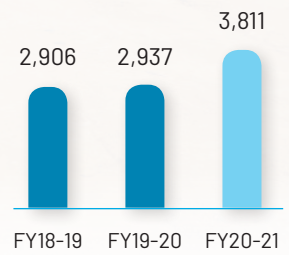
**Turnover (₹ Million)**



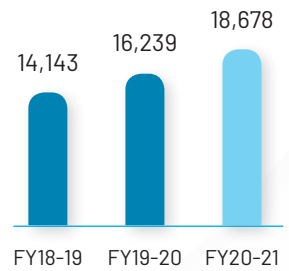
**EBITDA (₹ Million)**



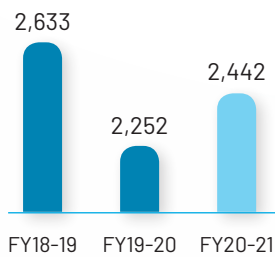
**PBT (₹ Million)**



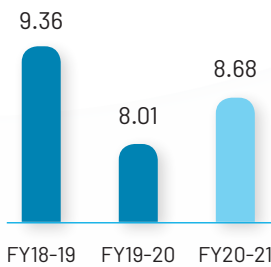
**Net Worth (₹ Million)**



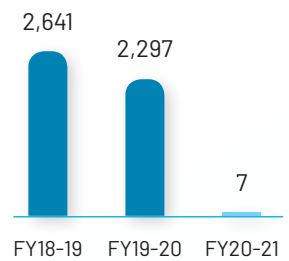
**PAT (₹ Million)**



**EPS (₹)**



**Debt (₹ Million)**





# Management Discussion & Analysis

## THE ECONOMIC SCENARIO

### The Global Landscape

After growing by 2.3% in 2019, the global economy shrank by 3.5% in 2020 (Source: <https://www.imf.org/en/Publications/WEO/Issues/2021/01/26/2021-world-economic-outlook-update>).

This decline was primarily on account of the Covid-19 outbreak, and the consequent pause in economic activities worldwide. Overall, economies weakened during the early months of the financial year, due to complete lockdowns, exponentially rising Covid-19 cases and a zero- and even negative-interest rate environment. However, economies swiftly recovered thereafter, due to easing of restrictions, deceleration in growth of Covid-19 cases and economic stimulus announced by several countries.

The world Gross Domestic Product (GDP) is forecasted to grow by 6% in 2021 and it is expected to moderate subsequently to 4.4% in 2022, based on Government support, vaccine roll-outs and unlocking of the economies. (Source: <https://www.cnbc.com/2021/04/06/imf-world-economic-outlook-april-2021-global-gdp-to-hit-6percent.html#:~:text=The%20organization%20said%20Tuesday%20it,an%20earlier%20estimate%20of%204.2%25>). While advanced economies are rebounding, many of the world's under developed and developing countries are being left behind, and much remains to be done to reverse the pandemic's staggering human and economic costs. Moreover, the recovery is not assured: the possibility remains that additional COVID-19 waves, further vaccination delays, mounting debt levels, or rising inflationary pressures deliver setbacks.

### The Indian Landscape

India's gross domestic product (GDP) shrank 7.3% to ₹ 135.13 trillion in 2020-21 primarily owing to Covid-19 restrictions and the consequent weakness in several sectors, as is evident by the 25% contraction in GDP in the first quarter of 2020-21 (Source: <https://www.worldbank.org/en/country/india/overview>).

Overall, the economic slowdown, led by the Covid-19 outbreak and the consequential stringent lockdowns, severely impacted economic activity, bringing several manufacturing and trading activities to a halt. However, the GDP rebounded in the later months of the financial year, due to deceleration in de-growth of Covid-19 cases, alongside Government initiatives. The Government announced a special package of ₹ 2 Lakh Crores, equivalent to 10% of India's GDP, as part of the Atmanirbhar Bharat initiative, to revive the country's

economic growth. Going ahead, the real GDP growth in India is forecasted at 12.5% in 2021 and 6.9% in 2022 (Source: <https://timesofindia.indiatimes.com/business/india-business/imf-projects-indias-growth-rate-to-jump-to-impressive-12-5-in-2021/articleshow/81933929.cms#:~:text=IMF%20projects%20India's%20economic%20growth%20rate%20at%2012.5%25%20in%202021,-TIMESOFINDIA.COM%20/%20Updated&text=Notably%20in%202020,%20economy%20contracted,for%20the%20country%20in%202021>).

## THE INDUSTRY SCENARIO

### The Infrastructure Sector

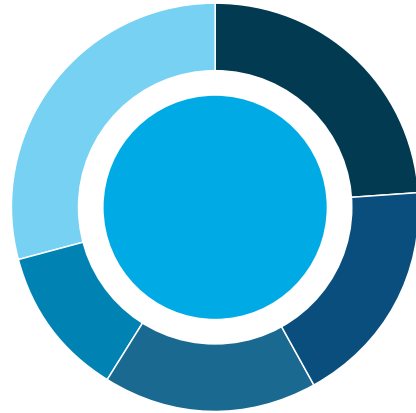
The infrastructure sector is among the core pillars of the Indian economy. The sector is highly responsible for propelling India's overall development and receives intense focus from the Government, with a vision towards world-class infrastructure in the country. India is expected to become the world's third largest construction market by 2022. According to the Department for Promotion of Industry and Internal Trade (DPIIT), FDIs in the construction development sector (townships, housing, built up infrastructure and construction development projects) and construction (infrastructure) activities stood at USD 25.93 billion and USD 23.99 billion, respectively, between April 2000 and December 2020. In the Union Budget 2021, the Government announced an investment of ₹ 2,33,083 Crore (USD 32.02 billion) to enhance the transport infrastructure, thus providing a massive push to the industry. (Source: <https://www.ibef.org/industry/infrastructure-sector-india.aspx>)

The Government announced the National Infrastructure Pipeline (NIP) for the FY 2020-2025 to facilitate the implementation of world-class infrastructure projects in the country. This first-of-its-kind initiative is expected to significantly enhance the economy, reduce unemployment rate, and drive the competitiveness of the Indian economy. It is jointly funded by the Central Government, state Governments, and the private sector. The NIP was launched with a projected outlay of ₹ 111 Lakh Crore (\$1.5 trillion), to be spread over 2020-2025 (Source: [https://www.indiabudget.gov.in/economicssurvey/doc/vol2chapter/echap08\\_vol2.pdf](https://www.indiabudget.gov.in/economicssurvey/doc/vol2chapter/echap08_vol2.pdf)). The NIP is expected to comprise around 7,400 projects, out of which approximately 217 projects, worth ₹ 1,10,000 Crore (USD 15.09 billion), were completed as of 2020. (Source: <https://www.ibef.org/industry/infrastructure-sector-india.aspx>).

## Management Discussion and Analysis (Contd.)

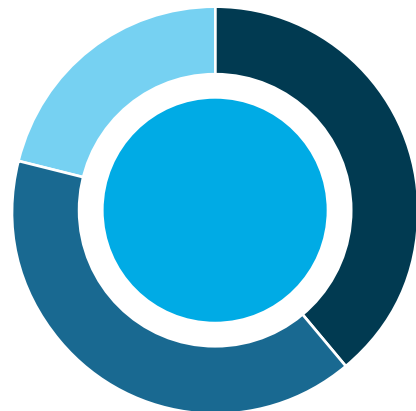
### NIP Project by Sectors

● Energy	24 %
● Road	18 %
● Urban	17 %
● Railways	12 %
● Others	29 %

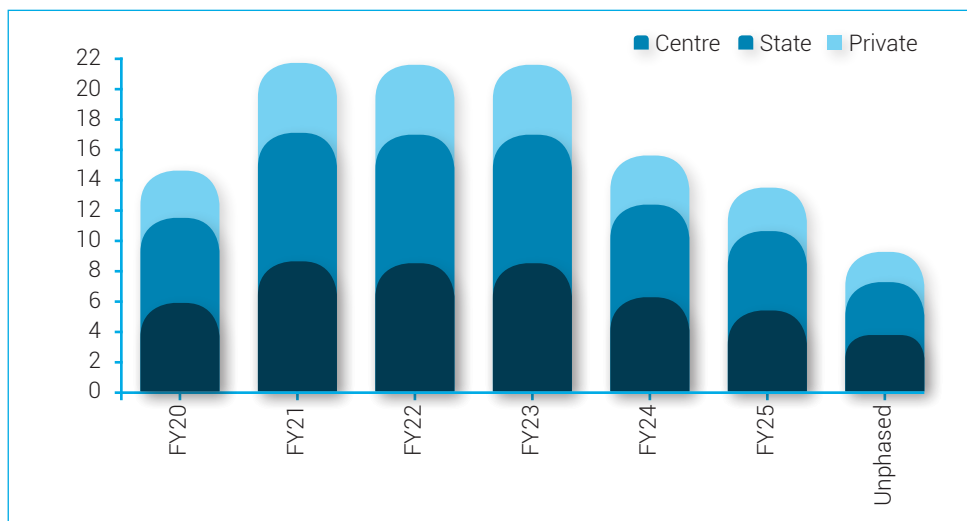


### Funding under NIP

● Center	39 %
● State	40 %
● Private	21 %



### Annual investment projections and share of funding (In ₹ Lakh Crores)



(Source: [https://www.indiabudget.gov.in/economicsurvey/doc/vol2chapter/echap08\\_vol2.pdf](https://www.indiabudget.gov.in/economicsurvey/doc/vol2chapter/echap08_vol2.pdf))



## Management Discussion and Analysis (Contd.)

### The Road Construction Sector

An efficient transportation system is critical to sustain the economic growth and the burgeoning demand for passenger and freight movement. Road transportation has gradually increased over the years with improvement in connectivity between cities, towns and villages in the country. Over the last few years, the Indian economy has been one of the fastest growing economies in the world. Sustaining this growth rate of around 8% to 10%, is likely to require huge investments in physical infrastructure such as roads, water, power, and urban sectors. Recognising this, the Government of India (GOI) and many state Governments have launched several initiatives in the past decade to modernise and improve the transport infrastructure. In the Union Budget 2021, an investment of ₹ 1,18,101 Crore (USD 16.20 billion) has been allocated towards road transport and highway sector. (Source: <https://www.ibef.org/industry/infrastructure-sector-india.aspx>)

### Outlook

With a total of 5.89 million kilometres, India boasts of the second-largest road network in the world. This road network transports 64.5% of all goods in the country, as well as 90% of India's total passenger traffic. Highway construction in India increased at an impressive CAGR of 21.44% between FY16-FY19. In October 2020, the foundation stone was laid in Tripura for nine national highway projects with a total length of approximately 262 kms worth around ₹ 2,752 Crore (USD 371.13 million). NHAI, the nodal authority for building highways across the country, has set a target of awarding 4,500 km of projects in FY21. The Central Government approved construction of the 158-kms ring road worth ₹ 10,000 Crore (USD 1.37) in Telangana. In January 2021, the Government of India and New Development Bank (NDB) signed two loan agreements for USD 646 million for upgrading the state highway network and district road network in Andhra Pradesh. The NHAI awarded 1,330 km of highways in the first half of 2020-21, which was 1.6x of the total awards in 2019-20 and 3.5x of that in 2018-19, indicating the rapid growth in highway constructions. The NHAI has set a target of awarding 4,500 km of projects in 2020-21. In December 2020, the MoRTH proposed to develop an additional 60,000 kms of

national highways (in the next five years), of which 2,500 kms are expressways/access-controlled highways; 9,000 kms are economic corridors; 2,000 kms are coastal and port connectivity highways; and 2,000 kms are border road/strategic highways. A total of 200,000 km of national highways is expected to be completed by 2022.

(Source: <https://www.ibef.org/industry/roads-india.aspx>)

### COMPANY OVERVIEW

KNR Constructions Limited has carved a niche in the infrastructure development with 10 under-construction, operational HAM, BOT, Annuity projects in addition to sizable value of EPC irrigation projects and flyover projects. Major thrust areas of KNRCL, in both EPC and BOT segment, continue to be construction of national, state highways, flyover, dams, reservoirs, water infrastructure, bridges and urban development. With ₹ 11,620 million (Gross Block) of advanced modern machinery, KNRCL could navigate timely project execution cycles. Besides, robust collection mechanisms and prudent financial planning has further ensured near zero debt levels. Further, monetisation of KNR Walayar Toll Projects Limited has strengthened the liquidity of KNRCL and poised to take advantage of new infrastructure opportunities in HAM, EPC, irrigation and flyover projects. KNRCL is poised to complete 3 HAM projects of NHAI in 2021-22 and proceed with monetisation.

### Order book

KNRCL's outstanding order book position as on March 31, 2021 is ₹ 71,179 million which includes EPC road projects and EPC from captive HAM projects worth ₹ 40,088 million and irrigation projects worth ₹ 31,091 million. The composition includes 74% of government contract, which includes 62% from State Government, 3% from Central Government and balance 9% from private players and the balance 26% of the Order book is from captive HAM projects. ₹ 43,229 million worth of orders which were awarded and waiting for Appointed date are not included in the order book, with that the Order Book will stand at ₹ 1,14,408 million. The Company has a book to bill ratio of 3.50X LTM revenue.

## Management Discussion and Analysis (Contd.)

### Major projects awarded during the year 2020-21

Sr. No.	Client	Description of the Project	Awarded value (In ₹ million)
1.	KNR-HES JV (Telangana Irrigation)	Kaleshwaram Project- Link - N - Parallel Conveyor System - Package No.3 - Excavation of Gravity Canal from Km 0.00 to Km 15.825 to carry 333 cumecs discharge of water from Delivery Cistern at Chinnagundevally (Village) to Fore Bay at Thukkapur (Village)	6,955.40
2.	KNR-NAVAYUGA- NCC JV (Telangana Irrigation)	11 Kaleshwaram Project - Parallel Conveyor System - Package No.4 Lifting of 333 CUInCCS of water from Forebay at Thukkapur (Village) to Sri Komuravelli Mallanna Sagar comprising construction of Forebay, Open Pump House, Pressure main and Delivery cistern etc at Tukkapur (Village)	16,007.80
3.	Office of the Superintending Engineer (H) Projects Circle, Coimbatore	Construction of Elevated Highway along Avinashi Road in Coimbatore City from Golwins to Uppilpalayam Km 147/100 - 157/200 of SHU-52	10,334.10
4.	The Project Director, CKICP, PIU, Chennai - 25.	Upgrading Cheyyur-Vandavasi-Polur Section of SH 115 including ECR Link (OD) Cheyyur-Panayur Road to two lane with paved shoulders and construction of bypasses for Vandavasi town and Chetpet town and one realignment for Maruthadu village and maintenance of entire project stretch length of 109.273 km for 7 years in the state of Tamil Nadu on EPC mode	5389.55
5.	NHAI	Four-laning of Bangalore-Mangalore Section including 6 – lane flyover at Kalladka Town on EPC basis in the State of Karnataka	9,829
6.	NHAI	Six laning of Ramanattukara Junction to start of Valanchery bypass Section in the state of Kerala on Hybrid Annuity Mode under Bharatmala Pariyojana	17,450
7.	NHAI	Six laning from start of Valanchery Bypass to Kappirikkad on Hybrid Annuity Mode in the state of Kerala under Bharatmala Pariyojana	15,950

### OPPORTUNITIES & THREAT

Infrastructure is the backbone for economic upliftment of the country. The Government has announced Under Phase-I of the Bharatmala Pariyojana highway development programme in addition to various other programmes to give impetus to economy. With the strong balance sheet and execution capacity KNRCL is at an advantageous position to bring greater prosperity.

### RISK MANAGEMENT

At KNRCL, we recognise that every business has its inherent risks and it is required to possess a proactive approach to identify and mitigate them. The Company has embedded an efficient Enterprise Risk Management System (ERMS), which regularly scans the internal and external environment to identify risks, decide on possible mitigation plans and incorporate them in its strategic plans.

#### Competition Risk

With increased project awarding by the Government, the road and construction industry is expected to attract several domestic as well as international players. This increase in competition may

lead to an aggressive bidding environment, resulting in price cut and low operating margins as well as lower market share of project awards.

**Risk Mitigation:** With two and half decades of industry experience and led by a proven management team, who have honed their project managing skills right from the drawing board to the final execution, the Company is confident of meeting present and future competition and enjoy continued growth. To further mitigate this risk, where considered prudent, the Company forms strategic partnerships and joint ventures with quality players. This facilitates synergies both in the financial and technical arenas and enables it to compete with the larger players.

#### Slowdown in the Road Sector

Any slowdown on part of the Government to award road projects could adversely affect growth prospects.

**Risk Mitigation:** The present Government has taken focused steps to ensure that infrastructure creation moves at an accelerated pace, thus reducing the possibility of this risk to a considerable extent. Moreover, the Company already has sufficient order backlog to ensure growth momentum in the medium term.



## Management Discussion and Analysis (Contd.)

### Construction Risk

Infrastructure projects involve complex design and engineering, significant procurement of equipment and supplies and extensive construction management and other activities conducted over extended time periods, sometimes in remote locations. This could lead to cost-time overruns, thereby impacting profitability.

*Risk Mitigation:* KNRCL with its vast experience of project management, balanced capital structuring and efficient cost control measures is well geared to mitigate this risk. Further, inhouse repository of specialised construction equipment reduces dependence on external sources, expedite execution and sustain margins.

### Raw Material Risk

Increase in the cost of raw materials, particularly steel and cement, or their unavailability over the tenor of the contract can impact schedules and profit margins.

*Risk Mitigation:* The Company enters into long-term arrangement with suppliers for requisite raw materials for the tenure of the project, thus guaranteeing a continuous flow. It also has backward integration by sourcing aggregates from its mines, for road projects under execution also enables it to control costs. Also, leveraging its industry experience, the Company effectively supervises the availability of raw materials thus keeping the cost escalation risk to a minimum.

### Interest Rates

Rising interest rates during the life span of a project, fueled by inflation, can decrease profit margins.

*Risk Mitigation:* The Company factors this risk into the cost of project before bidding for it. Despite this, the Company is open to resorting to interest rate hedging in case the need arises.

### Traffic Growth Risk

Revenue from the Company's toll-based BOT projects are subject to risks associated with unpredictability of traffic growth.

*Risk Mitigation:* The Company's operational toll-based BOT project caters to traffic plying between South Bihar and North Bihar stretches. Major industries are also located on this stretch. With the anticipated uptick in economic activity, commercial traffic is expected to maintain a positive growth momentum, thus reducing the possibility of low toll revenues.

### Regulatory Risk

The complex nature of infrastructure projects means that the Company has to interface with various regulatory authorities throughout the project life cycle, making them especially

vulnerable to regulatory action. These requirements are complex and subject to frequent changes as well as new restrictions. Failure to comply with these requirements may result in significant liability to the Company.

*Risk Mitigation:* To deal with this risk effectively, the Company has a regulatory compliance review mechanism in place. Through this the Company gets regular updates and makes changes in its compliance on a real time basis.

### Political Risk

Political disharmony can interrupt or disturb the settled commercial terms of a project, as infrastructure projects with their high visibility have a strong element of public interest.

*Risk Mitigation:* With greater thrust on infrastructure by successive Governments, this risk has been alleviated to a considerable extent. Further to ensure minimal intrusion from the political machinery, the Company ensures that its work speaks for itself. Also, years of experience in working with various Governments and its agencies in its life span, has made KNRCL fully capable of handling any changes in the political setup.

### Pandemic Risk

Coronavirus (COVID-19) brought disruption to infrastructure sector during the operational phase due to unavailability/shortage of staff due to public health measures and/or sickness, supply chain disruption and Government action, e.g. lockdown in the project area.

*Risk Mitigation:*

We ensured worker's safety through social distancing, compulsory mask and sanitisation. We held mass-vaccination camp for staff and also built quarantine facility at the project. We ensured avoiding gathering of workforce at work point. We further issued COVID-19-related notices claiming extension of time (force majeure claim) and cost consequences (as a change of law, government risk/action or political force majeure claim), potential relief under the contract, notifications to lenders under information covenants in finance documents, consideration of efficacy of time limits on claims notification and review of termination rights based on COVID-19. We leveraged full technological capabilities of project management platforms to facilitate remote working and make digital capital products and cloud collaboration the standard in projects. We also revisited procurement strategy and considered whether delaying certain procurement activities (commodities, fuel, service providers and subcontractors) to yield more competitive pricing.

## Management Discussion and Analysis (Contd.)

### FINANCIAL HIGHLIGHTS

#### Revenues

The total income from the operations posted by the Company on standalone basis for the year ended March 31, 2021, is ₹ 27,026.29 Million as against ₹ 22,442.39 Million during the same period in the last financial year thereby recording an increase in turnover of ₹ 4,583.90 Million (about 20%).

#### Profits

EBITDA increased from ₹ 4,870.67 Million for the year ended March 31, 2020 to ₹ 5,358.36 Million in the current year ended March 31, 2021. EBITDA on turnover has stabilised at 19.83 %. The net profit after tax for the current year ended March 31, 2021 is ₹ 2,441.77 Million (9.03%) as against ₹ 2,252.23 Million (10.04%) in the corresponding previous year ended March 31, 2020.

#### Net Worth

The Net Worth has gone up from ₹ 16,238.84 Million to ₹ 18,678.31 Million in the current year thereby recording an increase of about 15.02%. Earnings per Share has gone up from ₹ 8.01 to ₹ 8.68 in the current year.

#### Loan Funds

The Debt-Equity ratio has decreased from 0.12 to 0.00

Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, networth along with detailed explanation:

During the year on a standalone and consolidated basis there was no significant change in the financial ratios, net worth

compared to previous year except Deb-Equity Ratio, which is due to the Company has repaid its entire un secured loan of Promotors from the proceedings of sale stake in KNR Walayar Tollways Private Limited

### HUMAN RESOURCES

The Human Resource (HR) strategy at KNRCL is focused on creating a performance-driven culture in the Company, where innovation is encouraged, performance is recognised and employees are motivated, to realise their potential. Company's HR department creates all HR strategies along with senior management and BOD so as to influence change, attract talent and build capabilities. HR department is fully specialised to respond to varied human resource needs of KNRCL's business units to enable each division to maintain the human strategic advantage. The Company employed a total of 2162 employees during the year.

### Cautionary statement

*Statements in the Management Discussion and Analysis describing the KNRCL's objectives, projections, estimates, expectations may be forward-looking statements. Actual results may differ materially from those expressed or implied. Important factors that could make difference to the KNRCL's operations include economic conditions in which the KNRCL operates, change in government regulations, tax laws, statutes and other incidental factors.*

# Management

## BOARD OF DIRECTORS

Shri B V Rama Rao (DIN: 00972552)	:	Chairman & Independent Director
Shri L B Reddy (DIN: 00956445)	:	Independent Director
Smt. G Chandra Rekha (DIN: 08464587)	:	Independent Director
Shri K Narsimha Reddy (DIN: 00382412)	:	Managing Director
Shri K Jalandhar Reddy (DIN: 00434911)	:	Executive Director & CFO
Smt. K Yashoda (DIN: 05157487)	:	Non-Executive Director

## Vice-President (Finance & Accounts)

Shri. S Vaikuntanathan

## Company Secretary & Compliance Officer

Smt. Haritha Varanasi (ACS 34293)

## Registrars and Share Transfer Agent

Link Intime India Private Limited  
C-101, 247 Park, L B S Marg, Vikhroli (W), Mumbai - 400083  
Ph: 022 4918 6000  
Fax: 022 4918 6060

## Statutory Auditors

M/s K P Rao & Co.,  
Chartered Accountants  
Bangalore  
(Firm Registration No. 003135S)

## Bankers:

State Bank of India  
Punjab National Bank  
IDBI Bank Limited  
Central Bank of India  
AXIS Bank Limited  
ICICI Bank Limited  
KOTAK Mahindra Bank Limited  
HDFC Bank Limited  
RBL Bank Limited  
Federal Bank Limited

## Internal Auditors

M/s K.P.Rao Associates  
Chartered Accountants  
Hyderabad

## Cost Auditor

D Zitendra Rao  
Cost Accountant  
Hyderabad  
(Firm Registration No.102199)

## Registered Office:

KNR House, 3<sup>rd</sup> & 4<sup>th</sup> Floors, Plot No. 114, Phase I, Kavuri Hills, Hyderabad,  
Telangana-500033.  
Ph: 040 - 40268759  
Email: investors@knrcl.com  
Website: www.knrcl.com  
CIN: L74210TG1995PLC130199

## Secretarial Auditors

M/s VCSR & Associates  
Company Secretaries  
Hyderabad



## Notice

**Notice** is hereby given that the 26<sup>th</sup> Annual General Meeting of the members of KNR Constructions Limited will be held on Wednesday, 29<sup>th</sup> day of September 2021 at 3:00 PM through Video Conferencing (VC)/Other Audio-Visual Means (OAVM) to transact the following items of business:

### ORDINARY BUSINESS

- 1 To receive, consider and adopt
  - (a) the audited Statement of Profit and Loss for the financial year ended March 31, 2021 and the Balance Sheet as on that date together with the Report of the Board of Directors and Auditors thereon; and
  - (b) the audited consolidated Statement of Profit and Loss for the financial year ended March 31, 2021 and the Balance Sheet as on that date together with the Report of Auditors thereon.
- 2 To declare final Dividend of ₹ 0.25 Per Equity share of ₹ 2.00 each to the Shareholders for the financial year 2020-2021
- 3 To appoint a Director in place of Shri K Jalandhar Reddy (DIN:00434911), who retires by rotation and being eligible, offers himself for reappointment

### SPECIAL BUSINESS

#### 4. Ratification of remuneration of the Cost Auditors for the financial year ending March 31, 2022.

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to D Zitendra Rao, Cost Accountant, Hyderabad (M. No.10087, issued by the Institute of Cost Accountants of India), appointed as Cost Auditor by the Board of Directors of the Company to conduct the audit of the cost records maintained by the Company for the financial year ending March 31, 2022, amounting to ₹ 3,00,000/- (Rupees Three Lakhs only) excluding taxes as may be applicable, in addition to reimbursement of all out of pocket expenses, be and is hereby ratified."

#### 5. Sale/disposal and transfer of entire stake in KNR Shankarampet Projects Private Limited, a material wholly owned subsidiary of the Company.

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Regulation 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, if any, as amended from time to time for the time being in force, and subject to the approval from the consortium of lenders, National Highways Authorities of India (NHAI) and all such approvals, consents, sanctions and permissions as may be necessary, consent of the members of the Company be is hereby accorded to sale/disposal and transfer of the entire stake held by KNR Constructions Limited ("the Company") in its material **wholly owned** subsidiary, viz, KNR Shankarampet Projects Private Limited, (hereinafter referred to "KSPPL") including transfer of control of KSPPL, in one or more tranches to Cube Highways and Infrastructure III Pte Limited and/or its affiliates for a consideration of ₹ 137 Crores Approx. (subject to changes upon achievement of PCOD/COD) and on such terms and conditions as may be stipulated by the NHAI and consortium of lenders while granting their consent.

"FURTHER RESOLVED THAT for the purpose of giving effect to the above resolution Shri. K Narsimha Reddy, Managing Director and/or Shri. K Jalandhar Reddy, Executive Director of the Company or the Executive Finance Committee of the Board, be and are hereby authorized to take such actions and to give all such directions as may be necessary or desirable and also to settle any question or difficulty that may arise as regards the sale/disposal and transfer of all the shares held by KNR Constructions Limited in the share capital of KSPPL and to do all such acts, deeds, matters and things and to execute all such deeds, documents and writings as may be necessary, desirable or expedient in connection therewith."

#### 6. Sale/disposal and transfer of entire stake in KNR Srirangam Infra Private Limited, a material wholly owned subsidiary of the Company.

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

## Notice (Contd.)

"RESOLVED THAT pursuant to the provisions of Regulation 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, if any, as amended from time to time for the time being in force, and subject to the approval from the consortium of lenders, National Highways Authorities of India (NHAI) and all such approvals, consents, sanctions and permissions as may be necessary, consent of the members of the Company be is hereby accorded to sale/ disposal and transfer of the entire stake held by KNR Constructions Limited ("the Company") in its material **wholly owned** subsidiary, viz., KNR Srirangam Infra Private Limited, (hereinafter referred to "KSIPL") including transfer of control of KSIPL, in one or more tranches to Cube Highways and Infrastructure III Pte Limited and/or its affiliates for a consideration of ₹ 111 Crores Approx. (subject to changes upon achievement of PCOD/COD) and on such terms and conditions as may be stipulated by the NHAI & consortium of lenders while granting their consent.

"FURTHER RESOLVED THAT for the purpose of giving effect to the above resolution Shri. K Narsimha Reddy, Managing Director and/or Shri. K Jalandhar Reddy, Executive Director of the Company or the Executive Finance Committee of the Board, be and are hereby authorized to take such actions and to give all such directions as may be necessary or desirable and also to settle any question or difficulty that may arise as regards the sale/ disposal and transfer of all the shares held by KNR Constructions Limited in the share capital of **KSIPL** and to do all such acts, deeds, matters and things and to execute all such deeds, documents and writings as may be necessary, desirable or expedient in connection therewith."

### 7. **Sale/disposal and transfer of entire stake in KNR Tirumala Infra Private Limited, a material wholly owned subsidiary of the Company.**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Regulation 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, if any, as amended from time to time for the time being in force, and subject to the approval from the consortium of lenders, National Highways Authorities of

India (**NHAI**) and all such approvals, consents, sanctions and permissions as may be necessary, consent of the members of the Company be is hereby accorded to sale/ disposal and transfer of the entire stake held by KNR Constructions Limited ("the Company") in its material **wholly owned** subsidiary, viz., KNR Tirumala Infra Private Limited, (hereinafter referred to "**KTIPL**"), including transfer of control of KTIPL, in one or more tranches to Cube Highways and Infrastructure III Pte Limited and/or its affiliates for a consideration of ₹ 218 Crores Approx. (subject to changes upon achievement of COD) and on such terms and conditions as may be stipulated by the NHAI & consortium of lenders while granting their consent.

"FURTHER RESOLVED THAT for the purpose of giving effect to the above resolution Shri. K Narsimha Reddy, Managing Director and/or Shri. K Jalandhar Reddy, Executive Director of the Company or the Executive Finance Committee of the Board, be and are hereby authorized to take such actions and to give all such directions as may be necessary or desirable and also to settle any question or difficulty that may arise as regards the sale/ disposal and transfer of all the shares held by KNR Constructions Limited in the share capital of **KTIPL** and to do all such acts, deeds, matters and things and to execute all such deeds, documents and writings as may be necessary, desirable or expedient in connection therewith."

By Order of the Board of Directors  
For **KNR Constructions Limited**

**Haritha Varanasi**  
Company Secretary  
(ACS 34293)

Place: Hyderabad  
Date: 30.08.2021

#### **Registered Office:**

#### **KNR Constructions Limited**

KNR House, 3<sup>rd</sup> and 4<sup>th</sup> Floors,  
Plot No.114, Phase I, Kavuri Hills,  
Hyderabad, Telangana- 500033.

Ph: 040 - 40268759

Email: investors@knrcl.com

Website: www.knrcl.com

CIN: L74210TG1995PLC130199

## Notice (Contd.)

### NOTES FOR MEMBERS:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated January 13, 2021 and May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") and Circular No. SEBI/H/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 issued by Securities and Exchange Board of India ('SEBI Circulars') permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM"), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company.  

Since this AGM is being proposed to be held pursuant to the said MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Attendance Slip and Proxy Form are not attached to this Notice.
3. Statement as required under section 102 of the Companies Act, 2013, in respect of items of special business is annexed hereto.
4. In case you are holding the Company's shares in dematerialised form, please contact your depository participant and give suitable instructions to update your bank details in your demat account and to notify any changes with respect to their addresses, email id, ECS mandate etc. In case you are holding Company's shares in physical form, please inform Company's RTA viz. M/s. Link Intime India Private Limited (RTA), C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai – 400083 by enclosing a photocopy of blank cancelled cheque of your bank account.
5. As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate

any risk associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialised form. M/s. Link Intime India Private Limited (RTA), C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai – 400083 are the Registrar & Share Transfer Agents (RTA) of the Company. All communications in respect of share transfers, dematerialisation and change in the address of the members may be communicated to the RTA.

6. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to the RTA/Company.
7. Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the company's email id investors@knrc.com , a certified copy of the Board resolution authorising their representative to attend and vote on their behalf at the meeting.
8. Members who hold shares in physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest to avail the nomination facility. Members holding shares in dematerialised form may contact their respective depository participant(s) for recording nomination in respect of their shares.
9. The register of members and share transfers of the Company shall be closed from September 23, 2021 till September 29, 2021 (both days inclusive) and Record date has been fixed as September 22, 2021 for the purpose of payment of dividend for the financial year ended March 31, 2021.

Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company / Registrar and Transfer Agent (in case of shares held in physical mode) and with the Depository Participants (in case of shares held in Demat mode).

A Resident individual shareholder with PAN and who is not liable to pay income tax, can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of



## Notice (Contd.)

tax at source by sending an email to investors@knrcl.com on or before 16th September, 2021.

Shareholders are requested to note that in case their PAN is not registered, tax will be deducted at a higher rate of 20%. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to investors@knrcl.com. The aforesaid declarations and documents need to be submitted by the shareholders on or before 16th September, 2021.

### 10. Transfer of Unclaimed/Unpaid amounts to the Investor Education and Protection Fund (IEPF):

Members are requested to note that dividends not encashed or remaining unclaimed for a period of 7 (seven) years from the date of transfer to the Company's Unpaid Dividend Account, shall be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Further, pursuant to the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') as amended from time to time, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.

The Members/Claimants whose shares, unclaimed dividend have been transferred to IEPF may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF 5 which is available on [www.iepf.gov.in](http://www.iepf.gov.in) and on the website of the Company [www.knrcl.com](http://www.knrcl.com) along with requisite fee as decided by it from time to time.

Members who have not yet encashed the dividend warrants from the financial year ended March 31 2014 onwards are requested to forward their claims to the Company's Registrar and Share Transfer Agents without any further delay. It is in Members' interest to claim any un-encashed dividends and for future, opt for Electronic Clearing Service, so that dividends paid by the Company are credited to the Members' account on time.

It may be noted that once the unclaimed dividend is transferred to IEPF as above, no claim shall rest with the Company in respect of such amount. It may also be noted

that the unclaimed dividend amount which were lying with the Company upto and in respect of the year ended on March 31 2013, have already been transferred to IEPF. The details of the unclaimed dividends are available on the Company's website at [www.knrcl.com](http://www.knrcl.com) and on the website of Ministry of Corporate Affairs at [www.iepf.gov.in](http://www.iepf.gov.in). Members are requested to contact the Company's Registrar and Share Transfer Agent or the Company to claim the unclaimed/unpaid dividends.

11. Members seeking any information or clarification on the accounts are requested to send their queries to the Company, in writing, at least ten days before the date of the meeting. Replies will be provided in respect of such written queries at the meeting.
12. Pursuant to the directions/notifications of Securities and Exchange Board of India (SEBI) and Depositories, the demat account holders can operate their accounts if they had already provided Income Tax Permanent Account Number either at the time of opening of the account or at any time subsequently. In case they have not furnished the Income Tax Permanent Account Number to the Depository Participants, such demat account holders are requested to contact their DPs with a photocopy of the PAN Card (with original PAN Card for verification), so that the frozen demat accounts would be available for operation and further consequences of non-compliance with the aforesaid directives would be obviated. SEBI, vide Circular ref.no.MRD/Dop/Cir-05/2009 dated May 20, 2009 made it mandatory to have PAN particulars for registration of physical share transfer requests. Based on the directive contained in the said circulars, all share transfer requests are therefore to be accompanied with PAN details. Members holding shares in physical form can submit their PAN details to the Company / RTA.
13. The register of Directors and Key Managerial Personnel maintained under Section 170 of the Companies Act, 2013 and Register of Contracts and arrangements in which Directors are interested, maintained under Section 189 of the Act, will be electronically available for inspection by the members during the AGM.

Members may also note that the Notice of the 26th Annual General Meeting is available on the Company's website: [www.knrcl.com](http://www.knrcl.com). All documents referred to in the accompanying Notice and the Statement pursuant to Section 102(1) of the Companies Act, 2013 shall be open for inspection in electronic mode by the Members by

## Notice (Contd.)

writing an e-mail to the Company Secretary at [investors@knrc.com](mailto:investors@knrc.com).

In compliance with the MCA Circulars dated 05<sup>th</sup> May 2020 and 13<sup>th</sup> January 2021 and SEBI Circular dated January 15, 2021, Notice of the AGM along with Annual Report 2020-21 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / Depository Participants. Members may note that the Notice and the Annual Report 2020-21 will also be available on the Company's website at [www.knrc.com](http://www.knrc.com) on the website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com).

To support 'Green Initiative', members who have not registered their email addresses are requested to register the same with the Company's Registrar and Share Transfer Agent/ their Depository Participants in respect of shares held in physical/electronic mode, respectively.

14. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
15. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to the Notice.
16. Additional information in respect of Director seeking appointment/ re-appointment as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 read with Secretarial Standards on General Meetings issued by the ICSI forms part of this Notice. Requisite consent / declaration has been received in this regard.

### E-VOTING

#### CDSL e-Voting System – For Remote e-voting and e-voting during AGM

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020 and SEBI Circulars the forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorised e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. The Company has appointed Mr. Vikas Sirohiya, Practicing Company Secretary (Membership No. A15116, C.P. No. 5246), a partner of M/s. P. S. Rao and Associates, Company Secretaries, Hyderabad, as Scrutiniser to scrutinise the remote e-voting process in a fair and transparent manner.
6. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020 and June 23, 2021, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
7. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020 and 10/2021 dated June

## Notice (Contd.)

23, 2021 the Notice calling the AGM has been uploaded on the website of the Company at [www.knrcil.com](http://www.knrcil.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also disseminated on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com).

### THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

- (i) **The voting period begins on Sunday, September 26, 2021 at 9.00 AM and ends on Tuesday, September 28, 2021 at 5.00 PM. During this period shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date (record date) of Wednesday, September 22, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.**
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed

that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:



## Notice (Contd.)

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

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Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk. evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

**(v) Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding in Demat form & physical shareholders.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	For Shareholders holding shares in Demat Form other than individual and Physical Form
PAN	Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction.</li> </ul>

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

## Notice (Contd.)

- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

### (xvi) Facility for Non – Individual Shareholders and Custodians – Remote Voting

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the

Custodian, if any, should be uploaded in PDF format in the system for the scrutiniser to verify the same.

- Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorised signatory who are authorised to vote, to the Scrutiniser and to the Company at the email address [investors@knrc.com](mailto:investors@knrc.com) (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutiniser to verify the same.

### INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at [investors@knrc.com](mailto:investors@knrc.com) . The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **10 days prior to meeting** mentioning their name, demat account number/folio number, email id,



## Notice (Contd.)

mobile number at [investors@knrcl.com](mailto:investors@knrcl.com). These queries will be replied to by the company suitably by email.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

### **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/ MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository

Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

### **General Instructions:**

- i. The voting rights of Members shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on 22nd September, 2021.
- ii. The Scrutinizer, after scrutinising the votes cast during the meeting and through remote e-voting will, not later than 48 hours from the conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company, [www.knrcl.com](http://www.knrcl.com) and on the website of [www.cdslindia.com](http://www.cdslindia.com). The results shall simultaneously be communicated to the Stock Exchanges.
- iii. The voting result will be announced by the Chairman or any other person authorized by him within two days of the AGM.

## Notice (Contd.)

### EXPLANATORY STATEMENT

#### [PURSUANT TO THE PROVISIONS OF SECTION 102 (2) OF THE COMPANIES ACT, 2013]

#### ITEM NO. 4

The Board of Directors, upon the recommendation of the Audit Committee, has appointed Shri D Zitendra Rao, Cost Accountant, Hyderabad (M. No.10087, issued by the Institute of Cost Accountants of India), as the Cost Auditor of the Company for the financial year 2021-22, at a remuneration of ₹ 3 lacs excluding applicable taxes. Certificate issued by Shri D Zitendra Rao confirming his eligibility to be appointed as Cost Auditor of the Company will be available for inspection electronically by the members.

In accordance with Rule 14 of Companies (Audit and Auditors) Rules 2014, the remuneration payable to the Cost Auditors requires ratification by the members. Hence this resolution is proposed for consideration of the members

None of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested, whether financial or otherwise in the Resolution as set out at Item no. 4.

#### ITEM NOS. 5, 6 AND 7

The members may note that KNR Constructions Limited (**hereinafter referred to as "the Company"**) has entered into certain Share Purchase Agreements, pursuant to which the Company shall transfer its entire stake (100% shares) held by it in its material wholly owned subsidiaries to M/s Cube Highways and Infrastructure III Pte Ltd. as detailed hereunder:

Sl. No.	Parties to the Share Purchase Agreement	Date of Agreement	Value of consideration
1.	KNR Constructions Limited and M/s Cube Highways and Infrastructure III Pte Ltd. and KNR Shankarampet Projects Private Limited	August 16, 2019	₹ 137 Crores Approx
2.	KNR Constructions Limited and M/s Cube Highways and Infrastructure III Pte Ltd. and KNR Srirangam Infra Private Limited	January 28, 2019	₹111 Crores Approx
3.	KNR Constructions Limited and M/s Cube Highways and Infrastructure III Pte Ltd. and KNR Tirumala Infra Private Limited	February 11, 2019	₹ 218 Crores Approx

Pursuant to the aforesaid Share Purchase Agreements and further pursuant to the Concession Agreements, as amended by the Ministry of Road Transport and Highway's Office Memorandum No. 24028/14/2014-H (Vol. II) dated November 10, 2020, and Circular No. NH-24028/14/2014-H (Vol. II) dated November 27, 2020, the MoRTH Circulars, wherein the NHAI has permitted transfer of 49% stake held by the Company in its respective material wholly owned subsidiary on the date of receipt of Provisional Certificate (PCOD/COD) and balance 51% stake transfer to be undertaken after 6 months from the date of receipt of PCOD/COD subject to obtaining a No-Objection Certificate from the consortium of lenders of respective material wholly owned subsidiaries and from the NHAI.

The said transfer of stake shall also involve transfer of control by the Company in its respective material wholly owned subsidiary.

In view of the above and pursuant to the provisions of Regulation 24(5) of SEBI (LODR) Regulations, 2015, any sale/disposal of shares in a material subsidiary resulting in reduction of shareholding to less than 50% or the listed company ceasing to exercise control over the subsidiary requires approval of the members by way of special resolution.

Hence, the Company is seeking approval from the members for the aforementioned sale and transfer (which will take place in one or more tranches) and transfer of control as set out in the resolutions laid at No.5, 6 and 7 in the notice to the AGM.

Copies of Share Purchase Agreements, referred above, will be electronically available for inspection by the members during the AGM and also at the Registered Office of the Company during business hours on all working days till the date of ensuing AGM, i.e, September 29, 2021.

## Notice (Contd.)

None of the related parties of the Company is involved in the transaction and therefore it is not a related party transaction.

None of the directors or key managerial personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the said resolutions.

**Disclosures required in terms of Regulation 30 of SEBI (LODR) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9<sup>th</sup> September 2015 are as under:**

S. No	Particulars	Details/Relevant Information		
		KNR Shankarampet Project Private Limited	KNR Srirangam Infra Private Limited	KNR Tirumala Infra Private Limited
1.	The amount and percentage of the turnover and net worth contributed by the subsidiary of the listed entity during the last financial year	Turnover: ₹ 367.77 Cr % of turnover: 12.67% Net worth: 138.86 Cr	Turnover: ₹ 241.11 Cr % of turnover: 8.30% Net worth: 98.23 Cr	Turnover: ₹ 425.44 Cr % of turnover: 14.65% Net worth: 176.66 Cr
2.	Date on which the agreement for sale entered into	16 <sup>th</sup> August 2019	28 <sup>th</sup> January 2019	11 <sup>th</sup> February 2019
3.	Expected date of completion of sale/disposal	On or before 31 <sup>st</sup> March 2022	On or before 31 <sup>st</sup> March 2022	On or before 31 <sup>st</sup> December 2021
4.	Consideration to be received	₹ 137 Cr Approx. (the Consideration may undergo change upon achievement of PCOD/COD)	₹ 111 Cr Approx. (the Consideration may undergo change upon achievement of PCOD/COD)	₹ 218 Cr Approx. (the Consideration may undergo change upon achievement of COD)
5.	Brief details of buyer and whether any of the buyers belong to the promoter group/group companies, if yes, details thereof.	Cube Highways and Infrastructure III Pte Ltd and/or its affiliates None of the promoter/promoter group companies are involved.	Cube Highways and Infrastructure III Pte Ltd and/or its affiliates None of the promoter/promoter group companies are involved	Cube Highways and Infrastructure III Pte Ltd and/or its affiliates None of the promoter/promoter group companies are involved
6.	Whether the transaction would fall within related party transaction? If yes, whether the same is done at arm's length?	The transaction does not fall within the purview of the related party transaction.	The transaction does not fall within the purview of the related party transaction.	The transaction does not fall within the purview of the related party transaction.
7.	Additionally, in case of a slump sale, indicative disclosure provided for amalgamation/ merger, shall be disclosed by the listed entity with respect to such slump sale	Not Applicable	Not Applicable	Not Applicable

Note: a) Consolidated turnover of KNR Constructions Limited and the subsidiaries for the immediately preceding accounting year 2020-21 – ₹ 2903.63 Crores

b) Consolidated Net worth of KNR Constructions Limited and the subsidiaries for the immediately preceding accounting year 2020-21 – ₹ 1976.47 Crores

**Information in respect of Director seeking appointment/ re-appointment as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 read with Secretarial Standards on General Meetings issued by ICSI.**

Name	K Jalandhar Reddy
Date of Birth	08.06.1971
Qualification	Bachelor's Degree in Computer Engineering from Bangalore University
Experience (including expertise in specific functional area)/Brief Resume	Shri K Jalandhar Reddy has vast experience in construction industry and specifically he heads the tendering and bidding activities of the Company and also is in-charge of the projects execution.



## Notice (Contd.)

Terms and Conditions of Appointment / Reappointment	In terms of Section 152(6) of the Companies Act, 2013 Shri K Jalandhar Reddy who was re-appointed as whole-time Director by the members through postal ballot concluded on 24 <sup>th</sup> January 2021, is liable to retire by rotation.
Details of Remuneration sought to be paid	As approved by the members through postal ballot concluded on 24.01.2021
Remuneration last drawn	₹ 6,66,00,000 (for the FY 2020-21)
Date of first appointment on the Board	Since incorporation i.e, 11.07.1995
Shareholding in the Company as on March 31, 2021	3,92,59,210
Relationship with other Directors/Key Managerial Personnel	Shri K Jalandhar Reddy is son of Shri K Narsimha Reddy, Managing Director and Smt K Yashoda, Non-Executive Director.
Number of meetings of the Board attended during the year (2020-21)	7 meetings
Directorships of other Boards as on March 31, 2021	Vishnu Publicity Solutions Private Limited KNR Muzaffarpur Holdings Private Limited Siriadvaitha Agrotech Private Limited KNR Muzaffarpur Barauni Tollways Private Limited KNR Srirangam Infra Private Limited KNR Shankarampet Projects Private Limited KNR Tirumala Infra Private Limited KNR Somwarpet Infra Private Limited KNR Palani Infra Private Limited Kamidi Reality Private Limited
Membership / Chairmanship of Committees of other Boards as on March 31, 2021	Nil

By Order of the Board of Directors

For **KNR Constructions Limited**  
**Haritha Varanasi**  
**Company Secretary**  
**ACS 34293**

### Registered Office:

#### **KNR Constructions Limited**

KNR House, 3<sup>rd</sup> and 4<sup>th</sup> Floors,  
Plot No.114, Phase I, Kavuri Hills,  
Hyderabad, Telangana- 500033.

Ph: 040 - 40268759

Email: investors@knrc.com

Website: www.knrc.com

CIN: L74210TG1995PLC130199

Place: Hyderabad

Date: 30.08.2021

# Directors' Report

## Dear Members,

Your Directors are pleased to present the Twenty Sixth Annual Report and the Company's audited financial statement (Standalone and Consolidated) for the financial year ended March 31, 2021.

## FINANCIAL RESULTS

The Company's financial performance, for the year ended March 31, 2021 is summarised below:

(₹ in Lakhs)

Particulars	Year Ended March 31, 2021		Year Ended March 31, 2020	
	Standalone	Consolidated	Standalone	Consolidated
Total revenue (including other income)	2,75,227.53	2,95,525.62	2,30,082.75	2,51,736.99
<b>Profit before interest, depreciation and tax</b>	<b>58,548.22</b>	<b>75,849.16</b>	<b>54,365.85</b>	<b>69,954.82</b>
<b>Less:</b> Interest and financial charges	4,872.73	13,404.93	4,741.07	11,023.08
Profit Before depreciation, Exceptional items and tax	53,675.49	62,444.23	49,624.78	58,931.74
<b>Less:</b> Depreciation and amortisation	14,437.48	18,990.47	19,184.77	25,412.63
<b>Profit before exceptional items and tax</b>	<b>39,238.01</b>	<b>43,453.76</b>	<b>30,440.01</b>	<b>33,519.11</b>
<b>Less: Exceptional Items</b>	<b>1,124.70</b>	<b>(8,525.20)</b>	<b>1,072.14</b>	<b>1,072.14</b>
<b>Profit before tax</b>	<b>38,113.31</b>	<b>51,978.96</b>	<b>29,367.87</b>	<b>32,446.97</b>
Provision for tax (including Deferred Tax)	13,695.66	13,695.66	6,845.56	6,852.77
<b>Profit after tax</b>	<b>24,417.65</b>	<b>38,283.30</b>	<b>22,522.31</b>	<b>25,594.20</b>
Add: Other Comprehensive Income	(23.34)	(23.27)	(38.66)	(40.90)
Total Comprehensive Income for the period	24,394.31	38,260.03	22,483.65	25,553.30
<b>Attribution to:</b>				
Shareholders of the Company	24,394.31	40,738.05	22,483.65	26,550.58
Non-Controlling Interest	NA	(2,454.75)	NA	(956.38)
Balance of Profit/(Loss) for earlier years	1,44,257.80	1,37,088.83	1,23,261.19	1,12,063.95
Less: Dividend	-	-	(1,265.56)	(1,265.56)
Dividend Tax	-	-	(260.14)	(260.14)
Balance carried forward	1,68,675.45	1,77,826.88	1,44,257.80	1,37,088.83

## RESULTS OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS

The highlights of the Company's performance are as under:

### On Standalone basis

- Revenue from operations for the FY 2020-21 are reported at ₹ 2,70,262.93 Lakhs.
- PBDIT (Excluding other income & Exceptional Item) increased by 10.13% to ₹ 53,583.62 Lakhs
- Profit before tax increased by 29.78% to ₹ 38,113.31 Lakhs
- Net profit increased by 8.42% to ₹ 24,417.65 Lakhs

- Net worth increased by 15.02% to 1,86,783.15 Lakhs
- The order book position as on March 31, 2021 stands at ₹ 7,11,787 Lakhs.

### On consolidated basis

- Revenue from operations for the FY 2020-21 are reported at ₹ 2,90,363.48 Lakhs.
- Profit before tax (After exceptional item) increased by 60.20% to ₹ 51,978.96 Lakhs
- Net profit increased by 49.58% to ₹ 38,283.30 Lakhs
- Net worth increased by 26.09% to 1,96,781.37

## Directors' Report (Contd.)

### Reserves

The Company is not proposing to transfer any amount to the General Reserves of the Company out of the profits made during the year. The total Other Equity (including securities premium Reserves, General Reserves, Surplus in statement of profit and loss and other comprehensive income) as on March 31, 2021 is ₹ 1,81,158.45 Lakhs as against the Paid-up capital of ₹ 5,624.70 Lakhs

### Performance of Subsidiaries

As per Rule 8 of Companies (Accounts) Rules, 2014, a Report on the Financial performance of the Subsidiaries Companies during the Financial Year ended March 31, 2021 is Annexed herewith as **Annexure I**.

### Dividend

The Board of Directors have recommended final dividend of ₹ 0.25/- per Equity Share for the financial year ended March 31, 2021 amounting to ₹ 703.09 Lakhs. The dividend shall be paid to the members whose names appear in the Register of Members as on September 22, 2021 in respect of shares held in the dematerialised form, it shall be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.

Pursuant to the Finance Act, 2020, dividend income is taxable in the hands of the shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source (TDS) from dividend paid to the Members at prescribed rates as per the Income-tax Act, 1961.

The dividend payout for the year under review has been formulated in accordance with the Company's policy linked with long term performance, keeping in view the Company's need for capital for its growth plans and the intent to finance such plans through internal accruals to the maximum. The Dividend Distribution Policy of the Company is annexed herewith marked as **Annexure II** to this Report. The Dividend Distribution Policy is posted on the website of the Company and the web link is <http://knrc.com/images/policies/KNRCL-DIVIDEND-DISTRIBUTION-POLICY.pdf> There has been no change in the policy during the year.

