



KNR Constructions Limited
Annual Report **2023-24**



GUIDED BY
VISION.
DRIVEN BY
EXCELLENCE.

ACROSS THE PAGES

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INVESTOR INFORMATION

Market Capitalisation as on March 31, 2024	₹ 69,268.08 Million
CIN	L74210TG1995PLC130199
BSE Code	532942
NSE Symbol	KNRCON
Dividend Declared	₹ 0.25 per Share of Face Value ₹ 2 each
AGM Date	September 26, 2024
AGM Mode	Video Conferencing (VC)/ Other Audio Visual Mode (OAVM)

Disclaimer

This document contains statements about expected future events and financials of KNR Constructions Limited ('KNRCL' or 'Our Company'), which are forward-looking. By their nature, forward-looking statements require our 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.

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information, please visit:
<http://www.knrcl.com/investors.html>



GUIDED BY
VISION.
DRIVEN BY
EXCELLENCE.

Our journey at KNR Constructions Limited (KNRCL) reflects the pursuit of a vision that breathes life into every project. We consistently transcend the confines of mere infrastructure building; rather we focus on embedding precision and perseverance in our endeavours to create hallmarks of excellence. All along our journey since 1995, we are driven by a firm commitment to redefine landscapes and uplift lives through our cutting-edge infrastructure solutions.

Guided by a clear vision to become the beacon of excellence in the Indian infrastructure sector, we mark our stride with tenacious pursuit of perfection. Driven by a leadership team, that is committed to foster innovation and sustainability, we remain dedicated to shape the future of infrastructure with unparalleled expertise.

For us, quality excellence is a way of work that is intertwined into every facet of our organisation. Traversing a multitude of projects from highways to bridges, from urban infrastructure to irrigation systems, this focus on excellence is reflected in our business ethos, driving us to seamlessly ingrain efficiency and precision in every action. Our reputation for completing projects ahead of schedule is a natural progression of our work ethics that inspire us to maintain highest safety and quality standards in all our initiatives.

As we stride forward, we remain committed to broaden our scope and explore fresh opportunities. By diversifying into various other civil engineering segments, while adopting leading-edge technologies to boost efficiency and improve project execution, we cement our position as an industry leader. Our financial prudence and sound project pipeline position us effectively for sustained progress and prosperity. Our journey continues to create collaborative ingenuity and generate enduring value with every strategic decision, as we chart our path of growth – Guided by Vision. Driven by Excellence.

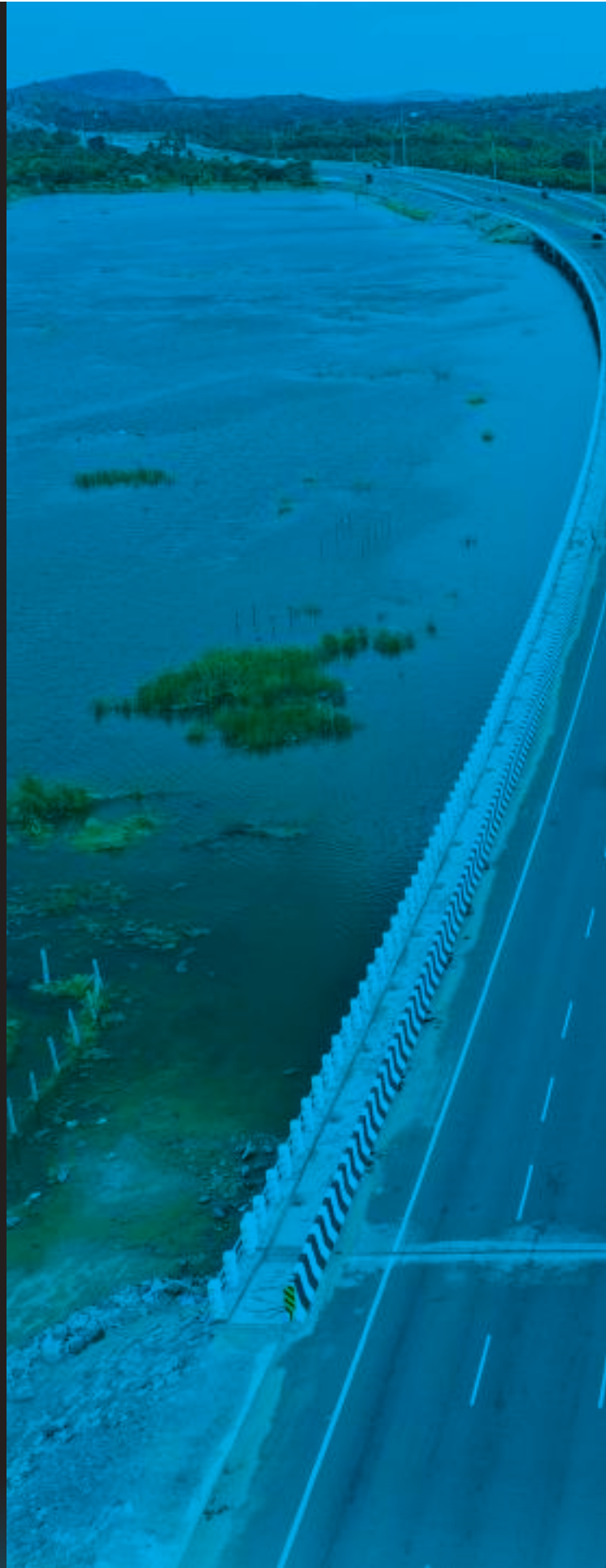
About Us

EXCELLING IN QUALITY AND PRECISION

KNR Constructions Limited (Hereafter referred to as 'KNRCL' or 'Our Company' or 'We'), headquartered in Hyderabad, stands as a hallmark of excellence in infrastructure project development. Established in 1995, we continue to build upon our rich legacy spanning close to 30 years to deliver projects with industry-benchmarked quality and unmatched precision. All along our journey, we consistently demonstrated our proficiency and collaborative approach, as evident in our multitude of successful executions. The strategic acquisition of M/s K. Narasimha Reddy & Co.'s assets in 1997 propelled us to new heights, enhancing our capacity to tackle the most complex projects.

We excel in a diverse array of infrastructure projects, encompassing highways, flyovers, bridges, irrigation, urban water infrastructure management, and urban development. Our success is driven by our commitment to achieve excellence, foster innovation, and uphold sustainability. Our endeavours adeptly amalgamate the growth of our Company with the well-being of society, creating an ecosystem for holistic progress. Our comprehensive range of services include Engineering, Procurement, and Construction (EPC) services, among others. We hold a strong foothold in the roads and highways sector, having successfully executed over 8,700 lane kilometres of road projects across 12 states in India.

We stand out in the market for our ability to bid for, execute, and implement medium to large-sized projects spanning varied infrastructure segments. Along with this key strength, our competitive edge is further accentuated by our robust track record, strong client base, skilled workforce, and a prudent management team. With a decentralised approach to operations, we ensure effective and timely decision-making, further cementing our reputation as a reliable and efficient infrastructure development company.



Strong EPC Order Book

₹ 53,048 Mn
As on March 31, 2024

₹ 31,980 Mn
Roads Sector

₹ 21,068 Mn
Irrigation and Pipeline
Sector

Orders worth ₹ 12,000 Mn to be added in the Order Book, with that the revised Order Book will be at ₹ 65,048 Mn as on March 31, 2024.



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.



Strategies

Strategic Joint Ventures for Growth Multiplication

We actively pursue growth by forming strategic Joint Ventures (JVs).

Timely Project Execution

We consistently complete projects on or ahead of schedule.

Engineering Excellence

We specialise in projects requiring advanced engineering skills.

Securing Prestigious EPC Contracts

We prioritise securing EPC contracts from esteemed clients and concessionaires.

Leveraging National Infrastructure Opportunities

We capitalise on opportunities presented by the vast infrastructure development taking place across the country.

Product Portfolio

ADVANCING WITH IMPACTFUL INFRASTRUCTURE SOLUTIONS

We, at KNRCL, take pride in our diverse portfolio with multiple domains of interventions, including enhancing connectivity, supporting agriculture, and improving urban living. Spanning a wide range of sectors, including highway construction, irrigation and water management, and urban development, our expertise and quality excellence spruce up India's infrastructure landscape. Each project we handle bears the hallmark of our superior quality, consistent innovation, and commitment to sustainability, reinforcing our position as a leader in offering impactful infrastructure solutions that drive community advancement and elevate standards across the industry.

Our Portfolio



Roads & Highways

We have successfully executed an extensive array of road projects across numerous states in India. With a diverse portfolio of BOT/HAM projects spread across several key regions, we maintain a formidable presence in the roads and highways sector. Our projects, which include various annuity-based, toll-based, and HAM-based initiatives, reflect our expertise and commitment to enhance connectivity and drive infrastructural advancement.

25+ years of
experience in
project execution

Over **8,700**
Lane Kilometres Executed

12
States Covered across India



Irrigation and Urban Water Infrastructure Management

We boast a robust presence in irrigation projects and urban water infrastructure management. Our diverse portfolio includes the successful execution of numerous irrigation ventures such as pump houses, reservoir, bunds and canals etc., and effective management of urban water infrastructure, highlighting our capabilities in handling crucial water management projects.



Urban Development

We are actively engaged in urban development projects, encompassing the construction of civic amenities. With a solid track record of executing complex and high-value projects across various segments, we lead with our expertise in the construction of expressways, national highways, state highways, flyovers, bridges, and irrigation systems.

Portfolio of BOT/ HAM Projects

2 annuity-based, 1 toll-based,
8 HAM-based projects

₹ 96,188 Mn

Total Bid Project Cost for 8 HAM
projects

Promoter and Managing Director's Communique

FORGING A JOURNEY OF ENDURING EXCELLENCE



“ As we map out our future trajectory, we actively expand into new geographies and explore unconventional projects in the areas of irrigation, metro, tunneling, railways, mining, and solar energy. ”

K. Narsimha Reddy

Founder Promoter and Managing Director

Dear Shareholders,

On behalf of KNR Constructions Limited, I wish to express my sincere appreciation to each one of you for being an integral part of our journey. Every milestone we achieve reflects not just our progress but the collective spirit that drives us forward. Energised by a deep sense of purpose and responsibility, we remain committed to contribute in shaping a stronger, more resilient nation and build a prosperous future for all.

At KNR Constructions, we are guided by a clear vision and led by a persistent pursuit of excellence. Our journey in 2023-24 was an embodiment of this indomitable consistency, as we continued to embrace new opportunities and navigate challenges, while strictly abiding by our foundational values.

Navigating the Macros

In recent times, the global economy was beset by a series of complex challenges, from the prolonged Russia-Ukraine conflict to rising tensions in the Middle East, mounting financial pressures, persistent inflation, and a deceleration in international trade. However, notwithstanding these major volatilities, India successfully charted a resilient course through

these turbulent times, demonstrating its economic strength and adaptability. The outstanding figure of 8.2% GDP growth during 2023-24 further reinforced the mettle of the Indian economy.

A host of key factors, including the rising per capita income, rapid urbanisation, focused Government initiatives, and substantial strategic investments in infrastructure drove this robust GDP growth. Furthermore, India's appeal as a promising investment destination led to a surge in foreign direct investments, reaffirming its stature as a global economic powerhouse.

Industry Dynamics: Laying the Foundations for Sustained Growth

Infrastructure development remains instrumental behind India's impressive growth narrative, serving as a major driver of economic growth and societal progress. The persistent effort by the Central Government to prioritise the establishment and upgradation of the country's infrastructure continues to positively impact the economy. Moreover, these efforts go a long way in improving connectivity, boosting efficiency across various sectors, spurring

In the Union Budget 2024-25, an allocation of ₹ 11.11 Lakh Crores was made for the infrastructure sector, representing 3.4% of the country's GDP.

job creation, attracting foreign investments, and promoting regional growth.

The Government's commitment to infrastructure development is reinforced by a robust fiscal agenda, with substantial support projected over the next five years. In the Union Budget 2024-25, an allocation of ₹ 11.11 Lakh Crores was made for the infrastructure sector, representing 3.4% of the country's GDP. This significant investment reflects the Government's bold vision of a modern, interconnected India, while highlighting the critical importance of infrastructure as a key element in ensuring long-term economic growth. With a clear focus on achieving a Viksit Bharat by 2047, this strategic push places infrastructure development as central to the nation's future aspirations.

Furthermore, in 2024-25 (Budget Estimate), the capital allocation for the Ministry of Road Transport & Highways recorded a 3% rise to reach ₹ 2.72 Tn compared to ₹ 2.65 Tn in 2023-24 (Revised Estimate). While the increase may seem modest, it reinforces the Government's focus on the road sector. In addition, it supports the Ministry in fulfilling its ambitious targets for the Bharatmala and National Infrastructure Pipeline (NIP) projects.

Seizing Opportunities in India's Infrastructure Growth

This promising landscape opens up significant opportunities for companies like KNR Constructions, where our strong foundation and proven excellence in the EPC (Engineering, Procurement, and Construction) and HAM (Hybrid Annuity Model) segments empowers us to seize the moment. With the Government's enhanced emphasis on infrastructure, we are exploring new avenues, particularly through BOT (Build-Operate-Transfer) projects in collaboration with leading industry players and prospective investors. Moreover, by expanding our role in highway construction, we are strengthening our project portfolio and positioning

KNR Constructions as a key catalyst to India's ongoing transformation in this sector. Through our active participation, we continue to advance the country's vision for infrastructure, while broadening our scope and consistently delivering high-quality projects.

Moving Forward

As we map out our future trajectory, we actively expand into new geographies and explore unconventional projects in the areas of irrigation, metro, tunneling, railways, mining, and solar energy. This strategic diversification brings the two-fold benefits of mitigating potential risks in an evolving business environment, while concurrently strengthening our foundation for sustained and balanced growth. By venturing into these emerging areas, we ensure our resilience, agility, and adaptability amidst a dynamic landscape, while continuing to build on our core competencies.

Note of Thanks

I want to express my heartfelt gratitude to our exceptional employees, whose dedication and hard work form the backbone of our success. My sincere appreciation also goes to our valued stakeholders – clients, partners, investors, bankers, auditors, and vendors – for their continued trust and support. As we step into a new fiscal year, we are confident that together we will continue to craft a sustainable growth path for KNR Constructions, creating enduring value for everyone involved in this journey of excellence.

Best regards,

K. Narsimha Reddy

Founder Promoter and Managing Director

Message from the Executive Director

PROPELLING PROGRESS WITH PRECISION AND VISION



“ In 2023-24, we recorded a turnover of ₹ 40,910 Mn, marking a growth of 9.3% compared to ₹ 37,438 Mn in 2022-23. ”

K. Jalandhar Reddy
Executive Director

Dear Shareholders,

As I write this letter, I am deeply aware of the pivotal role infrastructure plays in a nation's journey towards growth and prosperity. In the larger narrative of a country's progress, infrastructure serves as the backbone, a silent enabler of collective development. Roads lay the groundwork for industries to flourish, highways connect once-remote communities, and irrigation projects breathe life into arid lands, turning them into thriving agricultural fields. Meanwhile, urban water management ensures that cities prosper sustainably, with clean water simultaneously supporting the well-being of people and the vitality of the economy.

We, at KNR Constructions Limited, leverage our strong foundation and deliver these transformative projects with unmatched efficiency and outstanding performance, propelling the country forward. For nearly three decades, we are delivering landmark projects across India to shape the nation's infrastructural stride. Much like a river carves and molds the landscape over time, KNR's work in Engineering, Procurement, and Construction (EPC) steadily and consistently transforms India's infrastructure, driving progress.

Financial Performance

At KNR Constructions Limited, we continued to excel even amidst market challenges. In 2023-24, we recorded a turnover of ₹ 40,910 Mn, marking a growth of 9.3% compared to ₹ 37,438 Mn in 2022-23. Our EBITDA stood at ₹ 7,010 Mn in 2023-24 compared to ₹ 7,217 Mn in the previous year, with a slight dip of 2.9%. Despite this, our profit after tax (PAT) remained resilient at ₹ 4,938 Mn, reflecting a modest decline of 1.0% from ₹ 4,988 Mn in 2022-23.

As of March 31, 2024, we hold a robust order book totaling ₹ 65.05 Bn, strategically diversified across key infrastructure segments. A substantial 67% of this portfolio is earmarked for Engineering, Procurement, and Construction (EPC) road projects and Hybrid Annuity Model (HAM) projects, essential for expanding and modernising India's transportation network. Furthermore, an allocation of 15% is dedicated to irrigation projects, reflecting our commitment to boost agricultural productivity and water management. The remaining 18% is dedicated to pipeline projects, crucial for the efficient distribution of resources and utilities. In terms of client distribution, 50% of the order book comprises third-party contracts, while 50% is designated for

As we move ahead, we continue to prioritise our focus on sustainable growth, with de-risking forming a crucial part of our strategy.

captive consumption. Of the third-party orders, 40% comes from the State Governments, 8% from Central Government, and the remaining 2% from private entities.

Significantly, our order book features a water supply project across 26 urban local bodies (ULBs) and a sewerage project spanning 4 ULBs under the AMRUT-II scheme, awarded by the Government of Telangana, amounting to approximately ₹ 11.05 Bn. Our current order book position remains stable, providing clear visibility and a solid platform for execution over the coming years. Your Company has received the appointed date for the 6-laning of Marripudi to Somvarappadu, a part of Bengaluru-Vijayawada Economic Corridor Package 13 under Bharatmala Pariyojana Phase 1 in the state of Andhra Pradesh (KNR Ramatheertham Infra Private Limited) on 10th February 2024 and also received the Provisional Certificate of completion for an EPC project of Cheyyur-Vandavasi-Polur Road for 204 days ahead of schedule. Your Company has also received an amount of ₹ 2,446.87 Mn from the Client under Vivad Se Vishwas II (Contractual Disputes) Scheme of Government of India for different Projects and in process of receiving further Claims also in ensuing year.

Moving Forward

As we move ahead, we continue to prioritise our focus on sustainable growth, with de-risking forming a crucial part of our strategy. This tactical approach safeguards us against potential downturns and unforeseen challenges. We are actively exploring new geographical markets and pursuing unconventional projects, including irrigation, metro systems, tunnelling, railway, mining, and solar initiatives. Looking ahead, we are optimistic about securing additional high-value projects that will further propel our growth and strengthen our market presence.

Your Company is in a process of Implementation of Integrated SAP S/4 Hana Public Cloud, an advanced powerful enterprise resource planning (ERP) software, to streamline and optimise various critical modules such as Materials Management (MM), Plant Maintenance (PM), Financial Accounting and Controlling (FICO), Project Systems (PS) and Sales & Distribution (SD).

Closing Remarks

We stay committed to embed sustainability within our operational framework, thereby actively contributing to both environmental stewardship and social well-being. As we forge our resilient journey, I take this opportunity to express my heartfelt gratitude to our employees for their dedication and perseverance, which remain pivotal in reaching each milestone along our course. I also extend my sincere appreciation to our valued clients, partners, investors, and vendors for believing in our vision and abilities. Your continued engagement will fuel our progress and inspire us to strive for a brighter, more sustainable future together, co-creating shared prosperity and lasting value.

Best regards,

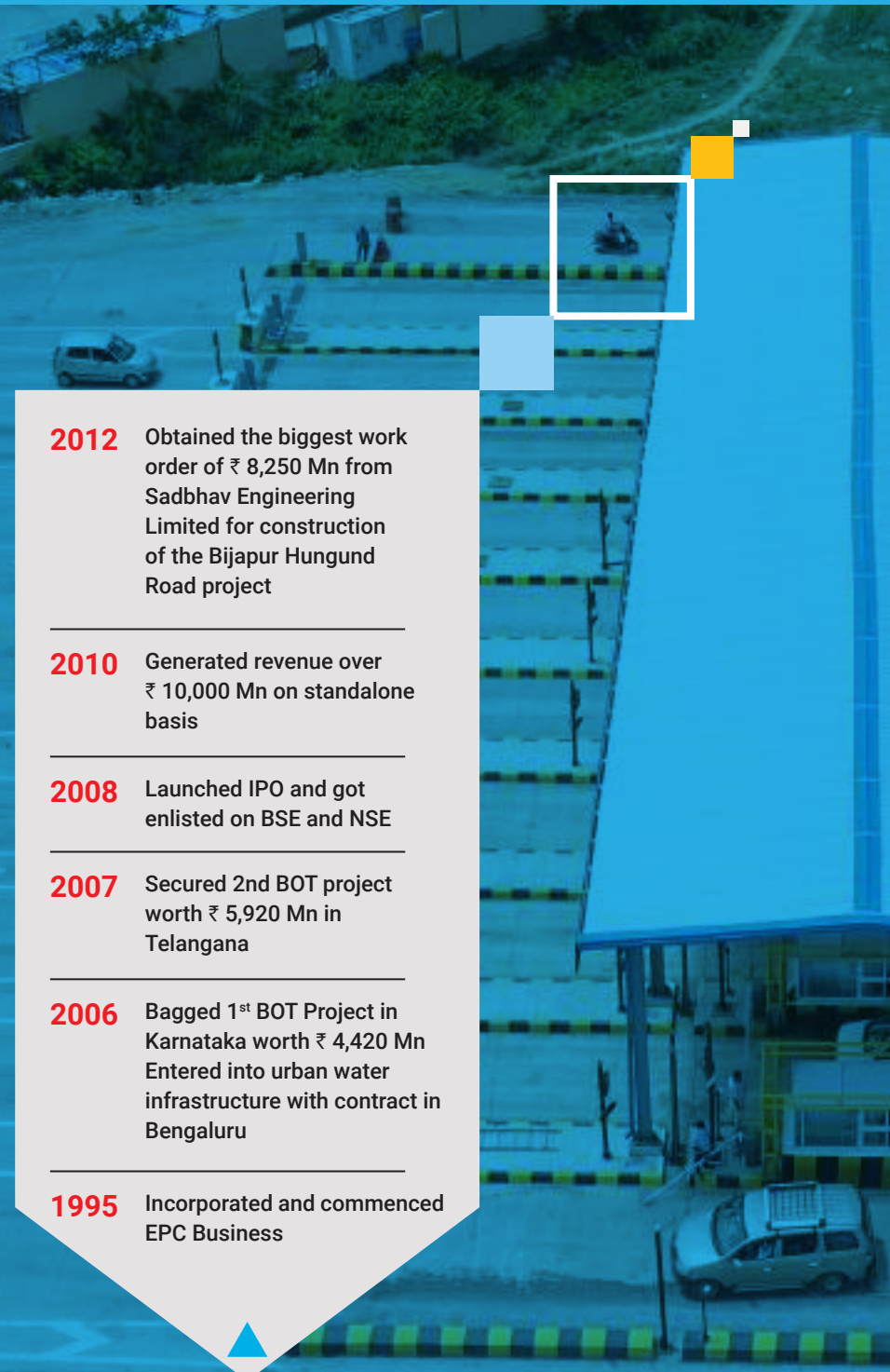
K. Jalandhar Reddy

Executive Director

Journey and Milestones



SCALING NEW HEIGHTS WITH FOCUSED VISION

We, at KNRCL, chart our path with a clear and firm vision, that guides us through numerous milestones and empowers us to scale greater heights. Each of our accomplishments is a reflection of our perseverance, adaptability, and ability to innovate. We are ever-eager to forge a journey that highlights our dedication to excellence and focus on sustainability, scripting a future defined by holistic growth and prosperity.

- 
- 2012** Obtained the biggest work order of ₹ 8,250 Mn from Sadbhav Engineering Limited for construction of the Bijapur Hungund Road project
 - 2010** Generated revenue over ₹ 10,000 Mn on standalone basis
 - 2008** Launched IPO and got enlisted on BSE and NSE
 - 2007** Secured 2nd BOT project worth ₹ 5,920 Mn in Telangana
 - 2006** Bagged 1st BOT Project in Karnataka worth ₹ 4,420 Mn Entered into urban water infrastructure with contract in Bengaluru
 - 1995** Incorporated and commenced EPC Business

1995-2012





- 2019**  Signed SPA with Cube Highways for 3 SPVs (HAM project)
-  Yielded revenue of more than ₹ 20,000 Mn on standalone basis



- 2018** Secured 5 HAM projects worth of ₹ 56,112 Mn (BPC)

- 2016** Crossed net worth of ₹ 10,000 Mn on standalone basis

- 2013**  Bagged an EPC project worth ₹ 9,371 Mn for the Madurai-Ramanathapuram Section of NH-49 in Tamil Nadu under NHDP Phase-III
-  Received 3rd BOT toll project worth ₹ 9,005 Mn in Kerala
-  Completed the construction of Bijapur Hungund Section 11 months ahead of schedule

- 2024**  Crossed net worth of ₹ 30,000 Mn on standalone basis
-  Yielded revenue of more than ₹ 40,000 Mn on standalone basis

- 2022** Transferred balance 51% (a total of 100%) stake in 3 SPVs (KNR Tirumala, KNR Shankarampet and KNR Sriraganam) to Cube Highways and Infrastructure III Pte. Limited for a value of ₹ 2,794.3 Mn

- 2021**  Surpassed net worth of ₹ 20,000 Mn on standalone basis
-  Divested 49% stake in 2 SPVs (KNR Tirumala Infra Private Limited and KNR Shankarampet Projects Private Limited) to Cube Highways and Infrastructure III Pte. Limited for a value of ₹ 2,453.2 Mn

- 2020** Transferred 100% stake of KNR Walayar Tollways Private Limited (SPV) to Cube Highways and Infrastructure III Pte. Limited for an enterprise value of ₹ 5,117.8 Mn

2013-2019

2020-2024

Highlights

DRIVING GROWTH WITH STRATEGIC FOCUS

We, at KNRCL, thrive in our ability to drive strategic growth and maintain prudent financial management, while achieving significant milestone in our trajectory. Buoyed by our commitment to excellence and collaborative spirit, we continue to forge ahead with rigorous vigour, accentuating our progress with tactical manoeuvring. Our focused endeavours highlight our drive to generate enduring value for our stakeholders, cementing our relationship with the industry and society, alike.

Letter of Award for Water Supply Projects in 26 ULBs and Sewerage Projects in 04 ULBs under AMRUT 2.0 under the Jurisdiction of (Nalgonda and Khammam PH Divisions) in Package II

- Letter of Award issued on March 12, 2024
- Project cost amounts to ₹ 11,048.8 Mn

Declaration for Appointment Date for Greenfield Highway from Marripudi to Somavarappadu NH 544 G

- Part of the Bengaluru Vijayawada economic corridor on HAM Mode under Bharatmala Pariyojana Phase-1 in the State of Andhra Pradesh (Package 13)
- Appointment date received as February 10, 2024

Claims from Walayar Vadakenchery Expressway Private Limited (erstwhile subsidiary of the Company)

- Received claims and passed on to the Company as per Share Purchase Agreement & Claim Management Agreement for an amount of ₹ 610.69 Mn and ₹ 949.1 Mn, denoted as Contract Receipt included in Revenue from Operations and Interest Income, respectively
- Recognised further expenses related to such claims of ₹ 84.16 Mn included in Other expenses and the resultant tax of ₹ 371.39 Mn included in current tax

Claims from Patel KNR Infrastructures Limited (Associate of the Company)

- Received claims and passed on to the Company for an amount of ₹ 83.09 Mn, which was set off against existing unbilled revenue of ₹ 209.55 Mn; the balance unbilled revenue was written off to the tune of ₹ 126.47 Mn included in other expenses
- Recognised ₹ 145.91 Mn towards Interest included in other income and the resultant tax of ₹ 4.89 Mn included in current tax

Claim of Patel KNR JV & KNR Patel JV (Joint operations of the Company)

- Received claims and passed on to the Company for an amount of ₹ 741.18 Mn included in Revenue from Operations and
- Recognised related expenses to such claims of ₹ 58.86 Mn included in other expenses and the resultant tax of ₹ 171.74 Mn included in current tax

Provision for KNR Muzaffarpur Barauni Tollway Private Limited (Step down Subsidiary)

- Created provision towards impairment of equity of ₹ 545 Mn, doubtful advances of ₹ 327.98 Mn, and doubtful trade receivables of ₹ 101.44 Mn included in other expenses
- Necessitated this provision as the toll collection of the Project is insufficient to recover the maintenance cost and debt obligation

Geographical Presence

BUILDING EXCELLENCE WITH ROBUST PRESENCE













We, at KNRCL boast a formidable presence across India. Our rich experience of close to 3 decades, coupled with our unmatched expertise and ability to adapt, enable us to execute diverse projects across various Indian states. Our commitment to excellence and operational prowess in delivering high-quality infrastructure

solutions drive us to set new industry standards. Our operations cover the length and breadth of India, from Tamil Nadu and Kerala in the South to Uttar Pradesh and Haryana in the North, extending all the way to Assam and Arunachal Pradesh in the East to Gujarat in West, creating widespread impact.

State-Wise Order Book executed in last 25 years (₹ in Mn)

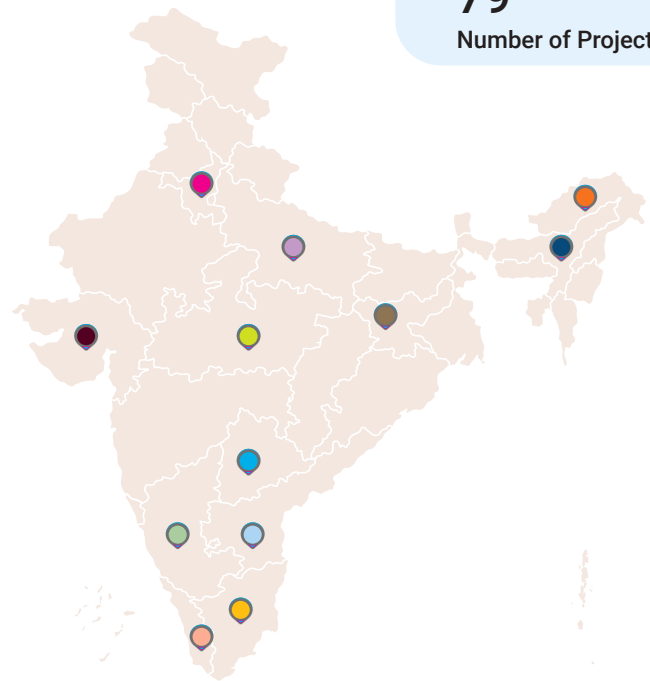
Sr. No.	State	Number of Projects	Project Value (₹ Mn)
1	Tamil Nadu	12	44,998
2	AP & Telangana	30	43,534
3	Karnataka	15	33,176
4	Kerala	2	17,068
5	Madhya Pradesh	4	6,619
6	Uttar Pradesh	10	4,549
7	Assam	2	4,038
8	Arunachal Pradesh	1	3,468
9	Gujarat	1	2,550
10	Orissa	1	1,866
11	Haryana	1	118

States

Tamil Nadu		Uttar Pradesh	
AP		Assam	
Telangana		Arunachal Pradesh	
Karnataka		Gujarat	
Kerala		Orissa	
Madhya Pradesh		Haryana	

79

Number of Projects



₹ 1,61,984 Mn
Executed Project Value

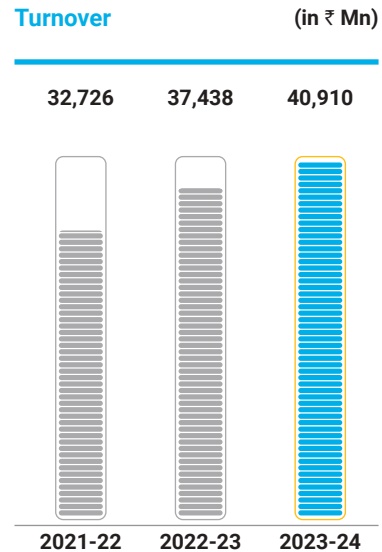
Disclaimer: This map is a generalised illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. Our Company or any of its directors, officers or employees, cannot be held responsible for any misuse or misinterpretation of any information or design thereof. Our Company does not warrant or represent any kind of connection with its accuracy or completeness

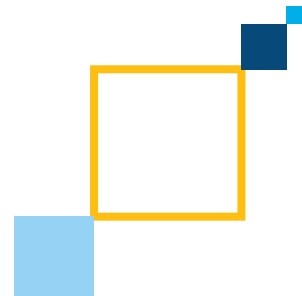
Financial Highlights

STRIDING AHEAD WITH SOUND FINANCIALS

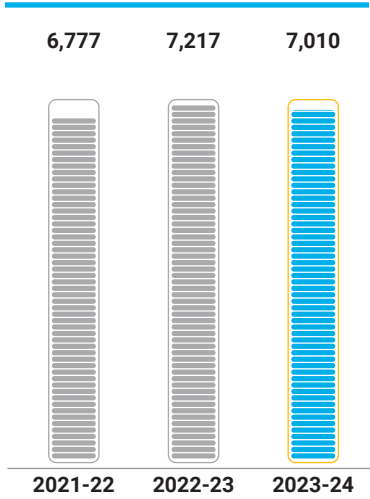
We, at KNRCL, uphold our enduring financial strength and stability as a guiding star along our journey. Our firm commitment to growth is evident through our consistent increase in turnover, resilient earnings, and robust net worth. These accomplishments further highlight our strategic focus on prudent financial management, ensuring value creation for all our stakeholders.

(All figures on Standalone basis)

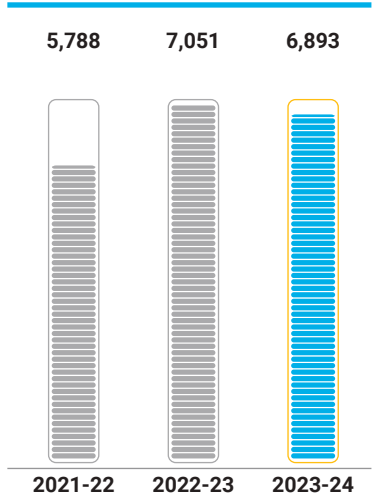




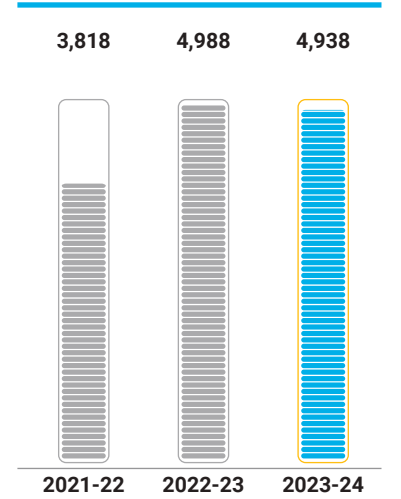
EBITDA (in ₹ Mn)



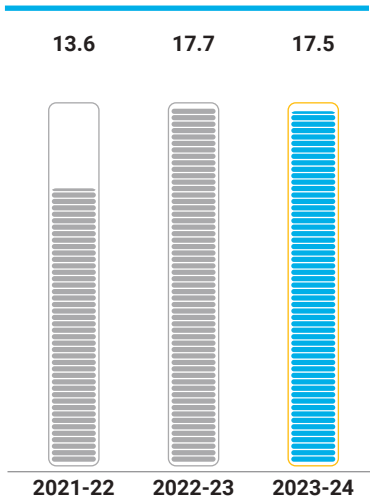
Profit before Tax (PBT) (in ₹ Mn)



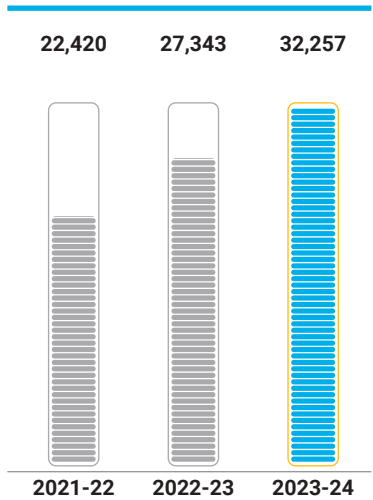
Profit after Tax (PAT) (in ₹ Mn)



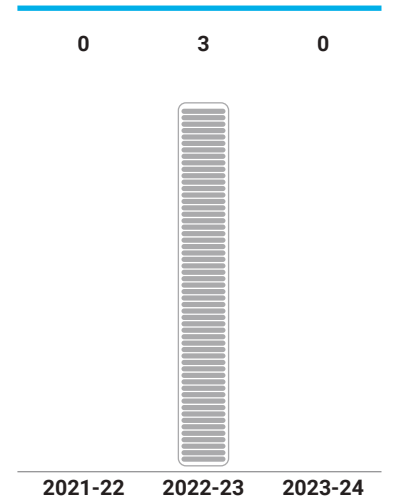
EPS (in ₹)



Net Worth (in ₹ Mn)



Debt (in ₹ Mn)



Project Execution Highlights

CELEBRATING INGENUITY WITH VERSATILE PROJECTS

We, at KNRCL, demonstrate a firm commitment to consistently deliver exceptional infrastructure projects across a broad spectrum of sectors. Dependability is at the core of our operations, and our diligent planning ensures that we strictly meet project

timelines, frequently completing our work ahead of schedule. The variety of our project portfolio, combined with our ability to handle different types of infrastructure challenges, speaks volumes of our versatility and adaptability.

Grade Separator in Coimbatore

We constructed a Grade Separator in Coimbatore city, featuring a cumulative flyover length of 2.853 km. This project stands as an embodiment of our engineering excellence and strategic execution. It encompasses a 1.752 km first-level flyover and a 1.101 km second-level flyover, effectively designed to alleviate traffic congestion in the main city roads. The scope of the project included 92 spans with 264 piles extending 2,617 running metres across 32 foundation locations and 62 open foundations. Key quantities executed incorporated 39,802 cubic metres of various grades of concrete, 6,524 MT of steel, 368 POT/PTFE bearings, 1,311 running metres of expansion joints, and 2,691 square metres of reinforced earth wall in the approaches. This project bears the testimony of our commitment to enhance urban mobility.



Two-Tier Flyover in Salem City

We completed a two-tier flyover in Salem City with a total cumulative length of 7.87 km. This project included a 3.891 km first-level flyover and a 3.980 km second-level flyover, designed to significantly streamline traffic flow and augment urban connectivity. The scope of the project involved 206 spans with 133 piles extending 1,347 running metres at 18 foundation locations and 155 open foundations. Major quantities executed included 89,324 cubic metres of concrete, 12,341 MT of HYSD steel, 821 POT/PTFE bearings, 2,100 running metres of expansion joints, and 8,493 square metres of reinforced earth wall in the approaches. Moreover, the superstructure was built using prestressed precast segmental construction.



Konda Pochamma Sagar Reservoir

We successfully concluded the Konda Pochamma Sagar Reservoir in Telangana, boasting a capacity of 50 TMC. We completed approximately 12 Mn cubic metres of earthwork within a record time of 500 days. Additionally, our efforts included the near-completion of two major reservoirs in the state. Currently, we are executing a 4 x 90 MW Pump House project in Telangana, marking another significant accomplishment in our journey.



Project Execution Capabilities

SETTING BENCHMARKS IN EXECUTION PROFICIENCY

We, at KNRCL, take immense pride in our ability to consistently deliver projects ahead of schedule. This agility highlights our unflinching focus on efficiency, thorough planning, and prudent project

management. Our impressive track record of timely project completion reflects our operational excellence and solidifies our stature as a dependable and proficient infrastructure developer.