### CHANGE IN NATURE OF BUSINESS

During the year under review, there is no change in the nature of business in which the Company operates.

### MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY.

During the year under review, till the date of this report, there were no material changes and commitments that may affect the financial position of the Company.

### CAPITAL STRUCTURE

#### Authorised Capital:

The authorised share capital of the Company is ₹ 60,00,00,000/- (Sixty Crores Only) divided into 30,00,00,000 (Thirty Crores only) Equity shares of ₹ 2/- (Rupees Two only) each as on March 31, 2021.

During the year under review, the authorised share capital of the Company was increased from ₹ 35,00,00,000/- (Rupees Thirty-Five Crores) divided into 17,50,00,000 (Seventeen Crores Fifty Lakhs only) equity shares of ₹ 2/- (Rupees Two) each to ₹ 60,00,00,000/- (Sixty Crores Only) divided into 30,00,00,000 (Thirty Crores only) Equity shares of ₹ 2/- (Rupees Two only) each by way of special resolution passed by the members of the Company through postal ballot on January 24, 2021.

#### Paid-up capital:

As on March 31, 2021, the paid-up capital of the Company is ₹ 56,24,69,200/- (Rupees Fifty-Six Crores Twenty-Four Lakhs Sixty-Nine Thousand Two Hundred Only) divided into 28,12,34,600 (Twenty-Eight Crores Twelve Lakhs Thirty-Four Thousand Six Hundred only) Equity Shares of ₹ 2/- (Rupees Two) Each.

### ISSUE OF SHARES:

#### BONUS ISSUE:

During the year under review, the Company has issued and allotted 14,06,17,300 (Fourteen Crores Six Lakhs Seventeen Thousand Three Hundred) equity shares by way of Bonus Issue in the ratio of 1:1 on February 5, 2021 (Date of allotment).

Apart from the above, the Company has not issued any securities (including convertible warrants) by way of Sweat Equity or Employee Stock Options or equity shares with differential voting rights or by any other way of allotment during the year under review.

### CREDIT RATING:

During the year under report,

- CRISIL has revised its outlook to AA-(Positive) from AA-(Stable) and CRISIL A1+ (Reaffirmed) for Long –term and short-term bank facilities.



## Directors' Report (Contd.)

- b) India Ratings has re-affirmed AA- (IND AA-/Stable/IND A1+) for various bank facilities of the Company.

### INVESTOR EDUCATION AND PROTECTION FUND

In terms of Section 125 of the Companies Act, 2013, an amount of ₹ 27,754/- being unclaimed dividend for 2012-13 was transferred to the Investor Education and Protection fund (IEPF) established by the Central Government during the year under review.

The Company has transferred 293 equity shares as required under the provisions of Section 124(6) of the Companies Act, 2013 to IEPF Authority, pertaining to 2012-13.

Members are requested to note that dividends not encashed or remaining unclaimed for a period of 7 (seven) years from the date of transfer to the Company's Unpaid Dividend Account, shall be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Further, pursuant to the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') as amended from time to time, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.

The Members/Claimants whose shares, unclaimed dividend have been transferred to IEPF may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF 5 which is available on [www.iepf.gov.in](http://www.iepf.gov.in) and on the website of the Company [www.knrcl.com](http://www.knrcl.com) along with requisite fee as decided by it from time to time.

Members who have not yet encashed the dividend warrants from the financial year ended March 31, 2014 onwards are requested to forward their claims to the Company's Registrar and Share Transfer Agents without any further delay. It is in Members' interest to claim any un-encashed dividends and for future, opt for Electronic Clearing Service, so that dividends paid by the Company are credited to the Members' account on time.

It may be noted that once the unclaimed dividend is transferred to IEPF as above, no claim shall rest with the Company in respect of such amount. It may also be noted that the unclaimed dividend amount which were lying with the Company upto the year ended on March 31, 2013, have already been transferred to IEPF. The details of the unclaimed dividends are available on the Company's website at [www.knrcl.com](http://www.knrcl.com) and on the website of Ministry of Corporate Affairs at [www.mca.gov.in](http://www.mca.gov.in). Members are requested to contact the Company's Registrar and Share

Transfer Agent or the Company to claim the unclaimed/unpaid dividends.

### Nodal Officer:

Pursuant to the provisions of Rule 7(2B) of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Second Amendment Rules, 2019, the Company has appointed Smt. Haritha Varanasi, Company Secretary of the Company as Nodal Officer of the Company.

### DIRECTORS:

#### Non Independent Directors

During the year under report, Shri K Narsimha Reddy and Shri K Jalandhar Reddy were re-appointed as Managing Director and Executive Director of the Company, respectively, for a period of 5 years, effective April 01, 2021 pursuant to special resolutions passed by the members of the Company by way of postal ballot and the results of postal ballot were declared on 24th January 2021.

In accordance with the requirements of the Companies Act, 2013 Shri K Jalandhar Reddy, Director of the Company is liable to retire by rotation at the Annual General Meeting and, being eligible, offer himself for reappointment at the ensuing Annual General Meeting.

Save and except the aforesaid, there was no appointment / reappointment of any Director on the Board of the Company during the FY 2020-21.

Brief resume of the Director proposed to be reappointed, nature of their expertise in specific functional areas, names of the companies in which they hold directorships and relationships between directors inter-se, as stipulated under Regulation 36 of SEBI (LODR) Regulations, 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, is annexed to the notice of the Annual General Meeting.

The Board of Directors has complete access to the information within the Company. Independent Directors have the freedom to interact with the Company's management. Interactions happen during Board / Committee meetings, when MD / ED are asked to make presentations about performance of the Company to the Board. Apart from this, they also have independent interactions with the Statutory Auditors, the Internal Auditors and external advisors appointed from time to time. Further, Independent Directors meet without the presence of any management personnel and their meetings are conducted informally to enable the Independent Directors to discuss matters pertaining to the Company's affairs and put forth their combined views to the Board of Directors of the Company.

## Directors' Report (Contd.)

### Independent Directors

The Company has received declarations from the independent directors of the Company to the effect that they meet the criteria of independence as laid under the provisions of Section 149 (6) of the Companies Act, 2013 and Regulation 16 (1) (b) read with Regulation 25 of SEBI (LODR) Regulations, 2015 in respect of the financial year ended March 31, 2021.

The Independent Directors have also confirmed that they are in compliance with the Code of Conduct as stipulated under Schedule IV of the Companies Act, 2013 and also of the Company.

In terms of Regulation 25 (8) of SEBI (LODR) Regulations, 2015 the Independent Directors have also confirmed that they are not aware of any circumstance or situation, which exists or which may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

During the year under report, the Independent Directors of the Company had no pecuniary relationship or transactions with the Company, except to the extent of sitting fees and reimbursement of expenses incurred by them for the purpose of attending the meetings of the Board and its committees.

### Proficiency of Directors:

In compliance with Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014, all the Independent Directors of the Company have registered themselves with the Independent Directors Data Bank maintained by IICA. Except Smt. G Chandra Rekha, who has appeared and qualified the proficiency test conducted by IICA, none of the other independent Directors were required to appear the aforesaid test.

### Policy On Director's Appointment and Remuneration and Other Details:

The Nomination and Remuneration Committee has laid down the criteria for Directors' appointment and remuneration including criteria for determining qualification, positive attributes and independence of a Director. The following attributes/criteria for selection have been laid by the Board on the recommendation of the Committee:

- The candidate should possess the attributes such as leadership, professional stature, domain expertise or such other attributes which in the opinion of the Committee are in the interest of the Company;
- the candidate should be free from any disqualification as provided under Sections 164 and 167 of the Companies Act, 2013;

- the candidate should meet the conditions of being independent as stipulated under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in case of appointment as an independent director; and
- the candidate should possess appropriate educational qualification, skills, experience and knowledge in one or more fields of finance, law, management, technical operations, infrastructure, or such other areas or disciplines which are relevant for the Company's business.

### Key Managerial Personnel:

Pursuant to the provisions of Section 203 of the Companies Act, 2013 the following are the Key Managerial Personnel of the Company:

- |                          |   |
|--------------------------|---|
| - Shri K Narsimha Reddy  | - Managing Director                             |
| - Shri K Jalandhar Reddy | - Whole-time Director & Chief Financial Officer |
| - *Shri M V Venkat Rao   | - Company Secretary                             |
| - #Smt. Haritha Varanasi | - Company Secretary                             |

\*Resigned w.e.f. 06.03.2021

#Appointed w.e.f. 06.03.2021

### Remuneration policy

The Company has in place remuneration policy to ensure that the Key Managerial Personnel (KMP) and Senior Managerial Personnel (SMP) shall be competitive in order to ensure that the Company can attract and retain competent talent.

The remuneration policy of the Company shall ensure that:

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors/KMPs and SMPs of the quality required to run the Company successfully.
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- Remuneration to directors, KMP and SMP involves a balance between fixed and variable pay reflecting short and long term performance objectives and goals set by the Company.
- Remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.

The detailed remuneration policy of the Company can be accessed in the website of the Company through the below link:

<http://knrc.com/images/policies/Remuneration-Policy.pdf>

## Directors' Report (Contd.)

### COMMITTEES OF THE BOARD

The Company has duly constituted the following committees as per the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015

- a) Audit Committee
- b) Stakeholders Relationship Committee
- c) Nomination and Remuneration Committee
- d) Corporate Social Responsibility Committee
- e) Risk Management Committee

Details of the Committees such as Composition, meetings held during the year under report are provided in Corporate Governance Report which forms integral part of the Annual Report.

### MEETINGS OF THE BOARD AND COMMITTEES

The Board of Directors and Committees have duly met during the year under report and the minutes of the meetings are duly recorded. The details of the meetings of the Board and its Committees are provided in the Corporate Governance Report which forms integral part of this report.

### RECOMMENDATIONS OF AUDIT COMMITTEE

The Board has taken into consideration, accepted and acted upon all the recommendations of the Audit Committee.

### BOARD DIVERSITY

The Company recognises that having a diverse Board enhances the quality of its performance. The Company continues to increase the diversity in the Board as and when required, as the Company believes that it is an essential element in supporting and attainment of its strategic objectives and its sustainable development. The Company has in place policy on Board Diversity and can be accessed at <http://knrcl.com/images/policies/Board-Diversity-Policy.pdf>.

### BOARD EVALUATION

The Nomination and Remuneration Committee lays down the criteria for performance evaluation of Independent Directors, Board of Directors and Committees of the Board.

The parameters like attendance and participation of Directors in the meetings of the Board and its Committees thereof, contribution to strategic decision making, financial statements and business performance have been the basis criteria for performance evaluation.

The evaluation of Board as a whole and each individual director is performed after seeking all the inputs from the Directors.

The performance evaluation of executive Directors, Chairperson of the Board is done by the Independent Directors at their separate meeting.

For the year 2020-21, evaluation of Board as a whole, Non-executive and Independent Directors and Executive Directors of the Company has been duly carried out as per the policy laid by the Nomination and Remuneration Committee.

### FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS

All Independent Directors are familiarised with the operations and functioning of the Company. The details of familiarisation program are provided in Corporate Governance Report which forms part of the Annual Report.

### MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT

Management's Discussion and Analysis report for the year under review as stipulated under Regulation 34(2) (e) SEBI (LODR) Regulation, 2015 of the LODR Regulations 2015 is presented in a separate section forming part of the Annual report

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 134 (3) (c) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, Your Directors hereby confirm that:

- a) in the preparation of the annual accounts for the year ended March 31, 2021, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the profit of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a 'going concern' basis;



## Directors' Report (Contd.)

- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### IMPLEMENTATION OF CORPORATE ACTIONS, FAILURES IF ANY

During the year under review, no instances of failure to implement corporate actions were reported.

### CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI. The report on Corporate Governance as stipulated under the SEBI (LODR) Regulations, 2015, forms an integral part of this Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of corporate governance is attached to the report on Corporate Governance.

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company is committed to enhance value creation in the society and community in which it operates. Through its conduct, services, and CSR initiatives it will strive to promote sustained growth in the surrounding environs.

The Corporate Social Responsibility Committee (CSR Committee) has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board. The CSR Policy of the Company is available on the website of the Company ([http://knrc.com/images/policies/knrc\\_CSR.pdf](http://knrc.com/images/policies/knrc_CSR.pdf)).

The Company has identified three focus areas of engagement which are as under:

1. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects
2. Rural development projects
3. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

The Company as part of its Corporate Social Responsibility (CSR) initiative, undertook projects like promotion of education in rural areas, infrastructure and maintenance and renovation of old age homes.

The Annual Report on CSR activities carried out by the Company for 2020-21 is annexed herewith as "**Annexure III**" to this report as required under the provisions of the Companies Act, 2013 and applicable rules thereunder.

### STATUTORY AUDITORS

M/s K P Rao & Co., Chartered Accountants, were appointed as Statutory Auditors of the Company at the 22nd Annual General Meeting held on September 28, 2017 for a period of 5 years i.e., upto conclusion of 27th AGM to be held in the year 2022. Pursuant to Notification issued by the Ministry of Corporate Affairs on May 7, 2018 amending section 139 of the Companies Act, 2013 and the Rules framed thereunder, the mandatory requirement for ratification of appointment of Auditors by the Members at every Annual General Meeting ("AGM") has been omitted, and hence the Company is not proposing an item on ratification of appointment of Auditors at the ensuing AGM.

Further, the Statutory Auditor's report does not contain any qualifications, reservations, adverse remarks or disclaimers.

The Statutory Auditors attended the AGM held on September 28, 2020.

No frauds were reported by the Statutory Auditors during the year under report.

### INTERNAL AUDITOR & CONTROLS

The Board of Directors at their meeting held on May 20, 2021, based on the recommendation of the Audit Committee, has re-appointed M/s. K. P. Rao Associates, Chartered Accountants, Hyderabad, as the Internal Auditors of your Company. The Internal Auditors are submitting their reports on quarterly basis. Internal Auditors findings are discussed and suitable corrective actions are taken as per the directions of Audit Committee on an on-going basis to improve efficiency in operations.

The Company's internal control systems are well established and commensurate with the nature of its business and the size and complexity of its operations. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations. The recommendations/suggestions of the internal auditors are discussed in the Audit Committee meetings periodically.

## Directors' Report (Contd.)

### COST AUDITOR

In accordance with Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014 the Board of Directors, upon the recommendation of Audit Committee, at their meeting held on May 20, 2021 has appointed Shri D Zitendra Rao, Cost Accountant, Hyderabad, being eligible and having sought appointment, as Cost Auditor of the Company, to carry out the cost audit of the Company for the financial year 2021-22, at a remuneration of ₹ 3 lacs.

### SECRETARIAL AUDITOR

In accordance with Section 204 of the Companies Act, 2013 the Board has re-appointed M/s. **VCSR & Associates**, Company Secretaries, to conduct Secretarial Audit for the Financial Year 2020-21. The Secretarial Audit Report for the financial year ended March 31, 2021 is annexed herewith and marked as **Annexure IV** to this Report.

### SECRETARIAL STANDARDS

During the year under report, the Company has duly complied with all the applicable secretarial standards as issued by the Institute of Company Secretaries of India from time to time.

### SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

A separate statement containing the salient features of the Financial statements of the subsidiaries and joint ventures of the Company is prepared in Form AOC-1 which forms part of the Consolidated financial statements.

The Company has two new companies (SPVs) as wholly-owned subsidiaries namely KNR Guruvayur Infra Private Limited and KNR Ramanattukara Infra Private Limited which are incorporated after the closure of the financial year.

The Policy for determining material subsidiaries as approved by the Board may be accessed on the Company's website:

[http://knrcl.com/images/policies/Policy\\_on\\_MATERIAL\\_SUBSIDIARIES.pdf](http://knrcl.com/images/policies/Policy_on_MATERIAL_SUBSIDIARIES.pdf)

### MATERIAL SUBSIDIARIES

During the year under report, the Company has three material subsidiaries namely KNR Shankarampet Projects Private Limited, KNR Srirangam Infra Private Limited and KNR Tirumala Infra Private Limited.

Secretarial Audit of Material Subsidiaries:

As required under the provisions of Regulation 24 of SEBI (LODR) Regulations, 2015, the secretarial audit reports of the

material subsidiaries of the Company are annexed herewith as **Annexure V**.

### SALE OF 100% STAKE IN THE MATERIAL WHOLLY OWNED SUBSIDIARIES:

The Board at its meeting held on August 30, 2021 has accorded its approval for sale of 100% stake held by the Company in the following material wholly owned subsidiaries, including transfer of control, in one or more tranches to Cube Highways and Infrastructures III Pte Ltd.

- KNR Shankarampet Projects Private Limited,
- KNR Srirangam Infra Private Limited and
- KNR Tirumala Infra Private Limited

Accordingly, the Company is seeking approval from the members of the Company for the sale of stake as required under the provisions of Regulation 24(5) of SEBI (LODR) Regulations, 2015.

### NAMES OF COMPANIES WHICH HAVE CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR

During the year under review, KNR Walayar Tollways Private Limited has ceased to be subsidiary of the Company w.e.f. September 28, 2020.

Further, KNR Chidambaram Infra Private Limited has also ceased to be subsidiary of the Company as the Company has been struck off from the register of Companies by the Ministry of Corporate Affairs, pursuant to the strike off application filed by the Company.

### CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013.

The Consolidated Financial Statements for the financial year ended March 31, 2021 forms part of the Annual Report.

Further, we undertake that the Annual Accounts of the subsidiary Companies and the related detailed information will be made available to the Company's shareholders and to the shareholders of the subsidiary companies seeking such information at any point of time. Further, the Annual Accounts of the subsidiary Companies shall also be kept for inspection by any shareholder at the Registered office of the Company and that of the subsidiary Companies.

## Directors' Report (Contd.)

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of subsidiaries, are available on the website of the Company at [www.knrcl.com](http://www.knrcl.com)

### CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: [http://knrcl.com/images/policies/policy\\_on\\_materiality.pdf](http://knrcl.com/images/policies/policy_on_materiality.pdf) Your Directors draw attention of the members to Notes to the financial statement which sets out related party transactions and disclosures.

The Company has not entered into any contracts/arrangements with related parties referred to Section 188(1) of the Companies Act, 2013 not at arms-length basis during the year. The details of the related party transactions disclosed herewith as **Annexure VI in Form AOC-2**.

### Disclosure under Regulation 34(3) read with Schedule V of the Listing Regulations

#### Related Party disclosure as per Schedule V of the Listing Regulations

(₹ In Lakhs)

S No.	In the accounts of	Particulars	Amount at the year ended 2020-21	Maximum outstanding amount during the year 2020-21
1.	KNR Constructions Limited (Holding Company)	(i) Loans/Advances to subsidiaries		
		KNR Agrotech & Beverages Pvt Ltd.,	191.54	191.54
		KNR Energy Ltd.,	146.90	146.90
		KNRC Holdings and Investments Pvt Ltd.,	233.35	233.35
		KNR Muzaffarpur Barauni Tollway Pvt. Ltd.,	736.48	736.48
		KNR Infrastructure Projects Pvt. Ltd.,	10.59	10.59
		KNR Muzaffarpur Holdings Pvt. Ltd.,	13.60	13.60
		KNR Srirangam Infra Pvt. Ltd.,	121.68	121.68
		KNR Tirumala Infra Pvt Ltd.,	0.00	488.12
		KNR Shankarampet Project Pvt Ltd.,	0.31	7.16
		KNR Somwarpet Infra Project Pvt Ltd.,	0.23	0.39
		KNR Palani Infra Pvt. Ltd.,	4.07	55.68
		(ii) Loans/advances to associates	0.54	149.57
		a) Patel KNR Heavy Infrastructures Limited		
		b) Patel KNR Infrastructures Limited	0.04	0.89
		(iii) Loans/advances to firms/Companies in which Directors are interested	NotApplicable	NotApplicable
2.	KNR Constructions Limited (Holding Company)	Investment by the Loanee in the shares of parent company/ subsidiary company when the company has made a loan or advance	NotApplicable	NotApplicable



## Directors' Report (Contd.)

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The particulars relating to Conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo as required under section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 are as follows

#### a) Conservation of Energy

The Company has taken suitable measures for conservation of energy to the extent possible. However, the core activity of the Company is civil construction which is not an energy intensive sector where energy consumption is at intensive level.

#### b) Technology absorption, Adoption and Innovation

There is no information to be furnished regarding Technology Absorption as your Company has not undertaken any research and development activity in any manufacturing activity nor any specific technology is obtained from any external sources, which needs to be absorbed or adopted.

Innovation is a culture in the Company to achieve cost efficiency in the construction activity to be more and more competitive in the prevailing environment that cannot be quantified.

- c) The Company has not imported any technology during the last 5 years.

#### Foreign Exchange Earnings and Outgo

(₹ In Lakhs)

Particulars	2020-21	2019-20
1) Foreign Exchange Inwards	Nil	Nil
2) <b>Foreign Exchange Outgo</b> - Import of capital goods and Stores and spares	1039.78	340.45
3) <b>Foreign Currency Expenditure/Remittance</b> - On account of travel/other expenses	Nil	2.80

### DEPOSITS

Your Company has not accepted any deposits covered by the provisions of Section 73 of the Companies Act, 2013 and the Rules framed there under.

### VIGIL MECHANISM

The Company has a Vigil mechanism and Whistle blower policy in terms of the SEBI (LODR) Regulations, 2015 and the

Companies Act, 2013 under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. Protected disclosures can be made by a whistle blower through a dedicated e-mail, or a letter to the Chairman of the Audit Committee. The Policy on vigil mechanism and whistle blower policy may be accessed on the Company's website at the link: [http://knrcl.com/images/policies/knrcl\\_whistleblower.pdf](http://knrcl.com/images/policies/knrcl_whistleblower.pdf)

### CODE OF CONDUCT FOR THE PREVENTION OF INSIDER TRADING

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulation, 2015 and Amended Regulations 2018. The Insider Trading Policy of the Company lays down guidelines and procedures to be followed, and disclosures to be made while dealing with shares of the Company, as well as the consequences of violation. The policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company securities.

The Insider Trading Policy of the Company covering code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct for the prevention of insider trading, is available on our website ([http://knrcl.com/images/policies/knrcl\\_8insider.pdf](http://knrcl.com/images/policies/knrcl_8insider.pdf))

### CODE OF CONDUCT

A declaration regarding compliance with the code of conduct signed by the Company's Managing Director is published in the Corporate Governance Report which forms part of the annual report.

### PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED

Particulars of loans given, investments made, guarantees given and securities provided forms part of the standalone financial statements.

### ANNUAL RETURN

As required under the provisions of Section 92 of the Companies Act, 2013, copy of Annual Return of the Company for the year ended March 31, 2021 is made available on the website of the Company and the same can be accessed through the following link. <http://knrcl.com/ar-2020-21.html>

## Directors' Report (Contd.)

### MATERIAL ORDERS PASSED BY COURTS/REGULATORS/TRIBUNALS

There were no material or significant orders passed by the regulators/courts/tribunals that would impact the going concern status of the Company and its future operations.

### CORPORATE INSOLVENCY RESOLUTION PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016.

No corporate insolvency resolution processes were initiated against the Company under the Insolvency and Bankruptcy Code, 2016, during the year under review.

### INSURANCE

All the movable properties and assets of the Company are adequately insured for the year under report.

### PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is as follows:

The percentage of increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2020-21, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sl. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for 2020-21 (₹ in Lakhs) *	% increase in Remuneration in the Financial Year 2020-21	Ratio of remuneration of each Director/ to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1	Shri. K Narsimha Reddy Managing Director	999.00	26.14%	378	Profit before Tax and exceptional item increased by 28.90% and Profit After Tax and comprehensive income increased by 8.5% in 2020-21
2	Shri. K Jalandhar Reddy Executive Director and CFO	666.00	26.14%	252	
3	Shri. M V Venkata Rao* Company Secretary	14.52	-8.33%	6	
4	Smt. Haritha Varanasi (\$) Company Secretary	1.26	-	-	
5	Shri S.Vaikuntanathan, V.P (F&A)	33.30	0.00%	13	

\* Resigned w.e.f. March 6, 2021.

\$ Appointed w.e.f. March 6, 2021.

During the period under review, no employee of the Company is employed throughout the financial year and in receipt of ₹ 102.00 Lakhs or more, or employed for part of the year and in receipt of ₹ 8.5 Lakhs or more a month or was in receipt of remuneration in excess of that drawn by the managing director or whole time director or manager and holds by himself or long with his spouse and dependent children, not less than two percent of the equity shares of the Company under Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Further details of top ten employees in terms of remuneration drawn during the financial year ended March 31, 2021 as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and as amended are:

## Directors' Report (Contd.)

Sl. no.	Name of the Employee & Designation	Age (years)	Qualification	* Gross Remuneration in ₹	Experience (years)	Date of Commencement of Employment	Previous Employment	% of holding in the Company
1	Shri K. Narsimha Reddy Managing Director	73	B.A	9,99,00,000	52 Yrs	11.07.1995	-	32.89%
2	Shri K.Jalandhar Reddy Executive Director & CFO	50	B.E Computers	6,66,00,000	24 Yrs	11.07.1995	-	13.96%
3.	Shri K.Shankar Reddy Vice President	50	B.Tech Civil	72,50,000	24 Yrs	01.10.1999	Rani Constructions	--
4	Shri.V.Narasimha Ramana Sr.Vice President – Technical	58	M.Tech Civil	67,64,400	33 Yrs	09.06.2018	BSCPL	--
5	Shri V. Venugopal Reddy Director-Projects	44	B.E	63,06,000	20 Yrs	21.08.2000	-	0.09%
6	Shri Maj. T.L. Verma Sr.Vice President – Technical	65	B.E. Civil	60,00,000	41 Yrs	12.07.2011	LANCO	--
7	Shri. T. Bhaskar Rao Sr.Vice President – Technical	54	M.Tech Civil	55,80,000	34 Yrs	06.08.2018	GVR Infra Projects	--
8	Shri.E.Srinivasa Rao Vice President - Technical	57	B.E Civil	39,00,000	26 Yrs	02.12.2012	Navayuga	--
9	Shri K Venkata Ram Rao General Manager (F&A)	47	FCA & FCS	36,00,000	18 Yrs	28.09.2015	Ramky Infrastructure Limited	--
10	Shri. S. Vaikuntanathan Vice President (F&A)	66	FCA	33,30,000	40 Yrs	07.01.2016	Vaibhav Jyothi Power	--

- None of the above employees were relative of any Directors except in the case of Shri K Jalandhar Reddy and Shri K Narsimha Reddy., Shri K Jalandhar Reddy is the son of Shri K Narsimha Reddy

- All appointments are / were contractual in accordance with terms and conditions as per Company rules.

\* Gross Remuneration includes perquisites and contribution to Provident fund by the employer.

- The median remuneration of employees of the Company during the financial year was ₹ 2.64 Lakhs;
- In the financial year, there was no increase in the median remuneration of employees;
- There were 2162 employees on the rolls of Company as on March 31, 2021
- Relationship between average increase in remuneration and Company performance: - The Profit before tax and exceptional items for the financial year

ended March 31, 2021 increased by 28.90% whereas there is no increase in median remuneration.

- Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:

The total remuneration of Key Managerial Personnel was ₹ 1,714.08 Lakhs whereas the Profit before tax and after exceptional item was ₹ 38,113.31 Lakhs in 2020-21

- Variations in the market capitalisation of the Company: The market capitalisation as on March 31, 2021 at NSE was ₹ 6,00,155 Lakhs (₹ 2,76,313 Lakhs as on March 31, 2020)
  - Price Earnings ratio of the Company at NSE was 15.97 as at March 31, 2021 and was 12.26 as at March 31, 2020;
- Average percentage increase made in the salaries of employees other than the managerial personnel in the

## Directors' Report (Contd.)

last financial year i.e. 2020-21 was 2.29% whereas the increase in the managerial remuneration for the same financial year was 25.19%.

- ix) The key parameters for any variable component of remuneration availed by the directors: Not applicable
- x) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but received remuneration in excess of the highest paid director during the year – Not Applicable; and
- xi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

### Policy on Sexual Harassment

The Company has adopted policy on Prevention of Sexual Harassment of women at Workplace in accordance with The Sexual Harassment of women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and a committee has been set up for redressal of sexual harassment complaints received.

During the year under review, the Company has not received any complaints pertaining to Sexual Harassment.

### BUSINESS RESPONSIBILITY REPORT

Your Company being among the top 1000 listed entities based on market capitalisation, is required to present the Business Responsibility Report as required under the Regulation 34(2) (f) of SEBI (LODR) Regulations, 2015. The Business Responsibility Report of the Company for the year ended March 31, 2021 forms part of this report and annexed herewith as **Annexure VII**.

### General

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.

### INDUSTRIAL RELATIONS

Your Directors are happy to report that the Industrial Relations have been extremely cordial at all levels throughout the year. Your Directors record their appreciation for sincere efforts, support and co-operation of all employees being extended from time to time to accelerate the growth of the Company.

### Appreciation and Acknowledgements

Your Directors wish to place on record their gratitude to the Company's shareholders, customers, vendors and bankers for their continued support to KNRCL's growth initiatives. Your Directors also wish to place on record, their appreciation of the contribution made by employees at all levels, who through their competence, sincerity, hard work, solidarity and dedicated support, have enabled your Company to make rapid strides in its business initiatives. Your Directors also thank the Central and State Governments and their various agencies, particularly, the National Highway Authority of India and other Governmental agencies for extending their support during the year, and look forward to their continued support.

For and on behalf of the Board of Directors  
of **KNR Constructions Limited**

**K Narsimha Reddy**

Managing Director

DIN: 00382412

**K Jalandhar Reddy**

Executive Director & CFO

DIN: 00434911

Place: Hyderabad

Date: August 30, 2021



Annexure – I

FINANCIAL PERFORMANCE OF SUBSIDIARIES

[Disclosure as required under the provisions of Rule 8 of Companies (Accounts) Rules, 2014]

Particulars	KNR Srirangam Infra Pvt Ltd		KNR Tirumala Infra Pvt Ltd		KNR Palani Infra Pvt Ltd		KNR Shankarampet Projects Pvt ltd		KNR Somwarpet Infra project Pvt Ltd		KNR Muzaffarpur Holdings Pvt. Ltd.,		KNR Agrotech & Beverages Pvt. Ltd		KNR Infrastructure Projects Pvt. Ltd.,	
	2020- 21	2019- 20	2020- 21	2019- 20	2020- 21	2019- 20	2020- 21	2019- 20	2020- 21	2019- 20	2020- 21	2020- 21	2019- 20	2020- 21	2020- 21	2019- 20
Revenue from operations	24111.08	29084.21	42544.32	54110.66	17342.17	0	36777.52	40828	21974.02	6771.2	0	0	15	23.57	0	0
Profit for the year after meeting all expenses (before interest, depreciation and tax)	2872.92	1310.16	4995.04	2423.48	324.04	0	4022.75	2342.1	1692.36	0	-0.82	-0.97	3.54	20.15	-0.39	-0.55
Less:																
Interest	1061.17	409.09	1345.09	550.68	19.37	0	1362.97	415.14	347.08	0	0	0.00325	0	2.4	0	0
Depreciation and other write offs	0	0	0	0	0	0	0	0	0	0	0	0	4.16	4.44	0	0
Provision for taxation	0	0	0	0	0	0	0	0	0	0	0	0	0	-3.39	0	0
Net profit/Loss	1811.75	901.07	3649.95	1872.8	304.67	0	2659.78	1926.96	1345.28	0	-0.82	-0.97	-0.62	16.7	-0.39	-0.55

## Annexure – I (Contd.)

### FINANCIAL PERFORMANCE OF SUBSIDIARIES

[Disclosure as required under the provisions of Rule 8 of Companies (Accounts) Rules, 2014]

Particulars	KNR Energy Ltd		KNRC Holdings and Investments Pvt. Ltd.,		KNR Muzaffarpur-Barauni Tollway Pvt. Ltd		Mesmeric Software Solutions Pvt. Ltd		Nag Talent Ventures & Infotech Pvt. Ltd.,		Gradient Estates Pvt. Ltd.,		Asara Construction & Projects Pvt. Ltd.,		KNR Walyar Tollways Pvt. Ltd., @	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Revenue from operations	0	0	13.42	16.78	4271.58	6916.38	0	0	0	0	0	0	0	0	1857.52	6782.1
Profit for the year after meeting all expenses (before interest, depreciation and tax)	-0.39	-0.51	12.7	15.91	1876.5	5435.96	-0.4	-0.5	-0.53	-0.56	-0.38	-0.49	-0.39	-0.49	1108.97	5311.93
Less:																
Interest	0	7.62	14.01	13.24	3918.12	4414.24	0	1.72	0	2.69	6.75	6.22	6.67	6.15	773.24	1591.63
Depreciation and other write offs	0	0	0	0	2968.15	2973.27	0	0	0	0	0	0	0	0	1607.29	3250.15
Provision for taxation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net profit/Loss	-0.39	-8.13	-1.31	2.67	-5009.77	-1951.55	-0.4	-2.22	-0.53	-3.25	-7.13	-6.71	-7.06	-6.64	-1271.56	470.15

@Ceased to be subsidiary w.e.f 30.09.2020

## Annexure – II

### **DIVIDEND DISTRIBUTION POLICY**

This Policy will regulate the process of dividend declaration and its pay-out by KNR Constructions Limited ("the Company") in accordance with the provisions of Act, 2013 read with the applicable Rules framed there under, as may be in force for the time being ("Companies Act") and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the amendments made there to ["SEBI (LODR)"] and / or other applicable Legislations, Rules and Regulations as may be in force at the relevant time.

#### **OBJECTIVE**

The objective of this policy is to ensure a regular dividend income for the shareholders and long term capital appreciation for all stakeholders of the Company. The Company would ensure to strike the right balance between the quantum of dividend paid and amount of profits retained in the business for various purposes. The Board of Directors will refer to the policy while declaring/recommending dividends on behalf of the Company. Through this policy, the Company would endeavor to maintain a consistent approach to dividend pay -out plans.

The Company shall put in necessary efforts to ensure that apart from Dividend the other benefits such as Scrip Dividend (Bonus Issue) Buy Back of Shares, Stock Split etc., are extended to the shareholders subject to compliance of the applicable regulations both stipulated under the Companies Act, 2013, SEBI Regulations and other applicable enactments / regulations.

The Company believes that it operates in an Industry/ Environment where Working Capital requirements are high.

#### **CATEGORY OF DIVIDENDS**

The Companies Act provides for two forms of Dividend- Final & Interim. The Board of Directors shall have the power to recommend final dividend to the shareholders for their approval in the general meeting of the Company. The Board of Directors shall have the absolute power to declare interim dividend during the financial year, as and when they consider it fit.

The Board may, at its sole discretion, declare / recommend a Special Dividend under certain circumstances such as extraordinary profits from sale of any major asset(s) or any special occasion or significant event.

#### **FACTORS TO BE CONSIDERED WHILE RECOMMENDING / DECLARING DIVIDEND**

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among the shareholders and amount of profit to be retained in business.

The Board of Directors will endeavor to take a decision with an objective to enhance shareholders' wealth and market value of the shares.

The Dividend pay-out decision of any Company depends upon certain internal and external factors -

#### **Internal Factors: -**

The Board will take into account various internal factors while recommending / declaring Dividend, which inter alia will include-

- i) Profits earned during the year;
- ii) Present & future Capital requirements of the existing businesses;
- iii) Expansion/ Modernisation of existing businesses;
- iv) Additional investments in subsidiaries/associates of the Company;
- v) Fresh investments into external businesses;
- vi) Business Acquisitions (if any);
- vii) Any other factor as deemed fit by the Board.

#### **External Factors: -**

Apart from the various internal factors aforementioned the Board will take into account the various external factors while recommending / declaring dividend which inter alia include the following-

- State of Economy - in case of uncertain or recessionary economic and business conditions, Board will endeavor to retain larger part of profits to build up reserves to absorb future shocks.
- Capital Markets- when the markets are favorable, dividend pay-out can be liberal.  
However, in case of unfavorable market conditions, Board may resort to a conservative dividend pay-out in order to conserve cash outflows.
- Statutory Restrictions - The Board will keep in mind the restrictions imposed under the applicable legislations and the covenants stipulated by Lenders, if any with regard to recommendation and /or declaration of dividend.

#### **DIVIDEND RANGE**

The Company stands committed to deliver sustainable value to all its stakeholders. The Company will strive to distribute an optimal and appropriate level of the profits earned by it in its business and investing activity, with the shareholders, in the form of dividend. As explained in the earlier part of this Policy, determining the dividend pay-out is dependent upon several factors, both internal to a business and external to it.

## Annexure – III

### FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT FOR THE FINANCIAL YEAR 2020-21

#### 1. Brief Outline on CSR Policy of the Company:

The main objective of the CSR policy of the Company is to operate business in a sustainable manner respecting the environment and society at large. It also aims to take up directly or indirectly, programs that would benefit the communities in and around the work places which will enhance the quality of life and economic well-being of the local residents.

#### 2. Composition of CSR Committee

S. No	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Shri L B Reddy	Non-Executive Independent Director	4	4
2.	Shri B V Rama Rao	Non-Executive Independent Director	4	4
3.	Shri K Jalandhar Reddy	Executive Director	4	4

3. Web link of Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed:

<http://knrc.com/committees.html>

[http://knrc.com/images/policies/knrc\\_CSR.pdf](http://knrc.com/images/policies/knrc_CSR.pdf)

4. Details of Impact Assessment: Not Applicable

5. Details of the amount available for set-off in pursuance of Sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility) Rules, 2014 and amount required for set-off for the financial year:

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

6. Average Net profit of the Company as per Section 135 (5) of the Companies Act, 2013: ₹ 2,82,87,87,716/-

7. (a) Two percent of average net profit of the Company as per section 135(5) ₹ 5,65,75,754/-

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. ₹ 4,44,85,572/- \*

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

(d) Total CSR Obligation for the financial year (7a+7b-7c): ₹ 10,10,61,326/-

\* Unspent CSR amount as on March 31, 2020.

8. (a) CSR Amount Spent or unspent for the financial year.

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
₹ 7,43,46,223/-	₹ 2,67,15,103/-	April 30, 2021	Nil	Nil	Nil



Annexure – III (Contd.)

(b) Details of CSR Amount spent against Ongoing projects for the financial year:

(1) Sl. No.	(2) Name of the Project.	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project		(6) Project duration	(7) Amount allocated for the project (in ₹).	(8) Amount spent in the current financial Year (in ₹).	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	(10) Mode of Implementation - Direct (Yes/No).	(11) Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number.
1.	Improvements to Damanapeta to Ramavaram (Via Doddiguda village) from km 0/0 to 8/0 in Warangal Rural District.	X	No	Telangana	Warangal Rural Dist.	N.A	₹ 10,00,00,000/-	₹ 6,47,53,046/-	₹ 2,67,15,103/-	Yes	N.A	N.A

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

(1) Sl. No.	(2) Name of the Project.	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project		(6) Project duration	(7) Amount allocated for the project (in ₹).	(8) Amount spent in the current financial Year (in ₹).	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	(10) Mode of Implementation - Direct (Yes/No).	(11) Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number.
1.	Road construction at Dhammannapeta.	X	No	Telangana	Warangal Rural Dist.	N.A	Nil	₹ 4,86,750/-	Nil	Yes	N.A	N.A
2.	Tree plantation at Trichy	IV	Yes	Tamil Nadu	Trichy	N.A	Nil	₹ 71,600/-	Nil	Yes	N.A	N.A
3.	Pullambadi primary Health Centre at Trichy	I	Yes	Tamil Nadu	Trichy	N.A	Nil	₹ 30,000/-	Nil	Yes	N.A	N.A
4.	Construction and laying of pipe lines for drinking water	I	Yes	Tamil Nadu	Trichy	N.A	Nil	₹ 1,00,000/-	Nil	Yes	N.A	N.A
5.	Renovation of school premises	II	Yes	Tamil Nadu	Trichy	N.A	Nil	₹ 30,000/-	Nil	Yes	N.A	N.A
6.	Construction of Sanskrit School	II	No	Uttar Pradesh	Varanasi	N.A	Nil	₹ 25,00,000/-	Nil	Yes	N.A	NA

## Annexure – III (Contd.)

(1) Sl. No.	(2) Name of the Project.	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project		(6) Project duration	(7) Amount allocated for the project (in ₹).	(8) Amount spent in the current financial Year (in ₹).	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	(10) Mode of Implementation - Direct (Yes/No).	(11) Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number.
7.	Village road development. at Trichy	X	Yes	Tamil Nadu	Trichy	N.A	Nil	₹ 2,10,000/-	Nil	Yes	N.A	N.A
8.	Contribution towards school fees of under privileged Children	II	Yes	Tamil Nadu	Trichy	N.A	Nil	₹ 1,25,000/-	Nil	Yes	N.A	N.A
9.	Construction of toilets in ramireddy thanda – at Vattem	I	Yes	Telangana	Mahbubnagar	N.A	Nil	₹ 3,68,000/-	Nil	Yes	N.A	N.A
10.	Contribution towards school fees of under privileged Children	II	Yes	Telangana	Mahbubnagar	N.A	Nil	₹ 3,26,600/-	Nil	Yes	N.A	N.A
11.	Contribution towards school fees of under privileged Children	II	Yes	Telangana	R.R.Dist.	N.A	Nil	₹ 21,93,589/-	Nil	Yes	N.A	N.A
12.	Contribution towards baby care	I	Yes	Telangana	R.R.Dist.	N.A	Nil	₹ 2,85,500/-	Nil	Yes	N.A	N.A
13.	Supply of necessary goods for Covid-19	I	Yes	Telangana	Warangal Rural Dist.	N.A	Nil	₹ 3,00,000/-	Nil	Yes	N.A	N.A
14.	Expenditure incurred towards preventive health care and Covid-19 awareness programs	I	Yes	Telangana Tamil Nadu Kerala Karnataka	R.R Dist. and Site locations	N.A	Nil	₹ 25,66,138/-	Nil	Yes	N.A	N.A

## Annexure – III (Contd.)

- (d) Amount spent in administrative overheads Nil
- (e) Amount spent on impact assessment, if applicable – NA
- (f) Total amount spent in the financial year (8b+8c+8d+8e) - ₹ 7,43,46,223/-
- (g) Excess amount for set off, if any

Sl. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per section 135(5)	₹ 5,65,75,754/-
(ii)	Total amount spent for the Financial Year	₹ 7,43,46,223/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	₹ 1,77,70,469/-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	₹ 4,44,85,572/-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	₹ 2,67,15,103/-

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

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer.	
1.	2019-20	Nil	Nil	Nil	Nil	Nil	Nil
2.	2018-19	Nil	Nil	Nil	Nil	Nil	Nil
3.	2017-18	Nil	Nil	Nil	Nil	Nil	Nil
	TOTAL	Nil	Nil	Nil	Nil	Nil	Nil

- (b) Details of CSR Amount spent in the financial year for ongoing projects of the preceding financial years:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in ₹).	Amount spent on the project in the reporting Financial Year (in ₹).	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project- Completed /Ongoing.
1.	DR/T6/ DEE/DSE/ SEW/2017-18/1543	Improvements to Damanapeta to Ramavaram (Via Doddiguda vil-lage) from km 0/0 to 8/0 in Waran-gal Rural District.	2019-20	2 years	₹ 10,00,00,000/-	₹ 6,47,53,046/-	₹ 6,47,53,046/-	Ongoing
	TOTAL				₹ 10,00,00,000/-	₹ 6,47,53,046/-	₹ 6,47,53,046/-	

## Annexure – III (Contd.)

1. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR Spent in the financial year
  - (a) Date of creation or acquisition of the capital asset(s): Nil
  - (b) Amount of CSR spent for creation or acquisition of capital asset: Nil
  - (c) Details of the entity or public authority or beneficiary under whose name: Nil such capital asset is registered, their address etc.
  - (d) Provide details of the capital asset(s) created or acquired (including complete: Nil address and location of the capital asset).
2. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5). – N.A

Sd/-  
K Narsimha Reddy  
Managing Director  
(DIN:00382412)  
Place: Hyderabad  
Date: August 30, 2021

Sd/-  
L Balarami Reddy  
Chairman – CSR Committee  
(DIN: 00956445)



## Annexure – IV

**FORM.NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2021**

[Pursuant to Section 204 (1) of the Companies Act, 2013 and the Rule 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To  
The Members  
**KNR CONSTRUCTIONS LIMITED**  
Hyderabad

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions of the Acts, Rules and Regulations as mentioned below and the adherence to good corporate practices by M/s. KNR CONSTRUCTIONS LIMITED (herein called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. KNR CONSTRUCTIONS LIMITED ('the Company') for the financial year ended on March 31, 2021 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made thereunder as applicable;
- II. The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1956 and the Regulations and the Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;
- V. The following Regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI ACT'):

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;
- c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and 2018;
- e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- f. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not applicable to the Company During the audit period);
- g. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period);
- h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the audit period);
- i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2009 (Not applicable to the Company during the audit period);

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) applicable w.e.f. July 01, 2015
- (ii) The Listing Agreements entered by the Company with National Stock Exchange of India and BSE Limited upto November 30, 2015

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc.

## Annexure – IV (Contd.)

The Company has identified the following Industry specific laws are applicable to them:

1. The Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996
2. Inter-State Migrant Workmen (Regulation of Employment & Conditions of Service) Act, 1979

We report that during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above;

We further report that:

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

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

Majority decisions are carried through and as informed by the Company, there were no dissenting views of members of the Board at any Board / Committee meeting held during the financial year.

We further report that we rely on the statutory auditors and other professionals for the compliance by the Company of the applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts.

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

We further report that during the period under audit, the following specific events/actions, having a major bearing on the Company's affairs, took place in pursuance of the above referred laws, rules, regulations and standards:

- i. During the period under audit, the Company issued and allotted 14,06,17,300 Bonus Shares on 05.02.2021 in the proportion of 1:1.
- ii. During the period under audit, the Company has sold its wholly owned subsidiary Company i.e KNR Walayar Tollways Private Limited to Cube Highways and Infrastructure III Pte. Ltd.

**For VCSR & Associates**  
*Company Secretaries*

**(Ch. Veeranjanyulu)**  
*Partner*

M No. F6121, CP No. 6392  
UDIN: F006121C000772139

Place: Hyderabad  
Date: August 12, 2021

Note: This report is to be read with our letter of even date which is annexed as and forms an integral part of this report.

## Annexure – IV (Contd.)

### (ANNEXURE)

To  
The Members  
**KNR CONSTRUCTIONS LIMITED**  
Hyderabad

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, were followed to provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We further report that, based on the information provided by the Company its officers, authorised representatives during the conduct of the audit and also on the review of quarterly compliance report by the respective departmental heads/Company Secretary/Managing Director taken on record by the Board of the Company, in our opinion adequate systems and process and control mechanism exist in the Company to monitor compliance with applicable general laws like labour laws & Environment laws and Data protection policy.
8. We further report that the Compliance by the Company of applicable fiscal laws like Direct & Indirect tax laws has not been reviewed in this audit since the same has been subject to review by the statutory financial audit and other designated professionals.

**For VCSR & Associates**  
*Company Secretaries*

**(Ch. Veeranjanyulu)**  
*Partner*

Place: Hyderabad  
Date: August 12, 2021

M No. F6121, CP No. 6392  
UDIN: F006121C000772139

## Annexure – V

### FORM.NO. MR-3

#### SECRETARIAL AUDIT REPORT

#### (FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021)

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

To,  
The Members,  
**KNR Shankarampet Projects Private Limited**

KNR House, 4<sup>th</sup> Floor, Plot No.114,  
Phase-I, Kavuri Hills, Hyderabad,  
Telangana - 500033

**CIN: U45309TG2018PTC123778**

Authorised Capital: ₹52,12,00,000

Paid-up Capital: ₹52,11,50,000

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KNR Shankarampet Projects Private Limited** (hereinafter called '**the Company**'). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts /statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2021 ('Audit Period'), complied with the statutory provisions listed hereunder and also that the Company has proper Board - processes and compliance - mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2021, according to the provisions of:

- I. The Companies Act, 2013 ("the Act") and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder - Not applicable;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; Pursuant to Rule 9A(11)

of Companies (Prospectus and Allotment of Securities) Rules, 2014, Issue of securities in dematerialised form and facilitation of dematerialisation of all its existing securities by unlisted public companies is not applicable. However, the Company has held all the shares in dematerialized form except for 2 shares which are held in physical form;

- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing; Not Applicable
- V. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'); Not Applicable to the Company, as it is unlisted.
- VI. Other laws applicable specifically to the Company, namely:
  - a) The Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996
  - b) Inter-State Migrant Workmen (Regulation of Employment & Conditions of Service) Act, 1979
  - c) Building and other Construction Workers' Welfare Cess Act, 1996;
  - d) Contract Labor (Regulation and Abolition) Act, 1970 and the Rules thereunder

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act to the extent applicable, Rules, Regulations, Guidelines, Standards, etc., mentioned above subject to the following observations:

1. *Whereas in terms of the provisions of section 203 of the Companies Act, 2013, the Company was required to appoint whole-time Key Managerial Personnel, the Company could not comply with the same;*
2. *Whereas in terms of the provisions of section 149(1) of the Companies Act, 2013, read with Rule 3 of Companies (Appointment and Qualifications of Directors) Rules, 2014, the Company was required to appoint at least one Women*



## Annexure – V (Contd.)

*Director on the Board of the Company, the Company could not comply with the same;*

Though the Company is deemed to be a public company pursuant to proviso to section 2(71) of Companies Act, 2013, the Company continues to be a private limited by its Articles. Accordingly, the Company has not increased the number of Members.

As per the information and explanation given by the management, the Company does not have any operational revenue and has recognised notional revenue in accordance with Ind AS. Thus, the Company is not covered under the provisions of section 148(1) and 148(2) of the Companies Act, 2013.

I further report that the compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of account have not been reviewed in this audit since the same have been subject to the review by the statutory financial auditors, tax auditors and other designated professionals.

I further report that:

The Board of the Company is duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

All the decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

**For Manjeet Bucha & Associates**

*Company Secretaries*

**Manjeet Bucha**

*(Membership No: 8305)*

*C.P No: 4589)*

UDIN: F008305C000732479

Place: Hyderabad

Date: 04.08.2021

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

## Annexure – V (Contd.)

### ANNEXURE A

To,  
The Members,  
**KNR Shankarampet Projects Private Limited**  
KNR House, 4<sup>th</sup> Floor, Plot No.114,  
Phase-I, Kavuri Hills, Hyderabad,  
Telangana - 500033

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.
7. Due to the ongoing Covid-19 pandemic, we have conducted online verification and examination of records, as facilitated by the Company for the purpose of issuing this report.

**For Manjeet Bucha & Associates**  
*Company Secretaries*

**Manjeet Bucha**  
(Membership No: 8305)  
C.P No: 4589)

UDIN: F008305C000732479

Place: Hyderabad  
Date: 04.08.2021

## Annexure – V (Contd.)

**FORM.NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**(FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021)**

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

To,  
The Members,  
**KNR Srirangam Infra Private Limited**  
KNR House, 4<sup>th</sup> Floor, Plot No.114,  
Phase-I, Kavuri Hills, Hyderabad,  
Telangana - 500033  
**CIN: U45209TG2018PTC123100**  
Authorised Capital: ₹48,11,50,000  
Paid-up Capital: ₹ 48,11,50,000

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KNR Srirangam Infra Private Limited** (hereinafter called '**the Company**'). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts /statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2021 ('Audit Period'), complied with the statutory provisions listed hereunder and also that the Company has proper Board - processes and compliance - mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2021, according to the provisions of:

- I. The Companies Act, 2013 ("the Act") and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder - Not applicable;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; Pursuant to Rule 9A(11)

of Companies (Prospectus and Allotment of Securities) Rules, 2014, Issue of securities in dematerialised form and facilitation of dematerialisation of all its existing securities by unlisted public companies is not applicable. However, the Company has held all the shares in dematerialized form except for 2 shares which are held in physical form;

- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing; Not Applicable
- V. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'); Not Applicable to the Company, as it is unlisted.
- VI. Other laws applicable specifically to the Company, namely:
  - a) The Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996
  - b) Inter-State Migrant Workmen (Regulation of Employment & Conditions of Service) Act, 1979
  - c) Building and other Construction Workers' Welfare Cess Act, 1996;
  - d) Contract Labor (Regulation and Abolition) Act, 1970 and the Rules thereunder

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act to the extent applicable, Rules, Regulations, Guidelines, Standards, etc., mentioned above subject to the following observations:

1. *Whereas in terms of the provisions of section 203 of the Companies Act, 2013, the Company was required to appoint whole-time Key Managerial Personnel, the Company could not comply with the same;*

Though the Company is deemed to be a public company pursuant to proviso to section 2(71) of Companies Act, 2013, the Company continues to be a private limited by its Articles. Accordingly, the Company has not increased the number of Members.

## Annexure – V (Contd.)

As per the information and explanation given by the management, the Company does not have any operational revenue and has recognised notional revenue in accordance with Ind AS. Thus, the Company is not covered under the provisions of section 148(1) and 148(2) of the Companies Act, 2013.

I further report that the compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of account have not been reviewed in this audit since the same have been subject to the review by the statutory financial auditors, tax auditors and other designated professionals.

I further report that:

The Board of the Company is duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices were given to all directors to schedule the Board Meetings, and other committee meetings along with the

agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

Though the Company is deemed to be a public company pursuant to proviso to section 2(71) of Companies Act, 2013, the Company continues to be a private limited in its Articles. Accordingly, the Company has not increased the number of Members.

**For Manjeet Bucha & Associates**  
*Company Secretaries*

**Manjeet Bucha**  
(Membership No: 8305)  
C.P No: 4589)  
UDIN: F008305C000732523

Place: Hyderabad  
Date: 04.08.2021

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

## Annexure – V (Contd.)

### ANNEXURE A

To,  
The Members,  
**KNR Srirangam Infra Private Limited**  
KNR House, 4<sup>th</sup> Floor, Plot No.114,  
Phase-I, Kavuri Hills, Hyderabad,  
Telangana - 500033

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.
7. Due to the ongoing Covid-19 pandemic, we have conducted online verification and examination of records, as facilitated by the Company for the purpose of issuing this report.

**For Manjeet Bucha & Associates**  
*Company Secretaries*

**Manjeet Bucha**  
(Membership No: 8305)  
C.P No: 4589)  
UDIN: F008305C000732523

Place: Hyderabad  
Date: 04.08.2021



## Annexure – V (Contd.)

### FORM.NO. MR-3

#### SECRETARIAL AUDIT REPORT

#### (FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021)

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

To,  
The Members,  
**KNR Tirumala Infra Private Limited**

KNR House, 4<sup>th</sup> Floor, Plot No.114,  
Phase-I, Kavuri Hills, Hyderabad,  
Telangana - 500033

**CIN: U45500TG2018PTC123857**

Authorised Capital: ₹71,63,00,000

Paid-up Capital: ₹ 71,62,50,000

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KNR Tirumala Infra Private Limited** (hereinafter called '**the Company**'). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts /statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2021 ('Audit Period'), complied with the statutory provisions listed hereunder and also that the Company has proper Board - processes and compliance - mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2021, according to the provisions of:

- I. The Companies Act, 2013 ("the Act") and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder - Not applicable;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; Pursuant to Rule 9A(11)

of Companies (Prospectus and Allotment of Securities) Rules, 2014, Issue of securities in dematerialised form and facilitation of dematerialisation of all its existing securities by unlisted public companies is not applicable. However, the Company has held all the shares in dematerialized form except for 2 shares which are held in physical form;

- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing; Not Applicable
- V. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'); Not Applicable to the Company, as it is unlisted.
- VI. Other laws applicable specifically to the Company, namely:
  - a) The Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996
  - b) Inter-State Migrant Workmen (Regulation of Employment & Conditions of Service) Act, 1979
  - c) Building and other Construction Workers' Welfare Cess Act, 1996;
  - d) Contract Labor (Regulation and Abolition) Act, 1970 and the Rules thereunder

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act to the extent applicable, Rules, Regulations, Guidelines, Standards, etc., mentioned above subject to the following observations:

- 1) *Whereas in terms of the provisions of Section 203 of the Companies Act, 2013, the Company was required to appoint whole-time Key Managerial Personnel, the Company could not comply with the same;*
- 2) *Whereas in terms of the provisions of Section 149(1) of the Companies Act, 2013, read with Rule 3 of Companies (Appointment and Qualification of Directors) Rules, 2014, the Company was required to appoint at least one Women*

## Annexure – V (Contd.)

*Director on the Board of the Company, the Company could not comply with the same;*

Though the Company is deemed to be a public company pursuant to proviso to section 2(71) of Companies Act, 2013, the Company continues to be a private limited by its Articles. Accordingly, the Company has not increased the number of Members.

As per the information and explanation given by the management, the Company does not have any operational revenue and has recognised notional revenue in accordance with Ind AS. Thus, the Company is not covered under the provisions of section 148(1) and 148(2) of the Companies Act, 2013.

I further report that the compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of account have not been reviewed in this audit since the same have been subject to the review by the statutory financial auditors, tax auditors and other designated professionals.

I further report that:

The Board of the Company is duly constituted. The changes in the composition of the Board of Directors that took place during

the period under review were carried out in compliance with the provisions of the Act.

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

All the decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

Though the Company is deemed to be a public company pursuant to proviso to section 2(71) of Companies Act, 2013, the Company continues to be a private limited in its Articles. Accordingly, the Company has not increased the number of Members.

Place: Hyderabad  
Date: 06.08.2021

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

**For Manjeet Bucha & Associates**

*Company Secretaries*

**Manjeet Bucha**

*(Membership No: 8305)*

*C.P No: 4589)*

UDIN: F008305C000748352

## Annexure – V (Contd.)

### ANNEXURE A

To,  
The Members,  
**KNR Tirumala Infra Private Limited**  
KNR House, 4<sup>th</sup> Floor, Plot No.114,  
Phase-I, Kavuri Hills, Hyderabad,  
Telangana - 500033

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.
7. Due to the ongoing Covid-19 pandemic, we have conducted online verification and examination of records, as facilitated by the Company for the purpose of issuing this report.

**For Manjeet Bucha & Associates**  
*Company Secretaries*

**Manjeet Bucha**  
(Membership No: 8305)  
C.P No: 4589)

UDIN: F008305C000748352

Place: Hyderabad  
Date: 06.08.2021

## Annexure – VI

## FORM AOC-2

[Pursuant to Clause (h) of Sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms-length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arms-length: NIL
2. Details of material contracts or arrangements or transactions at arms-length basis:

Name of related party	Nature of relationship	Duration of contract	Salient features	Dates of approval by the Board	Amount paid	Amount paid in advance, if any
K Jalandhar Reddy	Promoter & Executive Director	Continuous	Land taken on lease	September 30, 2008	17.29	Nil
K Jalandhar Reddy	Promoter & Executive Director	Continuous	Guest house taken on lease	January 31, 2009	11.32	Nil

**Note: Amount paid is for the FY 2020-21.**

3. Details of contracts or arrangements or transactions not in the ordinary course of business

S. No	Particulars	Details
1.	Name(s) of the related party & nature of relationship	NIL
2.	Nature of contracts/arrangements/transactions	NIL
3.	Duration of the contract/arrangement/transaction	NIL
4.	Salient terms of the contract/arrangement/transaction including the value	NIL
5.	Justification of entering into such contract or arrangement of transaction	NIL
6.	Date of approval by the Board	NIL
7.	Amount paid as advances, if any	NIL
8.	Date on which the special resolution was passed in General meeting as required under first proviso to Section 188	NIL

For and on behalf of the Board of  
KNR Constructions Limited

Sd/-  
K Narsimha Reddy  
Managing Director  
(DIN:00382412)  
Place: Hyderabad  
Date: August 30, 2021

Sd/-  
K Jalandhar Reddy  
Executive Director  
(DIN: 00434911)

## Annexure – VII

### BUSINESS RESPONSIBILITY REPORT

#### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L74210TG1995PLC130199
2	Name of the Company	KNR CONSTRUCTIONS LIMITED
3	Registered address	KNR House, 3RD & 4TH Floors, Plot No. 114, Phase –I, Kavuri Hills, Hyderabad - 500033
4	Website	www.knrcl.com
5	e-mail id	investors@knrcl.com
6	Financial Year reported	2020-2021
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Construction, Engineering and Infrastructure Development activities
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Construction, Engineering and Infrastructure Development activities
9	Total number of locations where business activity is undertaken by the Company	
	a. Number of International Locations (Provide details of major 5)	Nil
	b. Number of National Locations	Company executes construction projects in most of the States in India
10	Markets served by the Company – Local/ State/ National/ International/	India

#### SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital (₹)	₹ 5,624.70
2	Total Turnover (₹)	₹ 2,70,262.93
3	Total profit after taxes (₹)	₹ 24,417.65
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	As stipulated under Section 135 of the Companies Act, 2013, 2% of the average net profit of the last three years are provided for CSR activities
5	List of activities in which expenditure in 4 above has been incurred.	Please refer to report on CSR provided as annexure to directors report

#### SECTION C: OTHER DETAILS

1	Does the Company have any Subsidiary Company/ Companies?	Yes
2	Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s)	Yes, through their own BRR initiatives
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No



## Annexure – VII (Contd.)

## SECTION D: BR INFORMATION

1 Details of Director/ Directors responsible for BR	
(a) Details of the Director/ Directors responsible for implementation of the BR policy/policies	
DIN Number	00434911
Name	K Jalandhar Reddy
Designation	Executive Director
(b) Details of the BR head	
DIN Number (if applicable)	00382412
Name	K Narasimha Reddy
Designation	Managing Director
Telephone number	+91 40 40268761
e-mail id	knr@knrc.com

## 2. Principle-wise (as per NVGs) BR Policy/policies

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

Principle 3: Businesses should promote the well-being of all employees

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

Principle 5: Businesses should respect and promote human rights

Principle 6: Business should respect, protect and make efforts to restore the environment

Principle 7: Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner

Principle 8: Businesses should support inclusive growth and equitable development

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

## (a) Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for BR	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Policies formulated after internal consultation covering all functional areas								
3	Does the policy conform to any national / international standards?	The Policies conform to statutory provisions								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	Policies hosted on the Company's website <a href="http://www.knrc.com/policy.html">http://www.knrc.com/policy.html</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y

## Annexure – VII (Contd.)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

**(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: Not Applicable**

### 3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company.	Annually
(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Yes, the Company publishes BR Report as part of the Annual Report and also hosts the same on the Company's website.  www.knrcl.com annually

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### Principle 1

1 Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs / Others?	The policy is basically applicable to the Company. The group companies have adopted similar policies
2 How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?	Please refer Corporate Governance section

### Principle 2

1 List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	Construction, Engineering and Infrastructure Development activities
2 For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) :	The Company is not engaged in the business of manufacturing goods and consumer products. The Company however takes necessary steps to ensure efficient use of the raw materials and goods required for execution of the projects including in relation to energy, water, raw material and etc.,
3 Does the Company have procedures in place for sustainable sourcing (including transportation)?	Yes
4 Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?	Yes. During the execution of the projects awarded to the Company, the Company to the extent possible / permitted under the contracts awarded procures raw materials from local & small produces / suppliers.  The Company also utilises the services of locals to the extent possible / permitted under the contacts awarded to it.
5 Does the Company have a mechanism to recycle products and waste?	Recycling of the products is not applicable as the Company is not engaged in manufacturing activities. Hazardous wastes are disposed off as per the statutory provisions

## Annexure – VII (Contd.)

**Principle 3**

1	Total number of permanent employees as on March 31, 2021	2,162
2	Total number of employees hired on temporary/ contractual/ casual basis.	Depending upon the requirements of each of the projects awarded to the Company, the Company engages employees on contractual basis
3	Number of permanent women employees.	14
4	Number of permanent employees with disabilities	3
5	Employee association	Nil
6	What percentage of your permanent employees is members of this recognised employee association?	Not Applicable
7	Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	Nil
8	Brief details of training Programme held for employees with respect to safety & skill up-gradation training in the last year	In major sites, the training programmes in respect of Environment & Health, Safety Awareness, Personal and Organisation Development, Time Management, Team building etc. was conducted. GETs and DETs Training On-the-job training was imparted to 30 GETs and 25 DETs at various sites. Health Awareness Programmes During the FY 2020-21, the Company has also conducted General health checkup and Covid19 awareness programme etc.

**Principle 4**

1	Has the Company mapped its internal and external stakeholders? Yes/No	Yes
2	Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders.	Not Applicable
3	Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders?	Not Applicable

**Principle 5**

1	Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?	The policy is basically applicable to the Company. Same are extended to the group Companies
2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	Nil

**Principle 6**

1	Does the policy relate to Principle 6 cover only the Company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others?	The policy is basically applicable to the Company. The group companies have adopted similar policies
2	Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	Yes. The Company addresses issues such as climate change, global warming through conservation of natural resources. To protect the environment hazardous wastes are disposed off as per the statutory provisions

## Annexure – VII (Contd.)

<b>Principle 6</b>		
3	Does the Company identify and assess potential environmental risks? Y/N	Yes
4	Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	Wherever the projects awarded to the Company permit adoption of Clean Development Mechanism, the Company strictly adheres to the same.
5	Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	As part of the project execution the Company has undertaken initiatives relating to clean technology, energy efficiency, renewable energy, etc.
6	Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes, Complied to the extent applicable
7	Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	Nil
<b>Principle 7</b>		
1	Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	Yes 1. National Highway Builders Federation 2. Builders Association of India
2	Have you advocated/ lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas	Whenever policy guidelines are issued, the Company has been providing its suggestion to the Government and above Associations. The Company officials have also attended seminars /workshops organised by the apex organisations through electronic media for facilitating view on the policies.
<b>Principle 8</b>		
1	Does the Company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8?	Yes. The Company has adopted the CSR policy pursuant to Section 135/Schedule VII of the Companies Act, 2013. The details of the CSR projects under taken by the Company is provided in the annexure II to the Directors' Report
2	Are the programmes/ projects undertaken through in-house team/ own foundation/ external NGO/ government structures/ any other organisation?	In house team
3	What is your Company's direct contribution to community development projects?	₹ 74.35 Millions
4	Have you taken steps to ensure that this community development initiative is successfully adopted by the community?	Yes

## Annexure – VII (Contd.)

### Principle 9

1	What percentage of customer complaints/consumer cases are pending as on the end of financial year?	Nil
2	Does the Company display product information on the product label, over and above what is mandated as per local laws?	Not Applicable
3	Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year?	No
4	Did your Company carry out any consumer survey/ consumer satisfaction trends?	Not Applicable



# Report on Corporate Governance

The Directors present the Company's Report on Corporate Governance pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations 2015).

## 1. COMPANY'S PHILOSOPHY

KNR Constructions Limited ("KNRCL") is committed to implement sound corporate governance practices with a view to bring transparency, accountability and equity in all facets of its operations and maximising shareholders value. KNRCL is committed to achieve the good standards of Corporate Governance on continuous basis by laying emphasis on ethical corporate citizenship and establishment of good corporate culture which aims at true Corporate Governance.

## 2. BOARD OF DIRECTORS:

The present composition of Board of Directors consists of Six Directors out of which two are Whole Time Directors and four are Non-Executive Directors. The composition and the category of Directors are as under:

Sl No.	Name	Designation	Category
1.	Shri B. V. Rama Rao	Chairman	Independent / Non- Executive Director
2.	Shri L. B. Reddy	Director	Independent / Non- Executive Director
3.	Shri K. Narsimha Reddy	Managing Director	Promoter/ Executive Director
4.	Shri K. Jalandhar Reddy	Executive Director	Promoter/ Executive Director
5.	Smt. K Yashoda	Director	Promoter / Non-Executive Director
6.	Smt G Chandra Rekha	Director	Independent / Non- Executive Director

### Conduct of Board Proceedings

The day to day business is conducted by the executives of the Company under the directions of Managing Director and Executive Directors and the supervision of the Board.

The Board holds periodical meetings every year to review and discuss the performance of the Company, its future plans, strategies and other pertinent issues relating to the Company.

The Board performs the following specific functions in addition to the oversight of the business and the management.

- Review, monitor and approve major financial and business strategies and corporate actions
- Assess critical risk facing the Company and review options for their mitigation
- Ensure that processes are in place for maintaining the integrity of
  - o the Company;
  - o the financial statements;
  - o compliance with laws;
  - o relationship with customers, suppliers and other stakeholders;
- Delegation of appropriate authority to the committees / executive directors / senior executives of the Company for effective management of operations

### Governance Policies

At KNRCL, we strive to conduct our business and strengthen our relationships in a manner that is dignified, distinctive and responsible. We adhere to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. Therefore, we have adopted various codes and policies to carry out our duties in an ethical manner. Some of these codes and policies are:

- Code of Conduct
- Code of Conduct for Prohibition of Insider Trading
- Whistle Blower Policy
- Code of Conduct for Board of Directors and Officers of Senior Management
- Corporate Social Responsibility Policy
- Sexual Harassment Policy

### Number of Board Meetings held

Seven Board Meetings were held during the year 2020-2021. The intervening period between two Board Meetings was well within the maximum gap of four months as prescribed under the Companies Act, 2013 and the Listing Regulations, 2015.

## Report on Corporate Governance (Contd.)

The details of the Board Meetings are as under:

Sl. No.	Dates	Board Strength	No. of Directors Present
1	11.06.2020	6	6
2	18.08.2020	6	6
3	28.09.2020	6	6
4	12.11.2020	6	6
5	18.12.2020	6	6
6	11.02.2021	6	5
7	06.03.2021	6	6

Attendance of Directors at the Board Meetings, last Annual General Meeting (AGM) and number of other directorships and chairmanships / memberships of each Director in various companies as on March 31, 2021 is as under:

Name	Attendance of the meetings during the Year		No. of other Directorships ^	No. of Memberships / chairmanships of other companies @
	Board Meetings	Last AGM		
Shri B. V. Rama Rao	7	Yes	Nil	Nil
Shri L. B. Reddy	7	Yes	1	2
Shri K. Narsimha Reddy	6	Yes	2	Nil
Shri K. Jalandhar Reddy	7	Yes	1	Nil
Smt. K Yashoda	7	Yes	1	Nil
Smt G Chandra Rekha	7	Yes	Nil	Nil

^ The Directorships held by Directors as mentioned above, do not include Alternative Directorships and Directorships of Foreign Companies, Section 25 Companies and Private Limited Companies

@ in accordance with Listing Regulations, Memberships / chairmanships of only the Audit Committee and Shareholders' / Investors Grievance Committees of all Public Limited Companies (excluding KNR Constructions Limited) have been considered.

- Apart from receiving sitting fee for attending meetings, the Independent Directors do not have any material pecuniary relationships or transactions with the Company, its promoters, Directors, senior management or its holding Company, subsidiaries and associates which may affect the independence of the Director.
  - The Independent Directors are not related to the promoters or persons occupying management positions at the Board level or at one level below the Board.
  - The Independent Directors have not been executives of the Company in the immediately preceding three financial years.
  - They are not partners or executives or were not so during the preceding three years of the
    - Statutory audit firm or the internal audit firm associated with the Company.
    - Legal firm(s) and consulting firm(s) that have a material association with the Company.
- The Independent Directors are not
- Material suppliers, service providers or customers or lessors or lessees of the Company, which may affect their independence.
  - Substantial shareholders of the Company i.e. do not own 2 per cent or more of the block of voting shares.
  - Chief executives or directors, by whatever name called, of any non-profit organisation that receives 25% or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the Company.

## Report on Corporate Governance (Contd.)

- Non-independent directors of another Company on the Board of which any non-independent director of the listed entity is an independent director.

In the opinion of the Board, the Independent Directors fulfill the conditions specified in the SEBI (LODR) Regulations, 2015 and are independent from the management.

### Familiarisation programmes for Board Members

The Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarise with the Company's procedures and practices.

Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved. During the Board Meetings, discussions on operational and functional matters provide insights on the business carried out by the Company and the environment in which the Company operates. Further, information on material changes in the regulatory framework and other statutory requirements and the level of impact on the Company's operations are provided to the Directors. The details of familiarisation program can be viewed from our Company's website [www.knrcl.com](http://www.knrcl.com)

### Meetings of Independent Directors

The Company's Independent Directors meet at least once in every financial year without the presence of Executive Directors or management personnel. Such meetings are conducted formally to enable Independent Directors to discuss matters pertaining to the Company's affairs and put forth their views. The Independent Directors take appropriate steps to present their views to the Managing Director.

One such meeting of Independent Directors was held during the year on March 06, 2021 without the presence of Executive Directors and management personnel, inter-alia, to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors; and
- Evaluation of the quality, content and timelines of flow of information between the management and the

Board that is necessary for the Board to effectively and reasonably perform its duties.

The details of the attendance of the Independent Directors in the meeting are as below.

Name	No. of meetings held during the year 2020-2021	
	Held	Attended
Shri B. V. Rama Rao	1	1
Shri L. B. Reddy	1	1
Smt G C Rekha	1	1

### Details of Directors

Brief resume of all the Directors of the Company are furnished hereunder:

**Shri B. V. Rama Rao**, aged 81 years, is Non-Executive and Independent Chairman of our Company. He holds a Masters Degree in Economics from Osmania University, Master's in Public Administration from Kennedy School of Government, Harvard, USA and was also conferred the title of Overseas Fellow Member of the Economic Development Institute, by the World Bank. Shri B V Rama Rao joined the Indian Administrative Service in 1973 and has over 36 years of experience in areas such as development, administration and industrial management. During his stint with the Indian Administrative Service, Shri B V Rama Rao has served in various positions including Chief Secretary to the Government of Andhra Pradesh and Chairman and Managing Director, Nizam Sugars Limited until his retirement in 1997.

Shri B V Rama Rao joined the Board of Directors of the Company with effect from December 26, 2005 and he is currently the Chairman of the Board and Member of Audit Committee, Remuneration Committee and Corporate Social Responsibility Committee.

Shri B V Rama Rao does not hold any Equity Shares in the Company as on March 31, 2021

**Shri L. B Reddy**, aged 79 years, is the Non-Executive and Independent Director of the Company. Shri L B Reddy is a Fellow Member of The Institute of Chartered Accountants of India and is a Senior Partner in M/s L B Reddy & Co., a Chartered Account Firm. Shri Reddy started his career with Syndicate Bank and has worked in various capacities in the Bank before retiring as General Manager. He has over three decades of experience in areas such as planning, accounts, inspection, computer policy and development. He was

## Report on Corporate Governance (Contd.)

also on deputation from Syndicate Bank to Rayalaseema Grameena Bank as Chairman for six years.

Shri L B Reddy joined the Board of Directors of the Company with effect from December 26, 2005 and he is currently the Chairman of Audit Committee, Member of Remuneration Committee and Corporate Social Responsibility Committee in the Company and Director of New Era Insurance Services Private Limited, Indira Television Limited and Virtual Agri Services Private Limited as on March 31, 2021

Shri L B Reddy does not hold any Equity Shares in the Company as on March 31, 2021

**Smt. G C Rekha**, aged 46 years, Non-Executive and Independent Director of the Company. Smt G C Rekha is a B. Com, Graduate and has worked as billing and coding specialist and administrator in health sector.

Smt G C Rekha joined the Board of Directors of the Company with effect from May 30, 2019 and she is currently member of Stakeholders and Grievance Committee and Risk Management Committee.

Smt G C Rekha does not hold any Equity Shares in the Company as on March 31, 2021

**Shri K. Narsimha Reddy** aged 73 years, is the Founder Promoter and the Managing Director of the Company. He holds a Bachelor's degree in Arts from Kakatiya University. He has over 50 years of experience in the roads and infrastructure sector, and has been the driving force behind the Company's establishment and growth, and Company has grown to the current size and scale under his able leadership. He started his career in 1968 as sub-contractor for other construction companies. In 1979, he formed a partnership in the name and style of M/s K Narsimha Reddy & Company, which was engaged in the business of undertaking civil and mechanical contracts. Shri Reddy has extensive knowledge and experience in project planning, scheduling, cost controls, and quality surveying in addition to overall construction project management. Shri Reddy oversees the implementation of all the projects and has formulated the corporate vision of the Company.

Shri K Narsimha Reddy is holding 9,24,87,190 Equity Shares in the Company as on March 31, 2021.

**Smt. K Yashoda**, aged 69 years, is the Promoter and Non-Executive Director of KNR Constructions Limited. She is the wife of the Company's founder Promoter and Managing Director, Shri K Narsimha Reddy.

Smt. K Yashoda is holding 1,20,15,010 Equity Shares in the Company as on March 31, 2021.

**Shri K Jalandhar Reddy**, aged 50 years, is the Promoter and Executive Director of KNR Constructions Limited. He is the son of the Company's founder Promoter and Managing Director, Shri K Narsimha Reddy. He holds a Bachelor's Degree in Computer Engineering from Bangalore University. He has over 25 years of experience in the roads and infrastructure sector. He started his career with KNR Constructions as a project manager and was elevated as Executive Director from the year 1997. He heads the tendering and bidding activities of the Company, as also is in charge of the projects execution.

Shri Jalandhar Reddy is holding 3,92,59,210 Equity Shares in the Company as on March 31, 2021.

### Disclosure of Relationship between the Directors inter-se:

Name of the Director	Name of Director to whom Related to	Relationship
Shri K Narsimha Reddy	Smt K Yashoda	Husband
	Shri K Jalandhar Reddy	Father
Smt K Yashoda	Shri K Narsimha Reddy	Wife
	Shri K Jalandhar Reddy	Mother
Shri K Jalandhar Reddy	Shri K Narsimha Reddy	Son
	Smt K Yashoda	
Shri B V Rama Rao	None	None
Shri L B Reddy	None	None
Smt. G Chandra Rekha	None	None

## Report on Corporate Governance (Contd.)

### Chart/Matrix setting out the skills/expertise/competence of the Board of Directors

S. no	Skills/expertise/competence required	Names of Directors who possess the skills/expertise/competence
1.	Commercial and Industrial	Shri K Narsimha Reddy Shri K Jalandhar Reddy
2.	Regulatory	Shri K Narsimha Reddy Shri K Jalandhar Reddy Shri B V Rama Rao
3.	Finance and Accounts	Shri K Narsimha Reddy Shri K Jalandhar Reddy Shri L B Reddy Shri B V Rama Rao
4.	Legal and General Management	Shri K Narsimha Reddy Shri K Jalandhar Reddy Shri L B Reddy Shri B V Rama Rao Smt K Yashoda (General Management)
5.	Industrial health and safety	Smt. G C Rekha

### 3. COMMITTEES OF THE BOARD

There are Five Board Committees – the Audit Committee, the Nomination & Remuneration Committee, the Stakeholders Relationship Committee, CSR Committee and the Risk Management Committee. The Committees are formed and duly constituted in line with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The terms of reference of the Board Committees are determined by the Board from time to time, other than the Independent Directors Committee, the terms of reference of which have been adopted as prescribed under law. Meetings of each Board Committee are convened by the respective Committee Chairman. Matters requiring the Board's attention / approval, as emanating from the Board Committee meetings, are placed before the Board with clearance of the Committee Chairman. The role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below.

#### a. Audit Committee

##### Composition, Name of the Members and Chairman

The Audit Committee comprises of Two Non-Executive and Independent Directors and One Executive Director.

Name	Designation	Category
Shri L. B. Reddy	Chairman	Non-Executive and Independent Director
Shri B. V. Rama Rao	Member	Non-Executive and Independent Director
Shri K. Jalandhar Reddy	Member	Executive and Non-Independent Director

The Company Secretary acts as the Secretary to the Audit Committee.

The Minutes of the meetings of the Audit Committee are circulated to all the members of the Board along with the Agenda.

#### Terms of reference of the Committee are as follows:

- Review the un-audited quarterly results and Annual accounts of the Company
- Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct and credible.
- Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment of any other services
- Reviewing with the management, the annual financial statements before submission to the Board focusing primarily on:
  - (i) Any changes in accounting policies and practices
  - (ii) Major accounting entries based on exercise of judgment by the management
  - (iii) Qualifications in draft audit reports
  - (iv) Significant adjustments arising out of the audit
  - (v) The going concern assumption
  - (vi) Compliance with accounting standards
- Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval



## Report on Corporate Governance (Contd.)

- Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
- Discussion with internal auditors any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspicion of fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the board
- Discussion with external auditors before the audit commences, on the nature and scope of audit and also post- audit to ascertain any areas of concern
- Reviewing the Company's financial and risk management policies
- To look into and review the reasons for substantial defaults, if any, in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

### Attendance of the members at the Audit Committee Meetings:

During 2020-21 Four Audit Committee Meetings were held and the details of the Audit Committee Meetings are as under: -

Sl. No.	Date of the meeting	Committee Strength	No. of Directors Present
1	11.06.2020	3	3
2	18.08.2020	3	3
3	12.11.2020	3	3
4	11.02.2021	3	3

### b. Nomination and Remuneration Committee

The Nomination and Remuneration Committee has been constituted to formulate and recommend to the Board all elements of the remuneration package of the Managing Director and Executive Directors, including performance / achievement bonus and perquisites payable to the whole time directors.

This Committee comprises of three members and all are Non-Executive with majority being Independent Directors:

Name	Designation	Category
Shri L B Reddy	Chairman	Non-Executive and Independent Director
Shri B V Rama Rao	Member	Non-Executive and Independent Director
Smt. K Yashoda*	Member	Non-Executive and Non-Independent Director
Smt. G. Chandra Rekha <sup>§</sup>	Member	Non-Executive and Independent Director

\*Ceased to be Member w.e.f. August 12, 2021

<sup>§</sup> Inducted as Member w.e.f. August 12, 2021, pursuant to re-constitution of the Committee at the Board Meeting held on August 12, 2021.

The Company Secretary acts as the Secretary to the Remuneration Committee.

The Minutes of the meetings of the Remuneration Committee are circulated to all the members of the Board along with the Agenda.

### The terms of reference of the Nomination and Remuneration Committee are as follows:

- The Remuneration Committee recommends to the board the compensation terms of the executive directors
- Framing and implementing on behalf of the Board and the shareholders, a credible and transparent policy on remuneration of executive directors including ESOP, Pension Rights and any compensation payment
- Considering approving and recommending to the Board the changes in designation and increase in salary of the executive directors
- Ensuring the remuneration policy is good enough to attract, retain and motivate directors
- Bringing about objectivity in fixing the remuneration package while striking a balance between the interest of the Company and the shareholders
- Formulation of the criteria for determining qualifications, positive attributes and

## Report on Corporate Governance (Contd.)

independence of a director and recommend to the Board a policy, relating to the Remuneration of the directors, key managerial personnel and other employees;

- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

### Remuneration paid to the Directors during 2020-21:

Name	Position	Sitting Fee	Salary & Perquisite	Amount in ₹
				Total
<b>INDEPENDENT DIRECTORS / NON EXECUTIVE DIRECTORS</b>				
Shri B. V. Rama Rao	Chairman /Director	18,00,000	-	18,00,000
Shri L. B. Reddy	Director	18,00,000	-	18,00,000
Smt. K Yashoda	Director	8,00,000	-	8,00,000
Smt. G.Chandra.Rekha	Director	8,00,000	-	8,00,000
<b>EXECUTIVE DIRECTORS</b>				
Shri K. Narsimha Reddy	Managing Director	-	9,99,00,000	9,99,00,000
Shri K. Jalandhar Reddy	Executive Director	-	6,66,00,000	6,66,00,000

### Shares held by the Non-Executive Directors as on March 31, 2021 are as under:

Name of the Non-Executive Directors	No. of shares held as on the date
Shri B. V. Rama Rao	Nil
Shri L. B. Reddy	Nil
Smt. K Yashoda	1,20,15,010
Smt. G.Chandra Rekha	Nil

The Company has in place remuneration policy that sets out the criteria for making payments to the Non-executive directors and the same can be accessed in the website of the Company [www.knrcl.com](http://www.knrcl.com)

#### c. Stakeholders Relationship Committee

This Committee comprises of the following members

Name	Designation	Category
Smt. K Yashoda	Chairman	Non-Executive and Non-Independent Director
Shri K Jalandhar Reddy	Member	Executive and Non-Independent Director
Smt. G Chandra Rekha	Member	Non-Executive and Independent Director

The terms of reference of the Stakeholders Relationship Committee are as follows:

To allot the equity shares of the Company, and to supervise and ensure:

- Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
- Redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc;
- Issue of duplicate / split / consolidated share certificates;
- Review of cases for refusal of transfer / transmission of shares and debentures;
- Reference to statutory and regulatory authorities regarding investor grievances;
- And to otherwise ensure proper and timely attendance and redressal of investor queries and grievances.

During the year under review, one stakeholders' relationship Committee meeting was held on June 11, 2020 and all the members were present in the meeting.

## Report on Corporate Governance (Contd.)

### Shareholders complaints Status:

Opening	Nil
Received During the Period	Nil
Resolved During the Period	Nil
Pending	Nil

### Name and designation of Compliance Officer

Smt. Haritha Varanasi, Company Secretary  
KNR Constructions Limited  
KNR House, Plot No. 114, Phase I,  
Kavuri Hills, Hyderabad – 500033  
Contact No. + 91 40 4026 8761 / 62  
E-mail - investors@knrc.com  
Fax - +91 40 4026 8760

#### d. Corporate Social Responsibility Committee

As per Section 135 of the Companies Act, 2013 the Company has duly constituted a Corporate Social Responsibility Committee which is responsible for

- Formulating and recommending to the Board a CSR Policy which shall signify the CSR activities to be undertaken by the Company.
- Recommending the amount to be spent under the CSR Activities.
- Monitoring the CSR activities from time to time.

The Composition of CSR Committee is as under:

S. No	Name	Chairman/ member	Category
1.	Shri L B Reddy	Chairman	Non-Executive & Independent Director
2.	Shri B V Rama Rao	Member	Non-Executive & Independent Director
3.	Shri K Jalandhar Reddy	Member	Executive Director

Four meetings of CSR Committee were held during the year on June 11, 2020, August 18, 2020, November 12, 2020 and February 11, 2021.

#### e) Risk Management Committee

The Company has constituted Risk Management Committee consisting of the following members:

1.	Shri K Jalandhar Reddy	Chairman
2.	Shri B V Rama Rao	Member
3.	Shri L B Reddy	Member
4.	Smt G Chandra Rekha	Member
5.	Shri V Narsimha Ramana	Member
6.	Shri S Vaikuntanathan	Member

One meeting was held during the year on June 11, 2020 and all the members were present.

#### 4. RECOMMENDATIONS BY THE COMMITTEES

During the year under report, all the recommendations by the Committees were considered and implemented by the Board and there were no instances where the Board had not accepted any recommendation of any committee of the Board which is mandatorily required.

#### 5. GENERAL BODY MEETINGS:

The details of date, location and time of the last three Annual General Meetings held are as under:

Financial Year	Date and Time	Venue
2017-18	September 29, 2018 11:00 a.m	Hotel Maple Emerald, NH-8, Rajokri, New Delhi – 110038
2018-19	September 30, 2019 11:00 a.m	Hotel Lemon Tree, HITECH City, Madhapur, Hyderabad
2019-20	September 28, 2020 03.00 PM	Through video conferencing/ other audio visual means

No Special Resolutions were passed in the Annual General Meetings during the last 3 years.

#### 5. POSTAL BALLOT:

- A) During the year under review, one postal ballot was conducted by the Company and the following special resolutions were passed:

## Report on Corporate Governance (Contd.)

### Special Resolution 1:

**Increase in authorised share capital of the Company from ₹ 35 Crores to ₹ 60 Crores and subsequent alteration of Memorandum of Association of the Company.**

Voting pattern as per Regulation 44(3) of the SEBI (LODR) Regulations, 2015 for the resolution is as below:

Particulars	No. of Equity shares voted		Total
	E-Voting	Physical Ballot	
Total votes cast	126197461	3288	126200749
Less: Invalid Votes	0	0	0
Net valid votes cast	126197461	3288	126200749
Votes cast in favour	126197326	3288	126200614
Votes cast against	135	0	135

### Special Resolution 2:

**Issue of Bonus Shares at a ratio of 1:1**

Voting pattern as per Regulation 44(3) of the SEBI (LODR) Regulations, 2015 for the resolution is as below:

Particulars	No. of Equity shares voted		Total
	E-Voting	Physical Ballot	
Total votes cast	126197761	3288	126201049
Less: Invalid Votes	0	0	0
Net valid votes cast	126197761	3288	126201049
Votes cast in favour	126197717	3288	126201005
Votes cast against	44	0	44

### Special Resolution 3:

**Re-appointment of Shri K Narsimha Reddy as Managing Director of the Company for a period of 5 years and revision of remuneration.**

Particulars	No. of Equity shares voted		Total
	E-Voting	Physical Ballot	
Total votes cast	48817055	3283	48820338
Less: Invalid Votes	0	0	0
Net valid votes cast	48817055	3283	48820338
Votes cast in favour	48013163	3283	48016446
Votes cast against	803892	0	803892

### Special Resolution 4:

**Re-appointment of Shri K Jalandhar Reddy as Whole-time Director of the Company for a period of 5 years and revision of remuneration.**

Particulars	No. of Equity shares voted		Total
	E-Voting	Physical Ballot	
Total votes cast	48817005	3688	48820693
Less: Invalid Votes	0	0	0
Net valid votes cast	48817005	3688	48820693
Votes cast in favour	45207476	3283	45210759
Votes cast against	3609529	405	3609934

- B) Mr. Vikas Sirohiya, Practicing Company Secretary and partner of M/s P S Rao and Associates, was appointed as Scrutiniser for conducting the postal ballot process and submitted his report dated January 24, 2021. In accordance with the said report, the above results were declared by Shri K Narsimha Reddy, Managing Director of the Company at the registered office of the Company on January 24, 2021.

### C) Postal Ballot process:

The postal ballot process is conducted as per the procedures laid under Rule 22 of Companies (Management and Administration) Rules, 2014 and Section 110 of the Companies Act, 2013. The process

## Report on Corporate Governance (Contd.)

involves sending of postal ballot notice containing the subject matter of resolutions with explanatory statement for which the shareholders' approval is being sought, to all the shareholders through registered post or electronic mail to the registered email ids or through courier service facilitating the communication of assent or dissent of the shareholders to the resolutions mentioned in the postal ballot notice. The notice of the postal ballot is also placed in the website of the Company. To conduct the postal ballot in a fair and transparent manner, the Board of Directors appoints one scrutiniser who is not in the employment of the Company. The scrutiniser after the closing date of receipt of postal ballot forms, records the results and submits his consolidated report to the Chairman of the Company within the specified timeline as mentioned in the above rules. The Chairman on receipt of the report declares the results and the resolution is deemed to have been duly passed.

- D) No special resolution is currently proposed to be conducted through postal ballot.

### 6. DISCLOSURES

#### a. Related Party Transactions

During the year ended March 31, 2021 there were no materially significant related party transactions, which could have potential conflict with the Company's interests at large. Statement in summary form of transactions with related parties is placed before the audit committee for review. All related party transactions are negotiated on an arms length basis, and are intended to further the Company's interests. The Company has in place policy on dealing with related party transactions and the same can be accessed through [http://knrcl.com/images/policies/policy\\_on\\_materiality.pdf](http://knrcl.com/images/policies/policy_on_materiality.pdf). In compliance with the Indian Accounting Standard 24, transactions with related parties are disclosed in the notes to accounts.

#### b. Details of non-compliance etc

The Company is in compliance with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets. No penalties or strictures were imposed on the Company by the Stock Exchanges or SEBI during the year under report.

- c. The Company complies with the requirement of placing minimum information before the Board of Directors as contained in Part A of Schedule II of SEBI (LODR) Regulations, 2015.

#### d. Disclosure of Accounting Treatment

During the preparation of financial statements for 2020-21, the Company has followed the applicable accounting standards as prescribed by the Ministry of Corporate Affairs and the Institute of Chartered Accountants of India.

#### e. Dividend Distribution Policy

The Company has in place dividend distribution policy as required in terms of the provisions of SEBI (LODR) (Second Amendment) Regulations, 2016 and the same is placed on the website of the Company (<http://knrcl.com/images/policies/KNRCL-DIVIDEND-DISTRIBUTION-POLICY.pdf>)

#### f. Board Disclosures

##### i. Risk Management

Currently, the Company's risk management approach comprises of the following:

- Governance of Risk
- Identification of Risk
- Assessment and control of Risk

The risks are being identified by a detailed study. Senior Management are analyzing and working in mitigating them through co-ordination among the various departments. Insurance coverage and personal accident coverage for lives of all employees are also being taken.

Your Company puts in place the risk management framework, which helps to identify various risks cutting across its business lines. The risks are identified and are discussed by the representatives from various functions.

The Company also has a Risk Management Committee which monitors and reviews risk management plan on regular basis.

Presentation to the Board of Directors and the Audit Committee is made on risk management. The Board and the Audit Committee provides oversight and review the risk management policy periodically.



## Report on Corporate Governance (Contd.)

### ii. Internal Control System

Your Company has in place adequate systems of internal control commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorised use or losses, executing transactions with proper authorisation and ensuring compliance of internal policies. The Company has a well-defined delegation of power and defined limits for approving revenue as well as capital expenditure. Processes for formulating and reviewing annual and long term business plans have been laid down to ensure adequacy of the control system, adherence to the management instructions and legal compliances.

### g. Code of Conduct

The Board has laid down a Code of Conduct covering the ethical requirements to be complied with covering all the Board Members and Senior Management Personnel of the Company. An affirmation of compliance with the code is received from them on an annual basis

### h. CEO / CFO Certification

The CEO / CFO Certification on the financial statements and internal control are separately annexed.

### i. Code for prevention of Insider Trading:

The Company has adopted a code of conduct for prevention of insider trading pursuant to provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015. The code can be accessed from the website of the Company ([http://knrc.com/images/policies/knrc\\_8insider.pdf](http://knrc.com/images/policies/knrc_8insider.pdf)). All the Directors, Senior Management personnel and other employees who have access to the unpublished price sensitive information of the Company are governed by this code. There were no instances of non-compliance of the code of conduct.

**j. Whistle Blower Policy/Vigil Mechanism:** The Company encourages open door policy where every employee has access to the Head of the Business /

Department, employees are free to report existing / probable violation of laws, regulations or unethical conduct in the organisation. No personnel have been denied access to the Audit Committee.

### k. Disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal ) Act, 2013.

Kindly refer to the Details of sexual harassment complaints received, addressed and pending that are provided in the Directors' Report which forms an integral part of the Annual Report.

### l. Subsidiary Companies

The Company has 3 material subsidiaries as defined under Regulation 16 and 24 of SEBI(LODR) Regulations, 2015, details of which are provided in the Directors' Report. The details of material, non-material subsidiary companies and associate companies are provided in Form AOC-1 which forms part of the Annual Report. The Audit Committee/Board of Directors reviews regularly the financial statements of the subsidiary companies. The Board also reviews all significant transactions and arrangements, if any, entered into by the subsidiaries.

### m. Directors & Officers Insurance policy

The Company has undertaken and covered all the Company's Directors and Officers liability with a suitable insurance policy covering risks and the quantum as determined by the Board.

### n. Details of utilisation of funds

During the year under report, the Company has not raised funds through public issues or preferential allotments. Hence, reporting under this item is not applicable.

### o. No Disqualification Certificate from Company Secretary in Practice

Certificate from Practicing Company Secretary, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as director of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other statutory authority as stipulated under Regulation 34 of the Listing Regulations, is attached to this report.

## Report on Corporate Governance (Contd.)

Disclosures of compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations are as follows

Regulation	Particulars of regulations	Compliance status (Yes/No)	Key Compliances
17	Board of directors	Yes	<ul style="list-style-type: none"> <li>- Composition of Board and Appointment of Directors</li> <li>- Non-executive Independent Director as Chairman of the Board</li> <li>- Meetings and quorum</li> <li>- Periodical review of compliance reports</li> <li>- Plan of succession</li> <li>- Code of conduct for Board of Directors and senior management</li> <li>- Minimum information to be placed before the Board</li> <li>- Compliance certificate by CEO &amp; CFO</li> <li>- Risk Assessment</li> <li>- Performance evaluation of Independent Directors</li> <li>- Recommendation of Board for every item of special business</li> </ul>
17A	Maximum number of directorships	Yes	<ul style="list-style-type: none"> <li>- Directorships in listed entities</li> </ul>
18	Audit committee	Yes	<ul style="list-style-type: none"> <li>- Composition</li> <li>- Meetings and quorum</li> <li>- Presence of Chairman at the AGM</li> <li>- Role of Audit Committee</li> </ul>
19	Nomination and Remuneration committee	Yes	<ul style="list-style-type: none"> <li>- Composition</li> <li>- Meetings and quorum</li> <li>- Presence of chairman at the AGM</li> <li>- Role of the Committee</li> </ul>
20	Stakeholders Relationship committee	Yes	<ul style="list-style-type: none"> <li>- Composition</li> <li>- Meetings and quorum</li> <li>- Presence at Chairman at the AGM</li> <li>- Role of the Committee</li> </ul>
21	Risk Management committee	Yes	<ul style="list-style-type: none"> <li>- Composition</li> <li>- Meetings and quorum</li> <li>- Role of the Committee</li> </ul>
22	Vigil mechanism	Yes	<ul style="list-style-type: none"> <li>- Vigil mechanism and Whistle blower policy for Directors and employees</li> <li>- Direct access to the Chairman of Audit Committee</li> <li>- Providing safeguards against victimisation</li> </ul>
23	Related party transactions	Yes	<ul style="list-style-type: none"> <li>- Policy on materiality of related party transactions and dealing with related party transactions</li> <li>- Periodical review of related party transactions</li> <li>- Disclosure on related party transactions</li> </ul>
24	Corporate Governance requirements with respect to Subsidiary of listed entity	NA	The Company doesn't have any material unlisted subsidiaries as defined under SEBI (LODR) Regulations, 2015.

Regulation	Particulars of regulations	Compliance status (Yes/No)	Key Compliances
24A	Secretarial Audit	Yes	<ul style="list-style-type: none"> <li>- Secretarial Audit of the Company</li> <li>- Annual Secretarial Compliance Report</li> </ul>
25	Obligations with respect to Independent directors	Yes	<ul style="list-style-type: none"> <li>- Tenure of Independent Directors</li> <li>- Meetings of Independent Directors</li> <li>- Cessation and appointment of independent Directors</li> <li>- Familiarisation program for independent Directors</li> <li>- Declarations from Independent Directors that he/she meets the criteria of independence are placed at the meeting of the Directors</li> <li>- Directors and Officers insurance for all the independent directors</li> </ul>
26	Obligation with respect to Directors and Senior Management	Yes	<ul style="list-style-type: none"> <li>- Memberships/Chairmanships in the Committees</li> <li>- Affirmation of compliance with code of conduct of Board of Directors and senior management on annual basis</li> <li>- Disclosure of shareholding by non-executive directors</li> <li>- Disclosures on conflicts of interest</li> <li>- No agreement with any shareholder or third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.</li> </ul>
27	Other Corporate Governance requirements	Yes	<ul style="list-style-type: none"> <li>- Compliances with discretionary requirements</li> <li>- Submission of quarterly corporate governance report with the Exchanges</li> </ul>
46(2) (b) to (i)	Website	Yes	<ul style="list-style-type: none"> <li>- Composition of Board and committees</li> <li>- Policies &amp; Code of conduct</li> <li>- Financial results and annual reports of the Company and subsidiaries</li> <li>- Credit rating</li> <li>- Familiarisation program of directors</li> <li>- Vigil mechanism/Whistle Blower policy</li> <li>- Shareholding pattern</li> </ul>

## Report on Corporate Governance (Contd.)

### 7. MEANS OF COMMUNICATION

#### Quarterly results:

The Company's quarterly results are published in Financial Express, Nava Telangana- Telugu and are displayed on website [www.knrcl.com](http://www.knrcl.com).

#### News releases, presentations, among others:

Official news releases and official media releases are sent to Stock Exchanges.

#### Presentations to institutional investors / analysts:

Detailed presentations are made to institutional investors and financial analysts on the Company's unaudited quarterly as well as audited annual financial results through earnings call. The transcripts of the earnings call are also uploaded on the Company's website [www.knrcl.com](http://www.knrcl.com)

#### Website:

The Company's website [www.knrcl.com](http://www.knrcl.com) contains a separate dedicated section 'Investor Relations' where shareholders' information is available. The Company's Annual Report is also available in a user-friendly and downloadable form.

#### Annual Report:

The Annual Report containing, inter alia, Audited Standalone Financial Statement, Consolidated Financial Statement, Directors' Report, Auditors' Report, Corporate Governance Report and other important information is circulated to members and others entitled thereto.

### 8. GENERAL SHAREHOLDERS INFORMATION

i. Annual General Meeting	:	26th Annual General Meeting Wednesday, September 29, 2021
Time	:	3:00 PM
Venue	:	Through video Conference or other Audio/Visual means
ii. Financial Year	:	April 01, 2020 to March 31, 2021
iii. Book closure dates	:	September 23, 2021 to September 29, 2021 (both days inclusive)
iv. Dividend Payment date	:	The Credit / dispatch of final dividend between October 7, 2021 and October 29, 2021
v. Financial Calendar for the year 2021-2022		
Financial Reporting for the first quarter ended June 30, 2021		on or before August 14, 2021

#### Management Discussion and Analysis (MDA) Report

The report on MDA forms part of the Annual Report.

#### Disclosures to Stock Exchanges:

The Company informs BSE and NSE all price sensitive matters or such other matters which in its opinion are material and of relevance to the members.

#### NSE Electronic Application Processing System (NEAPS):

The NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NEAPS.

#### BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):

BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

#### SEBI Complaints Redress System (SCORES):

The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

#### Dedicated e-mail ID for investors grievances redressal:

Investors@knrcl.com

## Report on Corporate Governance (Contd.)

Financial Reporting for the second quarter / half-year ended September 30, 2021 on or before November 14, 2021

Financial Reporting for the third quarter / nine months ended December 31, 2021 on or before February 14, 2022

Financial Reporting for the fourth quarter / year ended March 31, 2022 on or before May 30, 2022

vi. Listing on Stock Exchanges

**Name and Address of the Stock Exchange**

BSE Limited (BSE)  
1st Floor, New Trading Ring,  
Rotunda Building, P J Towers,  
Dalal Street, Fort, Mumbai – 400001  
Tel: +91 22 2272 1233 / 34  
Fax: +91 22 2272 2037 / 39 / 41 / 61

**Name and Address of the Stock Exchange**

National Stock Exchange of India Limited (NSE)  
Exchange Plaza, Floor 5, Plot #C/1,  
Bandra Kurla Complex,  
Bandra (E), Mumbai – 400051  
Tel: +91 22 2659 8235 / 8236  
Fax: +91 22 2659 8237 / 38

The listing fees payable to BSE and NSE for the year 2020-21 have been paid in full.

vii. **Script Code / Symbol**

a. Stock Exchanges

Bombay Stock Exchange Limited : 532942  
National Stock Exchange of India Limited : KNRCON

b. Demat ISIN Number in NSDL and CDSL for the equity shares: **INE634I01029**

The annual custodian fee for 2020-21 have been paid to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

c. Corporate Identity Number (CIN)

The CIN allotted by the Ministry of Corporate Affairs, Government of India is **L74210TG1995PLC130199**, and the Company is registered within the jurisdictions of the Registrar of Companies, Telangana.

viii. Market Price Data:

Month	BSE Limited (BSE)		National Stock Exchange of India Limited (NSE)	
	High Price	Low Price	High Price	Low Price
Apr-20	244.80	178.00	245.00	180.55
May-20	207.05	180.40	206.90	180.30
Jun-20	229.50	190.00	229.85	191.00
Jul-20	219.85	200.20	226.60	201.15
Aug-20	280.00	201.95	280.60	200.55
Sep-20	275.00	234.00	273.20	230.15
Oct-20	265.00	227.60	265.55	238.00
Nov-20	297.85	242.25	297.90	243.15
Dec-20	347.70	201.60	347.60	285.00
Jan-21	387.00	324.00	387.30	324.10
Feb-21	480.95	201.60	481.00	201.25
Mar-21	219.60	193.05	219.70	193.15

in ₹

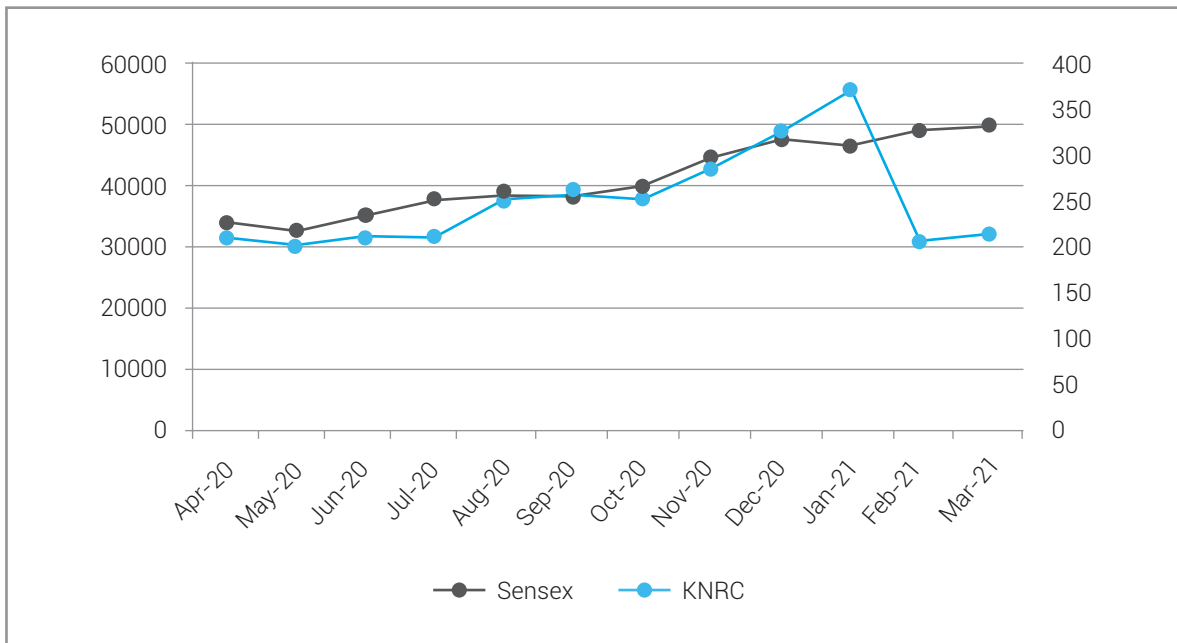
Note : The Company has issued bonus shares in the ratio of 1:1 on February 05, 2021 and accordingly the price is adjusted from the month of Feb-21.