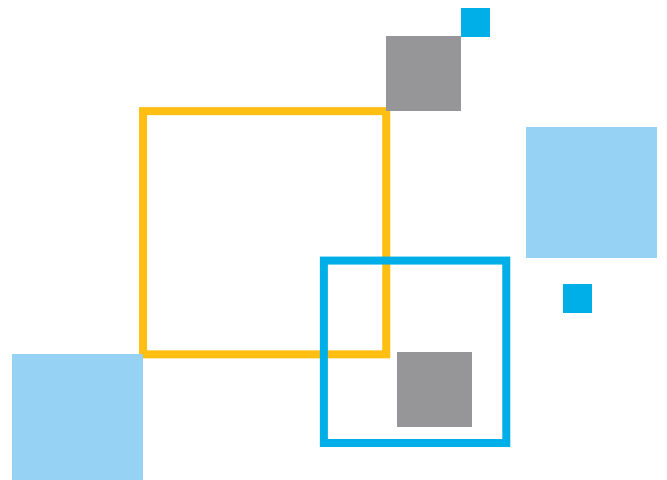
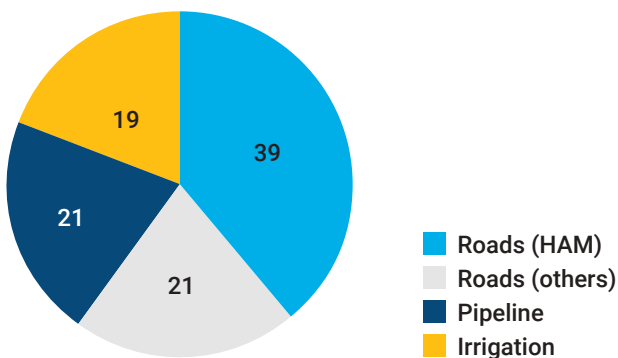
	Scheduled Completion (Days)	Actual Completion (Days)
Bijapu-Hungund	910	582
Hyderabad-Ramagundam	1,440	1,219
Karimnagar-Kamareddy	450	343
Hyderabad-Chanda	365	364
Siricilla-Siddipet	365	364
Narsapur-Aswaraopet	365	364
Walayar-Vadakkancherry	910	880
Penchalakona-Yerpedu	730	609
Chittor-Mallavaram	1,000	858
Trichy-Kallagam	1,000	911
Ramsanpalle-Mangloor	887	887
Oddanchatram-Madathukulam	883	698



Order Book Highlights

Key Projects	(in ₹ Mn)
Marripudi to Somvarappadu Project (HAM)	5,800
Ramanattukara to Valanchery Bypass Project (HAM)	4,987
Bangalore-Mangalore Project (Periya Shanthi to Bantwal)(EPC)	4,561
Development of Six-lane Chittoor-Thatchur Highway (HAM)	4,259
Valanchery Bypass to Kappirikkad Project (HAM)	4,044
Top 5 Road Projects	23,651
Other Road Projects	8,329
Irrigation Projects	10,019
Pipeline Projects	11,049
Total Orderbook as on March 31, 2024	53,048

Segment-wise Split (in %)



Order Book: State-wise

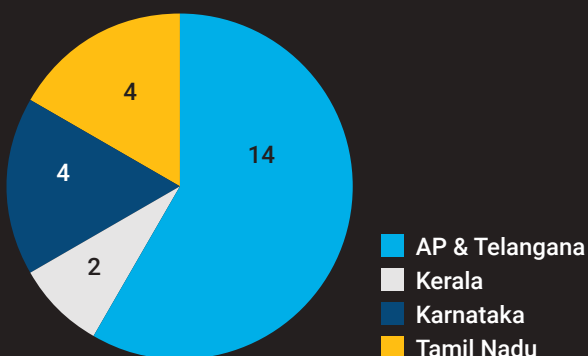
States	Number of Projects	Balance Value (in ₹ Mn)
AP & Telangana	14	32,538
Kerala	2	9,030
Karnataka	4	6,778
Tamil Nadu	4	4,702

Projects to be added in the Order Book (Awaiting for Appointed Date)

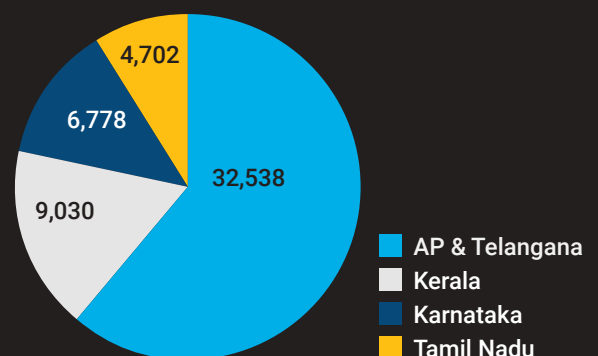
Project	(in ₹ Mn)
Mysore to Kushalnagara (PKG IV) HAM	5,750
Mysore to Kushalnagara (PKG V) HAM	6,250
Total	12,000

**With the above revised
Order Book is ₹ 65,048 Mn.**

Number of Projects



Balance Value (in ₹ Mn)



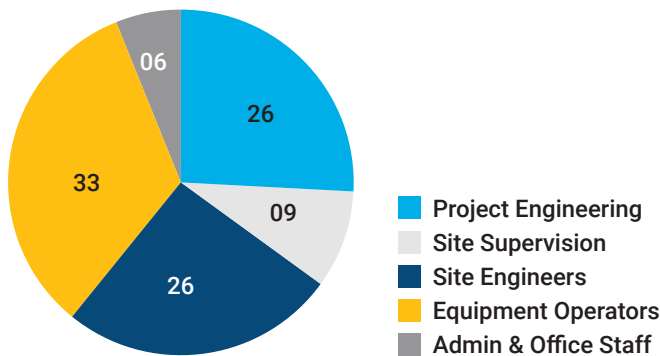
In-house Execution Team

GROWING STRONG WITH SKILLED PRECISION

We, at KNRCL, attribute our success to our dedicated and experienced in-house team, which stands at the core of our endeavours. Led by a proficient management team, our employees bring a wealth of expertise in project engineering, site supervision, site engineering, equipment operation, and administrative support. Our skilled and diverse team ensures the seamless execution and delivery of our projects, enabling us to achieve greater milestones through our commitment to excellence and innovation.



Employees-wise Split (in %)



2,456
Total Employees

Clients

PROPELLING AHEAD WITH COLLABORATIVE EXCELLENCE

We, at KNRCL, thrive in our robust partnerships with a host of marquee clients. These collaborations are pivotal in our journey of excellence and growth, highlighting our ability to comply with the high standards and expectations of some of the

most esteemed organisations in the sphere of infrastructure. Diligently serving national and state authorities, private enterprises, and public departments, we persist in upholding the trust they bestow upon us by delivering exceptional quality and innovative solutions.



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)

Governance

STEERING US AHEAD WITH VISIONARY LEADERSHIP

We, at KNRCL, are empowered by our exceptional management team, whose seasoned expertise and visionary leadership fuel our success and drive our growth. Their extensive experience in the infrastructure sector equips them with unparalleled insight, steering our Company to new heights.

Top Management

Shri K. Narasimha Reddy

(Founder Promoter & Managing Director)

- ↳ Possesses over 50 years of experience in the highway sector
- ↳ Started career in 1968 and engaged in the business of undertaking civil and mechanical contracts
- ↳ Has extensive knowledge and experience in multi-project planning scheduling, cost controls, overall construction, and multi-project management
- ↳ Driving force in taking our Company towards greater heights

Shri K. Jalandhar Reddy

(Promoter & Executive Director)

- ↳ Brings over 25 years of experience in the highway and infrastructure sector
- ↳ Started his career with the organisation as a project manager and was elevated to the position of Executive Director on April 1, 1997
- ↳ Heads the tendering and bidding activities and oversees most of the projects

Leadership Team

Shri T.L. Verma

(Sr. Vice President - Projects)

- ↳ Holds a Bachelor of Engineering degree from MITS Gwalior (MP)
- ↳ Possesses over 40 years of total experience with approximately 20 years of experience in highway sector
- ↳ Working with our Company since 2006 on various projects, such as bridges and highways, with particular emphasis on construction of concrete roads

Shri S Vaikuntanathan

(Vice President - Finance)

- ↳ Holds the fellow membership of the Institute of Chartered Accountants of India
- ↳ Brings over 40 years of experience in the areas of finance, accountancy and taxation
- ↳ Bears the overall responsibility for the finalisation of corporate accounts, taxation, finance, and related affairs

Smt V. Haritha

(Company Secretary)

- ↳ Is a member of the Institute of Company Secretaries of India
- ↳ Bears the overall responsibility towards compliance of rules & regulations laid down by various authorities

CSR

During the year, KNR Constructions actively contributed to various CSR initiatives aimed at making a positive social impact. We focused on promoting education through school construction, enhancing public safety by installing CCTV cameras, empowering women with skill development programs, and improving rural infrastructure through road development projects.



Construction of Schools at Wayanad, Kerala

₹ 15.40 Mn



Installation of CCTV cameras at Jubilee Hills, Madhura nagar, Film Nagar & Borabanda in collaboration with Society for Public Safety, West Zone, Hyderabad

₹ 10.00 Mn



Supply of Sewing Machines along with training for SGH Women

₹ 20.00 Mn



Rural Road development

₹ 26.87 Mn

Management Discussion & Analysis

GLOBAL ECONOMIC REVIEW

The global economy stands as a remarkable example of resilience and adaptability, steadily advancing on its growth path, while swiftly easing inflationary pressure. This robust journey highlights the collective efforts of nations as they navigate post-pandemic supply chain disruptions, energy and food crises sparked by geopolitical tensions, and the intense inflationary pressures that followed.

Amidst several volatilities, the global economy clocked a growth rate of 3.2% in 2023, reflecting its underlying stability and potential for future prosperity. Central banks in major economies responded to rising inflation with carefully calibrated interest rate hikes, leading to a faster-than-expected decline in inflation from its 2022 peak. Meanwhile, the cooling down of inflation created a favourable backdrop for steady economic growth and strengthened employment opportunities across the United States, Europe, and other emerging markets.

However, global supply chains and trade dynamics continued to face disruptions due to ongoing geopolitical unrest. In 2023, China's economic performance remained sluggish, a trend that is expected to persist in 2024. As a major player with significant manufacturing capacity and extensive supply networks, China's economic struggles could ripple through the global economy. On the other hand, several emerging markets, including India, Vietnam, and Mexico, recorded sound growth, attracting increasing capital inflows from foreign institutional investors.

Global Economic Growth (in %)

	Year-on-Year		
	Actual	Estimate Projection	
	2023	2024	2025
World	3.2	3.2	3.2
Advanced Economies	1.6	1.7	1.8
Emerging Markets and Developing Economies	4.3	4.2	4.2

(Source: World Economic Outlook – April 2024)

Outlook

With inflationary pressures easing and central banks adopting more accommodative monetary policies, the global economic outlook remains optimistic. Projections suggest that the global GDP growth rate will hold steady at 3.2% in 2024, with this momentum being maintained in 2025 as well. While geopolitical tensions in Europe and West Asia persist, cautious optimism prevails, with expectations of a gradual recovery

and stabilisation of the global economy. The collective efforts of governments, along with the resilience demonstrated by economies worldwide, will be crucial in shaping a sustainable and inclusive growth trajectory in the coming years.

INDIAN ECONOMIC REVIEW

Over the past year, the Indian economy showcased impressive growth, despite facing various challenges from multiple fronts, including inflationary pressures and currency fluctuations. The country registered a sound GDP growth rate of 8.2% for the fiscal year ending March 2024, surpassing earlier estimates of 7.3% and 7.6%, making it the fastest-growing major economy globally. Significantly, the Indian economy clocked a year-on-year growth of 7.8% in the first quarter (April to June 2023) and 7.6% in the second quarter (July to September 2023), both outperforming the Reserve Bank of India's (RBI) expectations.

In July 2024, inflation stood at a favourable 3.5%, well below the RBI's 4% target. This marks a notable improvement from earlier in the year when inflation was above RBI's benchmark. This positive shift reflects the effectiveness of the Government's adept measures and monetary policy adjustments. Going forward, RBI remains committed to maintain inflation within this target range with its continued efforts, while ensuring price stability in the near future.

Since February 2023, the RBI kept the repo rate steady at 6.5%, reflecting a prudent monetary policy stance focused on managing inflation. Over the year, the Indian rupee witnessed a slight depreciation against the US dollar, moving from 82.7 at the start of the year to 83.01 by mid-December. This modest movement was influenced by rising interest rates in the US, that shifted investor preferences towards dollar-denominated assets.

In India, merchandise exports for the April to June 2024 quarter totalled at USD 109.96 Bn, with engineering goods and petroleum products standing out as major contributors. Meanwhile, the labour market demonstrated signs of recovery, with the unemployment rate gradually decelerating after peaking at 10.1% in October 2023. Moreover, urban unemployment fell from 7.2% in the July-September quarter in 2022 to 6.6% during the same period in 2023. Additionally, the labour force participation rate increased as well, indicating a gradual recovery in employment.

(Source: https://www.indiabudget.gov.in/doc/budget_speech.pdf.)

Management Discussion & Analysis (Contd.)

<https://indianexpress.com/article/business/india-retail-inflation-eases-july-9509895/>, <https://www.ibef.org/news/india-s-total-exports-estimated-to-grow-at-5-40-in-june-2024-cumulative-overall-exports-during-april-june-2024-estimated-to-grow-at-8-60>)

Outlook

Going forward, India's GDP is expected to reach the milestone of around USD 5 Tn by 2027, with the country aspiring to become the world's third-largest economy by that time. Moreover, the persistent focus of the Government on infrastructure spending and capital investments is anticipated to retain this upward momentum. Additionally, the positive outlook of the economy is largely to be sustained by continued Government efforts to boost economic activity and attract investment, positioning the nation on the course of sustainable growth.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Indian Infrastructure Sector

India's infrastructure sector is central to the country's economic progression and its aspirations to emerge as a developed nation by 2047. The Government's substantial investment in infrastructure, accounting for 3.4% of GDP in 2024, further demonstrates its commitment to develop liveable, climate-resilient, and inclusive cities that are essential for sustained economic advancement.

Government's Ambitious Goals

2 Lakhs-km

National highway network by 2025

220

Operational Airports by 2025

23

Operational Waterways by 2030

35

Multi-Modal Logistics Parks by 2025

Over the past decade, infrastructure development in India made significant strides. The transport sector witnessed major progress during this time frame, with roads and highways leading the way, followed by railways and urban public transport. Meanwhile, Phase IV of PMGSY aimed to provide connectivity to 25,000 rural habitans. Moreover, the Government's programmatic interventions such as creation of National Infrastructure Pipeline (NIP) of projects, National Monetisation Pipeline (NMP) of projects and PM GatiShakti

National Master Plan further accelerated the pace of development. The strategic implementation of sector-specific large-scale national level programmes, including Bharatmala, Sagarmala, Regional Connectivity Scheme-UDAN, Dedicated Freight Corridors, High Speed Rail network, Redevelopment of Railway Stations, BharatNet, Jal Jeevan Mission, AMRUT, and Smart Cities Mission, among others, contributed to rapid development, driving the nation's infrastructure forward.

Over the next five years, the Government remains committed to maintain robust fiscal support for infrastructure, while balancing other priorities and fiscal consolidation. In 2024-25, an allocation of ₹ 11,11,111 Crores, accounting for 3.4% of GDP, is earmarked for capital expenditure. This strategic push for infrastructure development has trickled down to the sub-national level as well, with the State Governments recognising the importance of infrastructure as an enabler for faster economic growth. As a result, the states collectively expand their capital outlays to ₹ 8.7 Lakh Crores in 2024. This influx of funding creates promising investment opportunities for the private sector, particularly within the diverse transport sub-segments. As the transport sector continues to face sustainability challenges, the private sector is well-positioned to take advantage of the favourable policy landscape and boost its infrastructure investments. Moreover, public-private partnerships (PPPs) emerge as a pivotal strategy for private sector engagement, especially in projects encompassing airports, ports, highways, and logistics parks across India.

Looking ahead, the infrastructure sector is set for further growth, bolstered by a robust pipeline of diverse projects. With a growing tilt towards more sustainable and climate-friendly infrastructure, there are initiatives geared towards energy-efficient buildings, smart cities, and improved public transportation systems. Furthermore, Transit Oriented Development (TOD) plans in major cities are anticipated to cut down carbon emissions, while improving urban living conditions.

As the infrastructure sector advances, it is essential to maintain this growth momentum, recognising that the true impact of infrastructure investments typically materialise over the long term. These investments are critical for enduring economic prosperity and improved quality of life for citizens, as the emphasis on sustainable living is growing stronger than ever. (Source: www.investindia.gov.in/team-india-blogs/infrastructure-development-india, <https://www.investindia.gov.in/team-india-blogs/indias-push-infrastructure-development>, <https://www.indiabudget.gov.in/economicsurvey/doc/eschapter/echap12.pdf>)

Management Discussion & Analysis (Contd.)

ROAD CONSTRUCTION SECTOR

India has the world's second-largest road network, spanning approximately 63.45 Lakhs km. This extensive network encompasses national highways, state highways, district roads, and rural roads, while playing a crucial role in connecting diverse regions across the country.

National Highways (NH) are the lifelines of India's economic and social fabric, facilitating seamless freight and passenger movement and improving market access. Despite constituting a meagre 2% of the total road network in the country, NHs carry over 40% of India's total traffic. Thanks to a systematic, corridor-based development approach, the pace of NH construction witnessed remarkable growth, increasing from around 12 km/day in 2014-15 to approximately 33.8 km/day in 2024-25.

The highways sector in India stands out for its performance excellence and innovation, drawing traction from significant Government investment and initiatives. The Government successfully launched more than 60 road projects in India worth over USD 10 Bn under the Hybrid Annuity Model (HAM), that adeptly balanced risk between private and public partners and boosted PPP activity in the sector. Furthermore, the National Highways Authority of India (NHAI) rolled out asset recycling through the Toll-Operate-Transfer (ToT) model for 100 highways. Significantly, the first two bundles of 9 highways each were monetised successfully for an investment of over USD 2 Bn.

The Bharatmala Pariyojana stands as a flagship initiative poised to transform India's highway infrastructure by upgrading and expanding the road network. Its first phase is earmarked for the development of 34,800 km of highways, including 27 Greenfield corridors and the ambitious 1,386 km Delhi-Mumbai Expressway, the largest of its kind in the country. Deploying a mix of funding models, 60% of the projects under this programme are set to be developed under the Hybrid Annuity Mode (HAM), 30% under the EPC mode, and the remaining 10% under the BOT (Toll) Mode.

The roads and highways sector continues to be a pioneer in innovative public-private partnership (PPP) models, ably supported by a strong contractual framework that successfully attracted significant private sector investment. Moreover, the Government unveils several incentives to further encourage private participation and foreign direct investment into the sector. These include bearing the cost of project feasibility studies, providing land for right of way and wayside amenities, managing utility shifts, and expediting environmental clearances.

Notably, the roads and highways sector in India allows 100% Foreign Direct Investment (FDI) under the automatic route, opening doors for international investors to participate in India's road infrastructure development. The seamless fusion of Government support, innovative financing models, and openness to foreign investment positions the sector at the forefront of continued growth and modernisation. This smooth momentum, in turn, supports the country's broader economic development goals, paving the way for greater success.

(Source: <https://www.investindia.gov.in/sector/roads-highways>)

Industry Trends

- **Bharatmala project**
66,100 km of national highways to be constructed
- **Newer modes of participation**
Hybrid Annuity Model (HAM), Toll-Operate-Transfer (TOT)
- **Electronic toll collection**
100% FASTags for electronic toll collection for National Highways
- **Voluntary Vehicle-Fleet Modernisation Programme**
Investment of USD 1.4 Bn to create an ecosystem for phasing out unfit and polluting vehicles
- **GPS-based toll collection**
Toll collection through Global Positioning System and removal of toll booths

Outlook

The Indian road construction sector is on the brink of an extraordinary transformation, driven by bold Government initiatives aligned with the vision of a developed India by 2047. Poised to chart a robust growth trajectory, the focus of the sector is accelerating towards a new era of high-speed access-controlled highways. Moreover, the Government aims to expand the national highway network to over 2,00,000 km in the next decade, including a tenfold increase in access-controlled highways. This targeted expansion also brings with it a sharp focus on safety, seeking to cut down road accidents by 95% over 25 years. Rural connectivity is equally in the spotlight, as the revamped PMGSY programme takes the lead. This initiative aims to upgrade existing rural roads and improve access to essential services in remote areas. Simultaneously, the sector is in the midst of a quality enhancement drive, with plans to convert single-lane national highways into double lanes, while emphasising on durable materials and advanced

Management Discussion & Analysis (Contd.)

construction techniques that stand the test of time. This surge of progress is strategically supported by the Government's firm commitment, as evident in the consistent allocation for road maintenance, including around ₹ 26 Bn in the 2024-25 Interim Union Budget.

Looking ahead, the sector is set to adopt innovative solutions, such as self-healing roads, making a bold stride towards more sustainable and technologically advanced infrastructure. With this holistic strategy in place, including expansion, quality improvement, safety enhancement, and technological innovation, the Indian road construction sector presents a promising outlook. As these initiatives yield their tangible outcomes, the road construction sector gears up to play an even more crucial role in enhancing connectivity, reducing logistics costs, and supporting India's broader economic goals. Simultaneously, the sector creates significant opportunities for growth and investment in construction and related industries, as the nation marches forward with its grand vision of development.

(Source: <https://indianinfrastructure.com/2024/05/31/setting-new-standards-developments-in-road-construction/>)

COMPANY OVERVIEW

KNR Constructions Limited (hereon referred to as 'KNRCL' or 'The Company') is a distinguished leader in the field of infrastructure development, specialising in providing EPC (Engineering, Procurement, and Construction) services across various sectors, including roads, highways, Flyover, Bridges, irrigation, and urban water infrastructure management. With a legacy spanning over 25 years, the Company successfully executed more than ~8,700 lane km road projects across 12 states in India, establishing a robust footprint far and wide.

KNRCL's strength lies in its world-class fleet of in-house construction equipment, valued at ₹ 14,468 Mn, complemented by a dedicated workforce of 2,456 highly skilled professionals. The Company's current portfolio, encompassing two Annuity-based projects, one Toll-based project, and eight HAM-based projects, showcases a strategic blend that highlights its versatility. The eight HAM-based projects count to the bid project cost of ₹ 96,188 Mn.

ORDER BOOK

As of March 31, 2024, KNRCL holds an outstanding order book valued at ₹ 53,048 Mn, with ₹ 31,980 Mn attributed to the road sector, while the remaining ₹ 21,068 Mn dedicated to

the irrigation and pipeline projects. The client-wise distribution shows that 61% of the orderbook comes from third-party contracts, while 39% from captive projects. Within the third-party segment, the State Governments, Central Government, and private sector clients account for 50%, 9%, and 2% of the orders, respectively. The current order book position remains stable and provides visibility of execution over around 1.5 years.

Key Projects	Amount (₹ Mn)
Marripudi to Somvarappadu Project (HAM)	5,800
Ramanattukara to Valanchery Bypass Project (HAM)	4,987
Bengaluru Mangaluru Project Periya Shanthy to Bntwal (EPC)	4,561
Development of Six-lane Chittoor Thatchur Highway (HAM)	4,259
Valanchery Bypass to Kappirikkad Project (HAM)	4,044
Top 5 Road Projects	23,651
Other Road Projects	8,329
Irrigation Projects	10,019
Pipeline Projects	11,049
Total Orderbook as on March 31, 2024	53,048

Orders worth ₹ 12,000 Mn to be added in the Order Book for which appointed date yet to receive, with this the Order Book will be at ₹ 65,048 Mn.