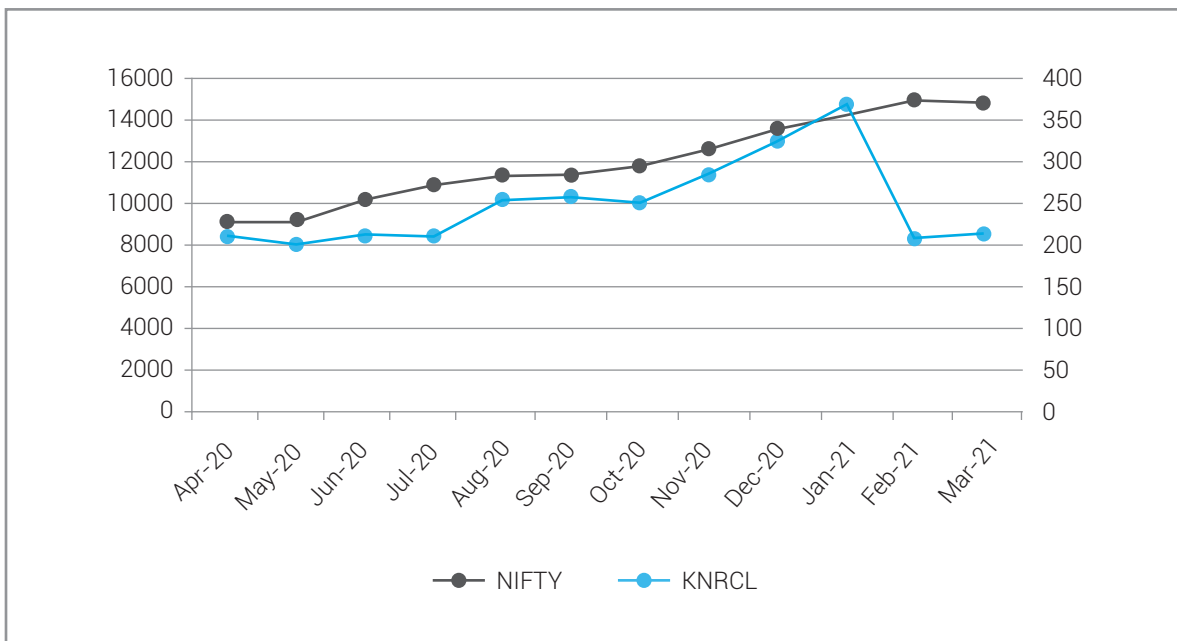
## Report on Corporate Governance (Contd.)

### ix. Performance in comparison to broad based indices – Sensex (BSE) and Nifty (NSE)

**KNRCL BSE Sensex Price Chart**



**KNRCL & NIFTY Price Chart**



## Report on Corporate Governance (Contd.)

- x. Registrar & Share Transfer Agents:  
(for shares held in both Physical and Demat mode)  
Link Intime India Private Limited  
C-101, 247 Park,  
LBS Marg, Vikhroli (West),  
Mumbai – 400083  
Phone: +91 – 22 -25960320  
Fax: +91 – 22 – 25960329

- xi. Share Transfer System:

The Physical share transfers are processed and the share certificates are returned to the shareholders within a maximum period of one month from the date of receipt, subject to the documents being valid and complete in all respects.

Any transferee who wishes to demat the shares may approach a Depository participant along with a duly filled Demat Request Form, who shall, on the basis of the Share Certificate, generate a demat request and send the same to the Registrar and Shares Transfer Agents (RTA). On receipt, the Depository Registrar confirms the request.

All requests for Dematerialisation of shares are processed and the confirmation is given to the respective Depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within 21 days of receipt.

### DISCLOSURES WITH RESPECT TO SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT

a)	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	<b>No. of shares: 9450</b> <b>No. of shareholders : 13</b>
b)	Number of shareholders who approached the listed entity for transfer of shares from suspense account during the year	<b>Nil</b>
c)	Number of shareholders to whom shares were transferred from suspense account during the year	<b>Nil</b>
d)	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	<b>No. of shares 9450</b> <b>No of shareholders 13</b>
e)	That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.	<b>Voting rights in respect of shares lying in the suspense account shall be frozen till the rightful owner of such shares claims the shares.</b>

### SECRETARIAL AUDIT

A Practicing Company Secretary of the Institute of Company Secretaries of India, has carried out secretarial audit every quarter to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/ paid-up capital is in agreement with the aggregate total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL

- xii. **Distribution of shareholding as on March 31, 2021**

Range		No. of Shareholders		No of shares held	
From	To	Number	% of total	Number	% of total
1	500	75,496	90.39	60,15,068	2.14
501	1000	4,609	5.52	34,53,983	1.23
1001	2000	1,855	2.22	27,94,766	0.99

## Report on Corporate Governance (Contd.)

Range		No. of Shareholders		No of shares held	
From	To	Number	% of total	Number	% of total
2001	3000	523	0.63	13,17,116	0.47
3001	4000	234	0.28	8,51,141	0.30
4001	5000	161	0.19	7,56,115	0.27
5001	10000	284	0.34	20,63,559	0.73
10001	And above	360	0.43	26,39,82,852	93.87
<b>Total</b>		<b>83,522</b>	<b>100.00</b>	<b>28,12,34,600</b>	<b>100.00</b>

## xiii. Pattern of Shareholding as on March 31, 2021

Sl. No.	Category	Total Securities	Total Holders	% of Capital
1	Clearing Members	6,06,701	211	0.21
2	Other Bodies Corporate	30,76,748	327	1.09
3	Hindu Undivided Family	6,55,973	809	0.23
4	Mutual Funds	8,55,71,324	63	30.43
5	Foreign Nationals	72,000	1	0.03
6	Non Resident Indians	7,77,295	1,174	0.28
7	Non Resident Indians (Non Repatriable)	3,40,611	433	0.12
8	Public	2,41,10,422	80,435	8.57
9	Promoters	15,47,61,410	4	55.03
10	Trusts	4,654	4	0.00
11	Insurance Companies	54,18,842	14	1.93
12	Foreign Portfolio Investors (Individual)	1,376	1	0.00
13	Foreign Portfolio Investors (Corporate)	58,19,440	43	2.07
14	NBFCs registered with RBI	200	1	0.00
15	Investor Education And Protection Fund	16,604	1	0.01
16	Trust (Employees)	1,000	1	0.00
<b>TOTAL :</b>		<b>2,81,23,46,000</b>	<b>83,522</b>	<b>100.00</b>

## xiv. Dematerialisation of Shares &amp; Liquidity

The Company's shares are available for dematerialisation on both the Depositories viz., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL)

As on March 31, 2021 a total of 28,12,30,423 Equity Shares were dematerialised representing 99.999 % of the total paid up equity share capital of the Company.

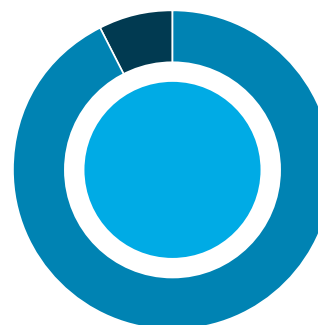
## Dematerialisation of Shares and Liquidity as on March 31, 2021

	No. of Shares	% of Total
NSDL	26,02,87,561	92.55
CDSL	2,09,42,862	7.45
Physical	4,177	0.00
<b>Total</b>	<b>28,12,34,600</b>	<b>100.00</b>

## Report on Corporate Governance (Contd.)

### Dematerialisation of shares

● NSDL	92.55 %
● CDSL	7.45 %
● Physical	0.00 %



**xv.** There are no outstanding global depository receipts or American depository receipts or warrants or any convertible instruments during the year under report.

**xvi. Details of Commodity price risk or foreign exchange risk and hedging activities**

The Company is into business of construction and engineering and doesn't consume large quantities of commodities in its activities. Hence, the Company is not materially exposed to commodity price risk nor does the Company do any commodity hedging.

**xvii. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditors.**

The Company's subsidiaries have not made any payment to the statutory auditors of the Company. The fees paid by the Company to its Statutory auditors are stated in the Audited financial statements of the Company which forms part of the Annual Report.

**xviii. Adoption of discretionary requirements specified in PART E of SCHEDULE II of SEBI (LODR) Regulations, 2015.**

1.	The Board	The Company has non-executive chairperson and any expenditure incurred by him will be reimbursed by the Company.
2.	Shareholders rights	Currently the Company does not send statement on half yearly financial performance to the household of each shareholder. The Company publishes the same in newspapers and uploads on the website of the Company.
3.	Modified opinion(s) on Audit Report	The Company's financial statements are with unmodified opinion
4.	Reporting of internal auditor	The Internal Auditor reports to the Audit Committee.

**xix. Address for Correspondence:**

(Query on the Annual Report shall reach 15 days before the AGM)

**Company Secretary**

KNR Constructions Limited  
"KNR House", 3rd Floor,

## Report on Corporate Governance (Contd.)

Plot No. 114, Phase I, Kavuri Hills,  
Hyderabad – 5000033  
Telangana, India  
Ph: + 91 - 40 - 40268759 / 61 / 62  
Fax: + 91 - 40 – 40268760

### Registrar & Share Transfer Agents:

(for shares held in both Physical and Demat mode)

### Link Intime India Pvt Ltd

(Unit: KNR Constructions Limited)  
C-101, 247 Park,  
LBS Marg, Vikhroli (West),  
Mumbai – 400083  
Phone: +91 – 22 -25960320  
Fax: +91 – 22 – 25960329

### xx. Plant locations

The Company doesn't have any plant locations.

### xxi. Unclaimed Dividend

Section 124 of the Companies Act, 2013, mandates that companies shall transfer dividend that has been unclaimed for a period of seven years from the unpaid dividend account to the investors education and protection fund (IEPF). In accordance with

the following schedule, the dividend for the years mentioned as follows, if unclaimed within a period of seven years, will be transferred to the IEPF:

Year	Type of Dividend	Dividend Per Share	Date of Declaration	Due date for transfer	Amount in ₹ *
2014	Final	1	30.09.2014	30.10.2021	46,090.00
2015	Final	1	30.09.2015	30.10.2022	18,493.00
2016	Interim	1	15.03.2016	15.04.2023	47,502.00
2017	Final	0.25	30.09.2017	30.10.2024	64,401.00
2018	Final	0.40	29.09.2018	29.10.2025	60,627.60
2019	Final	0.40	30.09.2019	30.10.2026	55,293.20
2020	Interim	0.50	10.03.2020	10.04.2027	1,81,435.00

\* as on 31.03.2021

### xvii. Credit Rating

The Credit ratings for various banking facilities obtained by the Company are disclosed in the Directors' report.

For **KNR Constructions Limited**

**K Narsimha Reddy**  
Managing Director  
(DIN:00382412)

Place: Hyderabad  
Date: August 30, 2021





## Declaration on Compliance by the Board members and Senior Management Personnel with the Company's Code of Conduct

This is to confirm that the Company has adopted a code of conduct for the members of the Board and the Senior Management Personnel. I confirm that the members of the Board and senior Management Personnel have complied with the Code of conduct in respect of the financial year ended March 31, 2021.

For **KNR Constructions Limited**

Sd/-

**K. Narsimha Reddy**

Managing Director  
(DIN:00382412)

Place: Hyderabad

Date: August 30, 2021

Sd/-

**K Jalandhar Reddy**

Executive Director  
(DIN: 00434911)

# Independent Auditor's Certificate on Corporate Governance

To

**The Members of**

**KNR Constructions Limited**

We K.P. Rao & Co (FRN: 003135S), Chartered Accountants, the statutory auditors of KNR Constructions Ltd have examined the compliance of conditions of Corporate Governance by KNR Constructions Limited ("the Company") for the year ended on March 31, 2021, as stipulated in regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and paragraphs C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (the "Listing Regulations").

**MANAGEMENT'S RESPONSIBILITY:**

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

**AUDITOR'S RESPONSIBILITY:**

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the company in accordance with Guidance Note on Reports or Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the "ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**OPINION:**

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para-C and D of Schedule V of the Listing Regulations during the year ended March 31, 2021.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **K.P. Rao & Co.**

Chartered Accountants

Firm Reg. No. 003135S

**K. Viswanath**

Partner

Membership Number: 022812

UDIN: 21022812AAAAAH2472

Place: Bangalore

Date: July 20, 2021

## CEO and CFO Compliance Certificate

In relation to the Audited Financial Accounts of the Company as at March 31, 2021, we hereby certify that

- a. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or volatile of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
- d. We have indicated to the auditors and the Audit committee that
  - i. There are no significant changes in internal control over financial reporting during the year;
  - ii. There are no significant changes in accounting policies during the year; and
  - iii. There are no instances of significant fraud of which we have become aware.

For **KNR Constructions Limited**

**K. Narsimha Reddy**

Managing Director  
(DIN : 00382412)

Place: Hyderabad

Date: August 30, 2021

**K Jalandhar Reddy**

Executive Director & CFO  
(DIN : 00434911)

**S Vaikuntanathan**

VP (F&A)

## Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

The Members

**KNR Constructions Limited**

Hyderabad

We, M/s. VCSR & Associates, Company Secretaries have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. KNR Constructions Limited having (CIN: L74210TG1995PLC130199) and having registered office at KNR House, 3rd & 4th Floors, Plot No. 114 Phase - I, Kavuri Hills, Hyderabad, Telangana- 500033 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	Name of the Director	DIN	Designation
1	Kamidi Narsimha Reddy	00382412	Managing Director
2	Jalandhar Reddy Kamidi	00434911	Whole-time Director
3	Balarami Lodugu Reddy	00956445	Director
4	Bandhakavi Venkata Ramarao	00972552	Director
5	Yashoda Kamidi	05157487	Director
6	Gottipulla Chandra Rekha	08464587	Director

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **VCSR & Associates**  
Company Secretaries

**Ch Veeranjanyulu**  
Partner

CP NO. 6392, FCS No. 6121  
UDIN: F006121C00072141

Place: Hyderabad  
Date: August 12, 2021

# Independent Auditor's Report

To the Members of

**KNR CONSTRUCTIONS LIMITED**

## REPORT ON THE STANDALONE FINANCIAL STATEMENTS

### Opinion

We have audited the accompanying standalone Financial Statements of **KNR CONSTRUCTIONS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information. (Hereinafter referred to as the "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of joint operations and management certified accounts in respect of ten joint operations referred to in the Other Matters paragraph below, the aforesaid Financial Statements give the information required by the Companies Act 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit (including other comprehensive income), 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 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 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 on the standalone Financial Statements

### Emphasis of Matter

We draw attention to Note No. 55 of the standalone financial statements, which describes the uncertainties and the possible effects of Covid-19 on the operations of the Company. Our opinion is not modified in respect of this matter.

### Key Audit Matters:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

## Independent Auditor's Report (Contd.)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><b>A) Revenue Recognition of long-term contracts</b></p> <p>The Company has significant revenue from construction contracts and long-term operating and maintenance agreements. These long-term contracts are often complex customised solutions and meet the definition of a contract as per Ind AS 115.</p> <p>Revenue related to these construction contracts is recognised using the percentage of completion method, where progress is determined by comparing actual costs incurred to date, with the total estimated costs of the project. Revenue recognition for construction contracts includes management judgment in the form of estimates, which are subject to management experience and expectations of future events. The most important judgment relates to the estimated total costs of the project.</p> <p>Revenue recognition of long-term contracts is a key audit matter in the audit due to the high level of management judgement involved in the project estimates.</p>	<p>Our revenue testing included both testing of the company's controls, as well as substantive audit procedures targeted at selected major long-term projects. Our substantive testing focused on estimates applied by management in the accounting.</p> <p>Our procedures included, among others things, the following:</p> <ul style="list-style-type: none"> <li>• Ensured that the revenue recognition method applied was appropriate based on the terms of the arrangement;</li> <li>• Agreed the total project revenue estimates to sales agreements, including amendments as appropriate;</li> <li>• We obtained an understanding of the processes and tested relevant controls, which impact the revenue recognition;</li> <li>• We assessed the reliability of management's estimates by comparing the actual results of delivered projects to previous estimates;</li> </ul>
<p><b>B) Litigation and Claims</b></p> <p>Considering the nature of the Company's operations, it can be exposed to a number of litigations and claims. The recognition and measurement of provisions, contingent liabilities and contingent assets as well as making the necessary disclosures in respect of litigation and claims requires significant judgment by the management in assessing the outcome of each legal case which is based on management's discussion with legal advisors. Due to the significance of the litigations and claims and the difficulty in assessing and measuring the resulting outcome, this is considered as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• evaluating the Company's policies, procedures and controls in relation to litigation, claims and provision assessments;</li> <li>• independent enquiries to understand the background of each case, legal position and the material risks that may impact the Company's standalone financial statements; and</li> <li>• assessing reasonableness of judgment made by management, determining the adequacy of the level of provisioning or disclosure in the standalone financial statements.</li> </ul>

### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of



## Independent Auditor's Report (Contd.)

this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting standards) Rules, 2015, as amended and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone 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 Responsibility**

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

## Independent Auditor's Report (Contd.)

regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

1. We did not audit the financial information of 10 joint operations included in the Statement whose financial information reflect total assets (before consolidation adjustments) of Rs 23,054.76 lakhs as at 31 March 2021, total revenue (before consolidation adjustments) of Rs 45,889.25 lakhs and total net profit after tax (net) (before consolidation adjustments) of Rs 375.22 lakhs for the year ended 31<sup>st</sup> March, 2021, as considered in the Statement. The financial information of these joint operations has been audited by the other auditors whose reports has been furnished to us by the management, and our opinion in so far as it relates to the amounts and disclosures included in respect of these joint operations, is based solely on the report of such other auditors.

Our opinion on the Statement is not modified in respect of this matter with respect to our reliance on the work done and reports of such other auditors.

2. The Statement also includes the financial information of 5 joint operations which have not been audited, whose financial information reflect total assets (before consolidation adjustments) of ₹ 1,616.84 lakhs as at 31 March 2021, total revenue (before consolidation adjustments) of ₹ 53.58 lakhs and total net profit after tax (net) (before consolidation adjustments) of ₹ (249.76) lakhs and total comprehensive income of ₹ (249.76) lakhs for the year ended March 31, 2021

The financial information of these joint operations has been unaudited and has been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these

joint operations, is based solely on such unaudited financial information which is certified by management. In our opinion and according to the information and explanation given to us by the Management, the financial information of these joint operations are not material to the Company.

Our opinion on the Statement is not modified in respect of this matter with respect to our reliance on the financial information certified by the Management.

### Report on Other Legal and Regulatory Requirements

- A. 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 Act, we give in the "**Annexure 1**" a statement on the matters specified in paragraphs 3 and 4 of the said order.
- B. As required by Section 143 (3) of the Act, we report that:
- 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.
  - 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.
  - The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income) the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India.
  - On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
  - With respect to the adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure 2**". Our Report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's financial controls over financial reporting.

## Independent Auditor's Report (Contd.)

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act, read with Schedule V to the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact if any, of pending litigations as at March 31, 2021 on its financial position in its Standalone Financial Statements – Refer Note No. 37.
  - ii. The Company did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For K.P.Rao & Co.,**  
Chartered Accountants  
Firm's Registration No. 003135S

**K. Viswanath**  
Partner  
Membership No. 022812  
UDIN: 21022812AAAAAG4048

Place: Bengaluru  
Date: May 20th, 2021

## Annexure 1

### TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF KNR CONSTRUCTIONS LIMITED

#### WE REPORT THAT;

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) A major portion of fixed assets have been physically verified by the management in accordance with the programme of verification, which, in our opinion, provides for physical verification of all fixed assets at reasonable interval having regard to the size of the Company and nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification of fixed assets and have been properly dealt with in the books of account.
- c) According to the information and explanations given to us, the title deeds of the immovable properties disclosed in the Note no. 3 & 3.1 to Standalone Financial Statements held by the Company are in the name of the Company except following assets.

Total No. of cases (lands)	Whether leasehold/freehold	Gross block and net block as on 31-03-2021 (₹ in Lakhs)	Remarks
56	Freehold	891.83	Lands are registered in the name of directors, relatives of directors for and on behalf of the company due to restrictions in registration of lands in the name of the Company, by the land laws of respective states in which the land is situated.*

\*The Company has taken undertaking from respective parties for having no interest in the lands.

2. According to the information and explanations given to us, inventories have been physically verified at regular intervals by the Management during the year. In our opinion, the frequency of such verification is reasonable. No material discrepancies were noticed on such physical verification.
3. According to the information and explanations given to us, the company has granted unsecured loans to Subsidiary

Companies during the year and maximum amount involved during the period and the balance of said loans were aggregating to Rs 2,155.95 Lakhs and Rs 1,459.32 lakhs respectively covered in the register maintained under section 189 of the Companies Act, 2013.

These loans have been given on "On Account" basis. In the absence of agreements for these loans, the terms and conditions and their impact on the interest of the Company cannot be ascertained. Hence the question of regularity of payment of principal and interest does not arise.

4. In our opinion and according to the information and explanations given to us, the Company has not advanced any loan to any director, given any guarantee, provided any security in connection with any loan taken by any director or made investment through more than two layers of investment companies as per the provisions of section 185 and 186 of the Act. Accordingly, reporting under clause (iv) of paragraph 3 of the Order is not applicable.
5. In our opinion and according to the information and explanation given to us, the Company has not accepted deposits to which directions issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 were applicable. Accordingly, reporting under clause (v) of paragraph 3 of the Order is not applicable.
6. The maintenance of cost records has been specified by the Central Government under section 148(1) (d). We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148 of the Act, and are of the opinion that *prima facie*, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate and complete.
7. According to the information and explanations given to us, in respect of records of statutory dues:
  - a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Services Tax, Duty of Customs, Duty of Excise, Cess and other statutory dues applicable to it with the appropriate authorities.
  - b) There were no undisputed amounts payable in respect of Provident Fund, Employees State Insurance,

## Annexure 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF KNR CONSTRUCTIONS LIMITED (Contd.)

Income Tax, Duty of Customs, Duty of Excise, Cess and other statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

- c) Disputed statutory dues that have not been deposited on account of matters pending before appropriate authorities are as under:

Name of the Statute	Nature of the Dues	Amount in Rs.	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	4.60	FY 2000-01	Commissioner of Income Tax (Appeals), Hyderabad
Income Tax Act, 1961	Income Tax	Paid under protest	FY 2002-03	Commissioner of Income Tax (Appeals), Hyderabad
Income Tax Act, 1961	Income Tax	Paid under protest	FY 2006-07	Income Tax Appellate Tribunal, Hyderabad
Income Tax Act, 1961	Income Tax	22.99	FY 2010-11	Commissioner of Income Tax (Appeals), Hyderabad
Income Tax Act, 1961	Income Tax	45.73	FY 2014-15	Deputy Commissioner of Income Tax, Hyd.
Income Tax Act, 1961	Income Tax	40.60	FY 2015-16	Deputy Commissioner of Income Tax, Hyd. and Income Tax Appellate Tribunal, Hyderabad
Income Tax Act, 1961	Income Tax	171.91	FY 2016-17	Deputy Commissioner of Income Tax, Hyd.
Income Tax Act, 1961	Income Tax	281.38	FY 2017-18	Deputy Commissioner of Income Tax, Hyd.
Income Tax Act, 1961	Income Tax	930.03	FY 2018-19	Deputy Commissioner of Income Tax, Hyd.
Income Tax Act, 1961	TDS	9.86	FY 2009-10	Deputy Commissioner of income Tax, Hyd.
Andhra Pradesh Value Added Tax Act, 2005	VAT	Paid under protest	FY 2010-11	Telangana Value Added Tax Appellate Tribunal
APVAT/TVAT Act, 2005	VAT	1.94	FY 2014-15	Written petition to be filed at Hon'ble High Court of Telangana
Telangana Tax on Entry of Goods into Local Areas Act, 2001	Entry Tax	80.38	FY 2017-18	Written petition to be filed at Hon'ble High Court of Telangana
Madhya Pradesh Value Added Tax Act, 2002	Entry Tax	41.13	FY 2010-11	Commissioner (Appeals) Gwalior
Madhya Pradesh Value Added Tax Act, 2002	Entry Tax	40.68	FY 2013-14	Additional Commissioner (Appeals) Gwalior
Madhya Pradesh Value Added Tax Act, 2002	Entry Tax	41.06	FY 2016-17	Additional Commissioner (Appeals) Gwalior
Odisha Sales Tax and VAT laws	Entry Tax	28.87	FY 2009-10 to 11-12	Odisha High Court
Odisha Sales Tax and VAT laws	Entry Tax	22.00	FY 2012-13 to 14-15	Joint Commissioner Appeals, Bhubaneswar
Odisha Sales Tax and VAT laws	VAT	171.81	FY 2012-13 to 14-15	Joint Commissioner Appeals, Bhubaneswar
Odisha Sales Tax and VAT laws	CST	6.03	FY 2012-13 to 14-15	Joint Commissioner Appeals, Bhubaneswar

## Annexure 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF KNR CONSTRUCTIONS LIMITED (Contd.)

Name of the Statute	Nature of the Dues	Amount in Rs.	Period to which the amount relates	Forum where dispute is pending
Kerala Value Added Tax Act, 2003	VAT	3,347.99	FY 2016-17	State Tax Officer, Palakkad
Kerala Value Added Tax Act, 2003	VAT	483.28	FY 2017-18	State Tax Officer, Palakkad
Finance Act, 1994	Service Tax	303.53	FY 2016 – June 2017	Assistant Commissioner (Audit), Central Tax GST
Customs Act, 1962	Customs	1,509.52	FY 2004-05 to 2008-09	High Court at Telangana.

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of its dues to Banks & Financial Institutions. The Company has not issued debentures.
9. The Company has not raised any monies, during the reporting period, by way of initial public offer (including debt instruments) or further public offer. The Company has not raised any monies, by way of term loans during the year.
10. According to the information and explanations given to us, no fraud by, or by its officers or employees on the Company has been noticed or reported during the year.
11. According to the information and explanations given to us and based on our examination of the records of the Company, managerial remuneration has been paid/provided during the year in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act 2013.
12. In our opinion and according to the information given to us, the Company is not a Nidhi Company. Accordingly, reporting under clause (xii) of paragraph 3 of the Order is not applicable.
13. In our opinion and according to the information and explanations given to us and based on our examination of the records, all transactions with the related parties are in compliance with Section 177 and Section 188 of the Act where applicable, and the details have been disclosed in the Standalone Financial Statements, as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or convertible debentures during the reporting period. Accordingly, reporting under clause (xiv) of paragraph 3 of the Order is not applicable.
15. In our opinion and according to the information and explanations given to us and based on our examination of the records, the Company has not entered into any non-cash transactions with any directors or persons connected with him. Accordingly, reporting under clause (xv) of paragraph 3 of the Order is not applicable.
16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For K.P.Rao & Co.,**  
Chartered Accountants  
Firm's Registration No. 003135S

**K. Viswanath**  
Partner  
Membership No. 022812  
UDIN: 21022812AAAAAG4048

Place: Bengaluru  
Date: May 20th, 2021



## Annexure 2

### TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF KNR CONSTRUCTIONS LIMITED

#### **REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")**

We have audited the internal financial controls over financial reporting of **KNR CONSTRUCTIONS LIMITED** ("the Company") as of March 31, 2021 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

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

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

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone 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 Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Financial Statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

## Annexure 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF KNR CONSTRUCTIONS LIMITED (Contd.)

Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the Internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the "Guidance Note

on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India".

**For K.P.Rao & Co.,**  
Chartered Accountants  
Firm's Registration No. 003135S

**K. Viswanath**  
Partner  
Membership No. 022812  
UDIN: 21022812AAAAAG4048

Place: Bengaluru  
Date: May 20<sup>th</sup>, 2021

# Balance Sheet

as at March 31, 2021

		(₹ in Lakhs)	
Particulars	Note	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>1) Non-current assets</b>			
a) Property, plant and equipment	3	33,768.06	37,777.49
b) Capital work-in-progress		237.85	1,015.48
c) Right of Use Asset		147.12	260.00
d) Investment property	3.1	6,587.97	6,587.97
e) Other Intangible assets	3.2	7.25	14.93
<b>f) Financial Assets</b>			
i) Investments	4	24,148.71	18,605.71
ii) Other Investments	4	24,834.04	13,810.86
iii) Loans	5	297.52	283.51
iv) Other financial assets	6	2,325.22	122.57
g) Deferred tax assets (Net)	7	14,859.59	16,098.54
h) Non current tax assets (Net)	8	2,289.09	2,164.88
i) Other non-current assets	9	5,645.01	8,932.76
<b>Total Non-current assets</b>		<b>1,15,147.43</b>	<b>1,05,674.70</b>
<b>2) Current assets</b>			
a) Inventories	10	14,798.90	12,316.27
<b>b) Financial assets</b>			
i) Investments in Associates held for sale	4	-	39,069.47
ii) Trade receivables	11	86,321.32	47,610.80
iii) Cash and cash equivalents	12	10,820.79	2,019.25
iv) Bank balances, other than (iii) above	13	912.02	1,285.72
v) Loans	5	756.60	286.74
vi) Other financial assets	6	26,212.67	21,211.36
c) Current tax assets (Net)	8	1,205.72	1,806.38
d) Other current assets	14	35,893.29	40,497.88
<b>Total Current assets</b>		<b>1,76,921.31</b>	<b>1,66,103.87</b>
<b>Total Assets</b>		<b>2,92,068.74</b>	<b>2,71,778.57</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity Share capital	15	5,624.70	2,812.35
b) Other equity	16	1,81,158.45	1,59,576.49
<b>Total equity</b>		<b>1,86,783.15</b>	<b>1,62,388.84</b>
<b>Liabilities</b>			
<b>1) Non-current liabilities</b>			
<b>a) Financial liabilities</b>			
i) Borrowings	17	-	18,045.73
ii) Lease Liability		35.59	107.53
iii) Other financial liabilities	18	15.36	15.36
b) Provisions	20	865.63	587.82
c) Other non-current liabilities	21	1,059.59	1,052.09
<b>Total non-current liabilities</b>		<b>1,976.17</b>	<b>19,808.53</b>
<b>2) Current liabilities</b>			
<b>a) Financial liabilities</b>			
i) Borrowings	17	71.24	3,364.42
<b>ii) Trade Payables</b>			
Dues to Micro & Small Enterprises		320.39	478.26
Due to other than Micro & Small Enterprises		23,650.18	24,631.73
iii) Other financial liabilities	18	14,252.67	16,524.26
b) Provisions	20	2,573.22	1,733.99
c) Other current liabilities	22	58,347.02	42,807.38
d) Current Tax liabilities (Net)	23	4,094.70	41.16
<b>Total current liabilities</b>		<b>1,03,309.42</b>	<b>89,581.20</b>
<b>Total Equity and Liabilities</b>		<b>2,92,068.74</b>	<b>2,71,778.57</b>
Corporate information and Significant accounting policies See accompanying notes forming part of the financial statements	1&2		

As per our report of even date attached  
For **K. P. Rao & Co.,**

Chartered Accountants  
(Firm Regn. No.003135S)

**K. Viswanath**  
Partner,  
Membership No: 022812  
UDIN: 21022812AAAAAE3223

Place : Hyderabad  
Date : May 20, 2021

For and on behalf of the Board

**K.Narsimha Reddy**  
Managing Director  
DIN: 00382412

**S.Vaikuntanathan**  
Vice President (F&A)

**K. Jalandhar Reddy**  
Executive Director & CFO  
DIN: 00434911

**V.Haritha**  
Company Secretary

# Statement of Profit and Loss

for the year ended March 31, 2021

(₹ in Lakhs)

Particulars	Note	Year ended March 31, 2021	Year ended March 31, 2020
<b>I Revenue from Operations</b>	24	2,70,262.93	2,24,423.89
<b>II Other income</b>	25	4,964.60	5,658.86
<b>III Total Revenue (I + II)</b>		<b>2,75,227.53</b>	<b>2,30,082.75</b>
<b>IV Expenses</b>			
Cost of materials consumed	26	92,645.30	75,328.14
Construction expenses	27	1,04,138.32	82,378.27
Employee benefits expense	28	13,209.14	12,521.92
Finance costs	29	4,872.73	4,741.07
Depreciation and amortisation expense	30	14,437.48	19,184.77
Other expenses	31	6,686.55	5,488.57
<b>Total expenses (IV)</b>		<b>2,35,989.52</b>	<b>1,99,642.74</b>
<b>V Profit/(Loss) before exceptional items and tax (III - IV)</b>		<b>39,238.01</b>	<b>30,440.01</b>
<b>VI Exceptional items</b>	32	1,124.70	1,072.14
<b>VII Profit/(Loss) before tax (V - VI)</b>		<b>38,113.31</b>	<b>29,367.87</b>
<b>VIII Tax expense</b>	33		
1) Current tax		14,004.01	9,774.20
2) Adjustment of tax relating to earlier periods		1,931.08	6.45
3) Deferred tax		(2,239.43)	(2,935.09)
		<b>13,695.66</b>	<b>6,845.56</b>
<b>IX Profit/(Loss) for the year (VII - VIII)</b>		<b>24,417.65</b>	<b>22,522.31</b>
<b>X Other comprehensive income / (loss)</b>	34		
<b>a) Items that will not be reclassified to profit or loss</b>			
Remeasurements of the defined benefit plans		(35.88)	(58.97)
Deferred Tax on above items		12.54	20.31
<b>b) Items that will be reclassified to profit or loss</b>		-	-
<b>XI Total Comprehensive Income for the period (IX+X) (Comprising Profit/(Loss) and Other Comprehensive Income for the period)</b>		<b>24,394.31</b>	<b>22,483.65</b>
<b>XII Earnings per equity share : (In ₹)</b>	39		
1) Basic		8.68	8.01*
2) Diluted		8.68	8.01*
* Adjusted for issue of bonus shares in the ratio of 1:1 on February 05, 2021			
Corporate information and Significant accounting policies	1&2		
See accompanying notes forming part of the financial statements			

As per our report of even date attached  
For **K. P. Rao & Co.,**

Chartered Accountants  
(Firm Regn. No.003135S)

**K. Viswanath**  
Partner,  
Membership No: 022812  
UDIN: 21022812AAAAAE3223

Place : Hyderabad  
Date : May 20, 2021

For and on behalf of the Board

**K.Narsimha Reddy**  
Managing Director  
DIN: 00382412

**S.Vaikuntanathan**  
Vice President (F&A)

**K. Jalandhar Reddy**  
Executive Director & CFO  
DIN: 00434911

**V.Haritha**  
Company Secretary

# Statement of Changes in Equity

for the year ended March 31, 2021

## A - Equity Share Capital

(₹ in Lakhs)

Particulars	Number of Shares	Amount
<b>Balance as at April 1, 2019</b>	<b>14,06,17,300</b>	<b>2,812.35</b>
Add: Equity shares allotted during the year	-	-
<b>Balance as at March 31, 2020</b>	<b>14,06,17,300</b>	<b>2,812.35</b>
Add: Equity shares allotted during the year	-	-
Add: Bonus Shares issued during the year in the ratio of 1:1	14,06,17,300	2,812.35
<b>Balance as at March 31, 2021</b>	<b>28,12,34,600</b>	<b>5,624.70</b>

## B - Other Equity

(₹ in Lakhs)

Particulars	Reserves and Surplus				Other items of Other Comprehensive Income	Money received against share warrants	Total
	Securities Premium Reserve	General Reserve	Exchange difference on transaction & translation	Surplus in the statement of profit and loss			
Balance as at April 1, 2019	12,599.31	2,849.00	-	1,23,261.19	(90.96)	-	1,38,618.54
Profit for the year	-	-	-	22,522.31	-	-	22,522.31
Other Comprehensive Income/(loss) for the year (Net of Taxes)	-	-	-	-	(38.66)	-	(38.66)
Payment of Dividend	-	-	-	(1,265.56)	-	-	(1,265.56)
Payment of Dividend Distribution tax	-	-	-	(260.14)	-	-	(260.14)
<b>Balance as at March 31, 2020</b>	<b>12,599.31</b>	<b>2,849.00</b>	<b>-</b>	<b>1,44,257.80</b>	<b>(129.62)</b>	<b>-</b>	<b>1,59,576.49</b>
<b>Balance as at April 1, 2020</b>	<b>12,599.31</b>	<b>2,849.00</b>	<b>-</b>	<b>1,44,257.80</b>	<b>(129.62)</b>	<b>-</b>	<b>1,59,576.49</b>
Profit for the year	-	-	-	24,417.65	-	-	24,417.65
Bonus Shares issued in the ratio of 1:1	(2,812.35)	-	-	-	-	-	(2,812.35)
Other Comprehensive Income/(loss) for the year (Net of Taxes)	-	-	-	-	(23.34)	-	(23.34)
Payment of Dividend	-	-	-	-	-	-	-
Payment of Dividend Distribution tax	-	-	-	-	-	-	-
<b>Balance as at March 31, 2021</b>	<b>9,786.96</b>	<b>2,849.00</b>	<b>-</b>	<b>1,68,675.45</b>	<b>(152.96)</b>	<b>-</b>	<b>1,81,158.45</b>

See accompanying notes forming part of financial statements

As per our report of even date attached  
For **K. P. Rao & Co.,**

Chartered Accountants  
(Firm Regn. No.003135S)

**K. Viswanath**

Partner,  
Membership No: 022812  
UDIN: 21022812AAAAAE3223

Place : Hyderabad  
Date : May 20, 2021

For and on behalf of the Board

**K.Narsimha Reddy**  
Managing Director  
DIN: 00382412

**S.Vaikuntanathan**  
Vice President (F&A)

**K. Jalandhar Reddy**  
Executive Director & CFO  
DIN: 00434911

**V.Haritha**  
Company Secretary

# Cash Flow Statement

for the Year Ended March 31, 2021

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>A) Cash flow from Operating Activities</b>		
<b>Profit before tax</b>	<b>38,113.31</b>	<b>29,367.87</b>
<b>Adjustments for:</b>		
Depreciation and amortisation	14,437.48	19,232.77
Loss/(Profit) on sale of Property, Plant and Equipment, Investment Property(Net)	(43.01)	(264.21)
Liabilities no longer required written back	(1,086.79)	(658.65)
Bad Debts / Advances written off	1,045.30	591.54
Un winding Interest on fair value of Financial Instruments	(127.42)	(22.93)
Exceptional Item	1,124.70	1,072.14
Provision for Doubtful Advances and other receivables	990.03	-
Dividend received on current investments	-	(0.03)
Un winding Interest on Lease liability	7.80	10.93
Interest Expense on FV	597.39	-
Finance cost	4,267.54	4,730.14
Interest Income	(1,619.91)	(3,118.93)
<b>Operating profit before working capital changes</b>	<b>57,706.42</b>	<b>50,940.64</b>
Changes in working capital:		
(Increase)/Decrease in Trade and other Receivables and prepayments	(33,665.67)	(28,172.31)
(Increase)/Decrease in Inventories	(2,482.63)	(2,806.95)
Increase/(Decrease) in Trade and other Payables	16,109.40	27,888.36
<b>Cash generated/ (used) from Operations</b>	<b>37,667.52</b>	<b>47,849.74</b>
Income Taxes (paid) / Refund	(7,865.45)	(8,435.20)
<b>Net Cash flows from / (used in) Operating Activities- (A)</b>	<b>29,802.07</b>	<b>39,414.54</b>
<b>B) Cash flow from Investing Activities</b>		
Proceeds from sale of property, plant and equipment	201.21	417.01
Payments for property, plant and equipment and Capital Work-in-Progress	(9,591.83)	(20,780.11)
Interest received	1,675.86	2,849.20
Bank Balances not considered as cash and cash equivalents	373.70	(566.80)
Loans/Advances to Subsidiaries/Associates and others	(356.45)	107.43
Investments in Subsidiaries, Associates and Others	14,237.22	(10,981.54)
Dividend received on current investments	-	0.03
TDS on Interest Received	(48.72)	(43.65)
<b>Net Cash flows from / (used in) Investing Activities- (B)</b>	<b>6,490.99</b>	<b>(28,998.43)</b>



## Cash Flow Statement for the Year Ended March 31, 2021 (Contd.)

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>C) Cash flow from Financing Activities</b>		
Proceeds from borrowings	24,530.00	1,302.92
Repayment of borrowings	(44,136.24)	(6,416.81)
Increase / (decrease) in short term borrowings	(3,293.18)	1,670.28
Finance cost paid	(4,592.10)	(4,010.38)
Dividend and Dividend Tax Paid	-	(1,525.70)
<b>Net Cash Flows from / (used in) Financing Activities- (C)</b>	<b>(27,491.52)</b>	<b>(8,979.69)</b>
<b>Net increase/(decrease) in cash and cash equivalents - (A+B+C)</b>	<b>8,801.54</b>	<b>1,436.42</b>
Cash & Cash Equivalents at the beginning of the year	2,019.25	582.83
<b>Cash &amp; Cash Equivalents at end of the year (Refer note:1)</b>	<b>10,820.79</b>	<b>2,019.25</b>

### Note:

- 1 Cash & Cash equivalents

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Cash on hand	32.91	55.24
Bank Balance including Deposits and Cheques on Hand - Current Account	10,787.88	1,964.01
<b>Total Cash &amp; Cash equivalents</b>	<b>10,820.79</b>	<b>2,019.25</b>

- 2 The Cash flow statement is prepared in accordance with the Indirect Method stated in Ind-AS7 on Cash Flow Statements and presents the cash flows by operating, investing and financing activities.
  - 3 Previous year's figures have been regrouped, wherever necessary.
  - 4 Figures in brackets represent cash outflows.
- See accompanying notes forming part of financial statements

As per our report of even date attached  
For **K. P. Rao & Co.,**  
Chartered Accountants  
(Firm Regn. No.003135S)

**K. Viswanath**  
Partner,  
Membership No: 022812  
UDIN: 21022812AAAAAE3223

Place : Hyderabad  
Date : May 20, 2021

### For and on behalf of the Board

**K.Narsimha Reddy**  
Managing Director  
DIN: 00382412

**S.Vaikuntanathan**  
Vice President (F&A)

**K. Jalandhar Reddy**  
Executive Director & CFO  
DIN: 00434911

**V.Haritha**  
Company Secretary

# Notes

## forming part of the Financial Statements

### 1. REPORTING ENTITY INFORMATION:

KNR Constructions Limited ('the Company') is a Company domiciled in India with its registered office at 'KNR House' 3<sup>rd</sup> & 4<sup>th</sup> Floor, Plot No: 114, Phase-I, Kavuri Hills, Hyderabad – 500 033. The Company has been incorporated in 1995 under the provisions of Indian Companies Act. The shares of the Company are listed on the both the stock exchanges (BSE & NSE) India in 2008 pursuant to the Public offer of Equity Shares. The Company is engaged in the business of infrastructure sector, primarily in the construction of roads, bridges, flyovers and irrigation projects.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 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.

#### 2.2 Functional and presentation currency

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

#### 2.3 Basis of Preparation & Presentation

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

#### 2.4 Interest in Joint Operations

A Joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangement. Joint control

is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a Company undertakes its activities under joint operations, of the Company as a joint operator recognises in relation to its interest in a joint operation:

1. Its assets, including its share of any assets held jointly,
2. Its liabilities, including its share of any liabilities incurred jointly,
3. Its revenue from the sale of its share arising from the joint operation,
4. Its share of the revenue from the joint operations, and
5. Its expenses, including its share of any expenses incurred jointly

#### 2.5 Operating cycle for Current and non-current classification

All the assets and liabilities have been classified as current or non-current, wherever applicable, as per the operating cycle of the Company as per Schedule III to the Act. Operating cycle for the business activities of the Company covers the duration of the project/ contract/ service including the defect liability period, wherever applicable, and extends up to the realisation of receivables (including retention monies) within the credit period normally applicable to the respective project.

#### 2.6 Fair Value Measurement

The Company measures certain financial instruments, such as derivatives and other items in its financial statements at fair value at each balance sheet date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within fair value hierarchy based on the low level of input that is significant to the fair value measurement as a whole:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or

## Notes forming part of the Financial Statements (Contd.)

liability, either directly (i.e. as prices) or indirectly (observable inputs).

Level 3 – Inputs for the assets and liabilities 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 categorised 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 recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

### 2.7 Property, plant and equipment (PPE)

Items of property, plant and equipment are measured at cost, 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 recognised in profit or loss.

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

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 except the below mentioned assets, 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).

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

For the Assets costing up to ₹ 5,000 are depreciated fully in the year of purchase.

The following asset category has useful life different from the life specified in Schedule II of the Companies Act, 2013 based on the management's assessment

S. No.	Description	Useful life given as per Companies Act 2013	Company's estimated useful life
1.	<b>Buildings</b>		
	RCC structure	60 years	60 years
	Temporary structure	3 Years	3 Years
2.	<b>Plant and Machinery</b>		
	Concreting, crushing, piling equipment's and road making equipment's	12 Years	7 Years *
	Heavy Lift equipment's		
	- Cranes < 100 tons	15 Years	7 Years *
	- Earth-moving equipment's	9 Years	7 Years *
	Construction Accessories	12 Years	3 Years **
	Others including Material Handling / Pipeline / Welding Equipment's	12 Years	7 Years *
3.	<b>Furniture and Fittings</b>	10 Years	10 Years

## Notes forming part of the Financial Statements (Contd.)

S. No.	Description	Useful life given as per Companies Act 2013	Company's estimated useful life
4.	<b>Motor Vehicles</b>		
	Motor cycles, Scooters and other mopeds	10 Years	10 Years
	Motor buses, motor lorries, motor cars and motor taxis	8 Years	8 Years
5.	<b>Office Equipment's</b>	5 Years	5 Years
6.	<b>Computers and data processing units</b>		
	Servers and networks	6 Years	6 Years
	End user devices, such as, desktops, laptop etc.,	3 Years	3 Years
7.	<b>Laboratory Equipment's</b>	10 years	7 years *

\* The Company estimated life of the asset as 7 years.

\*\* The Company estimated life of the asset as 3 years as the assets have been used for more number of times / shifts as compared to the other ones.

Where cost of a part of the asset ("asset component") is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately and such asset component is depreciated over its separate useful life.

Gains or losses arising from the retirement or disposal of property, plant and equipment are determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset and are recognised in the income statement on the date of retirement or disposal.

## 2.8 Capital Work-in-progress

Capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost less refundable taxes.

## 2.9 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with the Ind AS 16's requirement for cost model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no further economic benefits expected from disposal. Any gain

or loss arising on de recognition of the property is included in profit or loss in the period in which the property is derecognised.

## 2.10 Intangible assets

Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Pre-operative expenses including administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets. Intangible assets are amortised over their useful life.

Asset	Useful life
Computer Software	3 Years

## 2.11 Investment in Subsidiaries, Associates, Joint Ventures and Mutual Funds

On initial recognition, these investments are recognised at fair value plus any directly attributable transaction cost. Subsequently, they are measured at cost.

Investments in mutual funds are carried at fair value through profit and loss.

Investments are classified as 'held for sale' when all of the following criteria's are met:

## Notes forming part of the Financial Statements (Contd.)

- (i) decision has been made to sell,
- (ii) the assets are available for immediate sale in its present condition,
- (iii) the assets are being actively marketed and
- (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such investments classified as held for sale are measured at the lower of its carrying value and fair value less impairment.

Investments in joint operations are recognised at cost with adjustment to respective share of profit/loss.

### 2.12 Inventories

Raw Materials, construction materials and stores & spares are valued at weighted average cost or net realisable value whichever is less. Cost includes all charges in bringing the materials to the place of usage, excluding refundable duties and taxes.

### 2.13 Financial instruments

#### i. Classification and subsequent measurement

##### Financial assets

Financial asset is

- Cash / Equity Instrument of another Entity,
- Contractual right to –
  - a) receive Cash / another Financial Asset from another Entity, or
  - b) exchange Financial Assets or Financial Liabilities with another Entity under conditions that are potentially favourable to the Entity.

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

- Amortised cost;
- 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 amortised 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.

##### Financial liabilities

Financial liability is Contractual Obligation to

- deliver Cash or another Financial Asset to another Entity, or
- exchange Financial Assets or Financial Liabilities with another Entity under conditions that are potentially unfavorable to the Entity

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.

#### ii. 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

## Notes forming part of the Financial Statements (Contd.)

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.

### iii. Impairment

#### 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 measured at amortised cost
- 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.

The amount of ECL losses for the year ended March 31, 2021 was Nil.

#### Impairment of non-financial assets

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

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

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

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

#### 2.14 Cash and cash equivalents

Cash and cash equivalents includes Cash in hand, bank balances and cheques on hand, Short term and liquid investments being not free from more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

#### 2.15 Other Bank balances

Other bank balances include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation.

#### 2.16 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently



## Notes forming part of the Financial Statements (Contd.)

measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses borrowing rate. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease, the Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

### 2.17 Provisions

Provisions are recognised only when:

- a) An entity has a present obligation (legal or constructive) as a result of a past event
- b) It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- c) A reliable estimate can be made of the amount of the obligation.

Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Provisions are measured at the present value of management's best estimate of the expenditure

required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

### 2.18 Contingent liability, Contingent Assets and Commitments

- i) Contingent liability is disclosed in case of
  - a) A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation
  - b) A present obligation arising from past events, when no reliable estimate is possible.
- ii) Contingent assets are disclosed where an inflow of economic benefits is probable.
- iii) Commitments are future liabilities for contractual expenditure. Commitments are classified and disclosed as follows:
  - a) Estimated amount of contracts remaining to be executed on capital account and not provided for
  - b) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.
  - c) Other commitments related to sales/ procurements made in the normal course of business are not disclosed to avoid excessive details.

Contingent liabilities, Contingent assets and Commitments are reviewed at each Balance Sheet date.

### 2.19 Revenue recognition

#### Accounting for Construction contracts

The Company constructs infrastructure projects on behalf of clients. Delivering the project as per the contractual terms is the only performance obligation that has been identified. Under the terms of the contracts, the Company will perform its obligations on time to time as per the timing schedule indicated in

## Notes forming part of the Financial Statements (Contd.)

the contract with the asset having no alternative use to the entity and the Company having an enforceable right to receive payment for the work done. Hence, Revenue is therefore recognised over time on a cost to cost method, i.e. based on the proportion of contract costs incurred for the work performed to date relative to the estimated total contract costs. The management considers that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under Ind AS 115.

Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

As per the contract, when there is a right to consideration in exchange for goods or services that have been transferred to a customer when that right is conditioned on something other than the passage of time, a contract asset is recognised to the extent of the consideration due.

Similarly, when there is an obligation to transfer goods or services to a customer for which the entity has received consideration from the customer, a contract liability is recognised to the extent of the obligation.

### Accounting for Claims

Claims are accounted as income in the period of receipt of arbitration award and acceptance by client or evidence of acceptance received. Interest awarded, being in the nature of additional compensation under the terms of the contract, is accounted as other Income on receipt of favourable arbitration award.

### Other Income

**Interest income:** Finance income is accrued on a time proportion basis, by reference to the principal outstanding and the applicable Effective interest rate (EIR). Other income is accounted for on accrual basis. Where the receipt of income is uncertain, it is accounted for on receipt basis.

**Dividend income:** Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

**Other Items of Income:** Other items of income are accounted as and when the right to receive arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

### 2.20 Employee benefits

#### a) Short term employee benefits:

All employee benefits falling due wholly within twelve months of rendering the service are classified as short-term employee benefits. The benefits like salaries, wages, and short term compensated absences etc. Expenses on non-accumulating compensated absences is recognised in the period in which the absences occur.

#### b) Post-employment benefits:

**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 recognised during the period in which the employee renders the related service.

**ii. Defined benefit plans:** The employees' group gratuity fund schemes are managed by Life Insurance Corporation of India (L.I.C), and post-retirement provident fund scheme are 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 recognised in other comprehensive income and is reflected immediately in retained earnings and is not reclassified to profit and loss.

## Notes forming part of the Financial Statements (Contd.)

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 recognise the obligation on a net basis.