NEW DEVELOPMENTS DURING 2023-24

- Secured Letter of Award for Water supply projects in 26 ULBs and Sewerage Projects in 04 ULBs under AMRUT 2.0 under the Jurisdiction of (Nalgonda and Khammam PH Divisions) in Package II, with total project cost standing at ₹ 11,049 Mn
- Completed financial closure for KNR Ramatheertham Infra Private Limited, KNR Sriranganatha Infra Private Limited, and KNR Kaveri Infra Private Limited
- Received Appointed date on 10.02.2024 for the 6-laning of Marripudi to Somvarappadu, a part of Bengaluru-Vijayawada Economic Corridor (KNR Ramatheertham Infra Private Limited). This project is the Greenfield Highway awarded by the NHAI on HAM model under Bharatmala Pariyojana Phase-1 in the state of Andhra Pradesh

Management Discussion & Analysis (Contd.)

Going forward, KNRCL remains dedicated to pursue a trajectory of sustainable growth, harnessing its agility and competencies amidst a dynamic business landscape. Additionally, the Company continues to explore new geographical territories and unlock unconventional avenues for growth, including irrigation, metro, tunneling, railway, mining, and solar energy, among others.

OPPORTUNITIES

Major Investments and Technological Advancements in India's Road Sector

The Government of India remains committed to the development of the infrastructure sector, as evidenced by a significant surge in budgetary allocation, raising the capital outlay to ₹ 11 Lakh Crores. As part of this commitment, flagship schemes of the Government, including Bharatmala Pariyojana and Pradhan Mantri Gram Sadak Yojana is set to operate at full swing, expediting project execution. The push for development is further accelerated by the Cabinet nod for the construction of eight high-speed road corridors, spanning 936 km, with a total estimated cost of over ₹ 50,000 Crores. These corridors are strategically located to significantly enhance connectivity and improve logistical efficiency. Furthermore, offering greater convenience to the road users, while providing a seamless travel experience on National Highways is also on the radar. To fulfil this objective, the Ministry of Road Transport and Highways (MoRTH) and NHAI, in collaboration with IHMCL, is undertaking the implementation of a Global Navigation Satellite System (GNSS)-based Electronic Toll Collection system, designed to elevate tolling efficiency to global standards.

Public-Private Partnerships (PPPs)

Public-Private Partnerships (PPPs) offer a strategic solution to bridge the funding gap in infrastructure development by combining government resources with private sector expertise. This collaborative model draws strength from the support the Government provides and the profit it shares, while equally getting benefitted through the technical know-how of the private companies, making it a win-win situation for all the concerned stakeholders. This synergy has a proven track record of success in a wide range of sectors, including roads, ports, and airports across India, creating mutually beneficial outcomes.

Leveraging Technology

The integration of advanced technologies like the Internet of Things (IoT), Artificial Intelligence (AI), and Big Data is

revolutionising the infrastructure sector, driving it towards a smarter and more efficient future. These innovations accelerate project timelines and enable the creation of cutting-edge, long-lasting infrastructure. From initial planning to ongoing maintenance, these tools streamline processes, enhancing efficiency and effectiveness throughout the lifecycle of infrastructure projects.

Focus on Sustainable Infrastructure

As the world increasingly turns its attention to sustainability, India finds itself at a watershed juncture to lead the charge in building eco-friendly infrastructure that aligns with global green initiatives. By embracing green financing and adopting sustainable design principles, the country can pave the way for infrastructure projects that benefit both the environment and society. Solar parks, clean transport systems exemplify the potential for sustainable infrastructure development India can tap into.

Regional Connectivity

While major cities continue to thrive, offering better connectivity in smaller towns and cities have the potential to unlock fresh avenues for growth. Initiatives like the UDAN scheme, that aims to improve regional air connectivity, augurs well in this direction. These endeavours pave the way for more inclusive development, ensuring that economic opportunities extend beyond urban hubs.

Skill Development

Infrastructure development also serves as a catalyst for skill enhancement. Given the nature of its young demography, India is well-positioned to cultivate a skilled workforce, equipped to address the demands of modern infrastructure challenges, by adequately investing in infra-specific training programmes. This approach not only supports the sector's growth but also empowers individuals with the expertise needed to contribute effectively to national development.

THREATS

Land Acquisition

Land acquisition, while inherently complex, presents a unique opportunity for careful engagement with local communities and stakeholders. A transparent and fair approach in this regard will enable projects to gain the support needed to move forward smoothly. While acquiring land for large-scale initiatives like roads and energy facilities are usually time-consuming, a well-managed process goes a long way to build trust, paving the way for successful project execution.

Management Discussion & Analysis (Contd.)

Environmental Impact Assessment

Environmental Impact Assessments (EIAs) are vital for balancing development with environmental protection. Within a dynamic regulatory landscape, it is imperative to adapt to new standards and align the project with sustainable practices. By embracing these evolving requirements, infrastructure projects can pursue environmental stewardship, while maintaining progress concurrently.

Access to Financing

Securing financing for infrastructure projects, while challenging, brings with it a unique set of opportunities to innovate in financial structuring. Given the long-term nature of these projects, collaboration among multiple stakeholders, including investors, lenders, and the government, can lead to the development of sustainable funding models. With a focus on creating value over time, infrastructure investments can also attract the necessary support for successful project completion.

RISK MANAGEMENT

KNRCL recognises that navigating the complexities of business involves certain inherent risks. The Company takes proactive steps to address these risks and assess both internal and external environments. Moreover, KNRCL deploys an Enterprise Risk Management System (ERMS), which meticulously identifies possible risks and devises tailored mitigation plans, subsequently integrating them into the Company's strategic initiatives.

Labour Shortage

Construction companies face significant challenges in recruiting and retaining talent, while meeting the growing demand for their services. A shortage of available workers can pose a substantial risk to project completion and productivity goals, especially when taking on new projects.

Risk Mitigation: To mitigate this threat, KNRCL adopts a multifaceted approach that encompasses offering competitive wages and benefits, while cultivating a culture that values employees and rewards dedication and hard work. The Company also provides several opportunities for training, mentoring, and continuous learning that aid in employee retention, while preparing them for challenges and prioritising their safety at all times.

Environmental Risk

The construction industry, by the nature of its work, is extensively influenced by environmental conditions, including natural disasters, which can be challenging to predict. Events such as earthquakes, floods, hurricanes, tornadoes, and fires pose significant risks, potentially disrupting ongoing operations and creating adverse situations.

Risk Mitigation: To mitigate this threat, KNRCL proactively assesses environmental risks by reviewing detailed reports and implementing various safety measures to minimise accidents. Furthermore, the Company leverages its efficient emergency response plans to adeptly manage situations that may have adverse impact on the environment.

Surge in Material Costs

The escalation in costs of raw materials and cement is placing hurdles in the growth path of the construction sector, leading to reduced buyer interest. In addition, supply chain disruptions lead to material shortages, while introduction of additional taxes further worsens the situation and drives up costs.

Risk Mitigation: To mitigate this threat, KNRCL strategically stocks raw materials in advance for upcoming projects, minimising the impact of price surges. Furthermore, the Company emphasises the optimal utilisation of materials to reduce waste and promote sustainability.

Need for Multiple Clearances

The successful completion of construction projects heavily relies on timely acquisition of essential clearances from a range of regulatory authorities. It is imperative for the construction sector to coordinate with electricity, pollution control, and environmental conservation departments, among others, while concurrently managing land use and other services. Even if construction is completed within the designated timeframe, delays in securing approvals and clearances from these stipulated bodies can hold up the overall project, denting the reputation of the Company.

Risk Mitigation: To mitigate this threat, KNRCL proactively maintains strong, cooperative relationships with all regulatory bodies and approving authorities, thereby expediting the clearance process. Additionally, the Company systematically plans the approval process to minimise any unnecessary delays in the final delivery of projects.

Management Discussion & Analysis (Contd.)

Competition Risk

The surge in the number of projects awarded by the Government results in intense competition from both domestic and international players. This growing competition can lead to price reductions, which in turn, may have an adverse impact on operating margins, in addition to shrinking the market share for project awards.

Risk Mitigation: To mitigate this threat, KNRCL effectively harnesses its expertise to achieve sustainable success and drive financial growth. The Company, with over two decades of industry experience, is confident in its ability to reach its desired objectives and maintain an upward trajectory for business expansion. Through strategic partnerships and joint ventures with reputable industry players, KNRCL effectively tackles risks related to competition. This collaborative approach allows both the entities to utilise their respective strengths, making it easier to compete against larger market players.

Technology Risk

According to numerous surveys and studies, despite the advantages that technology offers across various industries, the construction sector demonstrates sluggishness in terms of embracing innovations. Sophisticated technologies, including fleet management telematics, GPS tracking, geofencing, and worker hour monitoring can result in significant benefits, enhancing operational efficiency and ensuring the safety of employees. At this critical juncture of changing business dynamics, it is absolutely essential for the construction industry to adopt technological innovations for future progress. Despite several clear benefits, many industry players are still hesitant to embrace innovations and are not moving quickly enough to implement these changes. This reluctance could hinder their ability to compete effectively in a rapidly evolving market.

Risk Management: To mitigate this threat, KNRCL is committed to stay at the forefront of market trends by actively adopting cutting-edge technologies and automating numerous processes. The Company provides training to its employees to make them well-equipped in handling latest innovations and effectively implement these automated systems. In the coming years, KNRCL will continue to embrace advancements in technology to tackle the challenges faced by the construction industry, while ensuring that it remains competitive and efficient.

KNRCL is in a process of Implementation of Integrated SAP S/4 Hana Public Cloud, an advanced powerful enterprise resource planning (ERP) software, to streamline and optimise various critical modules such as Materials Management (MM), Plant Maintenance (PM), Financial Accounting and Controlling (FICO), Project Systems (PS) and Sales & Distribution (SD).

FINANCIAL OVERVIEW

Revenues

The total income from the operations posted by KNRCL in 2023-24 on standalone basis stood at ₹ 40,910 Mn as against ₹ 37,438 Mn during 2022-23, registering an increase of 9.3%.

Profits

EBITDA reduced from ₹ 7,217 Mn for the year ended March 31, 2023 to ₹ 7,010 Mn in the year ended March 31, 2024. The net profit after tax for the current year stood at ₹ 4,938 Mn as against ₹ 4,988 Mn in the corresponding previous year.

Net Worth

The Net Worth grew from ₹ 27,343 Mn to ₹ 32,257 Mn in the current year thereby recording an increase of about 18%. Earnings per Share also stood at ₹ 17.74 against ₹ 17.48 in the current year as opposed to the previous fiscal.

Internal Financial Control and their Adequacy

KNRCL is dedicated to optimise resource utilisation and ensure rigorous adherence to established policies, procedures, and statutory requirements through a stringent external assessment of its internal control systems. Moreover, to complement its well-documented guidelines and procedures for authorisation and approvals, the Company initiates regular audits, further reaffirming its commitment to excellence and transparency.

The Company deploys a sound internal audit framework, encompassing all financial and operational controls across various units, functions, and departments. In addition to supporting effective financial reporting, this framework also facilitates continuous improvement in operational efficiency. The Audit Committee plays a critical role in periodically evaluating the effectiveness of the internal financial control system, ensuring its alignment with the Company's objectives and regulatory standards.

Management Discussion & Analysis (Contd.)

Cautionary Statement

The Management Discussion and Analysis contains 'forward looking statements', identified by words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' and so on within the meaning of applicable securities laws and regulations concerning the Company's future business prospects and business profitability. All statements that address expectations or projections about the future, the Company's strategy for growth, product development, market position, expenditures and financial results, are forward-looking statements. All these prospects are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are

not limited to, risks and uncertainties regarding fluctuations in earnings, ability to manage growth, competition (both domestic and international), economic growth in India and the target countries worldwide, ability to attract and retain highly skilled professionals, time and cost overruns on contracts, ability to manage international operations, Government policies and actions with respect to investments, fiscal deficits, regulations, interest and other fiscal costs generally prevailing in the economy, among others. Past performance may not be indicative of future performance. The Company does not undertake to make any announcement in case any of these forward-looking statements become materially incorrect in future nor shall the Company update any forward-looking statements made from time to time by or on its behalf.

Management

Board of Directors

Shri B V Rama Rao (DIN: 00972552)
Shri L Balarami Reddy (DIN: 00956445)
Smt. G Chandra Rekha (DIN: 08464587)
Shri W Rampulla Reddy (DIN:03081486)
Shri K Udaya Bhaskara Reddy (DIN:06926054)
Smt. K Yashoda (DIN: 05157487)
Shri K Narsimha Reddy (DIN: 00382412)
Shri K Jalandhar Reddy (DIN: 00434911)

: Chairman & Independent Director
: Independent Director
: Independent Director
: Independent Director
: Independent Director
: Non-Executive Director
: Managing Director
: Executive Director & CFO

Company Secretary & Compliance Officer

Smt. Haritha Varanasi (ACS 34293)

Statutory Auditors

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

Cost Auditors

M/s Dendukuri & Co.,
Cost Accountants
Hyderabad
(Firm Registration No.102199)

Secretarial Auditors

M/s VCSR & Associates
Company Secretaries
Hyderabad

Internal Auditors

M/s K P Rao Associates
Chartered Accountants
Hyderabad

Registered Office:

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

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

Bankers:

State Bank of India
IDBI Bank
Axis Bank Limited
ICICI Bank Limited
Kotak Mahindra Bank Limited
HDFC Bank Limited
Federal Bank
RBL Bank Limited
Punjab National Bank
IndusInd Bank Limited

NOTICE

Notice is hereby given that the 29th Annual General Meeting of the members of KNR Constructions Limited will be held on Thursday, September 26, 2024 at 11.00AM 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 Financial Statement of the Company for the financial year ended March 31, 2024 and the Report of the Board of Directors and Auditors thereon; and
 - (b) the audited Consolidated Financial Statement of the Company for the financial year ended March 31, 2024 and the Report of Auditors thereon.
2. To declare final Dividend of Rs. 0.25 Per Equity share of Rs. 2.00 each for the financial year 2023-24.
3. To appoint a Director in place of Smt. K Yashoda (DIN:05157487), who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS

- 4. Ratification of remuneration of the Cost Auditors for the financial year ending March 31, 2025.**

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 M/s Dendukuri & Co., Cost Accountants, Hyderabad (Firm Registration No. 102199), appointed as Cost Auditors 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, 2025, amounting to Rs.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.”

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

Sd/-

Haritha Varanasi

Company Secretary
(ACS 34293)

Place: Hyderabad

Date: August 14, 2024

Registered Office:

KNR Constructions Limited

KNR House, 3rd and 4th 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. The ministry of Corporate Affairs ("MCA") has vide its circulars No. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 05, 2020, 02/2021 dated January 13, 2021, 21/2021 dated December 14, 2021, 2/2022 dated May 05, 2022 and 10/22 dated December 28, 2022 and the latest being 09/2023 dated September 25, 2023 read with SEBI Circular No. SEBI/HO/CFD/ CFD-PoD-2/P/CIR/2023/167 dated October 07, 2023 and other relevant circulars, have permitted the holding of the Annual General Meeting (AGM/ Meeting) through Video Conferencing ("VC") or other Audio Visual Means ("OAVM"), without the physical presence of the Members at a common venue, upto September 30, 2024. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the 29th Annual General Meeting ("the AGM") of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company
 2. 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 special business is annexed hereto.
 4. In case you are holding the Company's shares in dematerialized 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 dematerialized form with effect from April 01, 2019, Even the transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form with effect from 24th January 2022. 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 dematerialized 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, dematerialization and change in the address of the members may be communicated to the RTA.
- Pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/72 dated June 08, 2023 issued by the Securities and Exchange Board of India (SEBI) titled Online processing of investor service requests and complaints by RTAs.
- 'SWAYAM' is a secure, user-friendly web-based application, developed by "Link Intime India Pvt Ltd.", our Registrar and Share Transfer Agents, that empowers shareholders to effortlessly access various services. We request you to get registered and have first-hand experience of the portal.
- This application can be accessed at <https://swayam.linkintime.co.in>
- Effective Resolution of Service Request -Generate and Track Service Requests/Complaints through SWAYAM.
 - Features - A user-friendly GUI.
 - Track Corporate Actions like Dividend/Interest/Bonus/split.
 - PAN-based investments - Provides access to PAN linked accounts, Company wise holdings and security valuations.
 - Effortlessly Raise request for Unpaid Amounts.
 - Self-service portal – for securities held in demat mode and physical securities, whose folios are KYC compliant.
 - Statements - View entire holdings and status of corporate benefits.
 - Two-factor authentication (2FA) at Login - Enhances security for investors.
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.

NOTICE (Contd.)

7. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company's email id investors@knrcl.com, a certified copy of the Board resolution authorizing 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 dematerialized 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 19, 2024 to September 26, 2024 (both days inclusive) and Record date has been fixed as September 18, 2024 for the purpose of payment of dividend for the financial year ended March 31, 2024. The final dividend, once approved by the members in the ensuing AGM, will be paid on or before October 15, 2024.

Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 01, 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 tax at source by sending an email to investors@knrcl.com on or before September 16, 2024..

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 September 16, 2024.

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 and on the website of the Company 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, 2017 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 31st March 2016, have already been transferred to IEPF. The details of the unclaimed dividends are available on the Company's website at www.knrcl.com and on the website of Ministry of Corporate Affairs at 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.

NOTICE (Contd.)

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 29th Annual General Meeting is available on the Company's website, 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 writing an e-mail to the Company Secretary at investors@knrcl.com.

In compliance with the aforementioned MCA Circulars and SEBI Circulars Notice of the AGM along with Annual Report 2023-24 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 2023-24 will also be available on the Company's website at www.knrcl.com on the website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of CDSL 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 Directors 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.
17. 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 the Scrutinizer to conduct and scrutinize the voting process in a fair and transparent manner. The cut-off date has been fixed as Wednesday, September 19, 2024.

E-VOTING

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

1. Pursuant to MCA and SEBI Circulars the forthcoming AGM will 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 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 authorized 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.

NOTICE (Contd.)

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 at least 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. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020 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.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at 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 and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL at www.evotingindia.com.

INSTRUCTIONS FOR 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 Monday, September 23, 2024 at 09.00 AM and ends on Wednesday, September 25, 2024 at 05.00 PM. During this period shareholders of

the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, September 19, 2024 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 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.

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (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.

NOTICE (Contd.)

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:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 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 https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 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 & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, , so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at cdsl website www.cdslindia.com and click on login & New System My easi Tab and then click on registration option. 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 www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & 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.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 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: https://eservices.nsd.com 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 & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ 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 & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	<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 & voting during the meeting.</p>

NOTICE (Contd.)

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 CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	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.: 022- 4886 7000 and 022 - 2499 7000

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(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.
- 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 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"> • 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.
Dividend Bank Details OR 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"> • 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.

- (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) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification

(xvii) 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 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.
- 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 will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory, that 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 scrutinizer 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 authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address investors@knrcl.com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer 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.

NOTICE (Contd.)

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@knrcl.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, mobile number at 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 NOS. 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 or contact at toll free no. 1800 22 55 33.

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 or call toll free No. 1800 22 55 33.

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 **September 19, 2024**, the Cut- off date
- 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 and on the website of www.cdslindia.com. The results shall simultaneously be communicated to the Stock Exchanges. Subject to the receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the meeting, i.e., September 26, 2024.
- iii. The voting result will be announced by the Chairman or any other person authorized by him within two days of conclusion 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 at its meeting held on May 29, 2024, upon the recommendation of the Audit Committee, has appointed M/s Dendukuri & Co., Cost Accountants, Hyderabad (Firm Registration No.102199), issued by the Institute of Cost Accountants of India, as the Cost Auditors of the Company for the financial year 2024-25 at a remuneration of Rs.3 Lakhs excluding applicable taxes. Certificate issued by M/s Dendukuri & Co., confirming their eligibility to be appointed as Cost Auditors 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.

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.

Name	Kamidi Yashoda (DIN: 05157487)
Date of Birth	01st May 1952
Qualification & Expertise	Please refer to the Company's website at www.knrcl.com for detailed profile
Terms and Conditions of Appointment / Reappointment	In terms of Section 152(6) of the Companies Act, 2013 Smt K Yashoda who was appointed as Non-Executive Director by the members in the AGM held on September 30, 2014, is liable to retire by rotation.
Details of Remuneration sought to be paid and last drawn remuneration	Being a Non-Executive Director, she is entitled to sitting fee for each Meeting of Board / Committee attended by her. For last drawn remuneration, please refer remuneration details provided in the Report on Corporate Governance. Currently, proposed for reappointment by virtue of retirement by rotation
Date of first appointment on the Board	May 30, 2014
Shareholding in the Company as on the date of report i.e August 14, 2024	80,15,010 equity shares
Relationship with other Directors/Key Managerial Personnel	Wife of Shri K Narsimha Reddy, Managing Director and Mother of Shri K Jalandhar Reddy, Executive Director & CFO and except the above she is not related to any other Director/ Key Managerial Personnel
Number of meetings of the Board attended during the year (2023-24)	4/5
Listed entities from which the appointee director has resigned in the past three years	Nil

NOTICE (Contd.)