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

### 2.21 Taxes on Income

Income tax comprises of current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised 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 on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are

generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary differences arise from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

#### iii. Minimum Alternate Tax (MAT)

Minimum Alternative Tax ("MAT") under the provisions of the Income-tax Act, 1961 is recognised as current tax in the statement of profit and loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

### 2.22 Foreign currencies

- a) The Functional Currency of the Company is Indian Rupees (₹), and these financial statements are presented in Indian rupees (Lakhs).
- b) Foreign Currency transactions are recorded on initial recognition in the reporting currency, using the exchange rate on the date of the transaction.

## Notes forming part of the Financial Statements (Contd.)

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

### 2.23 Cash Flow Statement

The Cash flow statement is prepared in accordance with Ind AS 7 by using indirect method by segregating as cash flows from operating, investing and financing activities. Under the Cash flow from operating activities, the net profit is adjusted for the effects of Non-cash items, Changes in working capital and other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) are reflected as such in the Cash Flow Statement.

Cash comprises cash on hand. Cash equivalents are balances with banks including cheques on hand and short-term balances (with an original maturity of three months or less from the date of acquisition).

### 2.24 Dividend to equity shareholders

Dividend to equity shareholders is recognised as a liability and deducted from shareholders equity, in period in which the dividends are approved by the equity shareholders in general meeting.

### 2.25 Earnings per share

#### a) Basic Earnings per share

Basic earnings per share are calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury share.

#### b) Diluted earnings per share

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.

### 2.26 Borrowing Costs

Borrowing costs include interest expense calculated using the effective interest method. Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### 2.27 Exceptional Items

Exceptional Items represents the nature of transactions which are not in recurring nature during the ordinary course of business but lead to increase / decrease in profit / loss for the year.

### 2.28 Key accounting estimates and judgements

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 recognised in the periods in which the results are known / materialise. Estimates include the property plant and equipment, inventory, future obligations in respect of retirement benefit plans, provisions, fair value measurement and taxes etc.

#### a) Revenue Recognition

The Company follows the percentage completion method, based on the proportion that contract cost incurred as on reporting date to the total estimated contract cost including

## Notes forming part of the Financial Statements (Contd.)

escalations/variatioins, this method is followed when reasonably dependable estimates of costs applicable to various elements of the contract can be made. Key factors that are reviewed in estimating the future costs to complete include estimates of future labor costs and productivity efficiencies. Because the financial reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, recognised revenue and profit are subject to revisions as the contract progresses to completion. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable.

### **b) Property, plant and equipment**

The Company reviews the estimated useful lives of property plant and equipment at the end of each reporting period. During the current year, there has been no change in life considered for the assets.

### **c) Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

### **d) Leases**

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term including anticipated renewals and the applicable discount rate

The Company determines the lease term as the non-cancellable period of a lease, together with

both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option.

In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate.

### **e) Provision for employee benefits**

The Company uses actuarial assumptions to determine the obligations for employee benefits at each reporting period. These assumptions include the discount rate, expected long-term rate of return on plan assets, rate of increase in compensation levels and mortality rates.

### **f) Income Taxes**

Significant judgments are required in determining the provision for income taxes, including the amount expected to be paid/recovered for uncertain tax positions.

### **g) Estimation of net realisable value of inventories**

In estimating the net realisable value of Inventories the Company makes an estimate of future selling prices and costs necessary to make the sale.

### **h) Impairment of trade receivables and advances**

Significant estimates are required in ascertaining the provision to be made for impairment of trade receivables and advances.

## Notes forming part of the Financial Statements (Contd.)

## 3. PROPERTY, PLANT AND EQUIPMENT

Particulars	(₹ in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
<b>Tangible Assets</b>		
Land - Free Hold *	5,417.66	4,351.80
Buildings	1,508.82	1,573.88
Plant and Equipment	25,759.93	30,902.71
Furniture and Fixtures	80.22	73.05
Vehicles	882.90	757.38
Office equipment	84.31	84.70
Computers & Accessories	34.22	33.97
	<b>33,768.06</b>	<b>37,777.49</b>

Particulars	(₹ in Lakhs)							Total
	Land - Free Hold *	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Computers & Accessories	
<b>Cost or Deemed Cost :</b>								
As at April 01, 2020	4,351.80	3,044.79	1,09,513.00	329.66	2,364.28	305.95	196.08	<b>1,20,105.56</b>
Additions	1,065.86	280.33	8,577.29	28.80	404.20	44.48	25.71	<b>10,426.67</b>
Disposals/Adjustments	-	-	(1,888.50)	-	(54.13)	-	(0.19)	<b>(1,942.82)</b>
<b>As at March 31, 2021</b>	<b>5,417.66</b>	<b>3,325.12</b>	<b>1,16,201.79</b>	<b>358.46</b>	<b>2,714.35</b>	<b>350.43</b>	<b>221.60</b>	<b>1,28,589.41</b>
<b>Accumulated Depreciation</b>								
As at April 01, 2020	-	1,470.91	78,610.29	256.61	1,606.90	221.25	162.11	<b>82,328.07</b>
Charge for the period #	-	345.39	13,567.14	21.63	273.42	44.87	25.45	<b>14,277.90</b>
Disposals/Adjustments	-	-	(1,735.57)	-	(48.87)	-	(0.18)	<b>(1,784.62)</b>
<b>As at March 31, 2021</b>	<b>-</b>	<b>1,816.30</b>	<b>90,441.86</b>	<b>278.24</b>	<b>1,831.45</b>	<b>266.12</b>	<b>187.38</b>	<b>94,821.35</b>
<b>Net Carrying Amount</b>								
<b>As at March 31, 2021</b>	<b>5,417.66</b>	<b>1,508.82</b>	<b>25,759.93</b>	<b>80.22</b>	<b>882.90</b>	<b>84.31</b>	<b>34.22</b>	<b>33,768.06</b>
As at March 31, 2020	4,351.80	1,573.88	30,902.71	73.05	757.38	84.70	33.97	<b>37,777.49</b>

# Includes depreciation of ₹ Nil (PY ₹ 48.00 lakhs) related to machineries used for CSR activities, hence transferred to CSR expenses.  
Note: Refer note 17 for details of assets pledged.



Notes forming part of the Financial Statements (Contd.)

3. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

Particulars	Tangible Assets								Total
	Land - Free Hold *	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Computers & Accessories		
<b>Cost or Deemed Cost :</b>									
As at April 01, 2019	3,294.02	2,636.54	92,268.70	305.58	2,285.94	251.94	169.89	<b>1,01,212.61</b>	
Additions	1,109.96	408.25	18,111.99	24.08	219.46	54.01	26.19	<b>19,953.94</b>	
Disposals/Adjustments	(52.18)	-	(867.69)	-	(141.12)	-	-	<b>(1,060.99)</b>	
<b>As at March 31, 2020</b>	<b>4,351.80</b>	<b>3,044.79</b>	<b>1,09,513.00</b>	<b>329.66</b>	<b>2,364.28</b>	<b>305.95</b>	<b>196.08</b>	<b>1,20,105.56</b>	
<b>Accumulated Depreciation</b>									
As at April 01, 2019	-	1,221.08	60,961.20	233.99	1,399.43	174.33	130.90	<b>64,120.93</b>	
Charge for the period #	-	249.83	18,462.08	22.62	302.67	46.92	31.21	<b>19,115.33</b>	
Disposals/Adjustments	-	-	(812.99)	-	(95.20)	-	-	<b>(908.19)</b>	
<b>As at March 31, 2020</b>	<b>-</b>	<b>1,470.91</b>	<b>78,610.29</b>	<b>256.61</b>	<b>1,606.90</b>	<b>221.25</b>	<b>162.11</b>	<b>82,328.07</b>	
<b>Net Carrying Amount</b>									
<b>As at March 31, 2020</b>	<b>4,351.80</b>	<b>1,573.88</b>	<b>30,902.71</b>	<b>73.05</b>	<b>757.38</b>	<b>84.70</b>	<b>33.97</b>	<b>37,777.49</b>	
As at March 31, 2019	3,294.02	1,415.46	31,307.50	71.59	886.51	77.61	38.99	<b>37,091.68</b>	

(₹ in Lakhs)

## Notes forming part of the Financial Statements (Contd.)

**3.1 INVESTMENT PROPERTY**

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Investment Property *	6,587.97	6,587.97
	<b>6,587.97</b>	<b>6,587.97</b>

\*Land and investment property includes ₹ 891.83 lakhs (P.Y ₹ 870.48 lakhs) held in the name of Directors, relatives of Directors for and on behalf of the Company.

As at March 31, 2021		As at March 31, 2020	
(₹ in Lakhs)		(₹ in Lakhs)	
Particulars	Amount	Particulars	Amount
<b>Cost / Deemed Cost</b>		<b>Cost / Deemed Cost</b>	
As at April 01, 2020	6,587.97	As at April 01, 2019	6,299.84
Additions	-	Additions	288.13
Disposals / Adjustments	-	Disposals / Adjustments	-
<b>As at March 31, 2021</b>	<b>6,587.97</b>	<b>As at March 31, 2020</b>	<b>6,587.97</b>
<b>Accumulated Depreciation</b>		<b>Accumulated Depreciation</b>	
As at April 01, 2020	-	As at April 01, 2019	-
Charge for the period	-	Charge for the period	-
Disposals / Adjustments	-	Disposals / Adjustments	-
<b>As at March 31, 2021</b>	<b>-</b>	<b>As at March 31, 2020</b>	<b>-</b>
<b>Net block As at March 31, 2021</b>	<b>6,587.97</b>	<b>Net block As at March 31, 2020</b>	<b>6,587.97</b>
<b>Net block As at March 31, 2020</b>	<b>6,587.97</b>	<b>Net block As at March 31, 2019</b>	<b>6,299.84</b>

**Fair Value of Investment Property**

Details and fair value of the investment property as on March 31, 2021 and March 31, 2020 is given below

(₹ in Lakhs)

Particulars	Fair value Hierarchy	As at March 31, 2021	As at March 31, 2020
Investment Property	Level 3	13,004.61	12,486.15
		<b>13,004.61</b>	<b>12,486.15</b>

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

## Notes forming part of the Financial Statements (Contd.)

### 3.2 OTHER INTANGIBLE ASSETS

Particulars	(₹ in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Computer Software	7.25	14.93
<b>Total</b>	<b>7.25</b>	<b>14.93</b>

As at March 31, 2021		
(₹ in Lakhs)		
Particulars	Computer software	Total
<b>Cost / Deemed Cost</b>		
As at April 01, 2020	53.00	53.00
Additions	0.72	0.72
Disposals / Adjustments	-	-
<b>As at March 31, 2021</b>	<b>53.72</b>	<b>53.72</b>
<b>Accumulated Depreciation</b>		
As at April 01, 2020	38.07	38.07
Charge for the period	8.40	8.40
Disposals	-	-
<b>As at March 31, 2021</b>	<b>46.47</b>	<b>46.47</b>
<b>Net block</b>		
<b>As at March 31, 2021</b>	<b>7.25</b>	<b>7.25</b>
<b>Net block As at March 31, 2020</b>	<b>14.93</b>	<b>14.93</b>

As at March 31, 2020		
(₹ in Lakhs)		
Particulars	Computer software	Total
<b>Cost / Deemed Cost</b>		
As at April 01, 2019	37.88	37.88
Additions	15.12	15.12
Disposals / Adjustments	-	-
<b>As at March 31, 2020</b>	<b>53.00</b>	<b>53.00</b>
<b>Accumulated Depreciation</b>		
As at April 01, 2019	26.93	26.93
Charge for the period	11.14	11.14
Disposals	-	-
<b>As at March 31, 2020</b>	<b>38.07</b>	<b>38.07</b>
<b>Net block</b>		
<b>As at March 31, 2020</b>	<b>14.93</b>	<b>14.93</b>
<b>Net block As at March 31, 2019</b>	<b>10.95</b>	<b>10.95</b>

### 4. INVESTMENTS

Particulars	(₹ in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
<b>Non-Current</b>		
<b>Trade - Unquoted</b>		
<b>a) Equity instruments of subsidiaries (At cost):</b>		
KNR Agrotech & Beverages Private Limited	1.00	1.00
10,000 (10,000) equity shares of ₹ 10/- each, fully paid		
KNR Infrastructure Projects Private Limited	1.00	1.00
10,000 (10,000) equity shares of ₹ 10/- each, fully paid		
KNR Energy Limited	5.00	5.00
50,000 (50,000) equity shares of ₹ 10/- each, fully paid		
KNRC Holdings & Investments Private Limited	1.00	1.00
10,000 (10,000) equity shares of ₹ 10/- each, fully paid		
KNR Muzaffarpur Barauni Tollway Private Limited (Refer note 4.1)	45.90	45.90
4,59,000 (4,59,000) equity shares of ₹ 10/- each, fully paid		
KNR Srirangam Infra Private Limited (Refer note 4.2)	4,811.50	4,811.50
4,81,150 (4,81,150) equity shares of ₹ 1,000/- each, fully paid		

## Notes forming part of the Financial Statements (Contd.)

## 4. INVESTMENTS (CONTD.)

(₹ in Lakhs)		
Particulars	As at March 31, 2021	As at March 31, 2020
KNR Shankarampet Projects Private Limited (Refer note 4.3)	5,211.50	5,211.50
5,21,150 (5,21,150) equity shares of ₹ 1,000/- each, fully paid		
KNR Tirumala Infra Private Limited (Refer note 4.4)	7,162.50	7,162.50
7,16,250 (7,16,250) equity shares of ₹ 1,000/- each, fully paid		
KNR Somwarpet Infraproject Private Limited (Refer note 4.5)	1,540.00	10.00
1,54,000 (1,000) equity shares of ₹ 1,000/- each, fully paid		
KNR Palani Infra Private Limited (Refer note 4.6)	4,023.00	10.00
4,02,300 (1,000) equity shares of ₹ 1,000/- each, fully paid		
<b>Total Unquoted Investments in Subsidiaries</b>	<b>22,802.40</b>	<b>17,259.40</b>
<b>b) Equity instruments of associates (At Cost):</b>		
Patel KNR Infrastructures Limited	1,480.00	1,480.00
1,48,00,000 (1,48,00,000) equity shares of ₹ 10/- each, fully paid		
Patel KNR Heavy Infrastructures Limited	952.95	952.95
95,29,500 (95,29,500) equity shares of ₹ 10/- each, fully paid		
<b>Total Un quoted Investments in Associates</b>	<b>2,432.95</b>	<b>2,432.95</b>
Less : Impairment Made	(1,086.64)	(1,086.64)
<b>Net Un quoted Investments in Associates</b>	<b>1,346.31</b>	<b>1,346.31</b>
<b>Total equity Investments (a+b)</b>	<b>24,148.71</b>	<b>18,605.71</b>
<b>c) Other Investment In Subsidiaries &amp; Associates (Quasi Equity)</b>		
<b>Subsidiaries</b>		
KNR Muzaffarpur Barauni Tollway Private Limited	5,276.50	5,276.50
KNR Agrotech & Beverages Private Limited	12.85	12.85
KNR Energy Limited	34.90	34.90
KNRC Holdings and Investments Private Limited	3,985.39	3,985.39
KNR Shankarampet Projects Private Limited	4,087.50	1,544.50
KNR Tirumala Infra Private Limited	4,981.00	90.00
KNR Somwarpet Infraproject Private Limited	1,606.50	677.32
KNR Palani Infra Private Limited	756.71	395.71
KNR Srirangam Infra Private Limited	2,299.00	-
<b>Associates</b>		
Patel KNR Heavy Infrastructures Limited	1,793.69	1,793.69
<b>Total other Investments</b>	<b>24,834.04</b>	<b>13,810.86</b>
<b>Total non-current investments (a+b+c)</b>	<b>48,982.75</b>	<b>32,416.57</b>

## Notes forming part of the Financial Statements (Contd.)

### 4. INVESTMENTS (CONTD.)

Particulars	(₹ in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
<b>Current - Held for Sale</b>		
<b>Trade - Unquoted</b>		
<b>d) Equity instruments and Other Investment (Quasi Equity) of Subsidiaries :</b>		
KNR Walayar Tollways Private Limited ( Refer note 48)	-	90.00
9,00,000 (9,00,000) equity shares of ₹ 10/- each, fully paid		
KNR Walayar Tollways Private Limited (Quasi Equity) (Refer note 48)	-	39,651.00
Less: Impairment Made	-	(671.53)
	-	39,069.47
<b>Total Un quoted Investments in Subsidiaries</b>	<b>-</b>	<b>39,069.47</b>
<b>Total Investments</b>		
i) Aggregate amount of Unquoted equity investments in Subsidiaries - Non Current (a)	22,802.40	17,259.40
ii) Aggregate amount of Unquoted equity investments in Associates - Non Current (b)	2,432.95	2,432.95
iii) Aggregate amount of impairment in value of investments - Non Current (b)	(1,086.64)	(1,086.64)
iv) Aggregate amount of amortised cost of unquoted investments - Non Current (c)	24,834.04	13,810.86
v) Aggregate amount of unquoted investments in Subsidiaries - Current (d)	-	39,741.00
vi) Aggregate amount of impairment in value of investments - Current (d)	-	(671.53)
<b>Total</b>	<b>48,982.75</b>	<b>71,486.04</b>

- 4.1** 1,44,000 Shares (P.Y. 1,44,000) equity share have been pledged with Punjab National Bank for the term loan availed by KNR Muzaffarpur Barauni Tollway Private Limited,
- 4.2** 2,45,387 Shares (P.Y. 2,45,387) equity share have been pledged with Axis Trustee services ltd. for the term loan availed by KNR Srirangam Infra Private Limited,
- 4.3** 2,65,787 Shares (P.Y. 2,65,787) equity share have been pledged with Axis Trustee services ltd. for the term loan availed by KNR Shankarampet Projects Private Limited,
- 4.4** 3,65,288 Shares (P.Y. 3,65,288) equity share have been pledged with Axis Trustee services ltd. for the term loan availed by KNR Tirumala Infra Private Limited,
- 4.5** 510 Shares (P.Y. 300) equity share have been pledged with Catalyst Trusteeship ltd. for the term loan availed by KNR Somwarpet InfraProject Private Limited,
- 4.6** 300 Shares (P.Y. 300) equity share have been pledged with Axis Trustee services ltd. for the term loan availed by KNR Palani Infra Private Limited,

## Notes forming part of the Financial Statements (Contd.)

**5. LOANS**

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Non-current</b>		
<b>Unsecured, considered good:</b>		
Loans to related parties (Refer note : 5.1)		
- Subsidiaries (Refer note : 45)	297.52	283.51
<b>Total Non-Current Loans</b>	<b>297.52</b>	<b>283.51</b>
<b>Current</b>		
<b>Unsecured, considered good:</b>		
Loans to		
- Joint Venture Partners	756.60	286.74
<b>Total Current Loans</b>	<b>756.60</b>	<b>286.74</b>
<b>Total</b>	<b>1,054.12</b>	<b>570.25</b>

- 5.1** - Loans due by subsidiaries have common directors.
- Intercorporate loans to related parties carried at fair value(Amortised cost) as per Ind AS
  - All the above loans are interest bearing

**6. OTHER FINANCIAL ASSETS**

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Non-current</b>		
<b>Unsecured, considered good:</b>		
Retention deposits & With held	46.13	59.50
Advances to Sub-contractors	63.07	63.07
Receivable from WVEPL	2,216.02	-
<b>Unsecured, considered doubtful:</b>		
Retention Deposits	13.37	-
Less: Provision for Retention Deposits	(13.37)	-
<b>Total Non-Current Other Financial Assets</b>	<b>2,325.22</b>	<b>122.57</b>
<b>Current</b>		
<b>Unsecured, considered good:</b>		
Advances to related parties (Refer note : 45)	1,173.96	767.21
Retention Deposits & Withheld	17,937.87	15,501.72
Interest receivable	418.94	474.89
Security Deposits	1,233.23	863.65
TDS Refund Receivable from Joint Venture's and Others	549.31	194.35
Other Receivables	1,871.28	3,409.54
Receivable from WVEPL	3,028.08	-
<b>Unsecured, considered doubtful:</b>		
Security Deposits	85.82	-
Less: Provision for doubtful Security Deposits	(85.82)	-



## Notes forming part of the Financial Statements (Contd.)

### 6. OTHER FINANCIAL ASSETS (CONTD.)

Particulars	(₹ in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Other Receivables	214.36	-
Less: Provision for doubtful Other Receivables	(214.36)	-
Retention Deposits	14.91	-
Less: Provision for Retention Deposits	(14.91)	-
<b>Total Current Other Financial Assets</b>	<b>26,212.67</b>	<b>21,211.36</b>
<b>Total</b>	<b>28,537.89</b>	<b>21,333.93</b>

### 7. DEFERRED TAX ASSETS (NET)

Particulars	(₹ in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Deferred tax assets	14,960.83	16,243.57
Deferred tax liability	(101.24)	(145.03)
<b>Total</b>	<b>14,859.59</b>	<b>16,098.54</b>

7.1 Components of deferred income tax assets and liabilities arising on account of temporary differences are:

Particulars	(₹ in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
<b>Deferred tax asset</b>		
Expenditure disallowed under Income Tax Act, 1961	1,109.44	731.43
Provision for doubtful advances and receivables	345.96	-
Deferred tax on fair value of investment of properties	1,496.21	1,374.63
Property, plant and equipment	11,850.32	10,487.68
MAT credit entitlement	158.90	3,649.83
	<b>14,960.83</b>	<b>16,243.57</b>
<b>Deferred tax liability</b>		
Interest income recognised on Intercompany loans	-	(56.33)
On OCI (Gratuity)	(101.24)	(88.70)
<b>Total</b>	<b>14,859.59</b>	<b>16,098.54</b>

### 8. TAX ASSETS (NET)

Particulars	(₹ in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
<b>Non-current</b>		
Advance Tax	2,289.09	2,164.88
<b>Total Non-current Tax Asset</b>	<b>2,289.09</b>	<b>2,164.88</b>
<b>Current</b>		
Advance Tax	11,406.06	17,653.62
Less: Provision for Income Tax	(10,200.34)	(15,847.24)
<b>Total Current Tax Asset</b>	<b>1,205.72</b>	<b>1,806.38</b>
<b>Total</b>	<b>3,494.81</b>	<b>3,971.26</b>

## Notes forming part of the Financial Statements (Contd.)

**9. OTHER NON-CURRENT ASSETS**

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Un-secured Considered good</b>		
Capital advances	244.52	302.45
Security Deposits	457.63	454.32
Dues from Statutory authorities	4,942.86	8,175.99
<b>Unsecured, considered doubtful:</b>		
Capital advances	19.71	-
Less: Provision for Capital Advances	(19.71)	-
<b>Total</b>	<b>5,645.01</b>	<b>8,932.76</b>

**10. INVENTORIES**

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Raw materials	8,186.17	7,480.64
Goods-in transit	616.14	273.10
	<b>8,802.31</b>	<b>7,753.74</b>
Stores and spares	5,626.95	4,339.90
Goods-in transit	369.64	222.63
	<b>5,996.59</b>	<b>4,562.53</b>
<b>Total</b>	<b>14,798.90</b>	<b>12,316.27</b>

**10.1** The above inventories are valued at weighted average cost or net realisable value whichever is less.

**11. TRADE RECEIVABLES**

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Current</b>		
<b>Unsecured, considered good</b>		
Trade Receivables (Refer note : 11.1)	86,321.32	47,610.80
<b>Unsecured, considered doubtful</b>		
Trade Receivables	641.86	-
Less: Provision for doubtful Trade Receivables	(641.86)	-
<b>Total Current Trade Receivables</b>	<b>86,321.32</b>	<b>47,610.80</b>
<b>Total</b>	<b>86,321.32</b>	<b>47,610.80</b>

**11.1** Includes ₹ 57,499.56 lakhs (P.Y ₹ 33,655.69 lakhs) due from Company/Joint Ventures in which Company/Directors are interested.

## Notes forming part of the Financial Statements (Contd.)

### 12. CASH AND CASH EQUIVALENTS

(₹ in Lakhs)		
Particulars	As at March 31, 2021	As at March 31, 2020
<b>Balances with banks:</b>		
In current accounts	10,287.88	1,913.96
In deposit accounts with original maturity of less than three months	500.00	-
Cheques on hand	-	50.05
Cash on hand	32.91	55.24
<b>Total</b>	<b>10,820.79</b>	<b>2,019.25</b>

### 13. OTHER BANK BALANCES

(₹ in Lakhs)		
Particulars	As at March 31, 2021	As at March 31, 2020
Margin Money & Other Deposits (Refer Note: 13.1)	907.28	1,283.04
Un-claimed Dividend	4.74	2.68
<b>Total</b>	<b>912.02</b>	<b>1,285.72</b>

13.1 Margin Money Deposits have been lodged with Banks against Guarantees / Letters of credit issued by them.

### 14. OTHER CURRENT ASSETS

(₹ in Lakhs)		
Particulars	As at March 31, 2021	As at March 31, 2020
<b>Un-secured Considered good</b>		
Advances to Sub-contractors	10,250.93	12,635.54
Advances to Suppliers (Other than capital advances)	3,554.59	1,846.71
Staff Imprest & Salary Advances	212.97	251.66
Prepaid expenses	342.34	420.52
Due from Customers	21,436.77	24,770.17
Receivables from Others	90.85	569.35
Security Deposits	4.84	3.93
<b>Total</b>	<b>35,893.29</b>	<b>40,497.88</b>

## Notes forming part of the Financial Statements (Contd.)

**15. EQUITY SHARE CAPITAL**

(₹ in Lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Amount	No. of Shares	Amount
<b>Authorised Share capital</b>				
Equity Shares of ₹ 2/- each	30,00,00,000	6,000.00	17,50,00,000	3,500.00
<b>Issued, subscribed &amp; fully paid share capital</b>				
Equity Shares of ₹ 2/- each	28,12,34,600	5,624.70	14,06,17,300	2,812.35
<b>Total</b>	<b>28,12,34,600</b>	<b>5,624.70</b>	<b>14,06,17,300</b>	<b>2,812.35</b>

**15.1** Reconciliation of the number of shares outstanding at the beginning and at the end of the year is set out below

(₹ in Lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Amount	No. of Shares	Amount
Number of Equity Shares at the beginning of the year	14,06,17,300	2,812.35	14,06,17,300	2,812.35
Add: Number of Shares Issued	-	-	-	-
Add: Bonus shares issued*	14,06,17,300	2,812.35	-	-
Less: Number of Shares Bought Back	-	-	-	-
Number of Equity Shares at the end of the year	28,12,34,600	5,624.70	14,06,17,300	2,812.35

\* During the year the Company has issued Bonus Shares in the ratio of 1:1 on February 05, 2021.

**Terms/ Rights attached to equity shares**

The Company has only one class of shares referred to as equity shares having a par value of ₹ 2/-. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

The Board of Directors has proposed in their meeting held on May 20, 2021 dividend of ₹ 0.25/- per fully paid equity share of ₹ 2/- each.

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 all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**15.2** The details of shareholder holding more than 5% shares as at March 31, 2021 and March 31, 2020 is set out below:

Name of the shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	% holding	No. of Shares	% holding
Kamidi Narsimha Reddy	9,24,87,190	32.89	4,57,43,595	32.53
Kamidi Jalandhar Reddy	3,92,59,210	13.96	1,96,29,605	13.96
HDFC Trustee Company Limited	1,79,98,600	6.40	89,99,300	6.40
DSP Equity & Bond Fund	1,78,05,737	6.33	86,81,047	6.17
ICICI Prudential Equity & Debt Fund	-	-	94,25,949	6.70

## Notes forming part of the Financial Statements (Contd.)

### 16. OTHER EQUITY

(₹ in Lakhs)		
Particulars	As at March 31, 2021	As at March 31, 2020
a) Securities premium reserve	12,599.31	12,599.31
Less: Bonus Shares issued*	(2,812.35)	-
	<b>9,786.96</b>	<b>12,599.31</b>
b) General reserve	2,849.00	2,849.00
c) Surplus in the statement of profit and loss		
Balance at the beginning of the period	1,44,257.80	1,23,261.19
Add: Profit/(Loss) for the period	24,417.65	22,522.31
Less: Dividend paid / payable	-	(1,265.56)
Dividend Tax paid / payable	-	(260.14)
	<b>1,68,675.45</b>	<b>1,44,257.80</b>
d) Other Comprehensive Income - Gratuity	(152.96)	(129.62)
<b>Total (a+b+c+d)</b>	<b>1,81,158.45</b>	<b>1,59,576.49</b>

### 17. BORROWINGS

(₹ in Lakhs)		
Particulars	As at March 31, 2021	As at March 31, 2020
<b>Non-current</b>		
<b>Secured loans</b>		
<b>Term Loans</b>		
<b>From banks</b>		
Equipment and vehicle loans (Refer note 17.1)	-	113.41
	-	<b>113.41</b>
<b>Unsecured loans</b>		
From related parties (Refer note 17.2)	-	17,932.32
	-	<b>17,932.32</b>
<b>Total non-current borrowings</b>	-	<b>18,045.73</b>
<b>Current</b>		
<b>Secured loans</b>		
<b>From banks</b> (Refer note 17.3 & 17.4)		
Working capital demand loans	71.24	600.14
Cash credits	-	2,764.28
<b>Total current borrowings</b>	<b>71.24</b>	<b>3,364.42</b>
<b>Total</b>	<b>71.24</b>	<b>21,410.15</b>

## Notes forming part of the Financial Statements (Contd.)

**17. BORROWINGS (CONTD.)****17.1 Details of Secured loans with rate of interest & Maturity Dates**

(₹ in Lakhs)

Particulars	Effective Interest rate(p.a)	Maturity	As at March 31, 2021	As at March 31, 2020
<b>Non-current Borrowings</b>				
<b>- From Banks</b>				
- HDFC Bank Ltd	9.05%	31-Mar-21	-	113.41
			-	<b>113.41</b>
<b>Current maturities</b>				
<b>- From Banks</b>				
- HDFC Bank Ltd	9.05%	31-Mar-21	-	1,296.53
- Axis Bank Ltd	8.75%	20-May-20	-	263.97
<b>Total</b>			-	<b>1,560.50</b>
<b>Total Secured loans</b>			-	<b>1,673.91</b>

**Terms of Security****From Banks**

- i) HDFC Bank Ltd.,
  - Secured by Hypothecation of specific assets purchased out of the loan, comprising Plant & Machinery
- ii) Axis Bank Ltd.,
  - Secured by Hypothecation of specific assets purchased out of the loan, comprising Plant & Machinery

**17.2 Un-secured Loans**

The Company availed un-secured loan from directors, which are repayable on demand and carries interest at SBI 1 year MCLR with a spread of 0.2%, and the interest rate will be changed according to the changes in SBI MCLR from time to time.

**17.3 Working Capital Facilities: Cash Credit facilities from consortium of banks are secured by:**

- a. Hypothecation of entire current assets on pari passu basis with other participating banks
- b. First pari passu charge on equitable mortgage of certain land & buildings
- c. Hypothecation of certain equipment's of written down value as on March 31, 2020 is ₹ 110.03 Crores
- d. Personal guarantee of Director.

**17.4** The interest rate for working capital demand loan and cash credit facilities varies from 7.70% to 9.35 % per annum

**18. OTHER FINANCIAL LIABILITIES**

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Non-current</b>		
Retention Deposits and Withheld Amount	15.36	15.36
<b>Total non-current other financial liabilities</b>	<b>15.36</b>	<b>15.36</b>
<b>Current</b>		
<b>Current maturities of long-term debts:</b>		
Equipment and vehicle loans - from banks (Refer note: 17.1)	-	1,560.50
Interest accrued but not due other than Mobilisation Advance (Refer note 18.1)	29.28	121.04
Interest accrued but not due on Mobilisation Advance	757.20	990.00



## Notes forming part of the Financial Statements (Contd.)

### 18. OTHER FINANCIAL LIABILITIES (CONTD.)

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Unclaimed dividend (Refer note 18.2)	4.82	2.76
Retention Deposits and With held	11,159.55	11,751.68
Security Deposits	626.59	516.09
Outstanding Expenses	1,675.23	1,582.19
<b>Total current other financial liabilities</b>	<b>14,252.67</b>	<b>16,524.26</b>
<b>Total</b>	<b>14,268.03</b>	<b>16,539.62</b>

**18.1** Interest accrued includes interest on un-secured loans received from Directors ₹ Nil (March 31, 2020 ₹ 102.93 Lakhs)

**18.2** During the year, an un-paid dividend amount of ₹ 27,754 /- for relating to F.Y 2012-13 has been transferred to Investor Education and Protection Fund. The balance un-paid dividend is not due for transfer to the Investor Education and Protection Fund as at Balance Sheet date.

### 19. TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Current</b>		
<b>Trade payables</b>		
Dues to Micro & Small Enterprises (Refer note 19.1)	320.39	478.26
Dues to other than Micro & Small Enterprises	13,930.46	16,934.98
Bills Payable (Sub-contractors/Labour/Service)	9,719.72	7,696.75
<b>Total current Trade payables</b>	<b>23,970.57</b>	<b>25,109.99</b>
<b>Total</b>	<b>23,970.57</b>	<b>25,109.99</b>

**19.1** 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:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
a) Principal amount remaining unpaid	320.39	478.26
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	-	-

## Notes forming part of the Financial Statements (Contd.)

**20. PROVISIONS**

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Non-current</b>		
Provision for employee benefits		
- Gratuity	865.63	587.82
<b>Total non-current provisions</b>	<b>865.63</b>	<b>587.82</b>
<b>Current</b>		
Provision for labour cess	-	441.93
Provision for expenses	2,412.32	1,071.00
Provision for employee benefits		
- Gratuity	160.90	221.06
<b>Total current provisions</b>	<b>2,573.22</b>	<b>1,733.99</b>
<b>Total</b>	<b>3,438.85</b>	<b>2,321.81</b>

**21. OTHER NON-CURRENT LIABILITIES**

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance received from clients	808.62	808.62
Security deposits	250.97	243.47
<b>Total</b>	<b>1,059.59</b>	<b>1,052.09</b>

**22. OTHER CURRENT LIABILITIES**

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Mobilisation Advance received from clients - Related Parties (Refer note: 45)	1,916.09	11,057.41
Mobilisation Advance received from clients - Others	13,028.88	603.06
Due to Customers	38,793.13	27,699.02
Security deposits	1,974.33	1,993.21
Dues to statutory authorities	2,116.96	887.20
Others	517.63	567.48
<b>Total</b>	<b>58,347.02</b>	<b>42,807.38</b>

Notes forming part of the Financial Statements (Contd.)

**23. CURRENT TAX LIABILITIES (NET)**

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Current</b>		
Provision for Income Tax	15,732.65	86.07
Less: Advance tax paid	(11,637.95)	(44.91)
<b>Total Current Tax Liability</b>	<b>4,094.70</b>	<b>41.16</b>
<b>Total</b>	<b>4,094.70</b>	<b>41.16</b>

**24. REVENUE FROM OPERATIONS**

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Income from Contracts	2,67,165.93	2,22,198.89
Other Operating Income	3,097.00	2,225.00
<b>Total</b>	<b>2,70,262.93</b>	<b>2,24,423.89</b>

**25. OTHER INCOME**

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest Income	1,619.91	3,118.93
Un winding interest on fair value of un secured loans	127.42	22.93
Interest on Income tax refunds	23.78	55.90
Dividend Income on mutual funds	-	0.03
Gain on foreign currency transactions	16.94	3.64
<b>Other non-operating income</b>		
Profit on sale of Assets	74.10	264.21
Discount received from suppliers	741.08	574.02
Liabilities no longer required written back	1,086.79	658.65
Insurance claim received	211.20	123.19
Miscellaneous income	1,063.38	837.36
<b>Total</b>	<b>4,964.60</b>	<b>5,658.86</b>

## Notes forming part of the Financial Statements (Contd.)

**26. COST OF MATERIALS CONSUMED**

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Construction Materials, Stores &amp; Spares</b>		
Opening Stock	12,316.27	9,509.32
Add: Net Purchases	95,127.93	78,135.09
	<b>1,07,444.20</b>	<b>87,644.41</b>
Less: Closing Stock	14,798.90	12,316.27
<b>Total Consumption</b>	<b>92,645.30</b>	<b>75,328.14</b>

**27. CONSTRUCTION EXPENSES**

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Sub-contract Expenses	18,880.74	7,700.73
Spreading & Assortment Exp.	62,116.89	52,470.79
Power and Fuel	1,372.92	1,228.31
Seigniorage charges / Royalty	8,294.48	7,304.50
Transport Charges	6,533.81	5,836.14
Hire Charges	1,674.99	2,110.80
Watch & Ward	516.41	499.06
Other Recoveries by Clients	458.88	712.97
Repairs to Buildings & Others	136.46	191.15
Repairs to Machinery	444.76	329.17
Repairs to Vehicles	353.60	391.22
Other Construction expenses	3,354.38	3,603.43
<b>Total</b>	<b>1,04,138.32</b>	<b>82,378.27</b>

**28. EMPLOYEE BENEFITS EXPENSE**

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, Wages and Other Benefits	12,867.13	12,138.67
Contribution to Provident and Other Funds	208.13	201.95
Staff welfare Expenses	133.88	181.30
<b>Total</b>	<b>13,209.14</b>	<b>12,521.92</b>

Note: The Hon'ble Supreme Court of India ("SC") by their order dated 28th February 2019, has delivered a judgement in the case of Surya Roshani Limited and Others vs. EPFO wherein they have set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purpose of computation of Provident fund contribution, The Company is reviewing the impact of this decision of policies.

## Notes forming part of the Financial Statements (Contd.)

### 29. FINANCE COSTS

(₹ in Lakhs)		
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Interest Expense on</b>		
Working Capital Demand Loans and Cash Credit	548.77	745.63
Term Loans	154.76	276.98
Loan from Directors	739.86	1,675.73
Interest on Mobilisation Advance	388.41	1,100.00
Un winding Interest on Lease liability	7.80	10.93
Un winding Interest on fair value of financial instruments	597.39	-
Others	1,427.27	132.81
	<b>3,864.26</b>	<b>3,942.08</b>
<b>Other Borrowing Costs</b>		
Processing Charges	134.87	150.47
BG / LC Charges	768.17	556.74
Bank and Other Financial Charges	105.43	91.78
<b>Total</b>	<b>4,872.73</b>	<b>4,741.07</b>

### 30. DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lakhs)		
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation & Amortisation	14,286.30	19,078.47
Depreciation & Amortisation - ROU	151.18	106.30
<b>Total</b>	<b>14,437.48</b>	<b>19,184.77</b>

### 31. OTHER EXPENSES

(₹ in Lakhs)		
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Travelling & Conveyance (includes Boarding & Lodging Expenses)	225.11	293.74
Postage & Telegrams and Telephones	71.53	73.04
Business promotion expenses	19.22	5.48
Advertisement and publicity	198.94	91.34
Legal, Professional & Consultancy Charges	963.50	1,462.04
Insurance	524.62	392.17
Rates and taxes excluding taxes of Income	357.36	591.10
Auditor's Remuneration (including out of pocket Expenses)	16.70	15.60
Printing & Stationery	112.17	110.57
Tender expenses	89.36	31.19
Office maintenance	95.91	75.07

## Notes forming part of the Financial Statements (Contd.)

**31. OTHER EXPENSES (CONTD.)**

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Rent expenses	495.38	516.98
Electricity charges	243.70	167.24
Directors Sitting Fees	52.00	43.00
Loss on sale of Assets	31.09	-
Bad Debts / Advances Written Off	1,045.30	591.54
Provision for Doubtful Advances, Receivables and Deposits	990.03	-
Donation	34.29	121.77
CSR expenses	743.46	675.69
Interest on Statutory dues	234.76	54.14
Loss on Foreign Currency Transactions	0.30	0.21
Miscellaneous expenses	141.82	176.66
<b>Total</b>	<b>6,686.55</b>	<b>5,488.57</b>

**31.1** 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 utilised through out 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 ₹ 565.76 Lakhs (P.Y ₹ 478.85 Lakhs)
- b) Amount spent during the year on :

(₹ in Lakhs)

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
	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	743.46	267.16*	675.69	444.86*

\* Including cumulative un-spent amount of previous years.

**32. EXCEPTIONAL ITEMS**

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Investments written off	1,124.70	400.61
Impairment of Investment / Provision for Doubtful Loans and Advances	-	671.53
<b>Total</b>	<b>1,124.70</b>	<b>1,072.14</b>



## Notes forming part of the Financial Statements (Contd.)

### 33. TAX EXPENSE

(₹ in Lakhs)		
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>A - Current Tax</b>		
Current tax on profits for the year	14,004.01	9,774.20
Adjustments in respect of prior years (Refer note 33.1)	1,931.08	6.45
<b>Sub-Total</b>	<b>15,935.09</b>	<b>9,780.65</b>
<b>B - Deferred Tax</b>		
Deferred Tax Liability / (Asset) due to timing difference	(2,239.43)	(2,935.09)
<b>Sub-Total</b>	<b>(2,239.43)</b>	<b>(2,935.09)</b>
<b>Total</b>	<b>13,695.66</b>	<b>6,845.56</b>

#### 33.1 Reconciliation of tax expenses to accounting profit

(₹ in Lakhs)		
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Accounting profit before tax	<b>38,113.31</b>	<b>29,367.87</b>
Tax @ 34.944% (PY 34.944%)	<b>13,318.32</b>	<b>10,262.31</b>
<b>Adjustments</b>		
Effect of income exempt from taxation	(1,751.56)	(4,182.99)
Effect of expenses that are not deductible in determining taxable profit	2,437.25	3,695.47
Short term capital gain on Mutual funds and Long Term Capital gains on lands	-	(0.59)
Earlier year taxes	1,931.08	6.45
Deferred tax	(2,239.43)	(2,935.09)
<b>Tax Expenses recognised in the statement of profit and loss</b>	<b>13,695.66</b>	<b>6,845.56</b>
<b>Income tax credit/(expense) recognised in Other Comprehensive Income :</b>		
Tax effect on actuarial gains/losses on defined benefit obligations	12.54	20.31

### 34. OTHER COMPREHENSIVE INCOME

(₹ in Lakhs)		
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Items that will not be reclassified to profit or loss		
i) Actuarial Gains & (Losses) on plan benefits	(35.88)	(58.97)
ii) Deferred Tax on above	12.54	20.31
<b>Total</b>	<b>(23.34)</b>	<b>(38.66)</b>

## Notes forming part of the Financial Statements (Contd.)

**35. CAPITAL MANAGEMENT**

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

The Company's adjusted net debt to equity ratio at March 31, 2021 and March 31, 2020 was as follows

Particulars	(₹ in Lakhs)	
	March 31, 2021	March 31, 2020
Total debt	100.52	23,091.69
Less: cash and cash equivalents	11,732.81	3,304.97
<b>Adjusted net debt</b>	<b>(11,632.29)</b>	<b>19,786.72</b>
Total equity	1,86,783.15	1,62,388.84
<b>Adjusted equity</b>	<b>1,86,783.15</b>	<b>1,62,388.84</b>
<b>Adjusted net debt to adjusted equity ratio</b>	<b>(0.06)</b>	<b>0.12</b>

**Foot note :** Total Debt includes Long term Borrowings (Including Current Maturities) and Interest Accrued thereon and Short term Borrowings. Cash and Cash equivalents includes other Bank Balances

**36. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT****A. Accounting fair values classifications and measurement**

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

As at March 31, 2021				(₹ in Lakhs)			
Particulars	Carrying amount			Fair Value			Total
	FVTPL	Amortised Cost	Total carrying amount	Level 1 (Quoted prices in active markets)	Level 2 (Significant observable inputs)	Level 3 (Significant unobservable inputs)	
<b>Financial assets</b>							
Investments in Associates	-	24,148.71	24,148.71	-	-	24,148.71	24,148.71
Other Investments	-	24,834.04	24,834.04	-	-	24,834.04	24,834.04
Trade receivables	-	86,321.32	86,321.32	-	-	86,321.32	86,321.32
Cash and cash equivalents	-	11,732.81	11,732.81	-	-	-	-
Loans	-	1,054.12	1,054.12	-	-	1,054.12	1,054.12
Other financial assets	-	28,537.89	28,537.89	-	-	28,537.89	28,537.89
	-	<b>1,76,628.89</b>	<b>1,76,628.89</b>	-	-	<b>1,64,896.08</b>	<b>1,64,896.08</b>
<b>Financial liabilities</b>							
Secured Bank loans	-	71.24	71.24	-	-	71.24	71.24
Trade payables	-	23,970.57	23,970.57	-	-	23,970.57	23,970.57
Lease Liability	-	35.59	35.59	-	-	35.59	35.59
Other financial liabilities	-	14,268.03	14,268.03	-	-	14,268.03	14,268.03
	-	<b>38,345.43</b>	<b>38,345.43</b>	-	-	<b>38,345.43</b>	<b>38,345.43</b>

The management assessed the financial assets and liabilities measured at amortised cost are approximate to the fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

Notes forming part of the Financial Statements (Contd.)

**36. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTD.)**

As at March 31, 2020							(₹ in Lakhs)
Particulars	Carrying amount			Fair Value			Total
	FVTPL	Amortised Cost	Total carrying amount	Level 1 (Quoted prices in active markets)	Level 2 (Significant observable inputs)	Level 3 (Significant unobservable inputs)	
<b>Financial assets</b>							
Investments in Associates	-	18,605.71	18,605.71	-	-	18,605.71	18,605.71
Investments in Associates held for sale	-	39,069.47	39,069.47	-	-	39,069.47	39,069.47
Other Investments	-	13,810.86	13,810.86	-	-	13,810.86	13,810.86
Trade receivables	-	47,610.80	47,610.80	-	-	47,610.80	47,610.80
Cash and cash equivalents	-	3,304.97	3,304.97	-	-	-	-
Loans	-	570.25	570.25	-	-	570.25	570.25
Other financial assets	-	21,333.93	21,333.93	-	-	21,333.93	21,333.93
	-	<b>1,44,305.99</b>	<b>1,44,305.99</b>	-	-	<b>1,41,001.02</b>	<b>1,41,001.02</b>
<b>Financial liabilities</b>							
Secured Bank loans	-	5,038.33	5,038.33	-	-	5,038.33	5,038.33
Un Secured loans	-	17,932.32	17,932.32	-	-	17,932.32	17,932.32
Trade payables	-	25,109.99	25,109.99	-	-	25,109.99	25,109.99
Lease Liability	-	107.53	107.53	-	-	107.53	107.53
Other financial liabilities	-	14,979.12	14,979.12	-	-	14,979.12	14,979.12
	-	<b>63,167.29</b>	<b>63,167.29</b>	-	-	<b>63,167.29</b>	<b>63,167.29</b>

The management assessed the financial assets and liabilities measured at amortised cost are approximate to the fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

**B. Financial risk management**

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

- Credit risk
- Liquidity risk
- market risk

The Company's focus is to estimate a vulnerability of financial risk and to address the issue to minimise the potential adverse effects of its financial performance.

**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.

Credit risk on trade receivables, is limited as the customers of the Company mainly consists of the Government promoted entities having a strong credit worthiness.

## Notes forming part of the Financial Statements (Contd.)

**36. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTD.)****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 optimising its cash return on investments.

**Exposure to liquidity risk**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

As at March 31, 2021					(₹ in Lakhs)
Particulars	Contractual Cash flows				Total
	Carrying Amount	Upto 1 year	1 to 3 Years	More than 3 years	
<b>Non-derivative financial liabilities</b>					
Secured Bank loans	71.24	71.24	-	-	71.24
Trade payables	23,970.57	16,779.40	7,191.17	-	23,970.57
Lease Liability	35.59	34.59	1.00		35.59
Other financial liabilities	14,268.03	2,140.20	5,416.74	6,711.09	14,268.03
	<b>38,345.43</b>	<b>19,025.43</b>	<b>12,608.91</b>	<b>6,711.09</b>	<b>38,345.43</b>

As at March 31, 2020					(₹ in Lakhs)
Particulars	Contractual Cash flows				Total
	Carrying Amount	Upto 1 year	1 to 3 Years	More than 3 years	
<b>Non-derivative financial liabilities</b>					
Secured Bank loans	5,038.33	4,924.92	113.41	-	5,038.33
Un Secured loans	17,932.32	-	6,276.31	11,656.01	17,932.32
Trade payables	25,109.99	17,576.99	7,533.00	-	25,109.99
Lease Liability	107.53	91.10	16.43	-	107.53
Other financial liabilities	14,979.12	2,246.87	5,665.88	7,066.37	14,979.12
	<b>63,167.29</b>	<b>24,839.88</b>	<b>19,605.03</b>	<b>18,722.38</b>	<b>63,167.29</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 optimising the return.

**i) 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

## Notes forming part of the Financial Statements (Contd.)

### 36. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTD.)

#### ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Company has insignificant variable interest bearing borrowings, the exposure to risk of changes in market interest rates is minimal.

#### iii) 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 is not exposed to price risk as it has no investments in mutual funds

### 37. CONTINGENT LIABILITY, COMMITMENTS AND CONTINGENT ASSETS

(₹ in Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
<b>i) Contingent Liabilities</b>		
<b>a) Claims against the Company not acknowledged as debt #</b>		
1. Disputed Income tax and Interest on TDS	6,192.82*	5,371.17*
2. Disputed Sales tax/ VAT/ Entry tax	433.90	544.68
3. Disputed Service tax	333.53	333.53
4. Disputed Customs duty	1,509.52	-
5. Others (Civil cases)	1,341.69	1,341.69
<b>b) Guarantees</b>		
Corporate guarantees given to banks and financial institutions for financial assistance extended to Subsidiaries, Associates and Joint Ventures		
Subsidiaries	-	6,220.10
<b>c) Other money for which the Company is contingently liable</b>		
Joint and several liabilities in respect of joint venture projects and liquidated damages in respect of delays in completion of projects.	Amount not ascertainable	Amount not ascertainable
<b>Total</b>	<b>9,811.46</b>	<b>13,811.17</b>

\* The Company has got benefit of deduction under Section 80 IA (4) on eligible projects under provisions of Income Tax Act, 1961 for an amount of ₹ 4,192.72 lakhs, for the A.Y 2006-07 to 2012-13 the department has filed appeals against ITAT orders at the High Court of Judicature at Hyderabad for the States of Telangana.

The Company considers it appropriate not to create a liability for the above said amount on the basis of assessment made by the management.

## Notes forming part of the Financial Statements (Contd.)

**37. CONTINGENT LIABILITY, COMMITMENTS AND CONTINGENT ASSETS (CONTD.)**

(₹ in Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
<b>ii) Commitments</b>		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for	1,680.21	103.37
b) Other commitments		
Estimated amount of committed funding by way of equity/loans to subsidiary companies	25,958.79	42,524.97
<b>Total</b>	<b>27,639.00</b>	<b>42,628.34</b>
<b>iii) Contingent Assets</b>		
Arbitration claims awarded, but client not accepted	46,339.55	47,135.16

**38. REMUNERATION PAID TO THE STATUTORY AUDITORS**

(₹ in Lakhs)

	2020-21	2019-20
Statutory Audit Fees	14.00	12.00
Taxation	-	1.50
Other services (including Out of pocket expenses)	2.70	2.10

**39. DISCLOSURE PURSUANT TO IND AS 33 "EARNINGS PER SHARE(EPS)"**

(₹ in Lakhs)

	2020-21	2019-20
i. Profit (loss) attributable to equity shareholders (basic)	24,417.65	22,522.31
ii. Weighted average number of equity shares (basic)	2,812.35	2,812.35 *
<b>Basic EPS</b>	<b>8.68</b>	<b>8.01</b>
i. Profit (loss) attributable to equity shareholders (diluted)	24,417.65	22,522.31
ii. Weighted average number of equity shares (diluted)	2,812.35	2,812.35 *
<b>Diluted EPS</b>	<b>8.68</b>	<b>8.01</b>

\* Adjusted for issue of bonus shares in the ratio of 1:1 on February 05,2021.

**40. 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. During the period, the Company has made a contribution to the provident fund for ₹ 193.88 lakhs (PY 2019-20 is ₹ 198.63 lakhs).



## Notes forming part of the Financial Statements (Contd.)

### 40. EMPLOYEE BENEFITS (CONTD.)

<b>Changes in the Present Value of Obligation</b>		(₹ in Lakhs)	
	<b>March 31, 2021</b>	<b>March 31, 2020</b>	
Present value of obligations as at beginning of the year	832.15	609.41	
Interest cost	49.25	44.19	
Current Service cost	133.66	120.97	
Benefits paid	(0.5)	-	
Actuarial (gain)/loss on obligations			
- Due to change in financial obligations	17.40	(69.04)	
- Due to change in demographic assumption	-	0.05	
- Due to experience adjustments	19.35	126.58	
Present value of obligations as at end of year	<b>1,051.31</b>	<b>832.15</b>	

<b>Changes in Fair value of plan assets</b>		(₹ in Lakhs)	
	<b>March 31, 2021</b>	<b>March 31, 2020</b>	
Fair value of plan assets at beginning of the year	23.27	21.58	
Interest Income	0.65	3.06	
Expected return on plan assets	0.88	(1.38)	
Contributions	-	-	
Benefits paid	-	-	
Actuarial gain/(loss) on obligation	-	-	
Fair value of plan assets at the end of year	<b>24.80</b>	<b>23.27</b>	

<b>Assets recognised in the Balance Sheet</b>		(₹ in Lakhs)	
	<b>March 31, 2021</b>	<b>March 31, 2020</b>	
Liability at the end of the period / year	1,051.31	832.15	
Fair value of plan assets at the end of the period /year	(24.80)	(23.27)	
Amount to be recognised in Balance Sheet	1,026.51	808.88	

<b>Expenses recognised in the Statement of Profit &amp; Loss</b>		(₹ in Lakhs)	
	<b>March 31, 2021</b>	<b>March 31, 2020</b>	
Current service cost	133.66	120.97	
Interest cost	48.60	41.13	
Net Actuarial (gain)/loss recognised in the year	-	-	
Expenses recognised in statement of profit and loss	<b>182.26</b>	<b>162.10</b>	

<b>Amount recognised in statement of other comprehensive income(OCI)</b>		(₹ in Lakhs)	
	<b>March 31, 2021</b>	<b>March 31, 2020</b>	
Opening amount recognised in OCI	58.97	1.18	
Remeasurement for the period - Obligation (gain)/loss	35.88	58.97	
Remeasurement for the period - plan assets (gain)/loss	-	-	
Total Remeasurement cost / (credit) for the period recognised in OCI	35.88	58.97	

## Notes forming part of the Financial Statements (Contd.)

**40. EMPLOYEE BENEFITS (CONTD.)****Assumptions**

	March 31, 2021	March 31, 2020
Discount Rate	6.25%	6.55%
Salary Escalation	7.00%	7.00%
Average future working life time	23.66 years	23.98 years
Attrition rate	13%	13%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**Quantities sensitivity analysis for significant assumptions is as below:**

(₹ in Lakhs)

	March 31, 2021	March 31, 2020
1% increase		
i. Discount rate	995.52	788.89
ii. Salary escalation rate- over a long-term	1,107.94	875.84
iii. Attrition rate	1,050.51	831.68
1% decrease		
i. Discount rate	1,113.88	880.55
ii. Salary escalation rate- over a long-term	998.78	791.57
iii. Attrition rate	1,052.13	832.62

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation, keeping all other actuarial assumptions constant.

**41. PARTICULARS OF LOANS AND ADVANCES IN THE NATURE OF LOANS AS REQUIRED BY REGULATION 34(3) AND 53(F) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.**

(₹ in Lakhs)

S. No	Name of the Company	Balance as at		Maximum outstanding during the year	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
<b>A</b>	<b>Subsidiaries</b>				
1	KNR Agrotech & Beverages Private Limited	191.54	179.88	191.54	179.88
2	KNR Energy Limited	146.90	146.53	146.90	146.53
3	KNRC Holdings and Investments Private Limited	233.35	217.21	233.35	217.21
4	KNR Walayar Tollways Private Limited *	-	63.97	-	97.75
5	Patel KNR Heavy Infrastructures Limited	0.54	70.87	149.57	87.78
6	KNR Muzaffarpur Barauni Tollway Private Limited	736.48	37.74	736.48	37.74
7	KNR Infrastructure Projects Private Limited	10.59	10.20	10.59	10.20
8	KNR Muzaffarpur Holdings Private Limited	13.60	12.85	13.60	12.85
9	KNR Chidambaram Infra Private Limited #	-	-	-	20.15
10	KNR Srirangam Infra Private Limited	121.68	82.54	121.68	141.82
11	KNR Tirumala Infra Private Limited	-	207.04	488.12	207.04
12	KNR Shankarampet Projects Private Limited	0.31	7.09	7.16	7.09
13	KNR Somwarpet Infra Project Private Limited	0.23	-	0.39	432.32
14	KNR Palani Infra Private Limited	4.07	1.18	55.68	256.83
15	Patel KNR Infrastructures Limited	0.04	0.01	0.89	0.01

Notes forming part of the Financial Statements (Contd.)

**41. PARTICULARS OF LOANS AND ADVANCES IN THE NATURE OF LOANS AS REQUIRED BY REGULATION 34(3) AND 53(F) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015. (CONTD.)**

(₹ in Lakhs)

S. No	Name of the Company	Balance as at		Maximum outstanding during the year	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
<b>B</b>	<b>Loans and Advances where there is no repayment schedule</b>				
1	KNR Agrotech & Beverages Private Limited	191.54	179.88	191.54	179.88
2	KNR Energy Limited	146.90	146.53	146.90	146.53
3	KNRC Holdings and Investments Private Limited	233.35	217.21	233.35	217.21
4	KNR Walayar Tollways Private Limited *	-	63.97	-	97.75
5	Patel KNR Heavy Infrastructures Limited	0.54	70.87	149.57	87.78
6	KNR Muzaffarpur Barauni Tollway Private Limited	736.48	37.74	736.48	37.74
7	KNR Infrastructure Projects Private Limited	10.59	10.20	10.59	10.20
8	KNR Muzaffarpur Holdings Private Limited	13.60	12.85	13.60	12.85
9	KNR Chidambaram Infra Private Limited #	-	-	-	20.15
10	KNR Srirangam Infra Private Limited	121.68	82.54	121.68	141.82
11	KNR Tirumala Infra Private Limited	-	207.04	488.12	207.04
12	KNR Shankarampet Projects Private Limited	0.31	7.09	7.16	7.09
13	KNR Somwarpet InfraProject Private Limited	0.23	-	0.39	432.32
14	KNR Palani Infra Private Limited	4.07	1.18	55.68	256.83
15	Patel KNR Infrastructures Limited	0.04	0.01	0.89	0.01

\* Ceased to be Subsidiary with effect from September 28, 2020

# Subsidiary Company closed on March 30, 2020

**42. DISCLOSURE PURSUANT TO IND AS 115 "REVENUE FROM CONTRACTS WITH CUSTOMERS":**

The Company constructs infrastructure projects on behalf of clients. Delivering the project as per the contractual terms is the only performance obligation that has been identified. Under the terms of the contracts, the Company will perform its obligations on time to time as per the timing schedule indicated in the contract with the asset having no alternative use to the entity and the Company having an enforceable right to receive payment for the work done. Hence, Revenue is therefore recognised over time on a cost to cost method, i.e. based on the proportion of contract costs incurred for the work performed to date relative to the estimated total contract costs. The management consider that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under Ind AS 115.

**Contract balances as on:**

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020
Receivables	86,963.18	47,610.80
Contract Assets	39,449.05	40,331.39
Contract Liabilities	53,738.10	39,359.49

## Notes forming part of the Financial Statements (Contd.)

**43. VALUE OF IMPORTS CALCULATED ON CIF BASIS**

		(₹ in Lakhs)	
S No.	Particulars	March 31, 2021	March 31, 2020
a	Material Purchases	Nil	Nil
b	Stores & Spares	41.82	55.85
c	Capital goods	997.96	284.60

**44. EXPENDITURE/REMITTANCE IN FOREIGN CURRENCY**

		(₹ in Lakhs)	
S No.	Particulars	March 31, 2021	March 31, 2020
a	On account of Travel/Other expenses (including boarding & lodging expenses)	Nil	2.80

**45. DISCLOSURE OF RELATED PARTIES/ RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24: RELATED PARTY DISCLOSURE****(a) List of related parties****(i) Subsidiaries :**

1	KNR Agrotech & Beverages Private Limited	7	KNR Shankarampet Projects Private Limited
2	KNR Infrastructure Projects Private Limited	8	KNR Somwarpet InfraProject Private Limited
3	KNR Energy Limited	9	KNR Palani Infra Private Limited
4	KNR Walayar Tollways Private Limited *	10	KNRC Holdings and Investment Private Limited
5	KNR Srirangam Infra Private Limited	11	KNR Chidambaram Infra Private Limited #
6	KNR Tirumala Infra Private Limited		

\* Ceased to be Subsidiary with effect from September 28, 2020

# Subsidiary Company closed on March 30, 2020

**(ii) Step-down Subsidiaries :**

1	Mesmeric Software Solutions Private Limited	4	Asara Construction & Projects Private Limited
2	Nag Talent Ventures & Infotech Private Limited	5	KNR Muzaffarpur Holdings Private Limited
3	Gradient Estates Private Limited	6	KNR Muzaffarpur-Barauni Tollway Private Limited

**(iii) Associate Companies :**

1. Patel KNR Infrastructures Limited,
2. Patel KNR Heavy Infrastructures Limited,

**(iv) Joint Venture :**

1. SEL-KNR-JV (At Bangladesh)

## Notes forming part of the Financial Statements (Contd.)

### 45. DISCLOSURE OF RELATED PARTIES/ RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24: RELATED PARTY DISCLOSURE (CONTD.)

#### (v) Key Management Personnel's (KMPs):

1	Sri. K.Narsimha Reddy	Managing Director
2	Sri K.Jalandhar Reddy	Executive Director & CFO
3	Smt. K.Yashoda	Non Executive Director
4	Sri. B.V.Rama Rao	Independent Director
5	Sri. L.B.Reddy	Independent Director
6	Smt. G.C Rekha *	Independent Director
7	Sri S.Vaikuntanathan	Executive Officer - VP (F&A)
8	Sri M.Venkata Rao ^	Company Secretary
9	Smt. V. Haritha @	Company Secretary

\* Appointed on May 30, 2019

^ Resigned on March 06, 2021

@ Appointed on March 06, 2021

#### (vi) Relatives of KMPs :

1	Sri. M.Rajesh Reddy	Son-in-law of Sri K.Narsimha Reddy
2	Sri. J.V Panindra Reddy	Son-in-law of Sri K.Narsimha Reddy
3	Sri. V.Krishna Reddy	Brother of Smt. K.Yashoda

#### (vii) Other Related parties :

1	KNR Constructions Limited Employees group gratuity fund	Post employment benefit plan
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#### (b) Disclosure of related party transactions :

(₹ in Lakhs, except share date)

Sl. No.	Particulars	Subsidiaries (including Step-down subsidiaries)		Associates		Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
1	Work contract receipts received	1,34,809.73	1,31,584.55	5,753.80	3,696.45	-	-	-	-	-	-
2	Interest Income on Inter corporate loans	14.01	22.94	-	-	-	-	-	-	-	-
3	Sale of materials / Misc. Income	0.40	-	-	2.61	-	-	-	-	-	-
4	Interest paid on Mob.Adv. Received	285.47	1,100.00	-	-	-	-	-	-	-	-
5	Investment / (written off)	-	18,392.44	-	-	-	-	-	-	-	-
6	Loss on Investment	1,124.70	-	-	-	-	-	-	-	-	-
7	Inter corporate Loans given/ (recovered)	(39,651.00)	-	-	-	-	-	-	-	-	-

## Notes forming part of the Financial Statements (Contd.)

**45. DISCLOSURE OF RELATED PARTIES/ RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24: RELATED PARTY DISCLOSURE (CONTD.)**

(₹ in Lakhs, except share date)

Sl. No.	Particulars	Subsidiaries (including Step-down subsidiaries)		Associates		Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
8	Investment in Equity Shares	5,453.00	6,779.00	-	-	-	-	-	-	-	-
9	Investment (Equity Nature)	11,023.19	2,617.52	-	-	-	-	-	-	-	-
10	Mobilisation advance received/ (recovered)	(9,173.11)	3,884.21	31.80	90.91	-	-	-	-	-	-
11	Re-imbursment of expenditure incurred/ (Recovered)	634.76	72.42	(70.29)	11.27	-	-	(1.83)	(14.88)	-	-
12	Advance paid/ (recovered)	(156.32)	313.74	-	-	-	-	-	-	-	-
13	Materials advance received/ (recovered)	-	-	-	(89.09)	-	-	-	-	-	-
14	Retention deposit & Withheld deducted/ (released)	417.66	684.94	-	-	-	-	-	-	-	-
15	Short Term Employee Benefits	-	-	-	-	-	-	1,721.28	1,376.34	-	-
16	Post-employment Benefits *	-	-	-	-	-	-	22.39	22.55	-	-
17	Other Long-term Benefits	-	-	-	-	-	-	-	-	-	-
18	Termination Benefits	-	-	-	-	-	-	-	-	-	-
19	Share based payment	-	-	-	-	-	-	-	-	-	-
20	Interest Paid on un-secured loans	-	-	-	-	-	-	739.85	1,675.73	-	-
21	Un-secured loan received	-	-	-	-	-	-	12,030.00	1,293.00	-	-
22	Un-secured loan (repaid)	-	-	-	-	-	-	(29,962.32)	(3,821.00)	-	-
23	Dividend paid	-	-	-	-	-	-	-	699.43	-	-
24	Number of Bonus equity shares issued (Face value ₹ 2/- Per share)	-	-	-	-	-	-	773.81	-	-	-



Notes forming part of the Financial Statements (Contd.)

**45. DISCLOSURE OF RELATED PARTIES/ RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24: RELATED PARTY DISCLOSURE (CONTD.)**

(₹ in Lakhs, except share date)

Sl. No.	Particulars	Subsidiaries (including Step-down subsidiaries)		Associates		Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
25	Land lease rent paid	-	-	-	-	-	-	17.29	17.29	-	-
26	Office rent paid	-	-	-	-	-	-	11.32	10.91	-	-
27	Directors sitting fee paid	-	-	-	-	-	-	52.00	43.00	-	-
28	Contribution to Post-employment Benefit Plans	-	-	-	-	-	-	-	-	0.50	-

**(c) Related party balances outstanding are as follows :**

(₹ in Lakhs, except share date)

Sl. No.	Particulars	Subsidiaries (including Step-down subsidiaries)		Associates		Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
<b>1</b>	<b>Debit balances outstanding</b>										
	KNR Walayar Tollways Private Limited	-	39,911.50	-	-	-	-	-	-	-	-
	KNR Muzaffarpur Barauni Tollways Private Limited	6,656.53	5,593.93	-	-	-	-	-	-	-	-
	KNR Agrotech & Beverage Private Limited	205.37	193.73	-	-	-	-	-	-	-	-
	KNR Energy Limited	186.79	186.43	-	-	-	-	-	-	-	-
	KNRC Holdings and Investments Private Limited	4,219.73	4,203.60	-	-	-	-	-	-	-	-
	KNR Infrastructure Projects Private Limited	11.6	11.21	-	-	-	-	-	-	-	-
	KNR Muzaffarpur Holdings Private Limited	13.6	12.86	-	-	-	-	-	-	-	-
	KNR Srirangam Infra Private Limited	16,164.04	7,975.14	-	-	-	-	-	-	-	-
	KNR Tirumala Infra Private Limited	33,146.10	28,887.06	-	-	-	-	-	-	-	-
	KNR Shankarampet Projects Private Limited	28,196.43	12,847.33	-	-	-	-	-	-	-	-
	KNR Palani Infra Private Limited	5,054.84	406.89	-	-	-	-	-	-	-	-

## Notes forming part of the Financial Statements (Contd.)

**45. DISCLOSURE OF RELATED PARTIES/ RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24: RELATED PARTY DISCLOSURE (CONTD.)**

(₹ in Lakhs, except share date)

Sl. No.	Particulars	Subsidiaries (including Step-down subsidiaries)		Associates		Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
	KNR Somwarpet Infra Project Private Limited	7,595.06	1,954.08	-	-	-	-	-	-	-	-
	Patel KNR Heavy Infrastructure Limited	-	-	2,626.78	2,202.91	-	-	-	-	-	-
	Patel KNR Infrastructures Limited	-	-	2,618.14	1,924.74	-	-	-	-	-	-
	M. Rajesh Reddy	-	-	-	-	-	-	0.12	1.95	-	-
<b>2</b>	<b>Credit Balances outstanding</b>										
	KNR Srirangam Infra Private Limited	842.98	3,981.79	-	-	-	-	-	-	-	-
	KNR Tirumala Infra Private Limited	655.38	3,405.74	-	-	-	-	-	-	-	-
	KNR Shankarampet Projects Private Limited	1,052.23	4,568.97	-	-	-	-	-	-	-	-
	Patel KNR Heavy Infrastructure Limited	-	-	122.71	90.91	-	-	-	-	-	-
	K.Narsimha Reddy	-	-	-	-	-	-	26.01	17,596.08	-	-
	K.Jalandhar Reddy *	-	-	-	-	-	-	17.09	479.09	-	-
	S.Vaikuntanathan	-	-	-	-	-	-	2.11	1.57	-	-
	M.Venkata Rao *	-	-	-	-	-	-	-	1.21	-	-
	V.Haritha *	-	-	-	-	-	-	0.89	-	-	-
	V.Krishna Reddy	-	-	-	-	-	-	0.57	0.57	-	-

Notes forming part of the Financial Statements (Contd.)

**45. DISCLOSURE OF RELATED PARTIES/ RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24: RELATED PARTY DISCLOSURE (CONTD.)**

(d) Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year :

(₹ in Lakhs, except share date)

Sl. No.	Particulars	Subsidiaries (including Step-down subsidiaries)		Associates		Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
<b>1</b>	<b>Work contract receipts received</b>										
	KNR Tirumala Infra Private Limited	39,662.81	55,244.52	-	-	-	-	-	-	-	-
	KNR Srirangam Infra Private Limited	21,394.37	28,717.15	-	-	-	-	-	-	-	-
	KNR Shankarampet Projects Private Limited	34,773.18	40,119.46	-	-	-	-	-	-	-	-
	KNR Somwarpet Infra Project Private Limited	20,943.54	-	-	-	-	-	-	-	-	-
	KNR Palani Infra Private Limited	17,426.10	-	-	-	-	-	-	-	-	-
<b>2</b>	<b>Interest Income on Inter corporate loans</b>										
	KNR Agrotech & Beverage Private Limited	-	2.40	-	-	-	-	-	-	-	-
	KNR Energy Limited	-	7.62	-	-	-	-	-	-	-	-
	KNRC Holdings and Investments Private Limited	14.01	12.92	-	-	-	-	-	-	-	-
<b>3</b>	<b>Sale of Materials / Misc. Income</b>										
	KNR Agrotech & Beverage Private Limited	0.40	-	-	-	-	-	-	-	-	-
	Patel KNR Infrastructures Limited	-	-	-	2.61	-	-	-	-	-	-
<b>4</b>	<b>Interest paid on Mob. Adv. Received</b>										
	KNR Srirangam Infra Private Limited	115.76	287.33	-	-	-	-	-	-	-	-
	KNR Tirumala Infra Private Limited	71.97	478.10	-	-	-	-	-	-	-	-
	KNR Shankarampet Projects Private Limited	97.74	334.57	-	-	-	-	-	-	-	-
<b>5</b>	<b>Investment /(written off)</b>										
	KNR Chidambaram Infra Private Limited	-	(400.61)	-	-	-	-	-	-	-	-
<b>6</b>	<b>Loss on Investments</b>										
	KNR Walayar Tollways Private Limited	1,124.70	-	-	-	-	-	-	-	-	-

## Notes forming part of the Financial Statements (Contd.)

**45. DISCLOSURE OF RELATED PARTIES/ RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24: RELATED PARTY DISCLOSURE (CONTD.)**

(₹ in Lakhs, except share date)

Sl. No.	Particulars	Subsidiaries (including Step-down subsidiaries)		Associates		Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
<b>7</b>	<b>Inter corporate Loans given/(recovered)</b>										
	KNR Walayar Tollways Private Limited	(39,651.00)	-	-	-	-	-	-	-	-	-
<b>8</b>	<b>Investment in Equity Shares</b>										
	KNR Srirangam Infra Private Limited	-	3,711.50	-	-	-	-	-	-	-	-
	KNR Shankarampet Projects Private Limited	-	3,902.50	-	-	-	-	-	-	-	-
	KNR Palani Infra Private Limited	4,013.00	-	-	-	-	-	-	-	-	-
	KNR Somwarpet Infra Project Private Limited	1,530.00	-	-	-	-	-	-	-	-	-
<b>9</b>	<b>Investment (Equity Nature)</b>										
	KNR Tirumala Infra Private Limited	4,891.00	-	-	-	-	-	-	-	-	-
	KNR Shankarampet Projects Private Limited	2,543.00	1,544.50	-	-	-	-	-	-	-	-
	KNR Palani Infra Private Limited	-	395.71	-	-	-	-	-	-	-	-
	KNR Somwarpet Infra Project Private Limited	-	677.32	-	-	-	-	-	-	-	-
	KNR Srirangam Infra Private Limited	2,299.00	-	-	-	-	-	-	-	-	-
<b>10</b>	<b>Mobilisation advance received/(recovered)</b>										
	KNR Srirangam Infra Private Limited	(3,245.89)	3,268.65	-	-	-	-	-	-	-	-
	KNR Shankarampet Projects Private Limited	(3,607.15)	3,813.30	-	-	-	-	-	-	-	-
	KNR Tirumala Infra Private Limited	(2,320.07)	-	-	-	-	-	-	-	-	-
<b>11</b>	<b>Re-imbusement of expenditure incurred/ (Recovered)</b>										
	KNR Walayar Tollways Private Limited	(63.97)	36.15	-	-	-	-	-	-	-	-
	KNR Muzaffarpur Barauni Tollways Private Limited	698.73	36.27	-	-	-	-	-	-	-	-

Notes forming part of the Financial Statements (Contd.)

**45. DISCLOSURE OF RELATED PARTIES/ RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24: RELATED PARTY DISCLOSURE (CONTD.)**

(₹ in Lakhs, except share date)

Sl. No.	Particulars	Subsidiaries (including Step-down subsidiaries)		Associates		Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
	Patel KNR Heavy Infrastructure Limited	-	-	(70.33)	11.27	-	-	-	-	-	-
	M. Rajesh Reddy	-	-	-	-	-	-	-	(14.88)	-	-
<b>12</b>	<b>Advance paid/ (recovered)</b>										
	KNRC Holdings and Investments Private Limited	-	46.73	-	-	-	-	-	-	-	-
	KNR Srirangam Infra Private Limited	39.13	79.08	-	-	-	-	-	-	-	-
	KNR Tirumala Infra Private Limited	(207.04)	186.57	-	-	-	-	-	-	-	-
<b>13</b>	<b>Materials advance received/(recovered)</b>										
	Patel KNR Infrastructures Limited	-	-	-	(89.09)	-	-	-	-	-	-
<b>14</b>	<b>Retention deposit &amp; Withheld deducted/ (released)</b>										
	KNR Srirangam Infra Private Limited	(133.29)	334.14	-	-	-	-	-	-	-	-
	KNR Tirumala Infra Private Limited	134.64	130.14	-	-	-	-	-	-	-	-
	KNR Shankarampet Projects Private Limited	336.60	209.81	-	-	-	-	-	-	-	-
	KNR Somwarpet Infra Project Private Limited	51.51	-	-	-	-	-	-	-	-	-
<b>15</b>	<b>Short Term Employee Benefits</b>										
	K.Narsimha Reddy	-	-	-	-	-	-	999.00	792.00	-	-
	K.Jalandhar Reddy	-	-	-	-	-	-	666.00	528.00	-	-
<b>16</b>	<b>Post-employment Benefits *</b>										
	K.Jalandhar Reddy	-	-	-	-	-	-	21.60	21.60	-	-
<b>17</b>	<b>Interest Paid on un-secured loans</b>										
	K.Narsimha Reddy	-	-	-	-	-	-	723.04	1,637.06	-	-

## Notes forming part of the Financial Statements (Contd.)

**45. DISCLOSURE OF RELATED PARTIES/ RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24: RELATED PARTY DISCLOSURE (CONTD.)**

(₹ in Lakhs, except share date)

Sl. No.	Particulars	Subsidiaries (including Step-down subsidiaries)		Associates		Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
<b>18</b>	<b>Un-secured loan received</b>										
	K.Narsimha Reddy	-	-	-	-	-	-	12,030.00	1,293.00	-	-
<b>19</b>	<b>Un-secured loan (repaid)</b>										
	K.Narsimha Reddy	-	-	-	-	-	-	(29,500.82)	(3,821.00)	-	-
<b>20</b>	<b>Dividend paid</b>										
	K.Narsimha Reddy	-	-	-	-	-	-	-	411.69	-	-
	K.Jalandhar Reddy	-	-	-	-	-	-	-	176.67	-	-
<b>21</b>	<b>Number of Bonus equity shares issued (Face value ₹ 2/- Per share)</b>										
	K.Narsimha Reddy	-	-	-	-	-	-	462.43	-	-	-
	K.Jalandhar Reddy	-	-	-	-	-	-	196.30	-	-	-
<b>22</b>	<b>Land lease rent paid</b>										
	K.Jalandhar Reddy	-	-	-	-	-	-	17.29	17.29	-	-
<b>23</b>	<b>Office rent paid</b>										
	K.Jalandhar Reddy	-	-	-	-	-	-	11.32	10.91	-	-
<b>24</b>	<b>Directors sitting fee paid</b>										
	K.Yashoda	-	-	-	-	-	-	8.00	7.00	-	-
	B.V.Rama Rao	-	-	-	-	-	-	18.00	15.00	-	-
	L.B.Reddy	-	-	-	-	-	-	18.00	15.00	-	-
	G.C. Rekha	-	-	-	-	-	-	8.00	6.00	-	-
<b>25</b>	<b>Contribution to Post-employment Benefit Plans</b>										
	KNR Constructions Limited Employees group gratuity fund	-	-	-	-	-	-	-	-	0.50	-

\* As the future liabilities for gratuity is provided on actuarial basis for the group as a whole, the amount pertaining to the KMP's is not ascertainable, therefore not included above.



## Notes forming part of the Financial Statements (Contd.)

### 45. DISCLOSURE OF RELATED PARTIES/ RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24: RELATED PARTY DISCLOSURE (CONTD.)

#### (e) Disclosure in respect of commitments(Equity/Capital Commitment) with related parties as on March 31, 2021 :

(₹ in Lakhs)

Sl. No.	Particulars	Subsidiaries		Associates		Joint Ventures	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
1	KNR Srirangam Infra Private Limited,	2,512.50	4811.50	-	-	-	-
2	KNR Tirumala Infra Private Limited,	6,903.50	11,794.50	-	-	-	-
3	KNR Shankarampet Projects Private Limited,	4,213.00	6,756.00	-	-	-	-
4	KNR Somwarpet InfraProject Private Limited,	9,063.50	11,522.68	-	-	-	-
5	KNR Palani Infra Private Limited,	3,266.29	7,640.29	-	-	-	-
	<b>Total</b>	<b>25,958.79</b>	<b>42,524.97</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Note:** 1) All Related Party Transactions entered during the year were in ordinary course of the business and are on arm's length basis.

2) The amount of outstanding balances as shown above are unsecured and will be settled/recovered in cash.

### 46. RECONCILIATION BETWEEN THE OPENING AND CLOSING BALANCES IN THE FINANCIAL STATEMENT FOR FINANCIAL LIABILITIES AND ASSETS ARISING FROM FINANCING ACTIVITIES (IND AS – 7)

(₹ in Lakhs)

Particulars	Secured Loans	Unsecured Loans	Interest	Total
<b>Opening Balance</b>	<b>5,038.33</b>	<b>17,932.32</b>	<b>1,111.04</b>	<b>20,717.27</b>
Interest/Dividend Accrued during the year	-	-	4,872.73	4,872.73
<b>Cash flows</b>				
Received	12,500.00	12,030.00	-	24,530.00
Repayment	(17,467.09)	(29,962.32)	-	(47,429.41)
Interest/Dividend paid			(4,592.10)	(4,592.10)
<b>Non Cash items</b>				
Interest on fair value of Loan	-	-	(597.39)	(597.39)
Impact of EIR	-	-	(7.80)	(7.80)
<b>Closing Balance</b>	<b>71.24</b>	<b>-</b>	<b>786.48</b>	<b>857.72</b>

### 47. SEGMENT INFORMATION

The Company's operations predominantly consist of construction / project activities. Hence there are no reportable segments under Ind AS 108. During the year under report, substantial part of the Company's business has been carried out in India. The conditions prevailing in India being uniform, no separate geographical disclosures are considered necessary.

48. During the year, the Company has transferred its 100% shareholding in one of its subsidiary i.e. KNR Walayar Tollways Private Limited, (KWTPL) to CUBE Highways and Infrastructure III pte. Limited on September 28, 2020 for an equity valuation of ₹ 38,468.20 Lakhs and accordingly the Company has written off/impaired its investment for an amount of ₹ 601.30 lakhs and ₹ 671.53 lakhs for the year ended March 31, 2020. For the year ended March 31, 2021, the Company has also written off advances for an amount of ₹ 523.40 lakhs against withhold amounts, which are shown as exceptional items in the Statement of Profit and Loss.

## Notes forming part of the Financial Statements (Contd.)

- 49.** During the previous year ended March 31, 2020, One of the wholly owned subsidiary i.e. KNR Chidambaram Infra Private Limited, (KCIPL), has been notified by NHA that the Concession Agreement of the KCIPL is deemed terminated w.e.f., April 11, 2019 "as per clause 4.5 of the Concession Agreement". The Company has written off its investments in KCIPL amounting to ₹ 835.00 lakhs and written back its liabilities to the tune of ₹ 434.39 lakhs, accordingly the net impact of ₹ 400.61 lakhs was shown as exceptional items in the Statement of Profit and Loss for the year ended March 31, 2020, accordingly the EPC Contract has also been deemed terminated.
- 50.** During the year, the Company has received an Arbitration settlement in one of the Joint Venture project, the Company's share of revenue of ₹ 1,202.00 lakhs and Company's share of profit of ₹ 785.62 lakhs included in statement of Profit and Loss.
- 51.** During the previous year ended March 31, 2020, the Company has received an Arbitration claim in one of the project for an amount of ₹ 6,170.91 lakhs (includes Interest of ₹ 2,263.04 lakhs), with respect to the above claim an amount ₹ 1,216.36 lakhs has been adjusted against existing Company Receivables and an amount of ₹ 510.89 lakhs has been accounted towards expenditure.
- 52.** During the year, the Company has issued Bonus Shares in the ratio of 1:1 on February 05, 2021, with that the Standalone EPS for the previous quarters and year also adjusted accordingly.
- 53.** The Company has adopted Ind AS 116 'Leases' from April 1, 2019 and applied the standard to all lease contracts existing on the date of initial application i.e. April 01, 2019. The Company has used the modified retrospective approach for transitioning to Ind AS 116 with right-of-use asset recognised at an amount equal to the lease liability.

The Company recognised in the Statement of Profit and Loss

Particulars	(₹ in Lakhs)	
	2020-21	2019-20
Depreciation Charge on ROU Asset	151.18	106.30
Interest Expense on Lease Liabilities	7.8	10.93

The Company recognised following lease assets and liabilities in the Balance sheet.

Particulars	(₹ in Lakhs)	
	2020-21	2019-20
Carrying Amount of ROU Assets	147.12	260.00
Lease liability	35.59	107.53

- 54.** During the Previous year ended March 31, 2020, The Company has entered into Share Purchase Agreements (the "SPAs") with Cube Highways and Infrastructure III Pte. Limited (the "Investor") for the following 3 wholly owned subsidiaries (the "SPVs") of HAM Projects

- 1) KNR Srirangam Infra Private Limited on January 28, 2019
- 2) KNR Tirumala Infra Private Limited on February 11, 2019
- 3) KNR Shankarampet Projects Private Limited on August 16, 2019

Pursuant to SPAs, the Company will, in a phased manner (i.e on COD and on lifting of mandatory lock in period as specified in the Concession Agreement), sell to the Investor its entire shareholding in the SPVs, subject to the shareholding transfer restrictions set out in the concession agreement (s) executed between National Highway Authority of India and the respective SPVs and subject to various regulatory and lenders' approvals.

## Notes forming part of the Financial Statements (Contd.)

**55.** As per the Management Assessment on the Impact of second wave of Covid-19 pandemic on the business operations of the Company, there is no foreseeable impact on the achievement of targeted top line and cash flow of the Company as most of the states have allowed infrastructure activities to be carried on during lockdown ensuring inflow of funds from bills raised. The strong liquid position as on March 31, 2021 and under utilisation of fund/non fund based credit facilities will act as a buffer fund. The Company will continue to evaluate and monitor material changes to future economic conditions arising from the ongoing second wave and will update its assessment.

### **56. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved for issue by the Board of Directors on May 20, 2021.

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

As per our report of even date attached  
For **K. P. Rao & Co.,**  
*Chartered Accountants*  
(Firm Regn. No.003135S)

**K. Viswanath**  
*Partner,*  
Membership No: 022812  
UDIN: 21022812AAAAAE3223

Place : Hyderabad  
Date : May 20, 2021

### **For and on behalf of the Board**

**K.Narsimha Reddy**  
*Managing Director*  
DIN: 00382412

**S.Vaikuntanathan**  
*Vice President (F&A)*

**K. Jalandhar Reddy**  
*Executive Director & CFO*  
DIN: 00434911

**V.Haritha**  
*Company Secretary*

# Independent Auditor's Report

## To the Members of

### **KNR CONSTRUCTIONS LIMITED**

#### **REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS**

##### **Opinion**

We have audited the accompanying consolidated financial statements of **KNR CONSTRUCTIONS LIMITED** ("the Holding Company") and its subsidiaries (collectively referred to as 'the Group') which includes 15 Joint operations of the Group accounted on proportionate basis and Group's share of profit in its associates and joint venture, which comprise the consolidated Balance Sheet as at 31 March, 2021, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Statement of Changes in Equity and consolidated Statement of Cash Flow for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statement').

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of joint operations, subsidiaries, associates and joint venture referred to in the Other Matters below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("IND AS") and other accounting principles generally accepted in India, of consolidated state of affairs of the Group as at March 31, 2021, of their consolidated financial profit including, other comprehensive income, consolidated statement of changes in equity and its consolidated 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 Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group 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 financial statements under the provisions of the Act, 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 and audit evidence obtained by other auditors in terms of their reports referred to in Other Matters section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated Financial Statements.

##### **Emphasis of Matter**

We draw attention to Note No 54 of the consolidated financial statements, which describes the uncertainties and the possible effects of COVID-19 on the operations of the Company. Our Opinion is not modified in respect of this matter.

##### **Key Audit Matters:**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

## Independent Auditor's Report (Contd.)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><b>A) Revenue Recognition of long-term contracts of Holding Company</b></p> <p>The Company has significant revenue from construction contracts and long-term operating and maintenance agreements. These long-term contracts are often complex customised solutions and meet the definition of a contract as per Ind AS 115.</p> <p>Revenue related to these construction contracts is recognised using the percentage of completion method, where progress is determined by comparing actual costs incurred to date, with the total estimated costs of the project. Revenue recognition for construction contracts includes management judgment in the form of estimates, which are subject to management experience and expectations of future events. The most important judgment relates to the estimated total costs of the project.</p> <p>Revenue recognition of long-term contracts is a key audit matter in the audit due to the high level of management judgement involved in the project estimates.</p>	<p>Our revenue testing included both testing of the company's controls, as well as substantive audit procedures targeted at selected major long-term projects. Our substantive testing focused on estimates applied by management in the accounting.</p> <p>Our procedures included, among others things, the following:</p> <ul style="list-style-type: none"> <li>• Ensured that the revenue recognition method applied was appropriate based on the terms of the arrangement;</li> <li>• Agreed the total project revenue estimates to sales agreements, including amendments as appropriate;</li> <li>• We obtained an understanding of the processes and tested relevant controls, which impact the revenue recognition;</li> <li>• We assessed the reliability of management's estimates by comparing the actual results of delivered projects to previous estimates;</li> </ul>
<p><b>B) Litigations and Claims of Holding Company</b></p> <p>Considering the nature of the Company's operations, it can be exposed to a number of litigations and claims. The recognition and measurement of provisions, contingent liabilities and contingent assets as well as making the necessary disclosures in respect of litigation and claims requires significant judgment by the management in assessing the outcome of each legal case which is based on management's discussion with legal advisors. Due to the significance of the litigations and claims and the difficulty in assessing and measuring the resulting outcome, this is considered as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• evaluating the Company's policies, procedures and controls in relation to litigation, claims and provision assessments;</li> <li>• independent enquiries to understand the background of each case, legal position and the material risks that may impact the Company's consolidated financial statements; and</li> <li>• assessing reasonableness of judgment made by management, determining the adequacy of the level of provisioning or disclosure in the consolidated financial statements.</li> </ul>

### Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Holding Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Act, with

## Independent Auditor's Report (Contd.)

respect to the preparation of these consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its associates and joint venture in accordance with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India.

The respective Board of Directors of the companies included in the group and of its associates and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its associates and joint venture 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding company, as aforesaid.

In preparing the consolidated financial statements, the respective board of directors of the companies included in the group and of its associates and joint venture are 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 respective Board of Directors of the companies included in the group and of its associates and joint venture are also responsible for overseeing the financial reporting process of the group and its associates.

### Auditor's Responsibility

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

in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated 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 consolidated 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 Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to 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 consolidated 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 consolidated financial statements including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, and its associates and joint venture to express an opinion on the consolidated Financial Statements. For the other entities included in



## Independent Auditor's Report (Contd.)

the consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

1. We did not audit the financial statements and other financial information, in respect of 10 subsidiaries whose financial statements reflect total assets (before consolidation adjustments) of Rs 2,09,851.60 lakhs as at March 31, 2021, and total revenues (before consolidation adjustments) of Rs 1,50,698.43 lakhs and total net profit after tax (before consolidation adjustments) of Rs 3742.88 lakhs, total comprehensive income (net) of Rs 3742.95 lakhs and net cash inflows of Rs 654.53 lakhs for the year ended on that date. These financial statements and other financial information have been audited by other auditors, whose financial statements, other financial information and auditor's reports have been furnished to us by the management.

The consolidated financial statements also include the Group's share of net profit after tax (before consolidation adjustments) of Rs 703.00 lakhs and Group's share of total comprehensive income (before consolidation adjustments) of Rs 668.22 lakhs for the year ended March 31, 2021, in respect of 2 associates located in India. In respect of these associates, the financial statements and

other financial information have been audited by other auditors and auditor's report have been furnished to us by the management.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

2. We did not audit the financial information of 10 Joint Operations included in the Standalone financial statements of the Companies including in the Group, whose financial information reflect total assets (before consolidation adjustments) of Rs 23,054.76 lakhs as at March 31, 2021, and total revenues (before consolidation adjustments) of Rs 45,889.25 lakhs, total net profit after tax (before consolidation adjustments) of Rs 375.22 lakhs for the year and total comprehensive income (net) of Rs 375.22 lakhs ended on that date, as considered in the respective standalone financial statements of the Companies included in the Group. These financial statements and other financial information have been audited by other auditors, whose financial statements, other financial information and auditor's reports have been furnished to us by the management.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

3. The consolidated financial statements also include unaudited financial information of 5 Joint operations whose financial information reflect total assets of Rs 1,616.84 lakhs (before consolidation adjustments) as at March 31, 2021 and total revenues of Rs 53.58 lakhs (before consolidation adjustments), total net profit/(loss) after tax of Rs (249.76) lakhs (before consolidation adjustments) and total comprehensive income/(loss) of Rs. (249.76) for the year ended March 31, 2021, as considered in the respective standalone audited financial statements of the entities included in the group, whose financials have not been audited by us. These financial information are unaudited and have been reviewed and certified by the management of the group as at end of the year. In our opinion and according to the information and explanations given to us by the Management, the financial information of these joint operations are not material to the Group.



## Independent Auditor's Report (Contd.)

Our opinion on the consolidated financial statements is not modified in respect of the above matters with respect to our reliance on the financial information certified by the management.

4. The consolidated financial statements also include the Group's share of net Profit of Rs 74.60 lakhs for the year ended March 31, 2021, in respect of one joint venture located outside India, whose financials have not been audited, and have been reviewed and certified by the management of the group as at end of the year. In our opinion and according to the information and explanations given to us by the Management, the financial information of the joint venture is not material to the Group.

Our opinion on the consolidated financial statements is not modified in respect of the above matters with respect to our reliance on the financial information certified by the management.

### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, associates and joint operations, as noted in the 'other matter' paragraph we report, to the extent applicable, 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 relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss (including other comprehensive income) the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India.
- e) On the basis of the written representations received from the directors of the Holding company as on March 31, 2021, taken on record by the Board of Directors of the Holding Company, and the reports of the statutory auditors

of its subsidiary companies, associate companies, none of the directors are disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "**Annexure 1**", which is based on auditor's report of the parent and its subsidiary companies, associate companies. Our Report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and based on the consideration of reports of the other statutory auditors of the subsidiaries and associates the managerial remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 read with Schedule V to the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated Financial Statements disclose the impact if any, of pending litigations as at March 31, 2021 on its financial position in its consolidated Financial Statements – Refer Note No. 37.
  - ii. The Group and its associates did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiaries, associate companies.

**For K.P.Rao & Co.,**  
Chartered Accountants  
Firm's Registration No. 003135S

**K. Viswanath**  
Partner  
Membership No. 022812  
UDIN: 21022812AAAAAF8750

Place: Bengaluru  
Date: 20-05-2021

## Annexure 1

### TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF KNR CONSTRUCTIONS LIMITED

#### REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of **KNR CONSTRUCTIONS LIMITED** ("the Holding Company") its subsidiary companies and its associate companies, which are incorporated in India, as of March 31, 2021 in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date.

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

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

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting with reference to these consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the 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 with reference to these consolidated financial

statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting with reference to these consolidated financial statements.

#### Meaning of Internal Financial Controls over Financial Reporting With Reference to these Consolidated Financial Statements

A company's internal financial control over financial reporting with reference to these consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these consolidated financial statements includes those policies and procedures that

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with

## Annexure 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF KNR CONSTRUCTIONS LIMITED (Contd.)

authorisations of management and directors of the company; and

3. Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting With Reference to these Consolidated Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated 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 with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Consolidated 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 Holding Company, its subsidiary companies and its associate companies, which are companies incorporated in India, have maintained in all material respects, an adequate internal financial controls system over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating

effectively as at March 31, 2021, based on the Internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India".

### Other Matter

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financials controls over financial reporting with reference to these consolidated financial statements of the Holding Company, in so far as it relates to these 10 subsidiary companies, and 2 associate companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary and associate companies.

Our opinion is not modified in respect of the above matters with respect to our reliance on the work done by and the reports of such other auditors.

**For K.P.Rao & Co.,**  
Chartered Accountants  
Firm's Registration No. 003135S

**K. Viswanath**  
Partner  
Membership No. 022812  
UDIN: 21022812AAAAAF8750

Place: Bengaluru  
Date: 20-05-2021



# Consolidated Balance Sheet

as at March 31, 2021

(₹ in Lakhs)

Particulars	Note	As at March 31, 2021	As at March 31, 2020
<b>I ASSETS</b>			
<b>1) Non-current assets</b>			
a) Property, plant and equipment	3	34,033.06	38,098.31
b) Capital work-in-progress		237.85	1,015.48
c) Right of Use Asset		147.12	260.00
d) Investment Property	3.1	7,244.26	7,245.30
e) Other Intangible assets	3.2	36,175.87	81,878.48
f) Financial Assets			
i) Investments	4	4,561.64	3,893.42
ii) Other Financial Assets	5	1,44,084.84	69,902.32
g) Deferred tax assets (Net)	6	14,859.59	16,098.54
h) Non-Current tax assets (Net)	7	5,046.41	4,306.89
i) Other non-current assets	8	22,342.93	17,594.97
<b>Total Non-current assets</b>		<b>2,68,733.57</b>	<b>2,40,293.71</b>
<b>2) Current assets</b>			
a) Inventories	9	14,798.90	12,316.27
b) Financial assets			
i) Investments	4	1,605.63	2,690.49
ii) Trade receivables	10	33,286.58	17,464.88
iii) Cash and cash equivalents	11	12,742.94	4,065.55
iv) Bank balances, other than (iii) above	12	2,041.49	4,221.68
v) Loans	13	756.60	286.74
vi) Other Financial Assets	5	26,251.69	23,118.94
c) Current tax assets (Net)	7	1,205.72	1,836.44
d) Other current assets	14	39,294.55	44,038.63
<b>Total Current assets</b>		<b>1,31,984.10</b>	<b>1,10,039.62</b>
<b>Total Assets</b>		<b>4,00,717.67</b>	<b>3,50,333.33</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity Share capital	15	5,624.70	2,812.35
b) Instruments Entirely Equity in nature	15.3	850.00	850.00
c) Other equity	16	1,90,306.67	1,52,404.24
<b>Equity attributable to the share holders of the Company</b>		<b>1,96,781.37</b>	<b>1,56,066.59</b>
Non-controlling Interests		865.47	3,320.22
<b>Total Equity</b>		<b>1,97,646.84</b>	<b>1,59,386.81</b>
<b>Liabilities</b>			
<b>1) Non-current liabilities</b>			
a) Financial liabilities			
i) Borrowings	17	72,821.75	79,171.72
ii) Lease Liability		35.59	107.53
iii) Other financial liabilities	18	205.58	165.62
b) Provisions	20	2,996.71	4,246.81
c) Other non-current liabilities	21	1,059.59	1,052.09
<b>Total non-current liabilities</b>		<b>77,119.22</b>	<b>84,743.77</b>
<b>2) Current liabilities</b>			
a) Financial liabilities			
i) Borrowings	17	71.24	3,364.42
ii) Trade Payables			
Dues to MSM Enterprises	19	320.39	478.26
Dues to other than MSM Enterprises	19	24,751.31	25,818.55
iii) Other financial liabilities	18	18,767.13	20,672.99
b) Provisions	20	3,315.16	3,148.24
c) Other current liabilities	22	74,631.68	52,679.13
d) Current Tax Liabilities (net)	23	4,094.70	41.16
<b>Total current liabilities</b>		<b>1,25,951.61</b>	<b>1,06,202.75</b>
<b>Total Equity and Liabilities</b>		<b>4,00,717.67</b>	<b>3,50,333.33</b>
Corporate information and Significant accounting policies	1&2		
See accompanying notes forming part of the financial statements			

As per our report of even date attached  
For **K. P. Rao & Co.,**

Chartered Accountants  
(Firm Regn. No.003135S)

**K. Viswanath**  
Partner,  
Membership No: 022812  
UDIN: 21022812AAAAD9748

Place : Hyderabad  
Date : May 20, 2021

For and on behalf of the Board

**K.Narsimha Reddy**  
Managing Director  
DIN: 00382412

**S.Vaikuntanathan**  
Vice President (F&A)

**K. Jalandhar Reddy**  
Executive Director & CFO  
DIN: 00434911

**V.Haritha**  
Company Secretary

# Consolidated Statement of Profit and Loss

for the year ended March 31, 2021

(₹ in Lakhs)

Particulars	Note	Year ended March 31, 2021	Year ended March 31, 2020
<b>I Revenue from Operations</b>	24	2,90,363.48	2,45,168.17
<b>II Other income</b>	25	5,162.14	6,568.82
<b>III Total Revenue (I + II)</b>		<b>2,95,525.62</b>	<b>2,51,736.99</b>
<b>IV EXPENSES</b>			
Cost of materials consumed	26	92,645.30	75,328.14
Construction expenses	27	1,05,653.21	84,452.71
Construction cost under service concession arrangements		1,202.73	4,456.81
Employee benefits expense	28	13,313.26	12,692.15
Finance costs	29	13,404.93	11,023.08
Depreciation and amortisation expense	30	18,990.47	25,412.63
Other expenses	31	7,604.78	5,994.50
<b>Total expenses (IV)</b>		<b>2,52,814.68</b>	<b>2,19,360.02</b>
<b>V Profit/(Loss) before share of (Profit)/Loss from investment in Associates (III-IV)</b>		<b>42,710.94</b>	<b>32,376.97</b>
<b>VI Share of Profit/(Loss) from Associates and Joint controlled entities</b>		742.82	1,142.14
<b>VII Profit/(Loss) before exceptional items and tax (V + VI)</b>		<b>43,453.76</b>	<b>33,519.11</b>
<b>VIII Exceptional items</b>	32	(8,525.20)	1,072.14
<b>IX Profit/(Loss) before tax (VII-VIII)</b>		<b>51,978.96</b>	<b>32,446.97</b>
<b>X Tax expense</b>	33		
1) Current tax		14,004.01	9,774.20
2) Adjustment of tax relating to earlier periods		1,931.08	3.06
3) Deferred tax		(2,239.43)	(2,924.49)
		<b>13,695.66</b>	<b>6,852.77</b>
<b>XI Profit/(Loss) for the year (IX-X)</b>		<b>38,283.30</b>	<b>25,594.20</b>
<b>XII Other comprehensive income/(loss)</b>	34		
<b>a) Items that will not be reclassified to profit or loss</b>			
Remeasurements of the defined benefit plans		(35.81)	(61.21)
Deferred Tax on above items		12.54	20.31
<b>XIII Total Comprehensive Income for the period (XI+XII) (Comprising Profit/(Loss) and Other Comprehensive Income for the period)</b>		<b>38,260.03</b>	<b>25,553.30</b>
<b>Profit/(loss) attributable to (XI):</b>			
Owners of the Company		40,738.05	26,550.58
Non-controlling interests		(2,454.75)	(956.38)
		<b>38,283.30</b>	<b>25,594.20</b>
<b>Total comprehensive income attributable to (XIII):</b>			
Owners of the Company		40,714.78	26,509.68
Non-controlling interests		(2,454.75)	(956.38)
		<b>38,260.03</b>	<b>25,553.30</b>
<b>XIV Earnings per equity share: (In ₹)</b>	38		
1) Basic		14.49	9.44*
2) Diluted		14.49	9.44*
* Adjusted for issue of bonus shares in the ratio of 1:1 on February 05, 2021			
Corporate information and Significant accounting policies	1 & 2		
See accompanying notes forming part of the financial statements			

As per our report of even date attached  
For **K. P. Rao & Co.,**  
Chartered Accountants  
(Firm Regn. No.003135S)

**K. Viswanath**  
Partner,  
Membership No: 022812  
UDIN: 21022812AAAAD9748

Place : Hyderabad  
Date : May 20, 2021

For and on behalf of the Board

**K.Narsimha Reddy**  
Managing Director  
DIN: 00382412

**S.Vaikuntanathan**  
Vice President (F&A)

**K. Jalandhar Reddy**  
Executive Director & CFO  
DIN: 00434911

**V.Haritha**  
Company Secretary

# Consolidated Statement of Changes in Equity

## for the year ended March 31, 2021

### A - Equity Share Capital

(₹ in Lakhs)

Particulars	Number	Amount
<b>As at April 01, 2019</b>	<b>14,06,17,300</b>	<b>2,812.35</b>
Issue of equity shares	-	-
<b>As at March 31, 2020</b>	<b>14,06,17,300</b>	<b>2,812.35</b>
Issue of equity shares	-	-
Add: Bonus Shares issued during the year in the ratio of 1:1	14,06,17,300	2,812.35
<b>As at March 31, 2021</b>	<b>28,12,34,600</b>	<b>5,624.70</b>

### B - Other Equity

(₹ in Lakhs)

Particulars	Attributable to the shareholders of the Company						Non-controlling interests	Total	
	Reserves and Surplus				Items of other comprehensive income/ (loss)	Instrument entirely equity in nature			Total Attributable to the shareholders of the Company
	Securities Premium Reserve	General Reserves	Exchange difference on transaction & translation	Retained Earnings	Other items of Other Comprehensive Income				
<b>Balance as at April 01, 2019</b>	<b>12,599.31</b>	<b>2,849.00</b>	-	<b>1,12,063.95</b>	<b>(92.16)</b>	<b>850.16</b>	<b>1,28,270.26</b>	<b>4,276.60</b>	<b>1,32,546.86</b>
Profit for the year	-	-	-	26,550.58	-	-	26,550.58	(956.38)	25,594.20
Other Comprehensive income/(loss) for the year	-	-	-	-	-	(40.90)	(40.90)	-	(40.90)
Dividends & Dividend tax paid	-	-	-	(1,525.70)	-	-	(1,525.70)	-	(1,525.70)
Exchange Differences on translation of foreign operations	-	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2020</b>	<b>12,599.31</b>	<b>2,849.00</b>	-	<b>1,37,088.83</b>	<b>(92.16)</b>	<b>809.26</b>	<b>1,53,254.24</b>	<b>3,320.22</b>	<b>1,56,574.46</b>
<b>Balance as at April 01, 2020</b>	<b>12,599.31</b>	<b>2,849.00</b>	-	<b>1,37,088.83</b>	<b>(92.16)</b>	<b>809.26</b>	<b>1,53,254.24</b>	<b>3,320.22</b>	<b>1,56,574.46</b>
Profit for the year	-	-	-	40,738.05	-	-	40,738.05	(2,454.75)	38,283.30
Bonus Shares issued in the ratio of 1:1	(2,812.35)	-	-	-	-	-	(2,812.35)	-	(2,812.35)
Other Comprehensive income/(loss) for the year	-	-	-	-	-	(23.27)	(23.27)	-	(23.27)
Dividends & Dividend tax paid	-	-	-	-	-	-	-	-	-
Exchange Differences on translation of foreign operations	-	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2021</b>	<b>9,786.96</b>	<b>2,849.00</b>	-	<b>1,77,826.88</b>	<b>(92.16)</b>	<b>785.99</b>	<b>1,91,156.67</b>	<b>865.47</b>	<b>1,92,022.14</b>

See accompanying notes forming part of financial statements

As per our report of even date attached  
For **K. P. Rao & Co.,**  
Chartered Accountants  
(Firm Regn. No.003135S)

**K. Viswanath**  
Partner,  
Membership No: 022812  
UDIN: 21022812AAAAD9748

Place : Hyderabad  
Date : May 20, 2021

For and on behalf of the Board

**K.Narsimha Reddy**  
Managing Director  
DIN: 00382412

**S.Vaikuntanathan**  
Vice President (F&A)

**K. Jalandhar Reddy**  
Executive Director & CFO  
DIN: 00434911

**V.Haritha**  
Company Secretary



# Consolidated Cash Flow Statement

## for the Year Ended March 31, 2021

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>A) Cash Flow from operating Activities</b>		
<b>Profit before tax</b>	<b>51,978.96</b>	<b>32,446.97</b>
<b>Adjustments for :</b>		
Depreciation and Amortisation expense	18,990.47	25,460.63
Liabilities no longer required written back	(1,089.06)	(681.11)
Bad debts/advances written off	1,046.09	591.54
(Gain)/Loss on sale of property, plant and equipment	(43.01)	(264.21)
(Gain)/Loss on sale of Mutual funds	(18.48)	-
(Gain) / Loss on Fair value of Financial instruments	(113.41)	(111.51)
Exceptional Item	(8,525.20)	1,072.14
Provision for Doubtful Advances and Other Receivables	990.03	-
Finance Income on Financial Assets	(13,580.89)	(4,957.70)
Provision for Periodic maintenance	828.37	1,030.53
Dividend received on current investments	-	(0.03)
Un winding Interest on Lease liability	7.80	10.93
Un Winding Interest on Deferment of NHAI Premium	488.96	430.49
Un Winding Interest on Provision for MMR	273.87	246.39
Un Amortised Processing fee	12.26	18.38
Interest Expense on Fair Value of Financial Instruments	597.39	538.30
Modification gain/loss	318.60	-
Finance costs	11,706.05	9,778.59
Interest Income	(1,665.02)	(3,155.46)
	<b>10,224.82</b>	<b>30,007.90</b>
<b>Operating profit/(loss) before working capital changes</b>	<b>62,203.78</b>	<b>62,454.87</b>
<b>Working capital adjustments:</b>		
(Increase)/Decrease in Trade and Other Receivables and prepayments	(77,490.96)	(66,883.53)
(Increase)/Decrease in Inventories	(2,482.63)	(2,197.72)
Increase/(Decrease) in Trade and other Payables	19,441.52	39,146.25
<b>Cash generated / (Used in) From Operations</b>	<b>1,671.71</b>	<b>32,519.87</b>
Share of profit/(loss) of an associate and a joint venture	(742.82)	(1,142.14)
Income Taxes (paid) / Refunds	(8,487.65)	(8,315.39)
<b>Net Cash Flows from/(used in) Operating Activities - (A)</b>	<b>(7,558.76)</b>	<b>23,062.34</b>
<b>B) Cash Flow from Investing Activities</b>		
Proceeds from sale of property, plant and equipment	201.23	466.90
Purchase of property, plant and equipment and Capital Work-in-Progress	(9,609.59)	(21,051.98)
Proceeds from Sale/(Purchase) of investments	32,007.94	(136.84)
Interest Received	1,720.97	2,894.87
Bank Balances not considered as cash and cash equivalents	2,180.19	(2,464.35)
Loans to Joint Venture Partners	(469.86)	107.44
Dividend received on current investments	-	0.03
TDS on Interest Received	(11.77)	(25.41)
<b>Net Cash Flow from/ (used in) Investing Activities - (B)</b>	<b>26,019.11</b>	<b>(20,209.34)</b>



## Cash Flow Statement for the Year Ended March 31, 2021 (Contd.)

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>C) Cash Flow from Financing Activities</b>		
Proceeds from long term borrowings	51,066.30	19,106.60
Increase/(Decrease) from Short term borrowings	(3,293.18)	1,670.28
Repayment of borrowings	(45,150.73)	(9,167.23)
Deferred Payment of Liability	(579.00)	(1,071.25)
Finance cost paid	(11,826.35)	(8,790.26)
Dividends paid and Dividend Tax Paid	-	(1,525.70)
<b>Net Cash Flow / (used in) Financing Activities - ( C)</b>	<b>(9,782.96)</b>	<b>222.44</b>
<b>Net increase/ (decrease) in Cash and Cash Equivalents - (A+B+C)</b>	<b>8,677.39</b>	<b>3,075.44</b>
Cash & Cash Equivalents at the beginning of the year	4,065.55	990.11
<b>Cash &amp; Cash Equivalents as at the end of the year (Refer Note 1)</b>	<b>12,742.94</b>	<b>4,065.55</b>

### Note:

- 1 Cash & Cash equivalents includes:

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Cash in Hand	46.35	119.26
Bank Balance and Cheques on hand - current account	12,696.59	3,946.29
<b>Total Cash &amp; Cash equivalents</b>	<b>12,742.94</b>	<b>4,065.55</b>

- 2 The Cash flow statement is prepared in accordance with the Indirect Method stated in Ind-AS7 on Cash Flow Statements and presents the cash flows by operating, investing and financing activities.
- 3 Previous year's figures have been regrouped, wherever necessary.
- 4 Figures in brackets represent cash outflows.