Directorships of other Boards as on March 31, 2024	Smitha Agro Developers Private Limited Sriadhvaitha Agri Solutions Private Limited Vishnu Publicity Solutions Private Limited KNR Infrastructure Projects Private Limited Nag Talent Ventures and Infotech Private Limited Asara Construction & Projects Private Limited Mesmeric Software Solutions Private Limited KNR Agrotech and Beverages Private Limited Gradient Estates Private Limited KNR Energy Limited KNRC Holdings and Investments Private Limited Sriadhvaitha Agrotech Private Limited KNR Somwarpet Infraproject Private Limited
Membership / Chairmanship of Committees of other Boards as on March 31, 2024	Nil

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

Sd/-
Haritha Varanasi
Company Secretary
ACS 34293

Registered Office:

KNR Constructions Limited

KNR House, 3rd and 4th Floors,
Plot No.114, Phase I, Kavuri Hills,
Hyderabad, Telangana- 500033.
Ph: 040 - 40268759
Email: investors@knrcl.com
Website: www.knrcl.com
CIN: L74210TG1995PLC130199
Place: Hyderabad
Date: August 14, 2024

Directors Report

Dear Members,

Your Director's are pleased to present the Twenty Ninth Annual Report and the Company's audited financial statement (Standalone and Consolidated) for the financial year ended March 31, 2024.

FINANCIAL RESULTS

The Company's financial performance, for the year ended March 31, 2024 is summarized below:

(₹ in Lakhs)

Particulars	Year Ended March 31, 2024		Year Ended March 31, 2023	
	Standalone	Consolidated	Standalone	Consolidated
Total revenue (including other income)	4,23,314.74	4,57,417.73	3,77,588.34	4,09,903.64
Profit before interest, depreciation, exceptional items and tax	84,312.66	1,21,096.58	75,380.66	95,317.90
Less: Interest and financial charges	2,928.98	10,567.40	3,926.45	15,307.60
Profit Before depreciation, Exceptional items and tax	81,383.68	1,10,529.18	71,454.21	80,010.30
Less: Depreciation and amortization	12,450.25	15,683.13	14,743.35	18,070.09
Profit before exceptional items and tax	68,933.43	94,846.05	56,710.86	61,940.21
Less: Exceptional Items – Expenses/(Income)	-	-	(13,796.61)	(6,184.49)
Profit before tax	68,933.43	94,846.05	70,507.47	68,124.70
Provision for tax (including Deferred Tax)	19,550.31	19,616.36	20,624.15	24,183.76
Profit after tax	49,383.12	75,229.69	49,883.32	43,940.94
Add: Other Comprehensive Income	458.36	457.98	50.35	50.82
Total Comprehensive Income for the period	49,841.48	75,687.67	49,933.67	43,991.76
Attribution to:				
Shareholders of the Company	49,841.48	77,739.88	49,933.67	45,801.42
Non-Controlling Interest	NA	(2,510.19)	NA	(1,860.48)
Balance of Profit/(Loss) for earlier years	2,55,332.23	2,58,974.80	2,06,152.00	2,13,876.47
Less: Dividend	703.09	703.09	703.09	703.09
Dividend Tax	-	-	-	-
Balance carried forward	3,04,012.26	3,36,011.59	2,55,332.23	2,58,974.80

COMPANY'S AFFAIRS AND FUTURE OUTLOOK

As on March 31, 2024 KNRCL holds an outstanding order book valued at 5,30,480 Lakhs, with 3,19,800 Lakhs attributed to the road sector, while the remaining 2,10,680 Lakhs dedicated to the irrigation and pipeline projects. The current order book position remains stable and provides visibility of execution over around 1.5 years. Orders worth 1,20,000 Lakhs to be added in the Order Book for which appointed date yet to receive, with this the Order Book will be at 6,50,480 Lakhs.

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 2023-24 is reported at ₹ 4,09,097.84 Lakhs.

- PBDIT (Excluding other income & Exceptional Item) decreased by 2.88 % to ₹ 70,095.76 Lakhs
- Profit before tax decreased by 2.23 % to ₹ 68,933.43 Lakhs
- Net profit decreased by 1.00% to ₹ 49,383.12 Lakhs
- Net worth increased by 17.97% to ₹ 3,22,565.91 Lakhs
- The order book position as on March 31, 2024 stands at ₹ 5,30,480 Lakhs.

On consolidated basis

- Revenue from operations for the 2023-24 is reported at ₹ 4,42,948.64 Lakhs.
- Profit before tax (After exceptional items) increased by 39.22% to ₹ 94,846.05 Lakhs
- Net worth increased by 27.29 % to ₹ 3,49,767.39 Lakhs

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, 2024 is ₹ 3,16,941.21 Lakhs as against the Paid-up capital of ₹ 5,624.70 Lakhs

Performance of Subsidiaries

Pursuant to the provisions of Section 128 (3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014, a Report on the Financial performance of the Subsidiaries Companies during the Financial Year ended March 31, 2024 in form AOC-1 is annexed herewith as **Annexure I**.

Dividend

The Board of Directors have recommended a final dividend of ₹ 0.25/- per Equity Share for the financial year ended March 31, 2024 amounting to ₹ 703.09 Lakhs. The dividend shall be paid to the members whose names appear in the Register of Members as on September 18, 2024. In respect of shares held in the dematerialized 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 01, 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://knrcl.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.

ALTERATION OF OBJECTS

Currently, the Company is engaged in business of providing engineering, procurement and construction services namely roads, highways, irrigation and urban water infrastructure management.

Keeping in view future plans to explore the opportunities in construction activities in metro railways, power and power transmission, renewable and non-renewable energy, mining and mines development, waste management. During the year, The Company has altered its objects clause of the memorandum in order to diversify its business activities by exploring opportunities in the above-mentioned sectors with the approval of the members by way of passing special resolution effective March 20, 2024 through the process of postal ballot.

By entering these diverse sectors, the Company aims to leverage new growth opportunities and enhance its capabilities across a broad range of infrastructure and construction projects.

CAPITAL STRUCTURE

Authorised Capital:

The authorized 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 31st March 2024.

During the year under review, there was no change in the authorized capital of the Company.

Paid-up capital:

As on March 31, 2024, 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.

Directors Report (Contd.)

ISSUE OF SHARES:

During the year under review, 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:

As on the date of the report, CRISIL has made an outlook on Long term bank facilities as AA/Stable and the Short term bank facilities as A1+.

INVESTOR EDUCATION AND PROTECTION FUND

In terms of Section 125 of the Companies Act, 2013, during the year under review the below amounts were transferred to Investor Education and Protection Fund

- a) An amount of ₹ 47,502/- being unclaimed dividend for the financial year 2015-16 (transferred on April 10, 2023)

The Company had transferred 2959 equity shares pertaining to financial year 2015-16 as required under the provisions of Section 124(6) of the Companies Act, 2013 to IEPF Authority.

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 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, 2017 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, 2016, have already been transferred to IEPF. The details of the unclaimed dividends are available on the Company's website at www.knrcl.com and on the website of Ministry of Corporate Affairs at 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 review, there are three non-independent Directors in the Board namely Shri K Narsimha Reddy, Managing Director, Shri K Jalandhar Reddy, Executive Director and Smt. K Yashoda, Non-Executive Director.

In accordance with the requirements of the Companies Act, 2013 Smt K Yashoda, Non-Executive Director of the Company is liable to retire by rotation at the Annual General Meeting and, being eligible, offer herself for reappointment at the ensuing Annual General Meeting.

During the year under review, Dr. W R Reddy (DIN:03081486) and Shri K Udaya Bhaskara Reddy (DIN: 06926054) were appointed as Additional Directors at the board meeting held on February 08, 2024 and obtained shareholders' approval for the said appointment of Directors by way of postal ballot concluded on March 20, 2024.

Further, tenure of first term of Smt, G Chandra Rekha (DIN:08464587), Independent Director, ended on May 30, 2024 and accordingly shareholders' approval for her re-appointment as Independent Director for a further term of five (5) years has been obtained by way of postal ballot concluded on March 20, 2024.

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

Directors Report (Contd.)

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 them to discuss matters pertaining to the Company's affairs and put forth their combined views to the Board of Directors of the Company.

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, 2024.

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.

Smt. G Chandra Rekha and Shri K Udaya Bhaskara Reddy have appeared and qualified the proficiency test conducted by IICA, Shri L B Reddy, Shri B V Rama Rao and Shri W R Reddy are exempted from appearing the proficiency 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
- Smt. Haritha Varanasi - Company Secretary

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.

Directors Report (Contd.)

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 at the website of the Company through the below link: <http://knrcl.com/images/policies/Remuneration-Policy.pdf>

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

Five meetings of the Board of Directors were held during the year. 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 recognizes 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 2023-24, 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 familiarized with the operations and functioning of the Company. The details of familiarization program are provided in Corporate Governance Report which forms part of the Annual Report.

Directors Report (Contd.)

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, 2024, 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, 2024 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;
- 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.

DISPATCH OF ANNUAL REPORTS

In compliance with the applicable provisions, we shall dispatch the Annual Report for the 2023-24 in electronic format to all the members whose e-mail addresses are registered and updated with our Registrar & Transfer Agents

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://knrcL.com/images/policies/knrcL_CSR.pdf).

The Annual Report on CSR activities carried out by the Company for the 2023-24 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 re-appointed as Statutory Auditors of the Company at the 27th Annual General Meeting held on September 28, 2022 for a period of 5 years ie., upto conclusion of 32nd AGM to be held in the year 2027.

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, 2023.

Further the Notes on Financial Statements referred in the Auditors Report are self-explanatory and do not call for any further comments.

Directors Report (Contd.)

INTERNAL AUDITOR & CONTROLS

The Board of Directors at their meeting held on May 29, 2024, 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.

COST AUDITORS

In accordance with 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, the Board of Directors, upon the recommendation of Audit Committee,

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 2023-24. The Secretarial Audit Report for the financial year ended March 31, 2024 is annexed herewith and marked as **Annexure IV** to this Report.

There were no qualifications reported in the Secretarial Audit Report except an observation as under

Auditors' Observations	Directors' Explanation
The Company has received query from BSE on 06th April, 2024 seeking explanation for delay in Submission of Proceedings of 28th AGM.	The Company has re-submitted the proceedings along with the clarification regarding delay in submission and no further reply received from BSE in that regard. The Board ensures that the Company shall be extra cautious in compliance with all applicable regulations. Due care shall be taken to be more agile and vigilant.

Board Comment:

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.

at their meeting held on May 29, 2024 has appointed M/s. Dendukuri & Co., Cost Accountants, Hyderabad, as the Cost Auditors of your Company to carry out the cost audit for the financial year 2024-25 at a remuneration of 3,00,000/- . The remuneration payable to the cost auditor is required to be placed before the members in the general meeting for their ratification. Accordingly, a resolution seeking members ratification for the remuneration payable to M/s Dendukuri & Co., Cost Accountants, is included in the Notice convening the Annual General Meeting. Your Company is maintaining cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013.

A Certificate from M/s. Dendukuri & Co., Cost Accountants has been received to the effect that their appointment as Cost Auditor of your Company is in accordance with the limits specified under Section 141 of the Companies Act, 2013 and the Rules framed thereunder.

REPORTING OF FRAUDS

During the year under review, there was no instance of fraud, which required the Statutory Auditors to report to the Audit Committee and/or Board under Section 143(12) of the Companies Act, 2013 and the rules made thereunder.

Directors Report (Contd.)

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.

During the year under review, there were no new subsidiaries of the Company.

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

MATERIAL SUBSIDIARIES

During the year 2023-24, the Company had no material subsidiaries as defined under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. However, as per the audited financial statements for the financial year ended March 31, 2024, the Company has identified two material unlisted subsidiaries for the financial year 2024-25:

1. KNR Guruvayur Infra Private Limited
2. KNR Ramanattukara Infra Private Limited

These subsidiaries are considered material due to their significant impact on the Company's financial position or performance.

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

During the year under review, no companies were ceased to be the subsidiaries of 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, 2024 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.

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

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 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 under Section 188(1) of the Companies Act, 2013, not at arms-length basis during the year. The details of the related party transactions are provided herewith as **Annexure V in Form AOC-2**.

Directors Report (Contd.)

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 2023-24	Maximum outstanding amount during the year 2023-24
1.	KNR Constructions Limited (Holding Company)	(i) Loans/Advances to subsidiaries		
		KNR Agrotech & Beverages Pvt Ltd.,	156.31	156.31
		KNR Energy Ltd.,	147.60	147.60
		KNRC Holdings and Investments Pvt Ltd.,	792.55	792.55
		KNR Muzaffarpur Barauni Tollway Pvt. Ltd.,	6,355.56	6,355.56
		KNR Infrastructure Projects Pvt. Ltd.,	11.33	11.33
		KNR Muzaffarpur Holdings Pvt. Ltd.,	15.08	15.08
		KNR Kaveri infra Pvt Ltd	284.42	284.42
		KNR Ramateertham Infra Pvt Ltd.,	322.03	322.03
		KNR Sriragananatha Infra Pvt Ltd.,	263.05	263.05
		KNR Somwarpet Infra Project Pvt Ltd.,	-	170.38
		KNR Palani Infra Pvt. Ltd.,	11.43	755.19
		KNR Guruvayur Infra Pvt Ltd.,	94.17	94.17
		KNR Ramanattukara Infra Pvt Ltd.,	307.14	307.14
		KNR Ramagiri Infra Pvt. Ltd.,	177.54	3,007.29
		Benedire Infrastructures and Developers LLP	0.30	0.30
		Manjeri City Infrast. and Developers LLP	11.45	64.25
(ii) Loans/advances to associates		-10.24	746.76	
a) Patel KNR Heavy Infrastructures Limited				
b) Patel KNR Infrastructures Limited		0.10	0.10	
(iii) Loans/advances to firms/Companies in which Directors are interested		Nil	Nil	
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	NA	NA

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 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 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.

Directors Report (Contd.)

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.

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

Foreign Exchange Earnings and Outgo

(₹ In Lakhs)

Particulars	2023-24	2022-23
1) Foreign Exchange Inwards	Nil	Nil
2) Foreign Exchange Outgo	762.50	171.07
-		

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://www.knrc.com/images/knrc_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://knrc.com/images/policies/knrc_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, Guarantees and Investments made during the Financial Year ended March 31, 2024, covered under the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014, form 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, 2024 is made available on the website of the Company and the same can be accessed through the following link.

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

Risk Management

Your Company has constituted a Risk Management Committee and formulated a policy on Risk Management in accordance with the Companies Act, 2013 and Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to frame, implement and monitor the risk management plan for your Company. The Committee is responsible for monitoring and reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The Risk Management Policy of your Company is posted on the website of your Company which may be accessed at <http://knrc.com/images/policies/Risk-Management-Policy.pdf>

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.

Directors Report (Contd.)

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.

DETAILS OF DIFFERENCE BETWEEN THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH REASONS THEREOF

Not applicable as there were no instances of one-time settlement with the Banks or financial institutions.

INSURANCE

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

PARTICULARS OF EMPLOYEES

Information pertaining to remuneration as required u/s 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- i. The percentage of increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2023-24, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2023-24 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

S. No.	Name of Director/ KMP and Designation	Remuneration of Director/KMP for financial year 2023-24 (₹ in Lakhs)	Remuneration of Director/KMP for financial year 2022-23 (₹ in Lakhs)	% Increase / Decrease in Remuneration in the Financial Year 2023-24	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)	1248.00	1710.00	-27.02%	742.86	Profit before Tax and exceptional items increased by 21.55% and Profit after Tax and Comprehensive Income Increased by 1.01 % in FY 2023-24
2	Shri. K Jalandhar Reddy (Executive Director and CFO)	896.40	1202.40	-25.45%	533.57	
3.	Smt. Haritha Varanasi (Company Secretary)	11.40	11.40	0.00%	6.57	

Further details of top ten employees in terms of remuneration drawn during the financial year ended March 31, 2024 as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and as amended are:

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	75	B.A	12,48,00,000	56 Yrs	11.07.1995	-	32.51%
2	Shri K.Jalandhar Reddy Executive Director & CFO	52	B.E Computers	8,96,40,000	27 Yrs	11.07.1995	-	13.43%
3.	Shri K.Shankar Reddy Vice President	52	B.Tech Civil	99,72,800	27 Yrs	01.10.1999	Rani Constructions	--
4	Shri.V.Narasimha Ramana Sr.Vice President – Technical	60	M.Tech Civil	72,02,213	36 Yrs	09.06.2018	BSCPL	--

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
5	Shri V. Venugopal Reddy Director-Projects	46	B.E	69,00,000	23 Yrs	21.08.2000	-	0.09%
6	Shri Maj. T.L. Verma Sr.Vice President – Technical	67	B.E. Civil	68,47,500	44 Yrs	12.07.2011	LANCO	--
7	Shri. T. Bhaskar Rao Sr.Vice President – Technical	56	M.Tech Civil	60,45,045	37 Yrs	06.08.2018	GVR Infra Projects	--
8	Shri.E.Srinivasa Rao Vice President – Technical	59	B.E Civil	47,10,431	29 Yrs	02.12.2012	Navayuga	--
9	Shri. D.Thirupathi Reddy Chief General Manager - Projects	61	B.Tech Civil	36,10,500	28 Yrs	01.02.1999	KMC Constructions Ltd	--
10	Shri.Deepak Kumar Chief Project Manager	57	B.Tech Civil	34,20,000	22 Yrs	01.11.2004	PBIL-Apex Consortium Limited	--

- None of the above employees were relative of any Directors except in the case of Sri K Jalandhar Reddy and Sri K Narsimha Reddy, Sri K Jalandhar Reddy is the son of Sri 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.
- ii) The median remuneration of employees of the Company during the financial year was ₹ 1.68 Lakhs;
- iii) In the financial year, there was 41.46 % decrease in the median remuneration of employees;
- iv) There were 2,488 employees on the rolls of Company as on March 31, 2024
- v) Relationship between average increase in remuneration and company performance: -The Profit before tax and exceptional items for the financial year ended March 31, 2024 increased by 21.50% whereas there was a 41.46% Decrease in median remuneration.
- vi) Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:

The total remuneration of Key Managerial Personnel was ₹ 2155.80 Lakhs whereas the Profit before tax and after exceptional item was ₹ 68,933.43 Lakhs in 2023-24.
- vii) a) Variations in the market capitalization of the Company: The market capitalization as on 31st March, 2024 at NSE was ₹ 6,92,680.82 Lakhs (₹ 7,13,492 Lakhs as on March 31, 2023)
- b) Price Earnings ratio of the Company at NSE was 16.33 as at March 31, 2024 and 16.21 as at March 31, 2023;
- viii) Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year 2023-24 was 10.94% whereas the decrease in the managerial remuneration for the same financial year was 26.27%
- ix) The key parameters for any variable component of remuneration availed by the executive directors: Financial performance of the Company
- x) The Details of the employee who was in receipt of remuneration in the 2023-24 which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself

Directors Report (Contd.)

or along with his spouse and dependent children, not less than two percent of the equity shares of the Company: Not Applicable

- 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 PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORK PLACE:

We strongly support the rights of all our employees to work in harassment – free environment. We have adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act") and the Rules made thereunder. The policy aims to provide protection to Employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where Employees feel secure.

Further, we have in place a committee under the name and style "Internal Complaints Committee" in compliance of POSH Act, which looks into various matters concerning harassment, if any, against women at workplace, addresses concerns and complaints of sexual harassment and recommends appropriate action. Details of composition etc., of the said committee are provided in the section on Corporate Governance. We further confirm that during the year under review, there were no cases filed pursuant to the said Act.

BUSINESS RESPONSIBILITY AND SUSTAINABLE REPORT (BRSR)

Your Company being among the top 1000 listed entities based on market capitalization, is required to present the Business

Responsibility and Sustainability Report as required under the Regulation 34(2) (f) of SEBI (LODR) Regulations, 2015. The BRSR of the Company for the year ended March 31, 2024 forms part of this report and annexed herewith as **Annexure VI**.