As per our report of even date attached

For **K. P. Rao & Co.,**

**Chartered Accountants**  
(Firm Regn. No.003135S)

**K. Viswanath**

*Partner,*

Membership No: 022812  
UDIN: 21022812AAAAD9748

Place : Hyderabad

Date : May 20, 2021

**For and on behalf of the Board**

**K.Narsimha Reddy**  
*Managing Director*  
DIN: 00382412

**S.Vaikuntanathan**  
*Vice President (F&A)*

**K. Jalandhar Reddy**  
*Executive Director & CFO*  
DIN: 00434911

**V.Haritha**  
*Company Secretary*

# Notes

## forming part of the Consolidated Financial Statements

### 1) REPORTING ENTITY INFORMATION:

KNR Constructions Limited ('the Company') is a Company domiciled in India with its registered office at 'KNR House' 3<sup>rd</sup> & 4<sup>th</sup> Floor, Plot No: 114, Phase-I, Kavuri Hills, Hyderabad – 500 033. The Company has been incorporated in 1995 under the provisions of Indian Companies Act. The shares of the Company are listed on the both the stock exchanges (BSE & NSE) in India in 2008 pursuant to the Public offer of equity shares. The Company, its subsidiaries and Associates collectively referred to as the "Group" is engaged in the infrastructure sector and is undertaking Turn key EPC contracts and BOT & HAM projects on public-private partnership basis, group activities are primarily in the construction of roads, bridges, flyovers and irrigation projects.

### 2) SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Statement of Compliance

These financial statements are the Consolidated financial statements of the Group prepared in accordance with Indian Accounting Standards ("Ind AS") as per the Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Rules, 2016 notified under the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

#### 2.2 Functional and presentation currency

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

#### 2.3 Basis of Preparation & Presentation

These consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

### 2.4 Basis of Consolidation

The consolidated financial statements have been prepared on the following basis:

#### i) Subsidiaries

The consolidated financial statements comprise the financial statements of the Holding Company and its subsidiaries as disclosed in Note 43. Subsidiaries are consolidated from the date control commences until the date control ceases. Subsidiaries are consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses on intra-group transactions as per Indian Accounting Standard 110.

#### ii) Associates

Associates are entities over which the Group has significant influence but not control. Investments in associates are accounted for using the equity method of accounting. The investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the acquisition date.

#### iii) Joint arrangements

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures; the classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

For joint operations, the group recognises its direct right to the assets, liabilities, contingent liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

For joint venture, A Joint Venture is a joint arrangement whereby the parties that have joint control of the arrangement, have rights to the net assets of the joint arrangement. Investments in

## Notes forming part of the Consolidated Financial Statements (Contd.)

Joint Venture are accounted for using the equity method after initially recognised at cost.

- iv) The financial statements of the Subsidiaries, Associates and the Joint ventures used in the consolidation are drawn up to the same reporting date as that of the Holding Company, i.e. March 31, 2021.
- v) Non-controlling interests in the net assets of the consolidated subsidiaries is identified and presented in consolidated balance sheet under the Total Equity.
- vi) Non-controlling interests in the net assets of consolidated subsidiaries consists of:
  - a) The amount of equity attributable to Non-controlling holders at the date on which investment in a subsidiary is made; and
  - b) The Non-controlling holders share of movements in the equity since the date the parent subsidiary relationship came into existence.
- vii) The consolidated financial statements are prepared to the extent possible using uniform accounting policies for like transactions and other events in similar circumstances and are presented to extent possible, in the same manner as the Company's separate financial statements. The Subsidiaries and Associate Companies are considered for consolidated financial statements are given in Note 43.

### 2.5 Changes in the Group's ownership interest in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to shareholders of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the

fair value of the consideration received and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

### 2.6 Operating cycle for Current and Non-Current classification

The group has classified all its assets and liabilities as current or non-current, wherever applicable, as per the operating cycle of the group as per Schedule III to the Act. Operating cycle for the business activities of the group covers the duration of the project/ contract/ service including the defect liability period, wherever applicable, and extends up to the realisation of receivables (including retention monies) within the credit period normally applicable to the respective project.

### 2.7 Fair Value Measurement

The group measures certain financial instruments, in its financial statements at fair value at each balance sheet date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within fair value hierarchy based on the low-level of input that is significant to the fair value measurement as a whole:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (observable input).

Level 3 – Inputs for the assets and liabilities that are not based on observable market data (unobservable inputs).

## Notes forming part of the Consolidated Financial Statements (Contd.)

When measuring the fair value of an asset or a liability, the group 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 categorised 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 Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

### 2.8 Property, plant and equipment (PPE)

Items of property, plant and equipment are measured at cost, 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 recognised in profit or loss.

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

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 except the below mentioned assets, 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 off).

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

For the Assets costing up to ₹ 5,000 are depreciated fully in the year of purchase.

The following asset category has useful life different from the life specified in Schedule II of the Companies Act, 2013 based on the management's assessment

S. No.	Description	Useful life given as per Companies Act 2013	Company's estimated useful life
1.	<b>Buildings</b>		
	RCC structure	60 years	60 years
	Temporary structure	3 Years	3 Years
2.	<b>Plant and Machinery</b>		
	Concreting, crushing, piling equipment's and road making equipment's	12 Years	7 Years *
	Heavy Lift equipment's		
	- Cranes < 100 tons	15 Years	7 Years *
	- Earth-moving equipment's	9 Years	7 Years *
	Construction Accessories	12 Years	3 Years **
	Others including Material Handling / Pipeline / Welding Equipment's	12 Years	7 Years *
3.	<b>Furniture and Fittings</b>	10 Years	10 Years

## Notes forming part of the Consolidated Financial Statements (Contd.)

S. No.	Description	Useful life given as per Companies Act 2013	Company's estimated useful life
4.	<b>Motor Vehicles</b>		
	Motor cycles, Scooters and other mopeds	10 Years	10 Years
	Motor buses, motor lorries, motor cars and motor taxis	8 Years	8 Years
5.	<b>Office Equipment's</b>	5 Years	5 Years
6.	<b>Computers and data processing units</b>		
	Servers and networks	6 Years	6 Years
	End user devices such as, desktops, laptop etc.,	3 Years	3 Years
7.	<b>Laboratory Equipment's</b>	10 years	7 years *

\* The Group estimated life of the asset as 7 years.

\*\* The Group estimated life of the asset as 3 years as the assets have been used for more number of times / shifts as compared to the other ones.

Where cost of a part of the asset ("asset component") is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately and such asset component is depreciated over its separate useful life.

Gains or losses arising from the retirement or disposal of property, plant and equipment are determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset and are recognised in the income statement on the date of retirement or disposal.

### 2.9 Capital Work-in-progress

Capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost less refundable taxes.

### 2.10 Intangible Asset under Service Concession Arrangements (SCA)

The Group recognises 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 amortisation and accumulated impairment losses.

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

The Group has followed life based amortisation for intangible assets which are recognised 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.

### Accounting for negative grants

The Group is required to make payments to the authority during the period of SCA which is called negative grant as per Ind-AS 115, and the payment is in the form of fixed payment (annual throughout the SCA) and the Group has recognised as a liability with a present value of annual payments payable during the SCA. And the same was capitalised to the intangible assets.

### 2.11 Rights under Service Concession Arrangements (Hybrid Annuity Projects)

#### Financial Asset under SCA

Where Group has acquired contractual rights to receive specified determinable amounts, such rights are recognised and classified as "Financial Assets", The Group will recognise a financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset from the

## Notes forming part of the Consolidated Financial Statements (Contd.)

Authority/Client for the construction services and such financial assets are classified as "Receivables against Service Concession Arrangements" (Financial Asset Receivable).

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

The amount due from the authority including Operation & Maintenance Income is accounted for in accordance with Ind AS 109 as measured at amortised cost and the interest calculated using the effective interest method is recognised in statement of profit and loss.

As per the Concession Arrangement, the support during construction period received on milestone basis is accounted for as part of the transaction price (Financial Asset) as defined in Ind AS 115.

### 2.12 Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with the Ind AS 16's requirement for cost model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no further economic benefits expected from disposal. Any gain or loss arising on derecognition of the property is included in profit or loss in the period in which the property is derecognised.

### 2.13 Other Intangible Assets

Other Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Pre-operative expenses including administrative and other general

overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets. Intangible assets are amortised over their useful life.

Asset	Useful life
Computer Software	3 Years

### 2.14 Investment in Associates and Joint Ventures and Mutual Funds

Investments in mutual funds are carried at fair value through profit and loss.

Investments are classified as 'held for sale' when all of the following criterias are met:

- (i) decision has been made to sell,
- (ii) the assets are available for immediate sale in its present condition,
- (iii) the assets are being actively marketed and
- (iv) Sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such investments classified as held for sale are measured at the lower of its carrying value and fair value less impairment.

Investments in joint venture are recognised at cost with adjustment to respective share of profit/loss.

### 2.15 Inventories

Raw Materials, construction materials and stores & spares are valued at weighted average cost or net realisable value whichever is less. Cost includes all charges in bringing the materials to the place of usage, excluding refundable duties and taxes.

### 2.16 Financial Instruments

#### i. Classification and subsequent measurement

##### Financial assets

Financial asset is

- Cash / Equity Instrument of another Entity,
- Contractual right to –
  - a) receive Cash / another Financial Asset from another Entity, or
  - b) exchange Financial Assets or Financial Liabilities with another Entity under



## Notes forming part of the Consolidated Financial Statements (Contd.)

conditions that are potentially favourable to the Entity.

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

- Amortised cost;
- FVTPL

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

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

- o the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- o 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.

### Financial liabilities

Financial liability is Contractual Obligation to

- deliver Cash or another Financial Asset to another Entity, or
- exchange Financial Assets or Financial Liabilities with another Entity under conditions that are potentially unfavourable to the Entity

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.

## ii. De-recognition

### Financial assets

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

The Group 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.

## iii. Impairment

### Impairment of financial assets

In accordance with Ind AS 109, the Group 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 measured at amortised cost
- Trade receivables

The Group 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 Group 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



## Notes forming part of the Consolidated Financial Statements (Contd.)

### Impairment of non-financial assets

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

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

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

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

### 2.17 Cash and cash equivalents

Cash and cash equivalents includes Cash in hand, bank balances and cheques on hand, Short term and liquid investments being not free from more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

### 2.18 Other Bank Balances

Other bank balances include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation.

### 2.19 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re measurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses borrowing rate. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group

## Notes forming part of the Consolidated Financial Statements (Contd.)

is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease, the Group has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

### 2.20 Provisions

Provisions are recognised only when:

- a) An entity has a present obligation (legal or constructive) as a result of a past event
- b) It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- c) A reliable estimate can be made of the amount of the obligation.

Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

#### **Provision for contractual obligations**

Provisions are taken for contractual obligations to maintain the condition of infrastructure under concession agreement, principally to cover the expense of major road repairs (surface courses, restructuring of slow lanes, etc.), bridges, tunnels etc. Provision for contractual obligations 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 recognised signs of defects are encountered on identified infrastructure.

### 2.21 Contingent liability, Contingent Assets and Commitments

- i) Contingent liability is disclosed in case of
  - a) A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation
  - b) A present obligation arising from past events, when no reliable estimate is possible.
- ii) Contingent assets are disclosed where an inflow of economic benefits is probable.
- iii) Commitments are future liabilities for contractual expenditure. Commitments are classified and disclosed as follows:
  - a) Estimated amount of contracts remaining to be executed on capital account and not provided for
  - b) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.
  - c) Other commitments related to sales/ procurements made in the normal course of business are not disclosed to avoid excessive details.

Contingent liabilities, Contingent assets and Commitments are reviewed at each Balance Sheet date.

### 2.22 Revenue Recognition

#### **Accounting for Construction contracts**

The Group constructs infrastructure projects on behalf of clients. Delivering the project as per the contractual terms is the only performance obligation that has been identified. Under the terms of the contracts, the group will perform its obligations on time to time as per the timing schedule indicated in the contract with the asset having no alternative use to the entity and the group having an enforceable right to receive payment for the work done. Hence, Revenue is therefore recognised over time on a cost to cost method, i.e. based on the proportion of contract costs incurred for the work performed to date relative to the estimated total contract costs. The management considers that this input method is an appropriate measure of

## Notes forming part of the Consolidated Financial Statements (Contd.)

the progress towards complete satisfaction of these performance obligations under Ind AS 115.

Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

As per the contract, when there is a right to consideration in exchange for goods or services that have been transferred to a customer when that right is conditioned on something other than the passage of time, a contract asset is recognised to the extent of the consideration due.

Similarly, when there is an obligation to transfer goods or services to a customer for which the entity has received consideration from the customer, a contract liability is recognised to the extent of the obligation.

### Accounting for Claims

Claims are accounted as income in the period of receipt of arbitration award and acceptance by client or evidence of acceptance received. Interest awarded, being in the nature of additional compensation under the terms of the contract, is accounted as other Income on receipt of favourable arbitration award.

### Service concession arrangements (SCA)

#### For BOT (Toll) Projects

The Group 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.

#### For Hybrid Annuity Projects

The Group 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 group 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 group will recognise a financial asset to the extent that it has

an unconditional contractual right to receive cash or another financial asset from the authority/client for the construction services.

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

### Other Income

**Interest income:** Finance income is accrued on a time proportion basis, by reference to the principal outstanding and the applicable Effective interest rate (EIR). Other income is accounted for on accrual basis. Where the receipt of income is uncertain, it is accounted for on receipt basis.

**Dividend income:** Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

**Other Items of Income:** Other items of income are accounted as and when the right to receive arises and it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

## 2.23 Employee Benefits

### a) Short term employee benefits:

All employee benefits falling due wholly within twelve months of rendering the service are classified as short-term employee benefits. The benefits like salaries, wages, and short term compensated absences etc. Expenses on non-accumulating compensated absences are recognised in the period in which the absences occur.

### b) Post-employment benefits:

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/

## Notes forming part of the Consolidated Financial Statements (Contd.)

payable under the schemes is recognised during the period in which the employee renders the related service.

- ii. **Defined benefit plans:** The employees' group gratuity fund schemes are managed by Life Insurance Corporation of India (L.I.C), and post-retirement provident fund scheme are the Group'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 recognised in other comprehensive income and is reflected immediately in retained earnings and is not reclassified to profit and 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 recognise the obligation on a net basis.

Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Past service cost is recognised as expense at the earlier of the

plan amendment or curtailment and when the Group recognises related restructuring costs or termination benefits.

### 2.24 Taxes on Income

Income tax comprises of current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised 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 on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary differences arise from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

## Notes forming part of the Consolidated Financial Statements (Contd.)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

### iii. Minimum Alternate Tax (MAT)

Minimum Alternative Tax ("MAT") under the provisions of the Income-tax Act, 1961 is recognised as current tax in the statement of profit and loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

### 2.25 Foreign Currencies

#### Foreign Currency transaction and translation expenditure

- a) The Functional Currency of the Group is Indian Rupees (₹), and these financial statements are presented in Indian Rupees (Lakhs)
- 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 realised from or required to disburse. Exchange differences that arise on settlement of Long Term monetary items or on reporting of Long Term Monetary items at each Balance sheet date, at the closing rate are charged to Statement of Profit and loss.

### 2.26 Cash flow statement

The Consolidated Cash flow statement is prepared in accordance with Ind AS 7 by using indirect method by

segregating as cash flows from operating, investing and financing activities. Under the Cash flow from operating activities, the net profit is adjusted for the effects of Non-cash items, Changes in working capital and other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) are reflected as such in the Cash Flow Statement. Those amounts which are not considered in cash and cash equivalents as on the date of Balance Sheet are included in investing activities.

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition).

### 2.27 Dividend to equity shareholders

Dividend to equity shareholders is recognised as a liability and deducted from shareholders equity, in period in which the dividends are approved by the equity shareholders in general meeting.

### 2.28 Earnings per share

#### a) Earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury share.

#### b) Diluted earnings per share

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.

## Notes forming part of the Consolidated Financial Statements (Contd.)

### 2.29 Borrowing Costs

Borrowing costs include interest expense calculated using the effective interest method. Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### 2.30 Exceptional Items

Exceptional Items represents the nature of transactions which are not in recurring nature during the ordinary course of business but lead to increase / decrease in profit / loss for the year.

### 2.31 Key accounting estimates and judgements

The preparation of these consolidated 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 recognised in the periods in which the results are known / materialise. Estimates include the property plant and equipment, inventory, future obligations in respect of retirement benefit plans, provisions, fair value measurement and taxes etc.

#### a) Revenue Recognition

The Group follows the percentage completion method, based on the proportion that contract cost incurred as on reporting date to the total estimated contract cost including escalations/ variations, this method is followed when reasonably dependable estimates of costs applicable to various elements of the contract can be made. Key factors that are reviewed in estimating the future costs to complete include estimates of future labour costs and productivity efficiencies. Because the financial reporting of these contracts depends

on estimates that are assessed continually during the term of these contracts, recognised revenue and profit are subject to revisions as the contract progresses to completion. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable.

#### b) Property, plant and equipment

The Group reviews the estimated useful lives of property plant and equipment at the end of each reporting period. During the current year, there has been no change in life considered for the assets.

#### c) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

#### d) Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term including anticipated renewals and the applicable discount rate.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option.

In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.



## Notes forming part of the Consolidated Financial Statements (Contd.)

The discount rate is generally based on the incremental borrowing rate.

**e) Provision for employee benefits**

The Group uses actuarial assumptions to determine the obligations for employee benefits at each reporting period. These assumptions include the discount rate, expected long-term rate of return on plan assets, rate of increase in compensation levels and mortality rates.

**f) Income Taxes**

Significant judgments are required in determining the provision for income taxes,

including the amount expected to be paid/recovered for uncertain tax positions.

**g) Estimation of net realisable value of inventories**

In estimating the net realisable value of Inventories the Group makes an estimate of future selling prices and costs necessary to make the sale.

**h) Impairment of trade receivables and advances**

Significant estimates are required in ascertaining the provision to be made for impairment of trade receivables and advances.



## Notes forming part of the Consolidated Financial Statements (Contd.)

### 3. PROPERTY, PLANT AND EQUIPMENT

Particulars	(₹ in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
<b>Tangible Assets</b>		
Land - Free Hold *	5,501.57	4,435.71
Buildings	1,531.92	1,646.01
Plant and Equipment	25,862.45	31,009.00
Furniture and Fixtures	82.93	76.22
Vehicles	887.86	763.64
Office equipment	125.07	128.45
Computers & Accessories	41.26	39.28
	<b>34,033.06</b>	<b>38,098.31</b>

Particulars	(₹ in Lakhs)							
	Land - Free Hold *	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Computers & Accessories	Total
<b>Cost or Deemed cost</b>								
As at April 01, 2020	4,435.71	3,136.62	1,09,679.10	334.82	2,376.42	377.79	207.12	<b>1,20,547.58</b>
Additions	1,065.86	280.33	8,577.29	28.80	404.20	57.30	30.65	<b>10,444.43</b>
Disposals/adjustments	-	(61.34)	(1,888.50)	-	(54.13)	-	(0.19)	<b>(2,004.16)</b>
<b>As at March 31, 2021</b>	<b>5,501.57</b>	<b>3,355.61</b>	<b>1,16,367.89</b>	<b>363.62</b>	<b>2,726.49</b>	<b>435.09</b>	<b>237.58</b>	<b>1,28,987.85</b>
<b>Depreciation</b>								
As at April 01, 2020	-	1,490.61	78,670.10	258.60	1,612.78	249.34	167.84	<b>82,449.27</b>
Charge for the period #	-	348.71	13,570.89	22.09	274.72	60.68	28.66	<b>14,305.75</b>
Disposals/adjustments	-	(15.63)	(1,735.55)	-	(48.87)	-	(0.18)	<b>(1,800.23)</b>
<b>As at March 31, 2021</b>	<b>-</b>	<b>1,823.69</b>	<b>90,505.44</b>	<b>280.69</b>	<b>1,838.63</b>	<b>310.02</b>	<b>196.32</b>	<b>94,954.79</b>
<b>Net Carrying Amount</b>								
<b>As at March 31, 2021</b>	<b>5,501.57</b>	<b>1,531.92</b>	<b>25,862.45</b>	<b>82.93</b>	<b>887.86</b>	<b>125.07</b>	<b>41.26</b>	<b>34,033.06</b>
As at March 31, 2020	4,435.71	1,646.01	31,009.00	76.22	763.64	128.45	39.28	38,098.31

# Includes depreciation of ₹ Nil (PY ₹ 48.00 Lakhs) related to machineries used for CSR activities, hence transferred to CSR expenses.  
Note: Refer note 17 for details of assets pledged.

## Notes forming part of the Consolidated Financial Statements (Contd.)

## 3. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

Particulars	Tangible Assets								Total
	Land - Free Hold *	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Computers & Accessories		
<b>Cost or Deemed cost</b>									
As at April 01, 2019	3,421.81	2,710.50	92,440.61	311.83	2,298.08	318.93	177.75	<b>1,01,679.51</b>	
Additions	1,109.96	426.12	18,111.99	24.08	219.46	61.94	30.02	<b>19,983.57</b>	
Disposals/adjustments	(96.06)	-	(873.50)	(1.09)	(141.12)	(3.08)	(0.65)	<b>(1,115.50)</b>	
<b>As at March 31, 2020</b>	<b>4,435.71</b>	<b>3,136.62</b>	<b>1,09,679.10</b>	<b>334.82</b>	<b>2,376.42</b>	<b>377.79</b>	<b>207.12</b>	<b>1,20,547.58</b>	
<b>Depreciation</b>									
As at April 01, 2019	-	1,235.91	61,019.14	236.10	1,404.00	188.98	135.70	<b>64,219.83</b>	
Charge for the period #	-	254.70	18,466.09	22.88	303.98	61.83	32.77	<b>19,142.25</b>	
Disposals/adjustments	-	-	(815.13)	(0.38)	(95.20)	(1.47)	(0.63)	<b>(912.81)</b>	
<b>As at March 31, 2020</b>	<b>-</b>	<b>1,490.61</b>	<b>78,670.10</b>	<b>258.60</b>	<b>1,612.78</b>	<b>249.34</b>	<b>167.84</b>	<b>82,449.27</b>	
<b>Net Carrying Amount</b>									
<b>As at March 31, 2020</b>	<b>4,435.71</b>	<b>1,646.01</b>	<b>31,009.00</b>	<b>76.22</b>	<b>763.64</b>	<b>128.45</b>	<b>39.28</b>	<b>38,098.31</b>	
As at March 31, 2019	3,421.81	1,474.59	31,421.47	75.73	894.08	129.95	42.05	37,459.68	

Note: Refer note 17 for details of assets pledged.

### 3.1 INVESTMENT PROPERTY

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Investment Property *	7,244.26	7,245.30
	<b>7,244.26</b>	<b>7,245.30</b>

\* Land and investment property includes ₹ 891.83 Lakhs (P.Y ₹ 870.48 Lakhs) held in the name of Directors, relatives of Directors for and on behalf of the Company.

As at March 31, 2021	
Particulars	Amount
(₹ in Lakhs)	
<b>As at April 01, 2020</b>	<b>7,245.30</b>
Additions	-
Disposals	(1.04)
<b>As at March 31, 2021</b>	<b>7,244.26</b>
<b>Depreciation</b>	
As at April 01, 2020	-
Charge for the period	-
Disposal/adjusted	-
<b>As at March 31, 2021</b>	<b>-</b>
<b>Net block</b>	
<b>As at March 31, 2021</b>	<b>7,244.26</b>
<b>As at March 31, 2020</b>	<b>7,245.30</b>

As at March 31, 2020	
Particulars	Amount
(₹ in Lakhs)	
<b>As at April 01, 2019</b>	<b>6,516.41</b>
Additions	728.89
Disposals	-
<b>As at March 31, 2020</b>	<b>7,245.30</b>
<b>Depreciation</b>	
As at April 01, 2019	-
Charge for the period	-
Disposal/adjusted	-
<b>As at March 31, 2020</b>	<b>-</b>
<b>Net block</b>	
<b>As at March 31, 2020</b>	<b>7,245.30</b>
<b>As at March 31, 2019</b>	<b>6,516.41</b>

## Notes forming part of the Consolidated Financial Statements (Contd.)

## 3.2 OTHER INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Computer Software	7.25	14.93
Carriage way	36,168.62	81,863.55
<b>Total</b>	<b>36,175.87</b>	<b>81,878.48</b>

(₹ in Lakhs)

Particulars	Computer software	Carriage way	Total
<b>Cost or Deemed cost</b>			
<b>As at April 01, 2020</b>	53.18	1,08,142.68	<b>1,08,195.86</b>
Additions	0.72	-	<b>0.72</b>
Disposals	(0.18)	(58,530.14)	<b>(58,530.32)</b>
<b>As at March 31, 2021</b>	<b>53.72</b>	<b>49,612.54</b>	<b>49,666.26</b>
<b>Depreciation</b>			
As at April 01, 2020	38.25	26,279.13	<b>26,317.38</b>
Charge for the period	8.40	4,525.14	<b>4,533.54</b>
Disposals	(0.18)	(17,360.35)	<b>(17,360.53)</b>
<b>As at March 31, 2021</b>	<b>46.47</b>	<b>13,443.92</b>	<b>13,490.39</b>
<b>Net block</b>			
<b>As at March 31, 2021</b>	<b>7.25</b>	<b>36,168.62</b>	<b>36,175.87</b>
As at March 31, 2020	14.93	81,863.55	81,878.48

(₹ in Lakhs)

Particulars	Computer software	Carriage way	Total
<b>Cost or Deemed cost</b>			
<b>As at April 01, 2019</b>	38.06	1,08,142.68	<b>1,08,180.74</b>
Additions	15.12	-	<b>15.12</b>
Disposals	-	-	-
<b>As at March 31, 2020</b>	<b>53.18</b>	<b>1,08,142.68</b>	<b>1,08,195.86</b>
<b>Depreciation</b>			
<b>As at April 01, 2019</b>	27.11	20,078.19	<b>20,105.30</b>
Charge for the period	11.14	6,200.94	<b>6,212.08</b>
Disposals	-	-	-
<b>As at March 31, 2020</b>	<b>38.25</b>	<b>26,279.13</b>	<b>26,317.38</b>
<b>Net block</b>			
<b>As at March 31, 2020</b>	<b>14.93</b>	<b>81,863.55</b>	<b>81,878.48</b>
As at March 31, 2019	10.95	88,064.49	88,075.44

## Notes forming part of the Consolidated Financial Statements (Contd.)

### 4. INVESTMENTS

			(₹ in Lakhs)	
Particulars	As at March 31, 2021	As at March 31, 2020		
<b>Non-Current</b>				
<b>Trade - Unquoted</b>				
<b>a) Investment In Associate (Quasi Debt)</b>				
Patel KNR Heavy Infrastructures Limited	1,793.69	1,793.69		
<b>Total</b>	<b>1,793.69</b>	<b>1,793.69</b>		
<b>Trade - Unquoted</b>				
<b>b) Equity instruments of associates</b>				
Patel KNR Infrastructures Limited				
1,48,00,000 (1,48,00,000) equity shares of ₹ 10/- each, fully paid	1,480.00	1,480.00		
Add/(Less): Cumulative Share of Profit	615.69	423.72		
<b>Net Investment (I)</b>	<b>2,095.69</b>	<b>1,903.72</b>		
Patel KNR Heavy Infrastructures Limited				
95,29,500 (95,29,500) equity shares of ₹ 10/- each, fully paid	952.95	952.95		
Add/(Less): Cumulative Share of Profit	805.95	329.70		
<b>Net Investment (II)</b>	<b>1,758.90</b>	<b>1,282.65</b>		
<b>Total Equity investment on associates (I + II)</b>	<b>3,854.59</b>	<b>3,186.37</b>		
Less : Impairment Made	1,086.64	1,086.64		
<b>Net Equity investment on associates</b>	<b>2,767.95</b>	<b>2,099.73</b>		
<b>Total Non- Current Investments (a+b)</b>	<b>4,561.64</b>	<b>3,893.42</b>		
<b>Current</b>				
<b>Trade - Quoted - at fair value</b>				
<b>c) Investments in Mutual Funds</b>				
	<b>Units</b>			
ICICI Bank Mutual Funds	Nil (PY 3,19,494.24)	-	938.62	
UTI Mutual Funds	Nil (PY 6,792.13)	-	220.84	
<b>Total current investments</b>		<b>-</b>	<b>1,159.46</b>	
<b>Trade - Unquoted</b>				
<b>d) Current Accounts in Joint Venture</b>				
SEL - KNR JV	1,605.63	1,531.03		
<b>Total Current Investments (c+d)</b>	<b>1,605.63</b>	<b>2,690.49</b>		
<b>Total Investments</b>				
i) Aggregate amount of amortised cost of unquoted investments - Non Current (a)	1,793.69	1,793.69		
ii) Aggregate amount of unquoted investments - Non - Current (b)	3,854.59	3,186.37		
iii) Aggregate amount of impairment in value of investments (b)	(1,086.64)	(1,086.64)		
iv) Aggregate book value of quoted investments - Current (c)	-	1,159.46		
v) Aggregate amount of unquoted investments - Current (d)	1,605.63	1,531.03		
	<b>6,167.27</b>	<b>6,583.91</b>		

Note : Aggregate market value of quoted investments is Nil (March 31, 2020 ₹ 1,159.46 Lakhs)

## Notes forming part of the Consolidated Financial Statements (Contd.)

## 5. OTHER FINANCIAL ASSET

(₹ in Lakhs)		
Particulars	As at March 31, 2021	As at March 31, 2020
<b>Non-current</b>		
Financial Asset Receivable	1,41,759.62	69,779.75
Retention deposit & With held	46.13	59.50
Advances to Sub-contractors	63.07	63.07
Receivable from WVEPL	2,216.02	-
<b>Unsecured, considered doubtful:</b>		
Retention Deposits	13.37	-
Less: Provision for Retention Deposits	(13.37)	-
<b>Total Non-Current Other Financial Assets</b>	<b>1,44,084.84</b>	<b>69,902.32</b>
<b>Current</b>		
Advances to related parties (Refer note : 40)	26.35	84.48
Retention Deposits & Withheld	18,177.73	16,602.02
Interest receivable	418.94	474.89
Security Deposits	1,233.24	863.66
Other Receivables	2,818.04	4,899.54
TDS Refund Receivable from Joint Ventures	549.31	194.35
Receivable from WVEPL	3,028.08	-
<b>Unsecured, considered doubtful:</b>		
Security Deposits	85.82	-
Less: Provision for doubtful Security Deposits	(85.82)	-
Other Receivables	214.36	-
Less: Provision for doubtful Others	(214.36)	-
Retention Deposits	14.91	-
Less: Provision for Retention Deposits	(14.91)	-
<b>Total Current Other Financial Assets</b>	<b>26,251.69</b>	<b>23,118.94</b>
<b>Total</b>	<b>1,70,336.53</b>	<b>93,021.26</b>

## 6. DEFERRED TAX ASSETS (NET)

(₹ in Lakhs)		
Particulars	As at March 31, 2021	As at March 31, 2020
Deferred tax assets	14,960.83	16,243.57
Deferred tax liability	(101.24)	(145.03)
<b>Total</b>	<b>14,859.59</b>	<b>16,098.54</b>

## Notes forming part of the Consolidated Financial Statements (Contd.)

6.1 Components of deferred income tax assets and liabilities arising on account of temporary differences are:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Deferred tax asset</b>		
Expenditure disallowed under Income Tax Act, 1961	1,109.44	731.43
Provision for doubtful advances	345.96	-
Deferred tax on fair value of investment properties	1,496.21	1,374.63
Property, plant and equipment	11,850.32	10,487.68
MAT credit entitlement	158.90	3,649.83
	<b>14,960.83</b>	<b>16,243.57</b>
<b>Deferred tax liability</b>		
Interest income recognised on Intercorporate loans	-	(56.33)
On OCI (Gratuity)	(101.24)	(88.70)
	<b>(101.24)</b>	<b>(145.03)</b>
<b>Total</b>	<b>14,859.59</b>	<b>16,098.54</b>

### 7. TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Non-current</b>		
Advance Tax	5,046.41	4,306.89
	<b>5,046.41</b>	<b>4,306.89</b>
<b>Current</b>		
Advance Tax	11,406.06	17,683.68
Less: Provision for Income Tax	(10,200.34)	(15,847.24)
	<b>1,205.72</b>	<b>1,836.44</b>
<b>Total</b>	<b>6,252.13</b>	<b>6,143.33</b>

### 8. OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Un-secured Considered good</b>		
Capital advances	319.52	377.45
Security Deposits	457.63	455.96
GST/WCT Receivable	21,561.96	16,757.74
Other Receivables	3.82	3.82
<b>Unsecured, considered doubtful:</b>		
Capital advances	19.71	-
Less: Provision for Capital advances	(19.71)	-
<b>Total</b>	<b>22,342.93</b>	<b>17,594.97</b>



## Notes forming part of the Consolidated Financial Statements (Contd.)

## 9. INVENTORIES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Raw materials	8,186.17	7,480.64
Goods-in transit	616.14	273.10
Stores and spares	5,626.95	4,339.90
Goods-in transit	369.64	222.63
<b>Total</b>	<b>14,798.90</b>	<b>12,316.27</b>

## 10. TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Current</b>		
<b>Unsecured, considered good</b>		
Trade Receivables	33,286.58	17,464.88
<b>Unsecured, considered doubtful</b>		
Trade Receivables	641.86	-
Less: Provision for doubtful Trade Receivables	(641.86)	-
<b>Total Current Trade Receivables</b>	<b>33,286.58</b>	<b>17,464.88</b>
<b>Total</b>	<b>33,286.58</b>	<b>17,464.88</b>

## 11. CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Balances with banks:</b>		
in current accounts	12,196.59	3,896.24
in deposit accounts less than 3 months	500.00	-
Cheques on hand	-	50.05
Cash on hand	46.35	119.26
<b>Total</b>	<b>12,742.94</b>	<b>4,065.55</b>

## 12. OTHER BANK BALANCES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Earmarked balances with Banks</b>		
Margin Money & Other fixed deposits	2,036.75	4,219.00
Un-claimed Dividend	4.74	2.68
<b>Total</b>	<b>2,041.49</b>	<b>4,221.68</b>

## Notes forming part of the Consolidated Financial Statements (Contd.)

### 13. LOANS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Current</b>		
<b>Unsecured, considered good:</b>		
<b>Loans to</b>		
Joint Venture Partners (Refer note : 13.1)	756.60	286.74
<b>Total Current Loans</b>	<b>756.60</b>	<b>286.74</b>
<b>Total</b>	<b>756.60</b>	<b>286.74</b>

13.1 All the loans to joint venture partners are interest bearing.

### 14. OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Un-secured Considered good</b>		
Advances to Sub-contractors	13,497.27	15,966.66
Advances to Suppliers (Other than capital advances)	3,554.59	1,846.71
Staff Imprest & Salary Advances	213.31	255.61
Prepaid expenses	489.95	626.12
Due from Customers	21,436.77	24,770.17
Receivables from Others	102.66	573.36
<b>Total</b>	<b>39,294.55</b>	<b>44,038.63</b>

### 15. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Amount	No. of Shares	Amount
<b>Authorised Share capital</b>				
Equity Shares of ₹ 2/- each	30,00,00,000	6,000.00	17,50,00,000	3,500.00
<b>Issued, subscribed &amp; fully paid share capital</b>				
Equity Shares of ₹ 2/- each	28,12,34,600	5,624.70	14,06,17,300	2,812.35
<b>Total</b>		<b>5,624.70</b>		<b>2,812.35</b>

## Notes forming part of the Consolidated Financial Statements (Contd.)

**15. EQUITY SHARE CAPITAL (CONTD.)**

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

(₹ in Lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares (FV of ₹ 2)	Amount	No. of Shares (FV of ₹ 2)	Amount
Number of Equity Shares at the beginning	14,06,17,300	2,812.35	14,06,17,300	2,812.35
Add:- Number of Shares Issued	-	-	-	-
Add: Bonus shares issued during the year *	14,06,17,300	2,812.35	-	-
Less: Number of Shares Brought Back	-	-	-	-
Number of Equity Shares at the end of the year	<b>28,12,34,600</b>	<b>5,624.70</b>	<b>14,06,17,300</b>	<b>2,812.35</b>

\* During the year the Company has issued Bonus Shares in the ratio of 1:1 on 5th February 2021.

**Terms/ Rights attached to equity shares**

The Company has only one class of shares referred to as equity shares having a par value of ₹ 2/-. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

The Board of Directors has proposed in their meeting held on May 20, 2021 dividend of ₹ 0.25/- per fully paid equity share of ₹ 2/- each.

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 all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**15.2** The details of shareholder holding more than 5% shares as at March 31, 2021 and March 31, 2020 set out below:

Name of the shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of Shares held	% holding	No. of Shares held	% holding
Kamidi Narsimha Reddy	9,24,87,190	32.89	4,57,43,595	32.53
Kamidi Jalandhar Reddy	3,92,59,210	13.96	1,96,29,605	13.96
HDFC Trustee Company Limited	1,79,98,600	6.40	89,99,300	6.40
DSP Blackrock Balanced Fund	1,78,05,737	6.33	86,81,047	6.17
ICICI Prudential Infrastructure Fund	-	-	94,25,949	6.70

**15.3** Instruments Entirely equity in nature

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Loan from Promoter of SPV	850.00	850.00
<b>Total</b>	<b>850.00</b>	<b>850.00</b>

## Notes forming part of the Consolidated Financial Statements (Contd.)

### 16. OTHER EQUITY

(₹ in Lakhs)		
Particulars	As at March 31, 2021	As at March 31, 2020
a) Securities premium reserve	12,599.31	12,599.31
Less: Bonus Shares issued during the year *	(2,812.35)	-
	<b>9,786.96</b>	<b>12,599.31</b>
b) General reserve	2,849.00	2,849.00
c) Surplus in the statement of profit and loss		
Balance at the beginning of the period	1,37,088.83	1,12,063.95
Add: Profit/ (Loss) for the period	40,738.05	26,550.58
Less:		
Dividend Paid/Payable	-	(1,265.56)
Dividend Tax	-	(260.14)
	<b>1,77,826.88</b>	<b>1,37,088.83</b>
d) Other Comprehensive Income - Gratuity	(156.17)	(132.90)
<b>Total</b>	<b>1,90,306.67</b>	<b>1,52,404.24</b>

### 17. BORROWINGS

(₹ in Lakhs)		
Particulars	As at March 31, 2021	As at March 31, 2020
<b>Non-current</b>		
<b>Secured loans</b>		
From banks		
Term loans (Refer note : 17.5)	68,648.77	57,181.57
Equipment and vehicle loans (Refer note : 17.1)	-	113.41
	<b>68,648.77</b>	<b>57,294.98</b>
<b>Unsecured loans</b>		
From related parties (Refer note : 17.2)	-	17,932.32
Deferred Payment Liability - NHAI Premium	4,172.98	3,944.42
	<b>4,172.98</b>	<b>21,876.74</b>
<b>Total non-current borrowings</b>	<b>72,821.75</b>	<b>79,171.72</b>
<b>Current</b>		
<b>Secured loans</b>		
<b>From banks (Refer note : 17.3 and 17.4)</b>		
Working capital demand loans	71.24	600.14
Cash credits	-	2,764.28
<b>Total current borrowings</b>	<b>71.24</b>	<b>3,364.42</b>
<b>Total</b>	<b>72,892.99</b>	<b>82,536.14</b>

## Notes forming part of the Consolidated Financial Statements (Contd.)

**17. BORROWINGS (CONTD.)****17.1** Details of Secured loans with Rate of interest (ROI) & Maturity Dates

(₹ in Lakhs)

Particulars	Effective Interest rate (p.a)	Maturity	As at March 31, 2021	As at March 31, 2020
<b>Non-current Borrowings</b>				
<b>- From Banks</b>				
- HDFC Bank Ltd	9.05%	31-Mar-21	-	113.41
			-	<b>113.41</b>
<b>Current maturities</b>				
<b>- From Banks</b>				
- HDFC Bank Ltd	9.05%	31-Mar-21	-	1,296.53
- Axis Bank Ltd	8.75%	20-May-20	-	263.97
			-	<b>1,560.50</b>
<b>Total Secured loans</b>			-	<b>1,673.91</b>

**Terms of Security****From Banks**

- i) HDFC Bank Limited
  - Secured by Hypothecation of specific assets purchased out of the loan, comprising Plant & Machinery
- ii) Axis Bank Limited
  - Secured by Hypothecation of specific assets purchased out of the loan, comprising Plant & Machinery

**17.2 Un secured Loans**

The Company availed un-secured loan from directors, which are repayable on demand and carries interest at SBI 1 year MCLR with a spread of 0.2%, and the interest rate will be changed according to the changes in SBI MCLR from time to time.

**17.3 Working Capital Facilities: Cash Credit facilities from consortium of banks are secured by:**

- a. Hypothecation of entire current assets on pari passu basis with other participating banks
- b. First pari passu charge on equitable mortgage of certain land & buildings
- c. Hypothecation of certain equipment's of written down value as on March 31, 2020 is ₹ 110.03 Crores
- d. Personal guarantee of Director.

**17.4** The interest rate for working capital demand loan and cash credit facilities varies from 7.70% to 9.35 % per annum**17.5 Term Loans of Subsidiaries:****for KNR Muzaffarpur Barauni Tollway Private Limited**

Project Loan of ₹ 31,800.00 Lakhs sanctioned by Banks to this fellow subsidiary, and the outstanding amount as on March 31, 2021 is ₹ 28,953 Lakhs and the Company has commenced its commercial operations in the FY 2016-17, and achieved 100% PCOD on August 24, 2017.

## Notes forming part of the Consolidated Financial Statements (Contd.)

### 17. BORROWINGS (CONTD.)

#### Terms of security and repayment

- a. Mortgage /charge over the Company's immovable and movable properties (other than project assets but including all receivables) both present and future;
- b. Charge/assignment of revenues receivables
- c. 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).
- d. Assignment of insurance policies, interest, benefits, claims, guarantees ,performance bonds and liquidated damages;
- e. Pledge of 51% of the fully paid up Equity share capital of the Company;
- f. The aforesaid charge will rank Pari - Passu with the mortgages and charges created/to be created in favour of participating institutions/banks.

The above loan is repayable in fifty quarterly unequal installments ranging from 0.16 Crores to 10.94 Crores beginning from January 01, 2017 to April 01, 2030. The numbers of balance installments as on March 31, 2021 are 33. The interest charged by the lenders is at 10% p.a. and Interest is payable monthly.

#### For KNR Shankarampet Projects Private Limited

Terms of Security :

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

Repayment Terms : As on 31.03.2021 the company has availed a term loan of ₹14,000 Lakhs at the interest rate of 1 year MCLR + spread of 0.90% P.a. and the term loan is repayable in 27 Semi Annual Instalments starting from Q3 of FY 2021-22.

#### For KNR Srirangam Infra Private Limited

Terms of Security :

- a) A first mortgage and charge on all the Borrower's immovable properties,both present and future, save and except the Project Assets;

## Notes forming part of the Consolidated Financial Statements (Contd.)

### 17. BORROWINGS (CONTD.)

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

Repayment Terms : As on 31.03.2021 the company has availed a term loan of ₹10,600 Lakhs at the interest rate of 1 year MCLR + spread of 0.85% P.a. and the term loan is repayable in 27 Semi Annual Instalments starting from Q4 of FY 2021-22.

#### For KNR Tirumala Infra Private Limited

Terms of Security :

- a) First Charge by way of hypothecation of all the fixed assets / movable assets of the Company (other than Project assets)
- b) A first charge on the Project's book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, present and future intangibles, goodwill, uncalled capital (present and future)
- c) A first charge on Project's bank accounts, including but not limited to the escrow account opened in a designated bank, where all cash inflows from the project shall be deposited and all proceeds shall be utilised in a manner and priority to be decided by the Lenders/Investors.
- d) Assignment of all the Company's rights and interests under all the agreements related to the Project, Letter of credit (if any), and guarantee or performance bond provided by any party for any contract related to the Project in favour of the Borrower;
- e) Substitution Agreement executed by Authority on behalf of the Lenders for the Facility
- f) Assignment of all applicable insurance policies
- g) A pledge of 51% shares (subject to regulatory compliance) of the share capital of the Borrower till the facility is entirely repaid. Balance 49% of the share capital of the Borrower shall be in negative lien;
- h) Security Interest by way of Pledge and Equitable Assignment on Sponsor Contribution infused in form of Debenture.

Repayment Terms : As on March 31, 2021 the company has availed a term loan of ₹ 19,800 Lakhs at the interest rate of 1 year MCLR + spread of 1.05% P.a. and the term loan is repayable in 25 Semi Annual Instalments starting from Q4 of FY 2021-22.



## Notes forming part of the Consolidated Financial Statements (Contd.)

### 18. OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)		
Particulars	As at March 31, 2021	As at March 31, 2020
<b>Non-current</b>		
Retention Deposits and Withheld Amount	15.36	15.36
Interest on NHAI Premium Payable	168.05	128.09
Other Payables	22.17	22.17
<b>Total non-current other financial liabilities</b>	<b>205.58</b>	<b>165.62</b>
<b>Current</b>		
<b>Current maturities of long-term debts:</b>		
- Term loans - Banks	3,507.83	3,250.00
- Equipment and vehicle loans - from banks	-	1,560.50
Interest accrued but not due other than Mobilisation Advance (Refer note 18.1)	107.09	322.26
Interest accrued but not due Mobilisation Advance	1,152.22	1,057.35
Advance Received from Related Parties ( Refer note : 40)	21.50	21.50
Unclaimed dividend (Refer note : 18.2)	4.82	2.76
Retention Deposits and With held	11,584.55	12,176.68
Security Deposits	626.59	516.09
Outstanding Expenses	1,762.53	1,765.85
<b>Total current other financial liabilities</b>	<b>18,767.13</b>	<b>20,672.99</b>
<b>Total</b>	<b>18,972.71</b>	<b>20,838.61</b>

**18.1** Interest accrued includes interest on un-secured loans received from Directors is ₹ Nil (March 31, 2020 ₹ 102.93 Lakhs)

**18.2** During the year, an un-paid dividend amount of ₹ 27,754 /- for relating to 2012-13 has been transferred to Investor Education and Protection Fund. The balance un-paid dividend is not due for transfer to the Investor Education and Protection Fund as at Balance Sheet date.