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 Director's 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**

Sd/-

K Narsimha Reddy

Managing Director

DIN: 00382412

Place: Hyderabad

Date: August 14, 2024

Sd/-

K Jalandhar Reddy

Executive Director & CFO

DIN: 00434911

Annexure I

FORM AOC-1

Statement containing salient features of the financial statement of Subsidiaries/associate companies/joint ventures
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

PART "A" : SUBSIDIARIES

Name of the subsidiary	Reporting period	Reporting currency & Exchange rate as on the last date of the financial year	Share Capital	Other Equity	Total Assets	Total Liabilities	Investments	Total Income	Profit/ (Loss) before taxation	Provision for taxation	Profit/ (Loss) after taxation	Proposed Dividend	%	of shareholding
KNR Agrotech & Beverages Pvt. Ltd.,	March 31, 2024	INR	1.00	662.16	819.80	156.64	-	15.00	0.53	-	0.53	-	-	100%
KNR Infrastructure Projects Pvt. Ltd.,	March 31, 2024	INR	1.00	(8.05)	4.45	11.50	-	-	(0.24)	-	(0.24)	-	-	100%
KNR Energy Ltd.,	March 31, 2024	INR	5.00	429.58	582.34	147.76	-	-	(0.27)	-	(0.27)	-	-	100%
KNRC Holdings and Investments Pvt. Ltd.,	March 31, 2024	INR	1.00	7,678.82	5,096.55	840.84	3,424.11	167.32	(2,081.27)	65.92	(2,147.19)	-	-	100%
KNR Muzaffarpur-Barauni Tollway Pvt. Ltd., *	March 31, 2024	INR	7,060.00	(17,538.26)	31,868.60	42,346.86	-	4,101.87	(5,122.43)	-	(5,122.43)	-	-	0.65%
KNR Somwarapet Infra Projects Pvt. Ltd.,	March 31, 2024	INR	3,052.50	20,002.71	35,832.09	13,879.48	1,102.60	20,333.22	4,804.53	-	4,804.53	-	-	100%
KNR Palani Infra Pvt. Ltd.,	March 31, 2024	INR	4,023.00	11,913.07	40,745.04	26,138.28	1,329.31	14,627.25	5,098.61	-	5,098.61	-	-	100%
KNR Guruvayur Infra Pvt. Ltd.,	March 31, 2024	INR	10,457.50	6,824.68	73,543.83	56,261.65	-	82,199.44	4,145.57	-	4,145.57	-	-	100%
KNR Ramanattukura Infra Pvt. Ltd.,	March 31, 2024	INR	11,250.00	7,054.36	80,343.69	62,039.33	-	90,168.72	4,318.17	0.13	4,318.04	-	-	100%
KNR Ramagiri Infra Pvt. Ltd.,	March 31, 2024	INR	4,807.50	1,417.53	24,712.82	18,487.79	-	40,460.07	983.53	-	983.53	-	-	100%
KNR Kaveri Infra Pvt. Ltd.,	March 31, 2024	INR	10.00	-	295.22	285.22	-	-	-	-	-	-	-	100%
KNR Sriranganatha Infra Pvt. Ltd.,	March 31, 2024	INR	10.00	-	276.14	266.14	-	-	-	-	-	-	-	100%
KNR Ramatheertham Infra Pvt. Ltd.,	March 31, 2024	INR	10.00	-	336.99	326.99	-	-	-	-	-	-	-	100%
KNR Muzaffarpur Holdings Pvt. Ltd.,	March 31, 2024	INR	2,760.10	2,217.45	2.87	42.60	5,017.28	-	(2,221.36)	-	(2,221.36)	-	-	100%

Annexure I (Contd.)

Name of the subsidiary	Reporting period	Reporting currency & Exchange rate as on the last date of the financial year	Share Capital	Other Equity	Total Assets	Total Liabilities	Investments	Total Income	Profit/ (Loss) before taxation	Provision for taxation	Profit/ (Loss) after taxation	Proposed Dividend	%	₹ In Lakhs)	
														of shareholding	
Mesmeric Software Solutions Pvt. Ltd.,	March 31, 2024	INR	1.00	82.35	107.73	24.38	-	-	(0.22)	-	(0.22)	-	100%		
Nag Talent Ventures & Infotech Pvt. Ltd.,	March 31, 2024	INR	1.00	237.62	292.82	54.20	-	-	(0.22)	-	(0.22)	-	100%		
Gradient Estates Pvt. Ltd.,	March 31, 2024	INR	1.00	640.75	50.58	132.38	723.55	-	(8.93)	-	(8.93)	-	100%		
Asara Construction & Projects Pvt. Ltd.,	March 31, 2024	INR	1.00	952.44	1,499.85	546.41	-	-	(8.83)	-	(8.83)	-	100%		
Manjeri City Infrastructures and Developers LLP	March 31, 2024	INR	-	3,074.25	3,085.90	11.65	-	225.00	(29.99)	-	(29.99)	-	100%		
Benedire Infrastructures and Developers LLP	March 31, 2024	INR	-	397.26	397.76	0.50	-	-	(2.51)	-	(2.5100)	-	100%		

* KNR Constructions Ltd., holds 0.65% and KNR Muzaiffarpur Holdings Pvt. Ltd., a 100% subsidiary of KNR Constructions Ltd., holds 50.35%.

PART "B" : JOINT VENTURES

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
I - Associates			(2)		(3)	(4)	(5)	(6)	
Patel KNR Infrastructures Ltd.,	March 31, 2024	1,48,00,000	1 480	40%	SPV Agreement	Consolidated	2,429.61	1,979.86	-
Patel KNR Heavy Infrastructures Ltd.,	March 31, 2024	95,29,500	952.95	40%	SPV Agreement	Consolidated	1,984.72	(127.94)	-
II - Joint Ventures									
SEL-KNR-JV *	March 31, 2024	N.A	1532.38	49%	Joint Venture Agreement	Consolidated	1532.38	-	-

* As per the Unaudited financial statements.

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 inforce 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/ Modernization 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 favourable, dividend pay-out can be liberal.

However, in case of unfavourable 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 2023-24

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	Chairman (Non-Executive Independent Director)	5	5
2.	Shri B V Rama Rao	Member (Non-Executive Independent Director)	5	5
3.	Shri K Jalandhar Reddy	Member (Executive Director)	5	5

3. WEB LINK OF COMPOSITION OF CSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY:

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

http://knrcl.com/images/policies/knrcl_CSR.pdf

4. PROVIDE THE EXECUTIVE SUMMARY ALONG WITH WEB-LINK(S) OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8, IF APPLICABLE.:

The Company has been conducting internal assessments for the CSR Projects undertaken. As per the statutory requirement, Impact assessment for the CSR project undertaken by the Company for installation of CCTV cameras in various areas for women safety in association with Society for Public Safety was carried out by Deeksha – Centre for Learning and Action-, a registered non-profit society. A detailed report is available on the website and can be accessed by the following link http://knrcl.com/installation_of_cctv_cameras.html

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, IF ANY: Not Applicable

6. AVERAGE NET PROFIT OF THE COMPANY AS PER SECTION 135 (5) OF THE COMPANIES ACT, 2013:

₹ 5,58,99,68,626.94 /-

7. (a) Two percent of average net profit of the Company as per section 135(5) ₹ 11,17,99,373.00 /-
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. Nil
- (c) Amount required to be set off for the financial year, if any: Nil

Annexure III (Contd.)

(d) Total CSR Obligation for the financial year (7a+7b-7c): ₹ 11,17,99,373.00 /-

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.	Date of transfer	Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). Amount.
₹ 7,54,76,094 /-	3,64,38,279/-	30.04.2024	Nil
			Nil

(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	Construction of school in Wayanad	II	Yes	Kerala	Wayanad	2 years	₹ 3,09,75,000/-	Nil	₹ 79,79,471.15/-	Yes	NA	NA
2	Development of BT road from Varikole to vemulapally	X	No	Telangana	Karimnagar	2 years	₹ 3,30,00,000/-	₹ 1,25,13,517.00 /-	₹ 95,94,818.85/-	Yes	NA	NA
3	Development and laying of internal cc roads in Dammannapet	X	No	Telangana	Warangal	3 years	₹ 4,22,00,000/-	Nil	₹ 1,88,63,989	Yes	NA	NA
	Total							₹ 1,25,13,517.00 /-	₹ 3,64,38,279/-			

Annexure III (Contd.)

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

(1) (2) Sl. No.	(3) Name of the Project.	(4) Item from the list of activities in Schedule VII to the Act.	(5) Local area (Yes/No).	(6) Location of the project		(7) Project duration	(8) Amount allocated for the project (in ₹).	(9) Amount spent in the current financial year (in ₹).	(10) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	(11) Mode of Implementation - Direct (Yes/No).	(12) Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number.
1.	Construction of School	II	No	Uttar Pradesh	Varanasi	N.A	Nil	₹ 63,08,253/-	Nil	Yes	N.A	NA
2.	Contribution towards providing infrastructure to school	II	Yes	Kerala	Malappuram	N.A	Nil	₹ 7,02,000/-	Nil	Yes	N.A	N.A
3.	Contribution towards school fees of under privileged Children	II	Yes	Telangana, Tamil Nadu and Kerala	Hyderabad, Vattam, Trichy & Guruvayur	NA	Nil	₹ 1,63,20,523/-	Nil	Yes	NA	NA
4.	Construction of road at Dammannapet	II	No	Telangana	Warangal	NA	Nil	₹ 93,71,176/-	Nil	Yes	NA	NA
5.	Construction of road at Bijienappally	II	Yes	Telangana	Mahabubnagar	NA	Nil	₹ 49,89,422.00	Nil	Yes	NA	NA
6.	Contribution towards medical treatment	I	Yes	Telangana	Hyderabad	N.A	Nil	₹ 77,84,720/-	Nil	Yes	N.A	N.A
7.	Installation of CCTV Cameras	III	Yes	Telangana	Hyderabad	N.A	Nil	₹ 1,00,00,000/-	Nil	No	Society for Public Safety	CSR00040561
8.	Contribution towards providing sewing training for Women	III	No	Telangana	Jangaon.	N.A	Nil	₹ 1,00,00,000/-	Nil	No	Social Agency for Peoples Empowerment	CSR00030837
9.	Contribution towards providing sewing training for Women	III	No	Telangana	Jangaon	N.A	Nil	₹ 1,00,00,000/-	Nil	Yes	Centre for urban and Rural Development	CSR00030832
							Total	₹ 7,54,76,094 /-				

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) – ₹ 8,79,89,611/-
- (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)	₹ 11,17,99,373.00/-
(ii)	Total amount spent for the Financial Year	₹ 7,54,76,094 /-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

- 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	2022-23	₹ 2,14,51,511/-	₹ 1,25,13,517/-	Nil	Nil	Nil	₹ 89,37,994/-
2.	2021-22	Nil	Nil	Nil	Nil	Nil	Nil
3.	2020-21	₹ 2,67,15,103/-	₹ 2,98,44,634/-	Nil	Nil	Nil	Nil
	TOTAL	₹ 4,81,66,614/-	₹ 4,23,58,151/-	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.	FY31.03.2021_1	Improvements to Damanapeta to Ramavaram (Via Doddiguda village) from km 0/0 to 8/0 in Warangal Rural District.	2019-20	2 years	₹ 10,00,00,000/-	Nil	₹ 9,45,97,680/-	Completed
2.	FY 31.03.2022_1	Installation of Himast Street Lights	2021-22	2 years	₹ 84,89,490	Nil	₹ 87,30,920/-	Completed
3.	FY 31.03.2022_2	Mobile Fabrication cancer screening bus	2021-22	2 years	₹ 90,00,000	Nil	₹ 95,62,003/-	Completed

Annexure III (Contd.)

(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
4.	FY 31.03.2023_1	Construction of Anganwadi School	2022-23	2 years	₹ 3,09,75,000	Nil	₹ 1,54,87,500	On-going
5	FY 31.03.2023_2	Development of road from Varikole to Vemulapally	2022-23	2 years	₹ 3,30,00,000	₹ 1,25,13,517/-	₹ 2,19,75,216	On-going
	TOTAL				₹ 18,14,64,490/-	₹ 1,25,13,517/-	₹ 15,03,53,319/-	

- 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
 - Date of creation or acquisition of the capital asset(s): Nil
 - Amount of CSR spent for creation or acquisition of capital asset: Nil
 - Details of the entity or public authority or beneficiary under whose name: Nil such capital asset is registered, their address etc.
 - Provide details of the capital asset(s) created or acquired (including complete: Nil address and location of the capital asset).
- 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)

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

Place: Hyderabad
Date: August 14, 2024

Annexure IV

FORM.NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

[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,
M/s. **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 authorized 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, 2024 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, 2024 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; Not applicable to the Company During the audit period
- 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

Annexure IV (Contd.)

- (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.

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 subject to the following observation;

BSE has raised query seeking explanation for delay in Submission of Proceedings of 28th AGM held on September 28, 2023.

The Company has received query from BSE on April 06, 2024 seeking explanation for delay in Submission of Proceedings of 28th AGM. Hence the Company re-submitted the proceedings along with the clarification regarding delay in submission and no further reply received from BSE.

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. There were no changes in the composition of the Board of Directors during the period under review.

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, there were specific events/actions, having a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc, referred to above.

- a) Alteration to the Memorandum of Association with respect to the objects of the Company for replacing the existing clause III (A) (2).
- b) Alteration(s) to the Memorandum of Association of the Company in line with the provisions of the Companies Act, 2013 for replace the Clause III (B).

For **VCSR & Associates**

Company Secretaries

Sd/-

(Ch. Veeranjanyulu)

Partner

M No. F6121, CP No. 6392

Peer Review Cer. No. 751/2020

UDIN: F006121F000989686

Place: Hyderabad

Date: August 14, 2024

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,
M/s. **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, authorized 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

Sd/-

(Ch. Veeranjanyulu)

Partner

M No. F6121, CP No. 6392

Peer Review Cer. No. 751/2020

UDIN: F006121F000989686

Place: Hyderabad

Date: August 14, 2024

Annexure V

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:
(Amount in ₹)

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	30/09/2008	17,28,816	Nil
K Jalandhar Reddy	Promoter & Executive Director	Continuous	Guest house taken on lease	14/11/2023	7,67,232	Nil
K Yashoda	Promoter & Non-Executive Director	Continuous	Land taken on lease	14/02/2022	21,89,484	Nil

Note: Amount paid is for the 2023-24.

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)

Sd/-

K Jalandhar Reddy
Executive Director
(DIN: 00434911)

Place: Hyderabad
Date: August 14, 2024

Annexure VI

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

(Business Responsibility and Sustainability Reporting (BRSR) is the practice of companies disclosing information about their environmental, social, and governance (ESG) performance. It goes beyond financial reporting to provide stakeholders with a comprehensive view of a company's non-financial impacts and contributions to sustainable development. BRSR covers topics such as environmental impact, social responsibility, and governance practices, aiming to promote transparency and accountability.)



SECTION A: GENERAL DISCLOSURES

I. DETAILS OF THE LISTED ENTITY

Sr. No.	Particulars	2023-24
1	Corporate Identity Number (CIN) of the Listed Entity	L74210TG1995PLC130199
2	Name of the Listed Entity	KNR Constructions Limited
3	Year of incorporation	11-07-1995
4	Registered office address	Plot No. 113 & 114, KNR House, 3rd and 4th Floor, Kavuri Hills, Phase I, Hyderabad, Telangana-500033
5	Corporate address	Plot No. 113 & 114, KNR House, 3rd and 4th Floor, Kavuri Hills, Phase I, Hyderabad, Telangana-500033
6	E-mail	investor@knrcl.com
7	Telephone	040-40268759
8	Website	www.knrcl.com
9	Financial year for which reporting is being done	2023-24
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited and National Stock Exchange of India Limited
11	Paid-up Capital	56,24,69,200/-
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Haritha Varanasi, Company Secretary 040-40268759 cs@knrcl.com
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone Basis
14	Name of assurance provider	NA
15	Type of assurance obtained	NA

II. PRODUCTS/SERVICES

16. Details of business activities (accounting for 90% of the turnover):

Description of Main Activity

Construction and Engineering

Description of Business Activity

Construction and Engineering

% of Turnover of the entity

100%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Product/Service

Constructions

NIC Code

45203

% of total Turnover Contributed

100%

III. OPERATIONS

18. Number of locations where plants and/or operations/offices of the entity are situated:



National

Number of plants	Number of offices	Total
0	28	28



International

Number of plants	Number of offices	Total
0	0	0

19. Markets served by the entity:

a. Number of locations

Locations	Total
National (No. of States)	6
International (No. of Countries)	0

b. What is the contribution of exports as a percentage of the total turnover of the entity?

0%

c. A brief on types of customers

Our clientele includes prestigious organisations such as the National Highways Authority of India, the Government of Telangana, the Irrigation Department, State Level Transport Corporations, the Ministry of Surface Transport, and the Greater Hyderabad Municipal Corporation.

IV. EMPLOYEES
20. Details as at the end of Financial Year:
a. Employees and workers (including differently abled):

Sr. No.	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1	Permanent (D)	2,488	2,478	99.60%	10	0.40%
2	Other than Permanent (E)	0	0	0%	0	0%
3	Total employees (D + E)	2,488	2,478	99.60%	10	0.40%
WORKERS						
4	Permanent (F)	3,003	3,003	100%	0	0%
5	Other than Permanent (G)	0	0	0%	0	0%
6	Total workers (F + G)	3,003	3,003	100%	0	0%

b. Differently abled Employees and workers:

Sr. No.	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1	Permanent (D)	1	1	100%	0	0%
2	Other than Permanent (E)	0	0	0%	0	0%
3	Total differently abled employees (D + E)	1	1	100%	0	0%
DIFFERENTLY ABLED WORKERS						
4	Permanent (F)	0	0	0%	0	0%
5	Other than Permanent (E)	0	0	0%	0	0%
6	Total differently abled workers (F + G)	0	0	0%	0	0%



21. Participation/Inclusion/Representation of women

Particular	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
*Board of Directors	8	2	25.00%
Key Management Personnel	3	1	33.33%

*Board of Directors also includes 2 Key Management Personnel.



22. Turnover rate for permanent employees and workers

Particulars	2023-24		
	(Turnover rate in current FY)		
	Male	Female	Total
Permanent Employees	1.34%	0%	1.34%
Permanent Workers	12.93%	0%	12.93%

Particulars	2022-23		
	(Turnover rate in previous FY)		
	Male	Female	Total
Permanent Employees	2.74%	9.52%	2.78%
Permanent Workers	0.64%	0%	0.64%

Particulars	2021-22		
	(Turnover rate in the year prior to the previous FY)		
	Male	Female	Total
Permanent Employees	0.19%	8.70%	0.23%
Permanent Workers	0%	0%	0%

V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)
23. (a) Names of holding/subsidiary/associate companies/joint ventures

Sr. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business responsibility initiatives of the listed entity? (Yes/No)
1	KNR Agrotech and Beverages Private Limited			
2	KNR Infrastructure Projects Private Limited			
3	KNR Energy Limited			
4	KNRC Holdings and Investments Private Limited			
5	KNR Somwarpet Infraproject Private Limited			
6	KNR Palani Infra Private Limited	▶ Subsidiary	▶ 100%	▶ No
7	KNR Ramanattukara Infra Private Limited			
8	KNR Guruvayur Infra Private Limited			
9	KNR Ramagiri Infra Private Limited			
10	KNR Kaveri Infra Private Limited			
11	KNR Sriranganatha Infra Private Limited			
12	KNR Ramatheertham Infra Private Limited			
13	Patel KNR Infrastructures Limited	▶ Associate	▶ 40%	▶ No
14	Patel KNR Heavy Infrastructures Limited			

VI. CSR DETAILS
24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) **Yes**

a. Turnover (in ₹)

₹ 39,70,61,50,070

b. Net worth (in ₹)

₹ 32,25,65,90,691

VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) *	2023-24			2022-23		
		Current Financial Year			Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0	Nil	0	0	Nil
Investors (other than shareholders)	Yes	0	0	Nil	0	0	Nil
Shareholders	Yes	0	0	Nil	0	0	Nil
Employees and workers	Yes	0	0	Nil	0	0	Nil
Customers	Yes	0	0	Nil	0	0	Nil
Value Chain Partners	Yes	0	0	Nil	0	0	Nil
Other (please specify)	-	-	-	-	-	-	-

* Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)

Stakeholder group from whom complaint is received	Web Link for Grievance Policy
Communities	http://knrcil.com/images/policies/Grievance-Redressal-Policy.pdf
Investors (other than shareholders)	http://knrcil.com/images/policies/Grievance-Redressal-Policy.pdf
Shareholders	http://knrcil.com/images/policies/Grievance-Redressal-Policy.pdf
Employees and workers	http://knrcil.com/images/policies/Grievance-Redressal-Policy.pdf
Customers	http://knrcil.com/images/policies/Grievance-Redressal-Policy.pdf
Value Chain Partners	http://knrcil.com/images/policies/Grievance-Redressal-Policy.pdf
Other (please specify)	-

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

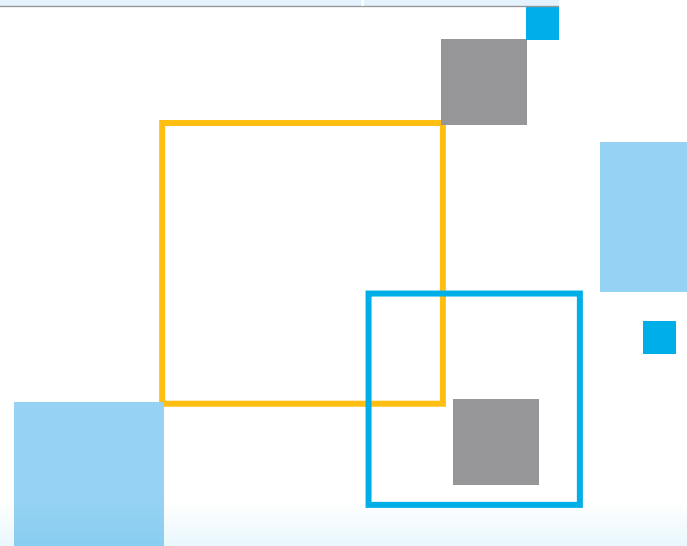
Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Emissions & Effluents	R	Construction is an energy-intensive activity and generates significant direct and indirect greenhouse gas (GHG) emissions, including carbon dioxide and methane from fuel use. Uncontrolled pollutants and emissions during operation and associated activities impose legal and Environmental risks for the Company.	The Company has taken measures to mitigate environmental impacts. It has implemented effective exhaust systems for its machinery and vehicles, conducting regular assessments to ensure efficiency. Additionally, sprinkler systems have been introduced along conveyors that transport aggregates within the crushers, aimed at minimising the release of airborne emissions. The organisation also carries out consistent monitoring of emissions to enhance its emission management strategies	Negative
2	Energy Management	O	Developing and managing real estate requires a significant reliance on natural resources, including electricity. Managing the energy consumption becomes essential.	NA	Positive
3	Sustainable construction and Procurement	O	Companies are evaluated according to the resource consumption and carbon intensity of their real estate assets, their potential vulnerability to environmental construction rules, and their efforts to enhance the environmental performance of their real estate assets.	NA	Positive
4	Climate change	R	Climate change is impacting almost all geographies and industries. It can pose physical risks such as floods, wildfires and can impact the structural integrity of infrastructure. It can also pose transitional risks such as compulsory use of renewable energy, change in regulations, etc.	Typically, our operational planning takes into account potential disruptions caused by weather and climatic variations, ensuring minimal impact on our activities. Given the potential risks posed by climate change, including unexpected rainfall, floods, and temperature fluctuations, we have integrated protective drainage systems into our work sites to prevent flooding. Moreover, we select materials like resilient bitumen that can withstand the challenges presented by climate fluctuations, thereby ensuring the durability of our completed projects. Our approach involves the careful implementation of suitable mix designs, demonstrating a cautious approach to address these climatic uncertainties effectively.	Negative

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5	Water and Wastewater Management	R	Water is a critical resource required during construction, operation and maintenance. Water use for various business activities impacts the quality and quantity of local water resources. Improper discharge of water can result in contamination of water bodies. This may lead to a negative impact on operating costs and may impose a legal risk to the Company.	Preserving water is crucial for future generations. Water is also necessary in construction and maintenance. We regularly test water bodies near construction zones to ensure quality and safety. Sprinkler systems are utilised to manage water efficiently, optimising its usage in activities like compacting soil and reducing dust in plants, notably crushers and access roads. Water recycling innovations have been explored for curing in casting yards. Similarly, repurposed wastewater contributes to landscaping, gardening, and median and ROW plantations. Our commitment to sustainable water management is evident through these initiatives.	Negative
6	Waste Management	O	The Circular Economy model of production and consumption promotes the reusing, refurbishing and recycling of existing materials and products. The transition to a circular economy will affect a change in building design and material usage. A shift in regulations and demand, combined with new technology, has the potential to reduce costs.	NA	Positive
7	Biodiversity Protection & Conservation	R	Biodiversity protection and conservation includes monitoring the ecological impacts of our project areas before and after development to minimise negative impacts on the local ecosystem.	Before initiating any project development, the relevant Government Authority ensures proper forest and environmental clearances, preempting potential issues during project execution. We seek approvals for plant establishment and operation, diligently adhering to mitigation measures mandated by regulations. Continuous monitoring of soil, water, and air parameters guides us in implementing necessary mitigation actions if thresholds get exceeded. Strategically positioned tall barricades and lush plantations are incorporated on plant premises to minimize pollution dissemination from plant operations. To counterbalance tree removal, we plant multiple times the number of trees cut within roadways and explore tree transplantation wherever feasible, showcasing our dedication to biodiversity protection and conservation.	Negative

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
8	Circular Economy	O	The Circular Economy model of production and consumption promotes the reusing, refurbishing and recycling of existing materials and products. The transition to a circular economy will affect a change in building design and material usage. A shift in regulations and demand, combined with new technology, has the potential to reduce costs.	NA	Positive
9	Employee Wellbeing and Development	R	A higher employee retention rate reflects good company policies and practices that lead to higher employee satisfaction. However, a high attrition rate indicates low employee satisfaction. High attrition also increases the cost of replacing and training the employees, increases the risk of business getting impacted in case of critical roles and may reflect negatively on investors.	The management possesses the ability to identify individuals in need and provide them with training in relevant fields for potential deployment in projects. Adequate pathways for advancement are offered, allowing employees to progress in their roles. The Company's employee-centric policies and supportive welfare initiatives ensure high retention rates. Effective mentoring across various levels significantly contributes to staff retention. The Company's consistent financial stability can be attributed to the valuable contribution of a well-maintained staff across all functions	Negative
10	Diversity and Inclusion	O	A company's high diversity and inclusion rate reflects employees' sense of belonging and fairness within the Company.	NA	Positive
11	Customer Satisfaction	O	Customer satisfaction is a key indicator of success. It gauges how effectively businesses are delivering products and services that meet or exceed customers' expectations, providing insight into the overall performance of an organization	NA	Positive

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
12	Product Quality	R	<p>Companies in the infrastructure industry have a vital responsibility to safeguard their projects through the provision of engineering, design, architectural and other services. Only by ensuring compliance with safety standards can they demonstrate professional excellence and guarantee top-tier results. Poor design and construction of buildings or infrastructure can have devastating consequences- from loss of life, to decreased property value, to economic insecurity. Taking the time for proper planning is essential in order to prevent these disasters from occurring.</p> <p>When it comes to structural integrity and safety, companies that don't do well can face high costs for redesigning or repair, as well as legal liabilities and damage to their reputation, which could harm their growth prospects.</p> <p>As a consequence of climate change, companies in the construction and infrastructure industry must now consider how changing weather patterns could damage their projects – potentially endangering public safety. Compliance with the minimum codes and standards may not be enough to retain reputational value.</p>	<p>Over time, KNRCL has consistently employed comprehensive Quality Assurance (QA) and Quality Control (QC) protocols to ensure the durability and excellence of our executed projects, encompassing roads, structures, reservoir bunds, canal systems, and more. Our successful completion of Defect Liability Periods across all projects serves as evidence of our commitment to maintaining stringent quality standards during project execution. The monetisation of road assets executed under the Hybrid Annuity Model (HAM) further validates the assured quality embedded within our projects, offering a tangible assurance of the high standards we promise and deliver</p>	Negative

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
13	Human Rights and Labour Management	R	Construction is labour-intensive and has been the focus of human rights organisations for their labour management practices. The complexity of their workforce (size, labour intensity, and operational locations), management-labour interactions, the effectiveness of worker rights and the effectiveness of engagement with their workers is crucial for the Company	The Company adeptly manages its substantial workforce across diverse projects, strictly adhering to governmental regulations that ensure secure working environments, suitable residential provisions near sites, and equitable wages. Our commitment to labor management is underscored by deploying dedicated coordinators who address basic needs at all times. We prioritise human rights by promptly addressing deviations when observed to ensure the well-being and dignity of our workforce.	Negative
14	Community Engagement	R	Construction activities contribute to social and economic development. However, they can also create a risk for local communities and the environment. Activities such as clearing, grading, and using hazardous chemicals can negatively impact the local community. In some situations, environmental concerns and resistance from the local community can lead to project delays and, in the worst-case scenario, project cancellations. This can have a negative impact on the Company's profitability and the opportunities it has for growth.	The Company strategically assigns a dedicated Manager to facilitate ongoing interaction with the local community, ensuring the smooth progression of projects. Recognising the significance of community engagement, the Company addresses grievances through Corporate Social Responsibility (CSR) endeavours, including initiatives such as constructing village roads, facilitating drinking water access, and supporting self-help groups. The effectiveness of these efforts is amplified when the community comprehends the positive impact and benefits derived from asset development, be it roads, irrigation facilities, or urban assets. Encouraging community ownership and fostering identification with the development yields noteworthy results.	Negative



Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
15	Compliance and Business Ethics	R	The key area relevant to business ethics is the management of issues such as fraud, executive misconduct, corrupt practices, money laundering, or anti-trust violations. Ethics violations can lead to police investigations, hefty fines, settlement costs, and damage to reputation.	<p>The Company meticulously adheres to the internal financial control guidelines endorsed by the Board. The Company places utmost importance on compliance with a range of pertinent regulations, prioritising financial reporting accuracy and safeguarding data privacy throughout its business operations.</p> <p>The Audit Committee oversees quarterly financial reporting authorised by the Board, disseminating crucial information to stakeholders, investors, and stock exchanges. Over the past 14 years, consistent dividends and a comprehensive risk mitigation policy underscore the Company's commitment to compliance and business ethics. The accolade of top credit ratings from CRISIL and ICRA serve as evidence of KNRCL's dedication to these principles.</p>	Negative
16	Corporate Governance	R	Businesses are assessed based on their performance across all key governance issues, which include ownership & control, Board pay, accounting, business ethics, and tax transparency. This topic examines the effect that a company's corporate governance and business ethics practices have on its shareholders and other investors.	The Board of Directors convenes regularly to oversee a spectrum of corporate governance matters encompassing accountability, transparency, ethical decision making, and more. An internal audit is conducted, with the resulting report submitted to the Board for assessment and confirmation of these aspects. This practice is well-received by shareholders and investors, signifying a commendable level of corporate governance reasonableness within the Company.	Negative
17	Data Privacy and Security	R	Companies are assessed based on the amount of personal data they collect, their exposure to evolving or increasing privacy regulations, their vulnerability to potential data breaches, and their data protection systems.	The Company has implemented a robust strategy to safeguard data through stringent access controls, ensuring that only relevant staff members, depending on their roles, are authorised to add or report data. This controlled approach limits access across various levels. Sharing data with third parties is strictly prohibited unless sanctioned by the designated officer, contingent upon demonstrated necessity. This framework guarantees data security and privacy, reinforcing the entity's commitment to protecting sensitive information.	Negative

Governance, leadership and oversight

- 7 Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

Dear Stakeholders,

As the director responsible for the Business Responsibility Report, I am pleased to present an overview of our ESG initiatives to our esteemed shareholders. Our commitment to Environmental, Social, and Governance (ESG) principles forms the foundation of our business philosophy.

Environment: We have implemented effective exhaust mechanisms for machinery and vehicles, with regular checks to ensure optimal performance. Sprinklers on conveyors help reduce air emissions from aggregate crushers, supported by consistent emissions monitoring. Our electricity consumption is managed through captive sources like generators. We optimize waste materials from structures and pavements, using them in diversion roads and construction layers. Our focus on waste reduction, reusing, and efficient water use underscores our commitment to environmental sustainability.

Social: Our social initiatives include identifying and training individuals for project deployment, fostering career progression opportunities, and maintaining high employee retention through supportive policies and welfare activities. Our mentoring programs contribute to staff retention and consistent performance.

Governance: Governance is a cornerstone of our operations. Frequent Board meetings ensure accountability, transparency, ethical decision-making, and adherence to business ethics. Internal audits reinforce our commitment to sound governance practices, enhancing shareholder and investor confidence.

In conclusion, our ESG initiatives encompass environmental sustainability, social empowerment, and robust governance practices. We are dedicated to addressing challenges, meeting targets, and fostering responsible growth, guided by our commitment to creating lasting value for all stakeholders. We appreciate your ongoing support and confidence in our organization. Together, we are poised to build a brighter and more sustainable future.

Sincerely,

K Jalandhar Reddy Executive Director

- 8 Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).

Shri K Jalandhar Reddy, Executive Director

- 9 Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No/ NA).

If Yes please provide details

Shri K Jalandhar Reddy, Executive Director

PRINCIPLE 1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

(This principle focuses on the importance of ethical conduct and transparency in business operations. Companies should follow ethical business practices and adhere to high standards of integrity. They should also be transparent about their activities, operations, and financial reporting, as well as be accountable for their actions)

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year.

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	2	Regulatory	75%
Key Managerial Personnel	2	Regulatory	100%
Employees other than BoD and KMPs	17	<ol style="list-style-type: none"> 1. SAP MM, SAP FI/CO, SAP Stores, SAP PS, SAP SD, SAP P&M, HR Payroll 2. Health and Safety training program 3. Road safety 4. Project cost control and budgeting 5. Corporate Finance 6. Commercial Arbitration 7. HR Policies and code of conduct 8. Regulatory updates from time to time which are of relevant to the Company 	100%
Workers	3	<ol style="list-style-type: none"> 1. Health and Safety training program 2. Road safety 3. Equipment operation training program 	100%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format

Monetary					
Particular	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹) (For Monetary Cases only)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine					
Settlement				No such incident has taken place in 2023-24.	
Compounding fee					

Non Monetary				
Particular	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment				
Punishment			No such incident has taken place in 2023-24.	

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
	Nil

4. Does the entity have anti-corruption or anti-bribery policy? (Yes/ No)

Yes

If Yes, provide details in brief

The Anti-Bribery Policy is established to prevent any instances of bribery or corruption. All personnel associated with KNRCL, including its affiliates and subsidiaries, are required to adhere to the provisions and scope of this policy.

If Yes, Provide a web link to the policy, if available -Web link anti corruption or anti bribery policy is place

http://knrcl.com/images/policies/Anti_bribery_policy.pdf

5. Number of Directors/ KMPs/ employees/ workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Particular	2023-24	2022-23
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

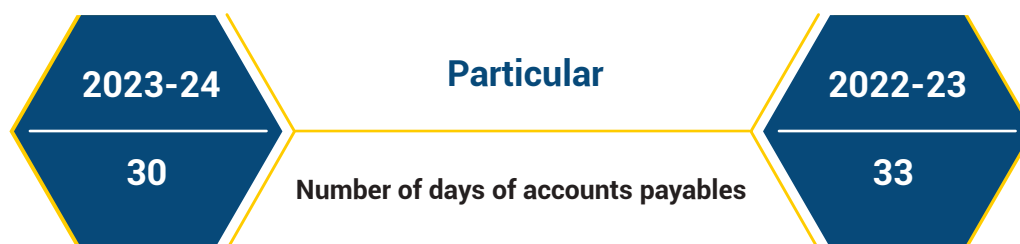
6. Details of complaints with regard to conflict of interest:

Case Details	2023-24		2022-23	
	Number	Remark	Number	Remark
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	Nil	0	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	Nil	0	Nil

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

No such incident of corruption and conflict of interest has taken place in 2023-24.

8. Number of days of accounts payables in the following format:



9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	2023-24	2022-23
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	0	0
	b. Number of trading houses where purchases are made from	0	0
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	0	0
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	0%	0%
	b. Number of dealers / distributors to whom sales are made	0	0
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	0%	0%
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	0%	0%
	b. Sales (Sales to related parties / Total Sales)	56.10%	34.29%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	32.13%	24.75%
	d. Investments	100%	100%

Leadership Indicators

2. DOES THE ENTITY HAVE PROCESSES IN PLACE TO AVOID/ MANAGE CONFLICT OF INTERESTS INVOLVING MEMBERS OF THE BOARD? (YES/NO)

Yes

If Yes, provide details of the same.

The Company's Code of Conduct mandates that all directors refrain from engaging in activities that could conflict with the Company's best interests. Additionally, directors are required to annually confirm their compliance with the Code of Conduct to the Company.

PRINCIPLE 2

Businesses should provide goods and services in a manner that is sustainable and safe.

(This principle highlights the importance of sustainable and safe production practices. Companies should strive to minimize the environmental impact of their activities and ensure that their products and services are safe for consumers and the environment.)

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

Sr. No.	Particular	2023-24	2022-23	Details of improvements in environmental and social impacts
1	R&D	0%	0%	Nil
2	Capex	0%	0%	Nil

- 2 a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Yes

- b. **If yes, what percentage of inputs were sourced sustainably?**

37.42%

3. ***Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for**

(a)	Plastics (including packaging)	NA
(b)	E-waste	NA
(c)	Hazardous waste	NA
(d)	other waste	NA

*Considering the nature of the business of the Company, product reclaim is not applicable.

4. a **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No)**

No

- b **If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards?**

NA

- c **If not, provide steps taken to address the same**

NA



PRINCIPLE 3

Businesses should respect and promote the well-being of all employees, including those in their value chains.

(This principle emphasizes the importance of employee well-being. Companies should provide safe and healthy working conditions, fair wages, and opportunities for career development to all employees in their value chains, including suppliers, contractors, and temporary workers.)

Essential Indicators

1 a. Details of measures for the well-being of employees:

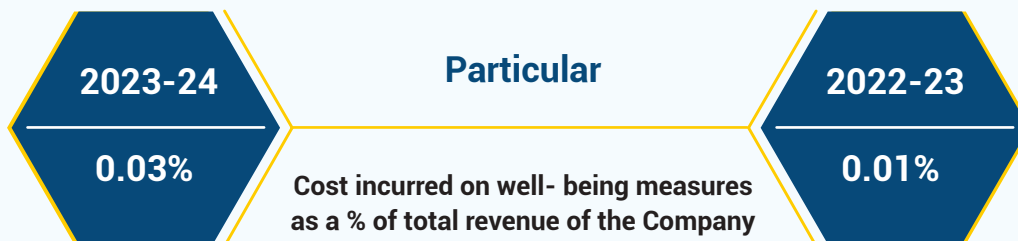
Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	2,478	98	3.95%	2478	100%	-	-	2478	100%	0	0%
Female	10	10	100%	10	100%	10	100%	-	-	0	0%
Total	2,488	108	4.34%	2488	100%	10	0.40%	2478	99.60%	0	0%
*Other than permanent employees											
Male	0	0	0%	0	0%	0	0%	0	0%	0	0%
Female	0	0	0%	0	0%	0	0%	0	0%	0	0%
Total	0	0	0%	0	0%	0	0%	0	0%	0	0%

1. b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers											
Male	3,003	108	3.60%	1139	37.93%	-	-	3003	100%	0	0%
Female	0	0	0%	0	0%	0	0%	-	-	0	0%
Total	3,003	108	3.60%	1139	37.93%	0	0%	3003	100%	0	0%
*Other than permanent workers											
Male	0	0	0%	0	0%	0	0%	0	0%	0	0%
Female	0	0	0%	0	0%	0	0%	0	0%	0	0%
Total	0	0	0%	0	0%	0	0%	0	0%	0	0%

*The Company does not have any staff in 'Other than permanent employees' and 'Other than permanent workers category'.

1. c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format



2. Details of retirement benefits, for Current and Previous Financial Year.

Benefits	2023-24			2022-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	23.63%	13.45%	Yes	24%	12%	Yes
Gratuity	100%	0%	Yes	100%	0%	Yes
ESI	100%	37.93%	Yes	61%	2%	Yes
Others – please specify	-	-	-	-	-	-

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes

If not, whether any steps are being taken by the entity in this regard.

NA

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016?

Yes

IF SO, PROVIDE A WEB-LINK TO THE POLICY.

<http://knrcl.com/images/policies/Human-Rights-Policy.pdf>



5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention Rate	Return to work rate	Retention Rate
Male	0%	0%	0%	0%
Female	100%	100%	0%	0%
Total	100%	100%	0%	0%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No	If Yes, then give details of the mechanism in brief
Permanent Workers	Yes	Employees or workers can raise concerns or lodge grievances with the respective project managers at their sites. The project managers will escalate these concerns or grievances to the Project Director, who will address them within 30 days following a thorough investigation. All grievances received and their status will be reported to the Managing Director or Executive Director in a timely manner.
*Other than Permanent Workers	No	
Permanent Employees	Yes	Employees or workers can raise concerns or lodge grievances with the respective project managers at their sites. The project managers will escalate these concerns or grievances to the Project Director, who will address them within 30 days following a thorough investigation. All grievances received and their status will be reported to the Managing Director or Executive Director in a timely manner.
*Other than Permanent Employees	No	

*The Company does not have any staff in 'Other than permanent employees' and 'Other than permanent workers category'.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Benefits	2023-24			2022-23		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent employees						
Male	2,478	0	0%	2,284	0	0%
Female	10	0	0%	10	0	0%
Total Permanent Workers						
Male	3,003	0	0%	3,418	0	0%
Female	0	0	0%	0	0	0%

8. Details of training given to employees and workers:

Category	2023-24					2022-23				
	Total (A)	On Health and Safety Measures		On Skill Upgradation		Total (D)	On Health and Safety Measures		On Skill Upgradation	
		Number (B)	% (B / A)	Number (C)	% (C / A)		Number (E)	% (E / D)	Number (F)	% (C / D)
Employees										
Male	2,478	2478	100%	1,317	53.15%	2284	2284	100%	1,200	52.54%
Female	10	10	100%	0	0%	10	10	100%	0	0%
Total	2,488	2488	100%	1,317	52.93%	2294	2294	100%	1,200	52.31%
Workers										
Male	3,003	3003	100%	2,098	69.86%	3418	3,418	100%	2,200	64.37%
Female	0	0	0%	0	0%	0	0	0%	0	0%
Total	3,003	3003	100%	2,098	69.86%	3418	3,418	100%	2,200	64.37%

9. Details of performance and career development reviews of employees and worker:

Category	2023-24			2022-23		
	Total (A)	No. (B)	% (B / A)	Total (D)	No. (E)	% (E / D)
Employees						
Male	2,478	1,018	41.08%	2,284	827	36.21%
Female	10	10	100%	10	10	100%
Total	2,488	1,028	41.32%	2,294	837	36.49%
Workers						
Male	3,003	2,189	72.89%	3,418	1,964	57%
Female	0	0	0%	0	0	0%
Total	3,003	2,189	72.89%	3,418	1,964	57%

10. Health and safety management system

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No)

Yes

If Yes, the Coverage such systems?