### 19. TRADE PAYABLES

(₹ in Lakhs)		
Particulars	As at March 31, 2021	As at March 31, 2020
<b>Current</b>		
Trade payables		
Dues to MSM Enterprises (Refer note :19.1)	320.39	478.26
Dues to other than MSM Enterprises	13,930.44	16,946.80
Bills Payable (Sub-contractors/Labour/Service)	10,820.87	8,871.75
<b>Total current trade payables</b>	<b>25,071.70</b>	<b>26,296.81</b>
<b>Total</b>	<b>25,071.70</b>	<b>26,296.81</b>

**19.1** 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:

## Notes forming part of the Consolidated Financial Statements (Contd.)

## 19. TRADE PAYABLES (CONTD.)

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
a) Principal amount remaining unpaid	320.39	478.26
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	-	-

## 20. PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Non-current</b>		
Provision for employee benefits		
Gratuity (Refer note : 39)	870.86	599.23
Provision for contractual obligations (Refer note : 20.1)	2,125.85	3,647.58
<b>Total non -current provisions</b>	<b>2,996.71</b>	<b>4,246.81</b>
<b>Current</b>		
Provision for Capital expenditure (Refer note : 20.2)	741.50	741.50
Provision for labour cess	-	441.93
Provision for expenses	2,412.32	1,071.00
Provision for employee benefits: Gratuity (Refer note : 39)	161.34	222.28
Provision for impairment of Investment	-	671.53
<b>Total current provisions</b>	<b>3,315.16</b>	<b>3,148.24</b>
<b>Total</b>	<b>6,311.87</b>	<b>7,395.05</b>

20.1 In respect of subsidiaries, KNR Muzaffarpur Barauni Tollway Private Limited has made provision for various contractual obligations based on its assessment of the amount it estimates to incur to meet such obligations, details of which are given below

## Notes forming part of the Consolidated Financial Statements (Contd.)

### Movement of Provision

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Balance at the beginning of the year</b>	<b>3,647.58</b>	<b>2,370.66</b>
Provision made during the year	828.37	1,030.53
Un winding Interest on MMR	273.87	246.39
Provision utilised during the year	(2,623.97)	-
Provision reversed during the year	-	-
<b>Balance as at end of the year</b>	<b>2,125.85</b>	<b>3,647.58</b>

20.2 In respect of subsidiary, KNR Muzaffarpur Barauni Tollway Private Limited has received the 100% PCOD, and ₹ 741.50 Lakhs pending for certification, hence provision has been made and capitalised

### 21. OTHER NON-CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Security Deposits	250.97	243.47
Advance received from clients	808.62	808.62
<b>Total</b>	<b>1,059.59</b>	<b>1,052.09</b>

### 22. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Mobilisation Advance	27,836.60	19,730.29
Advance received from clients	1,353.59	276.16
Due to Customers	38,793.13	27,699.02
Security deposits	1,974.33	1,993.21
Dues to statutory/government authorities	4,206.40	2,462.97
Others	467.63	517.48
<b>Total</b>	<b>74,631.68</b>	<b>52,679.13</b>

### 23. CURRENT TAX LIABILITY (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Current</b>		
Income Tax Provision	15,732.65	86.07
Less: Advance tax paid	(11,637.95)	(44.91)
<b>Total Current Provisions</b>	<b>4,094.70</b>	<b>41.16</b>

## Notes forming part of the Consolidated Financial Statements (Contd.)

**24. REVENUE FROM OPERATIONS**

(₹ in Lakhs)		
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Income from Contracts & Services	2,72,467.86	2,34,785.87
Construction Income	1,202.73	3,176.03
Other Operating Income	16,692.89	7,206.27
<b>Total</b>	<b>2,90,363.48</b>	<b>2,45,168.17</b>

**25. OTHER INCOME**

(₹ in Lakhs)		
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest Income	1,665.02	3,155.46
Interest Income on Fair Value of interest free loans	113.41	-
Interest on Income Tax refunds	63.90	145.24
Dividend Income on Mutual funds	-	0.03
Profit on sale of mutual Funds	18.48	66.62
Repairs & maintenance income	-	580.79
Gain on foreign currency transactions	16.94	3.64
<b>Other non-operating income</b>		
Profit on sale of Assets	74.10	264.21
Discount Received from suppliers	741.08	574.02
Liabilities no longer required written back	1,089.06	681.11
Insurance Claim Received	249.20	123.19
Change of Scope Income	-	12.16
Gain on fair value of Mutual funds	3.07	44.89
Miscellaneous income	1,127.88	917.46
<b>Total</b>	<b>5,162.14</b>	<b>6,568.82</b>

**26. COST OF MATERIALS CONSUMED**

(₹ in Lakhs)		
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Construction Materials, Stores &amp; Spares</b>		
Opening Stock	12,316.27	9,545.30
Add: Net Purchases	95,127.93	78,099.11
	<b>1,07,444.20</b>	<b>87,644.41</b>
Less: Closing Stock	14,798.90	12,316.27
<b>Total Consumption</b>	<b>92,645.30</b>	<b>75,328.14</b>

## Notes forming part of the Consolidated Financial Statements (Contd.)

### 27. CONSTRUCTION EXPENSES

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Sub-contract expenses	18,880.74	7,700.73
Spreading & assortment exp.	62,169.20	52,555.64
Power and Fuel	1,479.21	1,379.69
Seigniorage charges / Royalty	8,294.48	7,304.50
Transport charges	6,533.86	5,836.14
Hire charges	1,693.14	2,157.86
Watch & ward	562.34	548.76
Other Recoveries by Clients	458.88	712.97
Repairs to Buildings & others	158.57	212.32
Repairs to machinery	446.62	329.25
Repairs to vehicles	366.58	413.30
Toll Maintenance expenses	205.66	177.66
Periodic maintenance expenditure	828.37	1,030.53
Premium expenses	51.22	-
Repairs & Maintenance - DLP	126.64	456.67
Other construction expenses	3,397.70	3,636.69
<b>Total</b>	<b>1,05,653.21</b>	<b>84,452.71</b>

### 28. EMPLOYEE BENEFITS EXPENSE

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, Wages and Other Benefits	12,966.18	12,297.35
Contribution to Provident and Other Funds	211.79	210.03
Staff welfare Expenses	135.29	184.77
<b>Total</b>	<b>13,313.26</b>	<b>12,692.15</b>

**Note:** The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, has delivered a judgement in the case of Surya Roshani Limited and Others vs. EPFO wherein they have set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purpose of computation of Provident fund contribution, The Company is reviewing the impact of this decision of policies.

### 29. FINANCE COSTS

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
<b>Interest Expense on</b>		
Working Capital Demand loans and cash credit	548.77	745.63
Term loans	7,062.79	5,176.04

## Notes forming part of the Consolidated Financial Statements (Contd.)

## 29. FINANCE COSTS (CONTD.)

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Loan from directors	739.86	1,675.73
Interest on mobilisation advance	834.12	1,174.83
Others	1,474.80	178.02
Unwinding interest	782.89	706.19
Interest Expenses on Fair Value of interest free loans	597.39	-
Modification gain/loss	318.60	538.30
	<b>12,359.22</b>	<b>10,194.74</b>
<b>Other Borrowing Costs</b>		
Processing charges	134.87	150.47
BG / LC charges	768.17	556.74
Bank and Other Financial Charges	142.67	121.13
<b>Total</b>	<b>13,404.93</b>	<b>11,023.08</b>

## 30. DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation & Amortisation	18,839.29	25,306.33
Depreciation & Amortisation - ROU	151.18	106.30
<b>Total</b>	<b>18,990.47</b>	<b>25,412.63</b>

## 31. OTHER EXPENSES

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Travelling & Conveyance (includes Boarding & Lodging expenses)	227.32	300.85
Postage, Telegrams and Telephones	77.28	80.55
Business Promotion expenses	19.22	5.48
Advertisement and publicity	200.05	95.38
Legal & Professional charges	1,061.28	1,636.08
Insurance	657.53	479.60
Rates and taxes excluding taxes of Income	360.96	607.72
Payments to the Auditor	28.04	30.87
Printing & Stationery	119.95	116.61
Tender expenses	89.36	31.19
Office maintenance	95.91	75.07
Rent expenses	495.38	516.98
Electricity charges	243.70	167.24

## Notes forming part of the Consolidated Financial Statements (Contd.)

### 31. OTHER EXPENSES (CONTD.)

(₹ in Lakhs)

Particulars	Year ended	
	March 31, 2021	March 31, 2020
Directors Sitting fees	52.00	43.00
Loss on sale of Assets	31.09	-
Bad Debts / Advances Written off	1,046.09	591.54
Provision for Doubtful Advances, Receivables and Deposits	990.03	-
Donation	34.29	121.77
CSR Expenses (Refer note 31.1)	743.46	675.69
Interest on Statutory Dues *	234.89	54.46
Loss on Foreign Currency Transactions	0.30	0.21
Miscellaneous expenses	796.65	364.21
<b>Total</b>	<b>7,604.78</b>	<b>5,994.50</b>

**31.1** 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 utilised through out the year on these activities in schedule VII of the Companies Act, 2013.

- Gross amount required to be spent by the Company during the year ₹ 565.76 Lakhs (P.Y ₹ 478.85 Lakhs)
- Amount spent during the year on :

(₹ in Lakhs)

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
	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	743.46	267.16*	675.69	444.86*

\* Including cumulative un-spent amounts of previous years.

### 32. EXCEPTIONAL ITEMS

(₹ in Lakhs)

Particulars	Year ended	
	March 31, 2021	March 31, 2020
Loss / (Profit) on Investments	(8,525.20)	400.61
Impairment / Provision of Investment	-	671.53
<b>Total</b>	<b>(8,525.20)</b>	<b>1,072.14</b>



## Notes forming part of the Consolidated Financial Statements (Contd.)

**33. TAX EXPENSE**

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>A - Current Tax</b>		
Current tax on profits for the year	14,004.01	9,774.20
Adjustments in respect of prior years (Refer note 33.1)	1,931.08	3.06
<b>Sub-Total</b>	<b>15,935.09</b>	<b>9,777.26</b>
<b>B - Deferred Tax</b>		
Deferred Tax Liability / (Asset) due to timing difference	(2,239.43)	(2,924.49)
<b>Sub-Total</b>	<b>(2,239.43)</b>	<b>(2,924.49)</b>
<b>Total</b>	<b>13,695.66</b>	<b>6,852.77</b>

**33.1 Reconciliation of tax expenses to accounting profit**

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Accounting profit before tax	51,978.96	32,446.97
Tax @34.944% (P.Y 34.944%)	<b>18,163.53</b>	<b>11,338.27</b>
<b>Adjustments</b>		
Effect of income exempt from taxation	(1,751.56)	(4,182.98)
Effect of expenses that are not deductible in determining taxable profit	(2,407.96)	2,619.50
Earlier year taxes	1,931.08	3.06
Deferred tax	(2,239.43)	(2,924.49)
Others	-	(0.59)
<b>Tax Expenses recognised in the statement of profit and loss</b>	<b>13,695.66</b>	<b>6,852.77</b>
<b>Income tax credit/(expense) recognised in Other Comprehensive Income :</b>		
Tax effect on actuarial gains/losses on defined benefit obligations	<b>12.54</b>	<b>20.31</b>

**34. OTHER COMPREHENSIVE INCOME**

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Items that will not be reclassified to profit or loss		
i) Actuarial Gains & Losses	(35.81)	(61.21)
ii) Deferred tax	12.54	20.31
	<b>(23.27)</b>	<b>(40.90)</b>

## Notes forming part of the Consolidated Financial Statements (Contd.)

### 35. CAPITAL MANAGEMENT

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

The Company's adjusted net debt to equity ratio at March 31, 2021 and March 31, 2020 was as follows

Particulars	(₹ in Lakhs)	
	March 31, 2021	March 31, 2020
Total debt	72,334.93	83,724.48
Less: cash and cash equivalents	14,784.43	8,287.23
<b>Adjusted net debt</b>	<b>57,550.50</b>	<b>75,437.25</b>
Total equity	1,96,781.37	1,56,066.59
<b>Adjusted equity</b>	<b>1,96,781.37</b>	<b>1,56,066.59</b>
<b>Adjusted net debt to adjusted equity ratio</b>	<b>0.29</b>	<b>0.48</b>

Foot note : Total Debt includes Long term Borrowings (Including Current Maturities) and Interest Accrued thereon and Short term Borrowings. Cash and Cash equivalents includes other Bank Balances.

### 36. 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.

As at March 31, 2021				(₹ in Lakhs)			
Particulars	Carrying amount			Fair Value			
	FVTPL	Amortised Cost	Total carrying amount	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>							
Investments in Associates	-	4,561.64	4,561.64	-	-	4,561.64	4,561.64
Other Investments	-	1,605.63	1,605.63	-	-	1,605.63	1,605.63
Trade receivables	-	33,286.58	33,286.58	-	-	33,286.58	33,286.58
Cash and cash equivalents	-	14,784.43	14,784.43	-	-	-	-
Loans	-	756.60	756.60	-	-	756.60	756.60
Other financial assets	-	1,70,336.53	1,70,336.53	-	-	1,70,336.53	1,70,336.53
	<b>-</b>	<b>2,25,331.41</b>	<b>2,25,331.41</b>	<b>-</b>	<b>-</b>	<b>2,10,546.98</b>	<b>2,10,546.98</b>
<b>Financial liabilities</b>							
Secured Bank loans	-	72,227.84	72,227.84	-	-	72,227.84	72,227.84
Deferred Payment Liability - NHAI Premium	-	4,172.98	4,172.98	-	-	4,172.98	4,172.98
Trade payables	-	25,071.70	25,071.70	-	-	25,071.70	25,071.70
Lease Liability	-	35.59	35.59	-	-	35.59	35.59
Other financial liabilities	-	15,464.88	15,464.88	-	-	15,464.88	15,464.88
	<b>-</b>	<b>1,16,972.99</b>	<b>1,16,972.99</b>	<b>-</b>	<b>-</b>	<b>1,16,972.99</b>	<b>1,16,972.99</b>

## Notes forming part of the Consolidated Financial Statements (Contd.)

**36. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTD.)**

The management assessed the financial assets and liabilities measured at amortised cost are approximate to the fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

**As at March 31, 2020**

(₹ in Lakhs)

Particulars	Carrying amount			Fair Value			
	FVTPL	Amortised Cost	Total carrying amount	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>							
Investments in Associates held for sale	-	3,893.42	3,893.42	-	-	3,893.42	3,893.42
Other Investments	1,159.46	1,531.03	2,690.49	1,159.46	-	1,531.03	2,690.49
Trade receivables	-	17,464.88	17,464.88	-	-	17,464.88	17,464.88
Cash and cash equivalents	-	8,287.23	8,287.23	-	-	-	-
Loans	-	286.74	286.74	-	-	286.74	286.74
Other financials assets	-	93,021.26	93,021.26	-	-	93,021.26	93,021.26
	<b>1,159.46</b>	<b>1,24,484.56</b>	<b>1,25,644.02</b>	<b>1,159.46</b>	<b>-</b>	<b>1,16,197.33</b>	<b>1,17,356.79</b>
<b>Financial liabilities</b>							
Secured Bank loans	-	65,469.90	65,469.90	-	-	65,469.90	65,469.90
Un Secured loans	-	17,932.32	17,932.32	-	-	17,932.32	17,932.32
Deferred Payment Liability - NHA Premium	-	3,944.42	3,944.42	-	-	3,944.42	3,944.42
Trade payables	-	26,296.81	26,296.81	-	-	26,296.81	26,296.81
Lease Liability	-	107.53	107.53	-	-	107.53	107.53
Other financial liabilities	-	16,028.11	16,028.11	-	-	16,028.11	16,028.11
	<b>-</b>	<b>1,29,779.09</b>	<b>1,29,779.09</b>	<b>-</b>	<b>-</b>	<b>1,29,779.09</b>	<b>1,29,779.09</b>

The management assessed the financial assets and liabilities measured at amortised cost are approximate to the fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

**B. Financial risk management**

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

- Credit risk
- Liquidity risk
- Market risk

The Company's focus is to estimate a vulnerability of financial risk and to address the issue to minimise the potential adverse effects of its financial performance.

**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.

## Notes forming part of the Consolidated Financial Statements (Contd.)

### 36. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTD.)

In determining the allowance for trade receivables the Group use practical expedients based on financial condition of the customer, ageing of the customer receivables and over dues, availability of collaterals and historical experience of collections from customers. The concentration of risk with respect to trade receivables is reasonably low as most of the customers are Government organisations though there may be normal delays in collections.

The group's BOT Projects generally does not have trade receivable as collection of toll income coincide as and when the traffic passes through toll plazas. Hence, the management believes that the Group is not exposed to any credit risk.

#### 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 optimising its cash return on investments.

#### Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

As at March 31, 2021					(₹ in Lakhs)
Particulars	Contractual Cash flows				Total
	Carrying Amount	Upto 1 year	1 to 3 Years	More than 3 years	
<b>Non-derivative financial liabilities</b>					
Secured Bank loans	72,227.84	6,437.62	26,179.37	39,610.85	72,227.84
Deferred Payment Liability - NHAI Premium	4,172.98	-	-	4,172.98	4,172.98
Trade payables	25,071.70	17,550.19	7,521.51	-	25,071.70
Lease Liability	35.59	34.59	1.00	-	35.59
Other financial liabilities	15,464.88	3,092.98	5,411.96	6,959.95	15,464.88
	<b>1,16,972.99</b>	<b>27,115.37</b>	<b>39,113.84</b>	<b>50,743.77</b>	<b>1,16,972.99</b>

As at March 31, 2020					(₹ in Lakhs)
Particulars	Contractual Cash flows				Total
	Carrying Amount	Upto 1 year	1 to 3 Years	More than 3 years	
<b>Non-derivative financial liabilities</b>					
Secured Bank loans	65,469.90	8,174.92	16,340.06	40,954.92	65,469.90
Un Secured loans	17,932.32	-	5,379.70	12,552.62	17,932.32
Deferred Payment Liability - NHAI Premium	3,944.42	-	-	3,944.42	3,944.42
Trade payables	26,296.81	18,407.77	7,889.04	-	26,296.81
Lease Liability	107.53	91.10	16.43	-	107.53
Other financial liabilities	16,028.11	3,205.62	5,507.26	7,315.23	16,028.11
	<b>1,29,779.09</b>	<b>29,879.41</b>	<b>35,132.49</b>	<b>64,767.19</b>	<b>1,29,779.09</b>

## Notes forming part of the Consolidated Financial Statements (Contd.)

**36. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTD.)****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 Groups 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 optimising the return.

**i) 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 Group is not exposed to foreign currency risk as it has no borrowing or no material payables in foreign currency

**ii) 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 Group mainly from long term borrowings with variable rates. The Group measures risk through sensitivity analysis.

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

**The Groups exposure to interest rate risk due to borrowings is as follows:**

(₹ in Lakhs)			
Particulars	Note No.	March 31, 2021	March 31, 2020
Borrowings outstanding	17	68,648.77	57,181.57
Borrowings Current maturities	18	3,507.83	3,250.00

**Sensitivity analysis**

(₹ in Lakhs)		
Interest Rate Risk Analysis	Impact on profit/ loss after tax	
	Year Ended March 31, 2021	Year Ended March 31, 2020
Increase or decrease in Interest by 25bp	180.39	151.08

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

**iii) 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 Group is exposed to price risk due to investments in mutual funds and classified as fair value through profit and loss.

The Group measures risk through sensitivity analysis.

The Groups risk management policy is to mitigate the risk by investments in diversified mutual funds.

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

(₹ in Lakhs)			
Particulars	Note No.	March 31, 2021	March 31, 2020
Investments in Mutual Funds	4	-	1,159.46

**Sensitivity analysis**

(₹ in Lakhs)		
Price Rate Risk Analysis	Impact on profit/ loss after tax	
	Year Ended March 31, 2021	Year Ended March 31, 2020
Increase or decrease in NAV by 2%	-	23.19

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

## Notes forming part of the Consolidated Financial Statements (Contd.)

### 37. CONTINGENT LIABILITY, COMMITMENTS AND CONTINGENT ASSETS

(₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
<b>i) Contingent Liabilities</b>		
a) <b>Claims against the Group not acknowledged as debt #</b>		
1. Disputed Income tax and Interest on TDS	6,192.82*	5,371.17*
2. Disputed Sales tax/ VAT/ Entry tax	433.90	544.68
3. Disputed Service tax	333.53	333.53
4. Disputed Customs	1,509.52	-
5. Others (Civil cases)	1,341.69	1,341.69
# Interest not ascertainable after the date of order, if any		
b) <b>Guarantees</b>		
Corporate guarantees given to banks and financial institutions for financial assistance extended to Joint Operations.	-	-
c) <b>Other money for which the Group is contingently liable</b>		
Joint and several liabilities in respect of joint venture projects and liquidated damages in respect of delays in completion of projects.	Amount not ascertainable	Amount not ascertainable
<b>Total</b>	<b>9,811.46</b>	<b>7,591.07</b>
<p>*The Company has got benefit of deduction under Section 80 IA (4) on eligible projects under provisions of Income Tax Act, 1961 for an amount of ₹ 4,474.13 Lakhs, for the A.Y 2006-07 to 2012-13 the department has filed appeals against ITAT orders at the High Court of Judicature at Hyderabad for the State of Telangana and for the AY 2013-14 and AY 2014-15 department filed appeals against CIT (Appeals) at ITAT, Hyderabad.</p> <p>The Company considers it appropriate not to create a liability for the above said amount on the basis of legal opinion and decided cases.</p>		
<b>ii) Commitments</b>		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for	1,680.21	103.37
b) Estimated amount of committed funding by way of equity/deemed equity to subsidiary companies	-	-
<b>Total</b>	<b>1,680.21</b>	<b>103.37</b>
<b>iii) Contingent Assets</b>		
Arbitration claims awarded for various projects, but client not accepted (including insurance claims)	46,339.55	47,135.16

### 38. DISCLOSURE PURSUANT TO IND AS 33 "EARNINGS PER SHARE(EPS)"

(₹ in Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
i. Profit (loss) attributable to equity shareholders (basic)	40,738.05	26,550.58
ii. Weighted average number of equity shares (basic)	2,812.35	2,812.35 *
<b>Basic EPS</b>	<b>14.49</b>	<b>9.44</b>
i. Profit (loss) attributable to equity shareholders (diluted)	40,738.05	26,550.58
ii. Weighted average number of equity shares (diluted)	2,812.35	2,812.35 *
<b>Diluted EPS</b>	<b>14.49</b>	<b>9.44</b>

\* Adjusted for issue of bonus shares in the ratio of 1:1 on February 05, 2021

## Notes forming part of the Consolidated Financial Statements (Contd.)

**39. EMPLOYEE BENEFITS**

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

**Defined Benefit plans:**

The Group 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.

**Changes in the Present Value of Obligation**

(₹ in Lakhs)

	March 31, 2021	March 31, 2020
Present value of obligations as at beginning of the year	836.40	616.32
Interest cost	49.52	44.73
Current Service cost	134.87	123.91
Benefits paid	(0.50)	-
Actuarial (gain)/loss on obligations		
- Due to change in financial obligations	17.45	(68.03)
- Due to change in demographic assumptions	-	0.84
- Due to experience adjustments	19.23	127.02
Past service cost	-	-
Present value of obligations as at end of year	<b>1,056.97</b>	<b>844.79</b>

**Assets recognised in the Balance Sheet**

(₹ in Lakhs)

	March 31, 2021	March 31, 2020
Liability at the end of the period / year	1,056.98	844.79
Fair value of plan assets at the end of the period /year	(24.81)	(23.28)
Amount to be recognised in Balance Sheet	<b>1,032.18</b>	<b>821.51</b>

**Expenses recognised in the Statement of Profit & Loss**

(₹ in Lakhs)

	March 31, 2021	March 31, 2020
Current service cost	134.87	123.90
Interest cost	48.87	41.66
Expected return on plan assets	-	-
Net Actuarial (gain)/loss recognised in the year	-	-
Expenses recognised in statement of profit and loss	<b>183.74</b>	<b>165.56</b>

**Amount recognised in statement of other comprehensive income(OCI)**

(₹ in Lakhs)

	March 31, 2021	March 31, 2020
Remeasurement for the period - Obligation (gain)/loss	35.81	61.21
Remeasurement for the period - plan assets (gain)/loss	-	-
Total Remeasurement cost / (credit) for the period recognised in OCI	35.81	61.21
Closing amount recognised in OCI	35.81	61.21



## Notes forming part of the Consolidated Financial Statements (Contd.)

### 40. DISCLOSURE OF RELATED PARTIES/ RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24: RELATED PARTY DISCLOSURE

#### (a) List of related parties

##### (i) Associate Companies :

1. Patel KNR Infrastructures Limited,
2. Patel KNR Heavy Infrastructures Limited,

##### (ii) Joint Venture :

1. SEL-KNR-JV (At Bangladesh)

##### (iii) Key Management Personnel's (KMPs):

1	Sri. K.Narsimha Reddy	Managing Director
2	Sri K.Jalandhar Reddy	Executive Director & CFO
3	Smt. K.Yashoda	Non-Executive Director
4	Sri. B.V.Rama Rao	Independent Director
5	Sri. L.B.Reddy	Independent Director
6	Smt. G. Rekha *	Independent Director
7	Sri S.Vaikuntanathan	Executive Officer - VP (F&A)
8	Sri M.Venkata Rao ^	Company Secretary
9	Smt. V. Haritha @	Company Secretary

\* Appointed on May 30, 2019

^ Resigned on March 06, 2021

@ Appointed on March 06, 2021

##### (iv) Relatives of KMPs :

1	Sri. M.Rajesh Reddy	Son-in-law of Sri K.Narsimha Reddy
2	Sri. J.V Panindra Reddy	Son-in-law of Sri K.Narsimha Reddy
3	Sri. V.Krishna Reddy	Brother of Smt. K.Yashoda

##### (v) Other Related parties:

1	KNR Constructions Limited Employees group gratuity fund	Post-employment benefit plan
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#### (b) Disclosure of related party transactions :

(₹ in Lakhs, except share date)

S. No.	Particulars	Associates		Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
1	Work contract receipts received	5,753.80	3,696.45	-	-	-	-	-	-
2	Misc. Income	-	2.61	-	-	-	-	-	-
3	Re-imbursment of expenditure incurred / (Recovered)	(70.29)	11.27	-	-	(1.83)	1.95	-	-
4	Materials advance received/ (recovered)	-	(89.09)	-	-	-	-	-	-
5	Mobilisation advance received/ (recovered)	31.80	90.91	-	-	-	-	-	-

## Notes forming part of the Consolidated Financial Statements (Contd.)

**40. DISCLOSURE OF RELATED PARTIES/ RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24: RELATED PARTY DISCLOSURE (CONTD.)**

(₹ in Lakhs, except share date)

S. No.	Particulars	Associates		Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
6	Short Term Employee Benefits	-	-	-	-	1,721.28	1,376.34	-	-
7	Post-employment Benefits *	-	-	-	-	22.39	22.55	-	-
8	Other Long-term Benefits	-	-	-	-	-	-	-	-
9	Termination Benefits	-	-	-	-	-	-	-	-
10	Share based payment	-	-	-	-	-	-	-	-
11	Interest Paid on un-secured loans	-	-	-	-	739.85	1,675.73	-	-
12	Un-secured loan received	-	-	-	-	12,030.00	1,293.00	-	-
13	Un-secured loan (repaid)	-	-	-	-	(29,962.32)	(3,821.00)	-	-
14	Dividend paid	-	-	-	-	-	699.43	-	-
15	Number of Bonus equity shares issued (Face value ₹ 2/- Per share)	-	-	-	-	773.81	-	-	-
16	Land lease rent paid	-	-	-	-	17.29	17.29	-	-
17	Office rent paid	-	-	-	-	11.32	10.91	-	-
18	Directors sitting fee paid	-	-	-	-	52.00	43.00	-	-
19	Contribution to Post-employment Benefit Plans	-	-	-	-	-	-	0.50	-

**(c) Related party balances outstanding are as follows :**

(₹ in Lakhs, except share date)

S. No.	Particulars	Associates		Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
<b>1</b>	<b>Debit balances outstanding</b>								
	Patel Knr Heavy Infrastructure Limited	2,626.78	2,202.91	-	-	-	-	-	-
	Patel Knr Infrastructure Limited	2,618.14	1,924.74	-	-	-	-	-	-
	M.Rajesh Reddy	-	-	-	-	0.12	1.95	-	-
<b>2</b>	<b>Credit Balances outstanding</b>								
	Patel Knr Heavy Infrastructure Limited	122.71	-	-	-	-	-	-	-
	K.Narsimha Reddy	-	-	-	-	26.01	17,596.08	-	-
	K.Jalandhar Reddy *	-	-	-	-	17.09	479.09	-	-
	S.Vaikuntanathan	-	-	-	-	2.11	1.57	-	-
	M.Venkata Rao *	-	-	-	-	-	1.21	-	-
	V.Haritha *	-	-	-	-	0.89	-	-	-
	V.Krishna Reddy	-	-	-	-	0.57	0.57	-	-

## Notes forming part of the Consolidated Financial Statements (Contd.)

### 40. DISCLOSURE OF RELATED PARTIES/ RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24: RELATED PARTY DISCLOSURE (CONTD.)

(d) Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year :

(₹ in Lakhs, except share date)

S. No.	Particulars	Associates		Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
<b>1</b>	<b>Work contract receipts received</b>								
	Patel Knr Heavy Infrastructure Limited	3,081.46	599.50	-	-	-	-	-	-
	Patel Knr Infrastructure Limited	2,672.34	3,096.95	-	-	-	-	-	-
<b>2</b>	<b>Re-imbursment of expenditure incurred/(Recovered)</b>								
	Patel Knr Heavy Infrastructure Limited	(70.33)	11.27	-	-	-	-	-	-
	M.Rajesh Reddy	-	-	-	-	-	(14.88)	-	-
<b>3</b>	<b>Materials advance received/ (recovered)</b>								
	Patel Knr Infrastructure Limited	-	(89.09)	-	-	-	-	-	-
<b>4</b>	<b>Mobilisation advance received/ (recovered)</b>								
	Patel KNR Heavy Infrastructure Limited	31.80	90.91	-	-	-	-	-	-
<b>5</b>	<b>Short Term Employee Benefits</b>								
	K.Narsimha Reddy	-	-	-	-	999.00	792.00	-	-
	K.Jalandhar Reddy	-	-	-	-	666.00	528.00	-	-
<b>6</b>	<b>Post-employment Benefits *</b>								
	K.Jalandhar Reddy	-	-	-	-	21.60	21.60	-	-
<b>7</b>	<b>Interest Paid on un-secured loans</b>								
	K.Narsimha Reddy	-	-	-	-	723.04	1,637.06	-	-
<b>8</b>	<b>Un-secured loan received</b>								
	K.Narsimha Reddy	-	-	-	-	12,030.00	1,293.00	-	-
<b>9</b>	<b>Un-secured loan (repaid)</b>								
	K.Narsimha Reddy	-	-	-	-	(29,500.82)	(3,821.00)	-	-
<b>10</b>	<b>Dividend paid</b>								
	K.Narsimha Reddy	-	-	-	-	-	411.69	-	-
	K.Jalandhar Reddy	-	-	-	-	-	176.67	-	-
<b>11</b>	<b>Number of Bonus equity shares issued (Face value ₹ 2/- Per share)</b>								
	K.Narsimha Reddy	-	-	-	-	462.43	-	-	-
	K.Jalandhar Reddy	-	-	-	-	196.30	-	-	-
<b>12</b>	<b>Land lease rent paid</b>								
	K.Jalandhar Reddy	-	-	-	-	17.29	17.29	-	-
<b>13</b>	<b>Office rent paid</b>								
	K.Jalandhar Reddy	-	-	-	-	11.32	10.91	-	-

## Notes forming part of the Consolidated Financial Statements (Contd.)

**40. DISCLOSURE OF RELATED PARTIES/ RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24: RELATED PARTY DISCLOSURE (CONTD.)**

(₹ in Lakhs, except share date)

S. No.	Particulars	Associates		Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
<b>14</b>	<b>Directors sitting fee paid</b>								
	K.Yashoda	-	-	-	-	8.00	7.00	-	-
	B.V.Rama Rao	-	-	-	-	18.00	15.00	-	-
	L.B.Reddy	-	-	-	-	18.00	15.00	-	-
	G.C.Rekha	-	-	-	-	8.00	6.00	-	-
<b>15</b>	<b>Contribution to Post-employment Benefit Plans</b>								
	KNR Constructions Limited Employees group gratuity fund	-	-	-	-	-	-	0.50	-

\* As the future liabilities for gratuity is provided on actuarial basis for the group as a whole, the amount pertaining to the KMP's is not ascertainable, therefore not included above.

**Note:** 1) All Related Party Transactions entered during the year were in ordinary course of the business and are on arm's length basis.

2) The amount of outstanding balances as shown above are unsecured and will be settled/recovered in cash.

**41. DISCLOSURE MANDATED BY SCHEDULE III BY WAY OF ADDITIONAL INFORMATION**

(₹ in Lakhs)

Name of the entity in the Group	Net Assets, i.e., (total assets minus total liabilities)		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount in Lakhs	As % of consolidated profit or loss	Amount in Lakhs	As % of consolidated other comprehensive income	Amount in Lakhs	As % of total comprehensive income	Amount in Lakhs
<b>Parent</b>	28.90%	57,112.43	-235.26%	(95,841.53)	100.30%	(23.34)	-235.45%	(95,864.87)
<b>Indian Subsidiary companies</b>								
KNR Agrotech & Beverages Private Limited	0.02%	48.75	0.00%	(0.62)	0%	-	0.00%	(0.62)
KNR Infrastructure Projects Private Limited	0.00%	(6.89)	0.00%	(0.39)	0%	-	0.00%	(0.39)
KNR Energy Limited	0.00%	5.13	0.00%	(0.39)	0%	-	0.00%	(0.39)
KNR Walayar Tollways Private Limited	(0.44%)	(874.81)	-2.15%	(874.81)	0%	-	-2.15%	(874.81)
KNRC Holdings and Investments Private Limited	(3.05%)	(6,036.80)	0.89%	362.08	(0.30%)	0.07	0.89%	362.15
KNR Srirangam Infra Private Limited	12.04%	23,800.26	56.21%	22,899.40	0%	-	56.24%	22,899.40
KNR Tirumala Infra Private Limited	22.35%	44,178.84	103.85%	42,306.04	0%	-	103.91%	42,306.04

## Notes forming part of the Consolidated Financial Statements (Contd.)

### 41 DISCLOSURE MANDATED BY SCHEDULE III BY WAY OF ADDITIONAL INFORMATION (CONTD.)

(₹ in Lakhs)

Name of the entity in the Group	Net Assets, i.e., (total assets minus total liabilities)		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount in Lakhs	As % of consolidated profit or loss	Amount in Lakhs	As % of consolidated other comprehensive income	Amount in Lakhs	As % of total comprehensive income	Amount in Lakhs
KNR Shankarampet Projects Private Limited	18.79%	37,143.96	86.45%	35,217.00	0%	-	86.50%	35,217.00
KNR Somwarpet Infra Project Private Limited	10.70%	21,138.95	51.89%	21,138.95	0%	-	51.92%	21,138.95
KNR Palani Infra Private Limited	8.72%	17,244.27	42.33%	17,244.27	0%	-	42.35%	17,244.27
<b>Non-controlling interest in all subsidiaries</b>	0.44%	865.47	-6.03%	(2,454.75)	0%	-	-6.03%	(2,454.75)
<b>Indian Associates (Investment as per the equity method)</b>								
Patel KNR Infrastructures Limited	0.31%	615.69	0.47%	191.96	0%	-	0.47%	191.96
Patel KNR Heavy Infrastructures Limited	0.41%	805.95	1.17%	476.24	0%	-	1.17%	476.24
<b>Joint ventures (investment as per the equity method)</b>								
SEL-KNR-JV	0.81%	1,605.64	0.18%	74.60	0%	-	0.18%	74.60
<b>Total</b>	<b>100.00%</b>	<b>1,97,646.84</b>	<b>100.00%</b>	<b>40,738.05</b>	<b>100.00%</b>	<b>(23.27)</b>	<b>100.00%</b>	<b>40,714.78</b>

### 42. INVESTMENT IN ASSOCIATES AND JOINT VENTURE

#### Assets and liabilities statement

(₹ In Lakhs)

Particulars	Associates		Joint Venture	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Current assets	28,107.80	27,138.43	7,190.54	16,723.03
Non-current assets	43,926.96	51,740.15	882.19	1,098.49
Current liabilities	12,299.14	13,972.12	1,851.89	6,858.14
Non-current liabilities	45,994.94	52,836.30	3151.77	8,133.43
Equity	13,740.68	12,070.16	3,069.07	2,829.95
Proportion of the group's ownership interest	40%	40%	49%	49%
Carrying amount of the group's interest	5,496.28	4,828.06	1,503.84	1,386.67

## Notes forming part of the Consolidated Financial Statements (Contd.)

## 42. INVESTMENT IN ASSOCIATES AND JOINT VENTURE (CONTD.)

## Statement of profit and loss

(₹ In Lakhs)

Particulars	Associates		Joint Venture	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Revenue	12,399.06	12,052.69	8,939.78	26,947.96
Operating & Maintenance expenses	2,609.00	2,432.73	-	-
Construction Expenses	-	-	7,434.53	21,654.15
Employee benefits expense	3.00	3.30	184.52	282.40
Finance costs	6,726.65	7,017.19	551.71	1,697.00
Depreciation and amortisation expense	14.37	12.65	250.03	316.09
Other expenses	408.88	654.41	73.99	176.96
Profit/(Loss) before tax	2,637.16	1,932.41	445.00	2,821.37
Tax expense	879.65	399.10	292.76	1,707.29
Profit/(Loss) for the year	1,757.51	1,533.31	152.24	1,114.07
Group's share of profit for the year	703.02	613.32	74.60	545.90
Group's share of other comprehensive income for the year	(34.80)	(17.08)	-	-
Group's total comprehensive income for the year	668.20	596.24	74.60	545.90
Dividend received from the associates during the year	-	-	-	-

## 43. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES CONSIDERED FOR CONSOLIDATION

S. No.	Particulars	Country	Holding as at	
			March 31, 2021	March 31, 2020
<b>I)</b>	<b>Subsidiaries</b>			
	1 KNR Agrotech & Beverages Private Limited	India	100%	100%
	2 KNR Infrastructure Projects Private Limited	India	100%	100%
	3 KNR Energy Limited	India	100%	100%
	4 KNR Walayar Tollways Private Limited *	India	Nil	100%
	5 KNR Srirangam Infra Private Limited	India	100%	100%
	6 KNR Chidambaram Infra Private Limited #	India	Nil	100%
	7 KNR Tirumala Infra Private Limited	India	100%	100%
	8 KNR Shankarampet Projects Private Limited	India	100%	100%
	9 KNR Somwarpet InfraProject Private Limited	India	100%	100%
	10 KNR Palani Infra Private Limited	India	100%	100%
	11 KNRC Holdings and Investments Private Limited	India	100%	100%

## Notes forming part of the Consolidated Financial Statements (Contd.)

### 43. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES CONSIDERED FOR CONSOLIDATION (CONTD.)

S. No.	Particulars	Country	Holding as at	
			March 31, 2021	March 31, 2020
<b>II) Step-down Subsidiaries</b>				
	12 Mesmeric Software Solutions Private Limited	India	100%	100%
	13 Nag Talent Ventures & Infotech Private Limited	India	100%	100%
	14 Gradient Estates Private Limited	India	100%	100%
	15 Asara Construction & Projects Private Limited	India	100%	100%
	16 KNR Muzaffarpur Holdings Private Limited	India	100%	100%
	17 KNR Muzaffarpur-Barauni Tollway Private Limited	India	51%	51%
<b>III) Associates</b>				
	1 Patel KNR Infrastructures Limited	India	40%	40%
	2 Patel KNR Heavy Infrastructures Limited	India	40%	40%
<b>IV) Joint Operations</b>				
	1 KNR – Patel JV	India	51%	51%
	2 Patel – KNR JV	India	50%	50%
	3 KNR – SLEC JV	India	60%	60%
	4 KNR-BPL JV	India	49%	49%
	5 KNR-GVR JV	India	51%	51%
	6 KNR-JKM-KAMALA JV	India	50%	50%
	7 KNR-JKM JV	India	51%	51%
	8 KNR-SLMI JV	India	Project specific	Project specific
	9 KNR-TBCPL JV	India	51%	51%
	10 KNR-PBEPL JV	India	75%	75%
	11 KNR-SEW-GVR JV	India	51%	51%
	12 PSK-KNR-GVR JV	India	51%	51%
	13 BSCPL-KNR JV	India	50%	50%
	14 KNR-HES-ACPL JV	India	51%	51%
	15 KNR-NAVAYUGA-NCC-JV	India	60%	N.A
	16 KNR-HES JV	India	60%	N.A
<b>V) Joint Venture</b>				
	1 SEL-KNR-JV	Bangladesh	49%	49%

\* Ceased to be Subsidiary with effect from September 28, 2020

# Subsidiary closed on March 30, 2020.



## Notes forming part of the Consolidated Financial Statements (Contd.)

**44. DISCLOSURE PURSUANT TO IND AS 115 "REVENUE FROM CONTRACTS WITH CUSTOMERS":**

The Group constructs infrastructure projects on behalf of clients. Delivering the project as per the contractual terms is the only performance obligation that has been identified. Under the terms of the contracts, the Group will perform its obligations on time to time as per the timing schedule indicated in the contract with the asset having no alternative use to the entity and the Group having an enforceable right to receive payment for the work done. Hence, Revenue is therefore recognised over time on a cost to cost method, i.e. based on the proportion of contract costs incurred for the work performed to date relative to the estimated total contract costs. The management considers that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under Ind AS 115.

**Contract balances as on:**

(₹ In Lakhs)

Particulars	31st March 2021	31st March 2020
Receivables	33,928.44	17,464.88
Contract Assets	39,675.54	41,431.69
Contract Liabilities	67,983.32	47,705.47

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

(₹ In Lakhs)

Particulars	Secured Loans	Unsecured Loans	Deferred Payment of Liability	Finance cost
<b>Opening Balance</b>	<b>65,469.90</b>	<b>17,932.32</b>	<b>3,944.42</b>	<b>1,379.61</b>
Interest/Dividend Accrued during the year	-	-	-	13,404.93
<b>Cash flows</b>				
Received	39,036.30	12,030.00	-	-
Repayment/Adjustment	(32,290.62)	(29,962.32)	(579.00)	(11,826.35)
Interest/Dividend paid				
<b>Non-Cash items</b>				
Unwinding Interest	-	-	488.96	(770.63)
Modification loss on NHAI premium	-	-	318.60	(318.60)
Interest expenses on FV	-	-	-	(597.39)
Unamortised Processing fee	12.26			(12.26)
<b>Closing Balance</b>	<b>72,227.84</b>	<b>-</b>	<b>4,172.98</b>	<b>1,259.31</b>

**46. SEGMENT INFORMATION**

The Group's operations predominantly consist of construction / project activities. Hence there are no reportable segments under Ind AS 108. During the year under report, substantial part of the Group's business has been carried out in India. The conditions prevailing in India being uniform, no separate geographical disclosures are considered necessary.

**47.** During the year, the Company has transferred its 100% shareholding in one of its subsidiary i.e. KNR Walayar Tollways Private Limited, (KWTPL) to CUBE Highways and Infrastructure III pte. Ltd on September 28, 2020 for an equity valuation of ₹ 38,468.20 Lakhs and accordingly the Company has written off/impaired its investment for an amount of ₹ 601.30 Lakhs and ₹ 671.53 Lakhs for the year ended March 31, 2020. For the year ended March 31, 2021, the Company has also written off of advances for an amount of ₹ 523.40 Lakhs against withhold amounts. The Company has recognised an amount of ₹ 9,649.90 Lakhs as a profit on sale of KWTPL in the Statement of Consolidated Profit and Loss as the purchase consideration is higher than the net worth of the KWTPL, accordingly net amount of ₹ 8,525.20 Lakhs is shown as exceptional items in the statement of Consolidated Profit and Loss.

## Notes forming part of the Consolidated Financial Statements (Contd.)

- 48.** During the previous year ended March 31, 2020, One of the wholly owned subsidiary i.e. KNR Chidambaram Infra Private Limited, (KCIPL), has been notified by NHAI that the Concession Agreement of the KCIPL is deemed terminated w.e.f., April 11, 2019 "as per clause 4.5 of the Concession Agreement". The Company has written off its investments in KCIPL amounting to ₹ 835.00 Lakhs and written back its liabilities to the tune of ₹ 434.39 Lakhs, accordingly the net impact of ₹ 400.61 Lakhs was shown as exceptional items in the Statement of Consolidated Profit and Loss for the year ended March 31, 2020, accordingly the EPC Contract has also been deemed terminated.
- 49.** During the year, the Group has received an Arbitration settlement in one of the Joint Venture project, the Group's share of revenue of ₹ 1,202.00 Lakhs and Group's share of profit of ₹ 785.62 Lakhs included in statement of Consolidated Profit and Loss.
- 50.** During the previous year ended March 31, 2020, the Group has received an Arbitration claim in one of the project for an amount of ₹ 6,170.91 Lakhs (includes Interest of ₹ 2,263.04 Lakhs), with respect to the above claim an amount ₹ 1,216.36 Lakhs has been adjusted against existing Group Receivables and an amount of ₹ 510.89 Lakhs has been accounted towards expenditure.
- 51.** During the year, the Company has issued Bonus Shares in the ratio of 1:1 on February 05, 2021, with that the Consolidated EPS for the previous quarters and year also adjusted accordingly.
- 52.** The Group has adopted Ind AS 116 'Leases' from April 1, 2019 and applied the standard to all lease contracts existing on the date of initial application i.e. April 1, 2019. The Group has used the modified retrospective approach for transitioning to Ind AS116 with right-of-use asset recognised at an amount equal to the lease liability.

The Group recognised in the Statement of Profit and Loss.

(₹ in Lakhs)		
Particulars	2020-21	2019-20
Depreciation Charge on ROU Asset	151.18	106.30
Interest Expense on Lease Liabilities	7.8	10.93

The Group recognised following lease assets and liabilities in the Balance sheet.

(₹ in Lakhs)		
Particulars	2020-21	2019-20
Carrying Amount of ROU Assets	147.12	260.00
Lease liability	35.59	107.53

- 53.** During the Previous year ended March 31, 2020, The Group has entered into Share Purchase Agreements (the "SPAs") with Cube Highways and Infrastructure III Pte. Limited (the "Investor") for the following 3 wholly owned subsidiaries (the "SPVs") of HAM Projects:

- 1) KNR Srirangam Infra Private Limited on January 28, 2019
- 2) KNR Tirumala Infra Private Limited on February 11, 2019
- 3) KNR Shankarampet Projects Private Limited on August 16, 2019

Pursuant to SPAs, the Group will, in a phased manner (i.e on COD and on lifting of mandatory lock in period as specified in the Concession Agreement), sell to the Investor its entire shareholding in the SPVs, subject to the shareholding transfer restrictions set out in the concession agreement (s) executed between National Highway Authority of India and the respective SPVs and subject to various regulatory and lenders' approvals.

## Notes forming part of the Consolidated Financial Statements (Contd.)

**54.** As per the Management Assessment on the Impact of second wave of Covid-19 pandemic on the business operations of the Group, there is no foreseeable impact on the achievement of targeted top line and cash flow of the Group as most of the states have allowed infrastructure activities to be carried on during lockdown ensuring inflow of funds from bills raised. The strong liquid position as on March 31, 2021 and under utilisation of fund/non fund based credit facilities will act as a buffer fund. The Group will continue to evaluate and monitor material changes to future economic conditions arising from the ongoing second wave and will update its assessment.

However, with respect to BOT (Toll/HAM) Projects the Group is protected by the respective clauses 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 and also extension of construction period with respect to under construction projects.

### **55. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved for issue by the Board of Directors on May 20, 2021

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

As per our report of even date attached  
For **K. P. Rao & Co.,**  
*Chartered Accountants*  
(Firm Regn. No.003135S)

**K. Viswanath**  
*Partner,*  
Membership No: 022812  
UDIN: 21022812AAAAD9748

Place : Hyderabad  
Date : May 20, 2021

### **For and on behalf of the Board**

**K.Narsimha Reddy**  
*Managing Director*  
DIN: 00382412

**S.Vaikuntanathan**  
*Vice President (F&A)*

**K. Jalandhar Reddy**  
*Executive Director & CFO*  
DIN: 00434911

**V.Haritha**  
*Company Secretary*

# FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries/associate companies /joint ventures

## Part "A" : Subsidiaries

Name of the subsidiary	Reporting period	Exchange rate as on the last date of the financial year	Share Capital	Other Equity	Total Assets	Total Liabilities	Investments	Total Revenue	Profit/(Loss) before taxation	Provision for taxation	Profit/(Loss) after taxation	Proposed Dividend	% of shareholding
KNR Agrotech & Beverages Pvt. Ltd.,	March31,2021	INR	1.00	61.59	254.44	191.85	-	15.00	(0.62)	-	(0.62)	-	100%
KNR Infrastructure Projects Pvt. Ltd.,	March31,2021	INR	1.00	(6.89)	4.87	10.76	-	-	(0.39)	-	(0.39)	-	100%
KNR Energy Ltd.,	March31,2021	INR	5.00	40.03	192.04	147.01	-	-	(0.39)	-	(0.39)	-	100%
KNRC Holdings and Investments Pvt. Ltd.,	March31,2021	INR	1.00	4,041.03	280.19	238.60	4,000.44	13.42	(1.31)	-	(1.31)	-	100%
KNR Muzaffarpur-Barauni Tollway Pvt. Ltd.,*	March31,2021	INR	7,060.00	(3,728.83)	41,570.49	38,239.32	-	4,340.54	(5,009.77)	-	(5,009.77)	-	0.65%
KNR Walyar Tollways Pvt. Ltd., @	March31,2021	INR	-	-	-	-	-	1,913.34	(1,270.13)	-	(1,270.13)	-	100%
KNR Tirumala Infra Pvt. Ltd.,	March31,2021	INR	7,162.50	10,503.75	59,851.12	42,184.87	-	44,011.24	3,649.95	-	3,649.95	-	100%
KNR Srirangam Infra Pvt. Ltd.,	March31,2021	INR	4,811.50	5,011.60	30,476.38	20,653.28	-	24,226.84	1,811.75	-	1,811.75	-	100%
KNR Shankarampet Projects Pvt. Ltd.,	March31,2021	INR	5,211.50	8,674.24	47,914.87	34,029.13	-	36,875.26	2,659.78	-	2,659.78	-	100%
KNR Somwarapet Infra Projects Pvt. Ltd.,	March31,2021	INR	1,540.00	2,951.78	17,265.20	12,773.42	-	21,974.02	1,345.28	-	1,345.28	-	100%
KNR Palani Infra Pvt. Ltd.,	March31,2021	INR	4,023.00	1,061.38	11,720.40	6,636.02	-	17,342.17	304.67	-	304.67	-	100%
KNR Muzaffarpur Holdings Pvt. Ltd.,	March31,2021	INR	2,760.10	4,439.95	2.87	41.01	7,238.19	-	(0.82)	-	(0.82)	-	100%
Mesmeric Software Solutions Pvt. Ltd.,	March31,2021	INR	1.00	(2.74)	21.92	23.66	-	-	(0.40)	-	(0.40)	-	100%
Nag Talent Ventures & Infotech Pvt. Ltd.,	March31,2021	INR	1.00	(3.32)	33.50	35.82	-	-	(0.53)	-	(0.53)	-	100%
Gradient Estates Pvt. Ltd.,	March31,2021	INR	1.00	159.61	268.22	107.61	-	-	(7.14)	-	(7.14)	-	100%
Asara Construction & Projects Pvt. Ltd.,	March31,2021	INR	1.00	165.63	273.77	107.14	-	-	(7.06)	-	(7.06)	-	100%

\* KNR Constructions Ltd., holds 0.65% and KNR Muzaffarpur Holdings Pvt. Ltd., a 100% subsidiary of KNR Constructions Ltd., holds 50.35%.  
@ Ceased to be Subsidiary with effect from September 28, 2020

# FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries/associate companies /joint ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Joint Ventures

## Part "B" : Joint Ventures

(₹ In Lakhs)

Name of Associates / Joint Ventures	Latest audited Balance Sheet date	Shares of Associates / Joint Ventures held by the Company on the year end			Description of how there is significant influence	Reason why the Joint venture is not consolidated	Net worth attributable to shareholding as per latest audited Balance Sheet	Profit/(Loss) for the year	
		i) Number	ii) Amount of Investment in Joint Venture	iii) Extend of Holding %				i) Considered in consolidation	ii) Not considered in Consolidation
	(1)	(2)			(3)	(4)	(5)	(6)	
<b>I - Associates</b>									
Patel KNR Infrastructures Ltd.,	March 31, 2021	1,48,00,000	1,480.00	40%	SPV Agreement	Consolidated	2,095.68	191.96	-
Patel KNR Heavy Infrastructures Ltd.,	March 31, 2021	95,29,500	952.95	40%	SPV Agreement	Consolidated	3,400.59	476.24	-
<b>II - Joint Ventures</b>									
SEL-KNR-JV *	March 31, 2021	N.A	1,503.84	49%	Joint Venture Agreement	Consolidated	1,503.84	74.60	-

\* As per the Unaudited financial statements.















[www.knrcl.com](http://www.knrcl.com)

*If undelivered, please return to:*

**KNR Constructions Limited**

CIN: L74210TG1995PLC130199

"KNR House", 3rd & 4th Floors, Plot No. 114  
Phase I, Kavuri Hills, Hyderabad - 500033