KNRCL prioritizes the safety and well-being of its employees and other stakeholders. Our Health Safety Environment (HSE) Policy outlines our commitment to managing key HSE aspects. Our Health Safety Environment Management System is certified to the ISO 45001:2018 standard.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

We identify occupational health and safety risks for all existing, new, or modified activities, processes, products, services, and regulatory changes, including routine and non-routine activities. Our risk assessment includes quarterly evaluations of incidents. Hazardous conditions are identified and prioritized for elimination and control. After implementing the hierarchy of controls, we reassess to evaluate residual risks.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks? (Yes/ No)

Yes

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category*	2023-24	2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	1	0
	Workers	0	24
Total recordable work-related injuries	Employees	1	0
	Workers	0	20
High-consequence work-related injury or ill health (excluding fatalities)	Employees	0	0
	Workers	0	3
High-consequence work-related injury or ill health (excluding fatalities)	Employees	0	0
	Workers	0	0

*Including in the contract workforce

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

We prioritize building a safety culture that emphasizes individual responsibility. Our project site personnel are trained to identify, mitigate, and control operation-specific risks. Regular inspections and awareness trainings on health and safety are conducted. Established systems include work permits, training, LOTO (lockout/tagout), operational controls, monitoring, audits, and assessments. Any gaps, learnings, deviations, and findings are identified, with controls implemented and tracked for effective closure. Additionally, the Company has adopted a WCA policy for workers at project locations.

13. Number of Complaints on the following made by employees and workers:

Benefits	2023-24			2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	Nil	0	0	Nil
Health & Safety	0	0	Nil	0	0	Nil

14. Assessment for the year:

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/ concerns arising from assessments of health & safety practices and working conditions.

No significant risk / concern has been observed during the assessment.

Leadership Indicators
1. Does the entity extend any life insurance or any compensatory package in the event of death of

(A) Employees (Y/N)	Yes
(B) Workers (Y/N)	

2. Details on assessment of value chain partners:

Particulars	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	100%
Working Conditions	100%

PRINCIPLE 4

Businesses should respect the interests of and be responsive to all its stakeholders.

(This principle highlights the importance of stakeholder engagement. Companies should consider the interests and perspectives of all stakeholders, including shareholders, employees, customers, suppliers, and the communities in which they operate. They should also be responsive to stakeholder concerns and feedback.)

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

Stakeholder identification is central to our goal-attainment strategy. Our systematic approach involves a thorough analysis of our operations to accurately identify key stakeholders, including investors, vendors, customers, employees, lenders, and the community. We also extend our evaluation to understand the impact of our initiatives on the communities we engage with, acknowledging their essential role in our communication efforts. By understanding our stakeholders' needs, we anticipate demands, mitigate potential risks, and build lasting relationships crucial to our success. This proactive engagement improves our strategic alignment and overall performance.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other- Please Specify)	Frequency of engagement (Annually, Half-yearly, Quarterly, others- Please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investors	No	Other - Email, Newspaper, Website, Investor calls	Quarterly	Financial performance, operations of the Company
Vendors	No	Other - Meetings	Other - Vendors of capital equipment - on regular basis and vendors of material - as and when required	Capital equipment and material
Customers	No	Other - Meetings	Other – On regular basis	Projects related
Employees	No	Other - Meetings	As and when required	HR related
Lenders	No	Other - Meetings	Quarterly	Concessionaire meetings for financial assistance
Community	No	Community Meetings	As and when required	Community issues near by the project sites

PRINCIPLE 5

Businesses should respect and promote human rights.

(This principle focuses on the importance of human rights. Companies should respect and promote human rights, including the rights to freedom of expression, association, and privacy. They should also prevent and address human rights violations in their operations and value chains.)

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format

Benefits	2023-24			2022-23		
	Total (A)	No. of employees/ workers covered (B)	% (B / A)	Total (C)	No. of employees/ workers covered (D)	% (D / C)
Employees						
Permanent	2,488	1,278	51.37%	2294	952	41.50%
Other than permanent	0	0	0%	0	0	0
Total Employees	2,488	1,278	51.37%	2294	952	41.50%
Workers						
Permanent	3,003	2,189	72.89%	3418	1,267	37.07%
Other than permanent	0	0	0%	0	0	0%
Total Workers	3,003	2,189	72.89%	3418	1,267	37.07%

2. Details of minimum wages paid to employees and workers

Category	2023-24					2022-23				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent										
Male	2,478	321	12.95%	2,157	87.05%	2,284	493	21.58%	1,791	78.42%
Female	10	0	0%	10	100%	10	10	100%	0	0%
Total	2,488	321	12.90%	2,167	87.10%	2,294	503	21.92%	1,791	78.08%
*Other than Permanent										
Male	0	0	0%	0	0%	0	0	0%	0	0%
Female	0	0	0%	0	0%	0	0	0%	0	0%



Category	2023-24					2022-23				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Total	0	0	0%	0	0%	0	0	0%	0	0%
Workers										
Permanent										
Male	3,003	358	11.92%	2,645	88.08%	3,418	701	20.51%	2,717	79.49%
Female	0	0	0%	0	0%	0	0	0%	0	0%
Total	3,003	358	11.92%	2,645	88.08%	3,418	701	20.51%	2,717	79.49%
*Other than Permanent										
Male	0	0	0%	0	0%	0	0	0%	0	0%
Female	0	0	0%	0	0%	0	0	0%	0	0%
Total	0	0	0%	0	0%	0	0	0%	0	0%

*The Company does not have any staff in 'Other than permanent employees' and 'Other than permanent workers category'.

3. Details of remuneration/salary/wages

a. Median remuneration / wages:

Male		Particular	Female	
Number	Median remuneration/ salary/ wages of respective category		Number	Median remuneration/ salary/ wages of respective category
2	10,68,45,000	*Board of Directors (BoD)	0	0
2	10,68,45,000	Key Managerial Personnel	1	11,40,000
2,476	3,36,000	Employees other than BoD and KMP	9	3,16,800
3,003	2,46,000	Workers	0	0

*Only executive directors are considered for median remuneration calculation.

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

Particulars	2023-24	2022-23
Gross wages paid to females as % of total wages	0.29%	0.26%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

No

The Company prioritizes the protection of human rights above all else. The Board and Senior Management are fully responsible for and committed to addressing any human rights issues that may arise. Individuals or their representatives, whether internal or external, can contact the Company regarding these matters through the appropriate channels.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The policies and procedures for addressing employee grievances will be implemented with the utmost sensitivity, urgency, and priority in managing and resolving HR grievances.

6. Number of Complaints on the following made by employees and workers:

Benefits	2023-24			2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	Nil	0	0	Nil
Discrimination at workplace	0	0	Nil	0	0	Nil
Child Labour	0	0	Nil	0	0	Nil
Forced Labour/Involuntary Labour	0	0	Nil	0	0	Nil
Wages	0	0	Nil	0	0	Nil
Other human rights related issues	0	0	Nil	0	0	Nil

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

Particulars	2023-24	2022-23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	0%	0%
Complaints on POSH upheld	0	0

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company has established a mechanism to address complaints related to discrimination and harassment. This mechanism ensures the strict confidentiality of the investigation process and safeguards the identity of the complainant. Additionally, the complainant is protected against any form of retaliation.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No/NA)

Yes

10. Assessments for the year:

Benefits	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	-

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

No significant risk / concern was arising from the assessments.



PRINCIPLE 6

Businesses should respect and make efforts to protect and restore the environment.

(This principle emphasizes the importance of environmental stewardship. Companies should minimize their impact on the environment, conserve natural resources, and promote environmental sustainability. They should also take steps to restore and rehabilitate degraded ecosystems.)

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	2023-24	2022-23
From renewable sources		
Total electricity consumption (A)	0	0
Total fuel consumption (B)	0	0
Energy consumption through other sources (C.)	0	0
Total energy consumed from renewable sources (A+B+C)	0	0
From non-renewable sources		
Total electricity consumption (D)	39,857.61 (GJ)	721.68 (GJ)
Total fuel consumption (E)	17,83,692.77 (GJ)	9,62,193.63 (GJ)
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	18,23,550.38 (GJ)	9,62,915.30 (GJ)
Total energy consumed (A+B+C+D+E+F)	18,23,550.38 (GJ)	9,62,915.30 (GJ)
Energy intensity per rupee of turnover (Total energy consumed in GJ / Revenue from operations in ₹)	0.00004593	0.00002572
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed in GJ / Revenue from operations in ₹ adjusted for PPP)*	0.00092863	0.00052006
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?		No
If yes, name of the external agency.	NA	

*The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor for India published by the World Bank for the year 2023, which is 20.22.

Note – The Company undertakes different types of projects, which includes construction of highways and irrigation projects. Due to the varying nature of these projects, a standardized unit of measurement is not applicable. Consequently, calculating physical intensity, which typically requires a common unit of measurement, is not feasible in this context.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Yes/No)

No

If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

NA

3. Provide details of the following disclosures related to water, in the following format:

Parameter	2023-24	*2022-23
Water withdrawal by source (in kilolitres)		
(i) Surface water	2,65,900	14,86,873
(ii) Groundwater	5,96,868	0
(iii) Third party water	3,85,505	1,006
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	12,48,273	14,87,879
Total volume of water consumption (in kilolitres)	12,48,273	14,87,879
Water intensity per rupee of turnover (Total water consumption in KL / Revenue from operations in ₹)	0.00003144	0.00003974
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption in KL / Revenue from operations in ₹ adjusted for PPP)	0.00063567	0.00080359
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Yes/No)		No
If yes, name of the external agency.		NA

*The Company has not bifurcated the water withdrawal data for 2022-23 and whole amount was reported in 'surface water withdrawal' category.



4. Provide the following details related to water discharged:

Parameter	2023-24	2022-23
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
No treatment	0	0
With treatment – please specify level of treatment	0	0
(ii) To Groundwater		
No treatment	0	0
With treatment – please specify level of treatment	0	0
(iii) To Seawater		
No treatment	0	0
With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties		
No treatment	0	0
With treatment – please specify level of treatment	0	0
(v) Others		
No treatment	0	0
With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)*	0	0
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)		No
If yes, name of the external agency.		NA

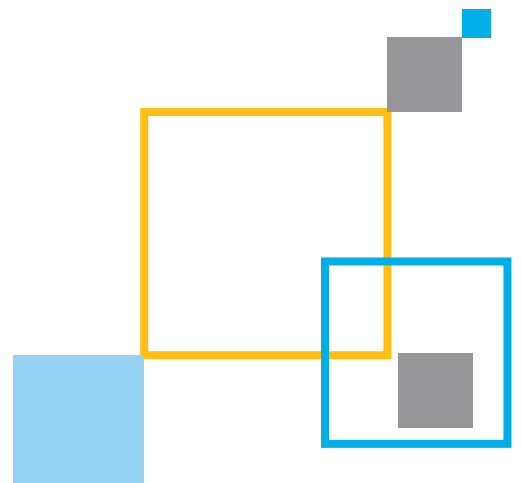
*Water is used for the curing, compaction and dust suppression.

5. Has the entity implemented a mechanism for Zero Liquid Discharge?

No

If yes, provide details of its coverage and implementation.

NA



6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	*2023-24	*2022-23
NOx	NA	NA	NA
SOx	NA	NA	NA
Particulate matter (PM)	NA	NA	NA
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	NA	NA	NA
Others – please specify	NA	NA	NA
Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N)	NO		
If yes, name of the external agency.	NA		

*The Company has not built its capability to monitor and track air emissions data.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	2023-24	2022-23
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	1,14,585.08	60,532.43
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	7,927.24	104.06
Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations in ₹)		0.00000309	0.00000162
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations in ₹ adjusted for PPP)		0.00006239	0.00003269
Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N)	NO		
If yes, name of the external agency.	NA		

8. Does the entity have any project related to reducing Green House Gas emission? (Yes/ No)

Yes

If Yes, then provide details.

All construction vehicles, equipment, and machinery are regularly maintained to meet the pollution emission standards set by the State Pollution Control Board. Additionally, a tree plantation scheme has been implemented along the project highway.

9. Provide details related to waste management by the entity, in the following format:

Parameter	2023-24	2022-23
Total Waste generated (in metric tonnes)		
Plastic waste (A)	23.10	12.00
E-waste (B)	0	0
Bio-medical waste (C)	0	0
Construction and demolition waste (D)	1,66,197.00	7,66,806.32
Battery waste (E)	0.96	0
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	0	0
Other Non-hazardous waste generated (H).	0	0
Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)		
Total (A+B + C + D + E + F + G + H)	1,66,221.06	7,66,818.32
Waste intensity per rupee of turnover	0.00000419	0.00002048
(Total waste generated / Revenue from operations)		
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	0.00008465	0.00041415

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Category of waste	2023-24	2022-23
(i) Recycled	0	0
(ii) Re-used*	1,66,197.00	7,66,806.32
(iii) Other recovery operations	0	0
Total	1,66,197.00	7,66,806.32

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

Category of waste	2023-24	2022-23
(i) Incineration	0	12
(ii) Landfilling	0	0
(iii) Other disposal operations	24.06	0
Total	24.06	12
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)		No
If yes, name of the external agency.		NA

*Construction and demolition waste material is reused for pothole filling, backfilling excavated pits, temporary diversion activities and in making new roads.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Waste generated in construction and demolition waste material is reused for pothole filling, backfilling excavated pits, temporary diversion activities and in making new roads. Battery waste and plastic waste generated during the operation are disposed through third party vendors.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N)	If no, the reasons thereof and corrective action taken, if any.
The Company does not have any operations / offices in / around ecologically sensitive area.			

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Relevant Web link
Environmental Impact Assessment has not been undertaken by the Company for any project in 2023-24.				

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N/NA).

Yes

If not, provide details of all such non-compliances, in the following format:

Specify the law/regulation/ guidelines which was not complied with	Provide details of the non- compliance
The Company is complaint with all the applicable laws / regulations / guidelines.	



PRINCIPLE 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

(This principle highlights the importance of responsible advocacy. Companies should engage in policy advocacy in a responsible and transparent manner, and avoid engaging in activities that could undermine the public interest or the democratic process.)

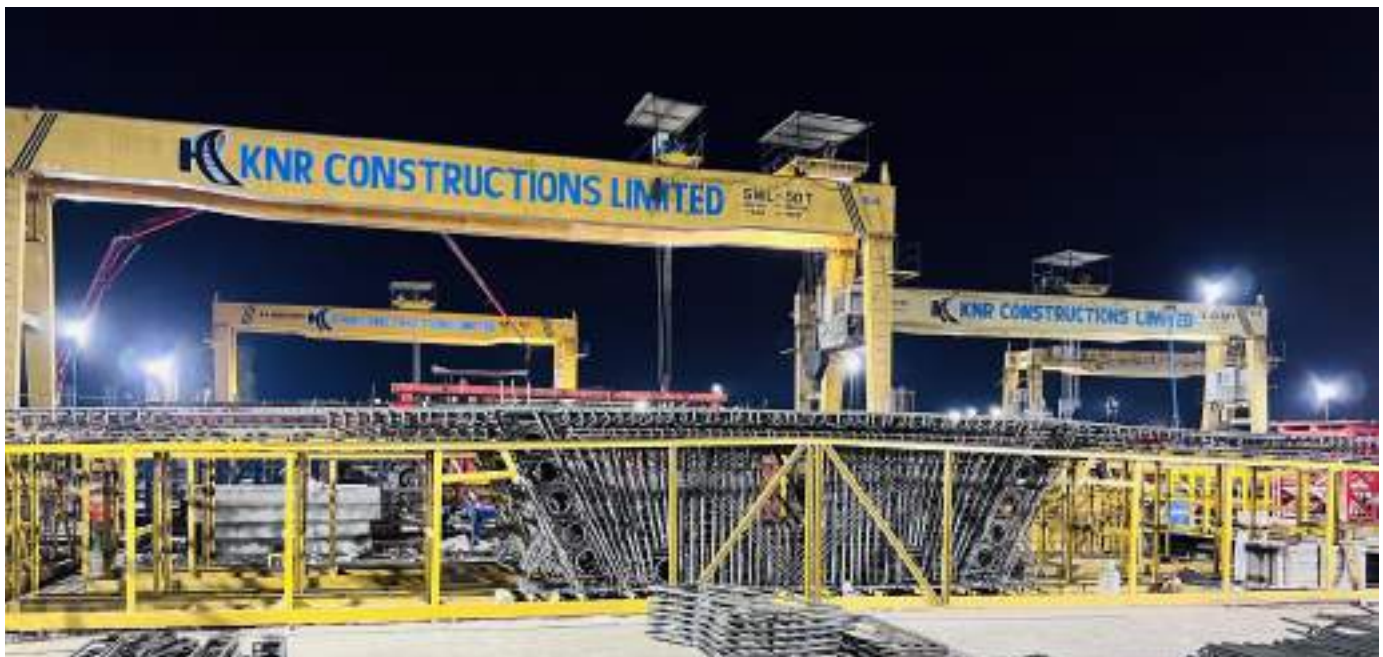
Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/ associations.**
1
- b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National/ International)
National Highway Builders Federation	National

2. **Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of authority	Brief of the case	Corrective action taken
No such adverse order has been received from any regulatory authority on issues related to anti-competitive conduct.		



PRINCIPLE 8

Businesses should promote inclusive growth and equitable development.

(This principle emphasizes the importance of promoting inclusive and equitable economic development. Companies should create economic opportunities for all, including disadvantaged and marginalized groups. They should also contribute to the development of local communities and support social and economic empowerment.)

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
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Social Impact Assessment (SIA) has not been conducted for any project in 2023-24.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Sr. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the (In ₹)
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Rehabilitation and Resettlement has not been undertaken for any of the project in 2023-24.

3. Describe the mechanisms to receive and redress grievances of the community.

Stakeholders can raise concerns or grievances with the project managers at the respective sites. Project managers will escalate these issues to the Project Director, who will address them within 30 days following a thorough investigation. The status of all grievances will be reported to the Managing Director or Executive Director in a timely manner.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Particular	2023-24	2022-23
Directly sourced from MSMEs/ small producers	1.50%	1.00%
Directly from within India	98.00%	75.00%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Particular	2023-24	2022-23
Rural	31.99%	34.37%
Semi-urban	38.47%	35.67%
Urban	19.40%	19.68%
Metropolitan	10.14%	10.28%

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban/metropolitan)

PRINCIPLE 9

Businesses should engage with and provide value to their consumers in a responsible manner.

(This principle highlights the importance of responsible consumer engagement. Companies should provide safe, high-quality products and services, and ensure that they are marketed and sold ethically and responsibly. They should also be transparent about their products and services, and provide consumers with the information they need to make informed choices.)

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Company operates in construction and engineering, specifically in highways, and does not offer consumer products. Concerns or grievances typically relate to construction quality and project timelines. Stakeholders can submit concerns via mail or letters, which are then escalated to project heads for timely resolution. Customers can email their concerns to info@knrcl.com

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about

Particular	As a percentage to total turnover
Environmental and social parameters relevant to the product	NA
Safe and responsible usage	NA
Recycling and/or safe disposal	NA

3. Number of consumer complaints in respect of the following:

Particular	2023-24		Remark	2022-23		
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	Remark
Data privacy	0	0	Nil	0	0	Nil
Advertising	0	0	Nil	0	0	Nil
Cyber-security	0	0	Nil	0	0	Nil
Delivery of essential services	0	0	Nil	0	0	Nil
Restrictive Trade Practices	0	0	Nil	0	0	Nil
Unfair Trade Practices	0	0	Nil	0	0	Nil
Other	-	-	-	-	-	-

4. Details of instances of product recalls on account of safety issues:

Particular	Number	Reason for recall
Voluntary recalls	0	NA
Forced recalls	0	NA

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No)

Yes

If available, provide a web link of the policy

<http://knrc.com/images/policies/Information-Security-Management-Policy.pdf>

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

No such instance has taken place in 2023-24.

7. Provide the following information relating to data breaches

a. Number of instances of data breaches along-with impact

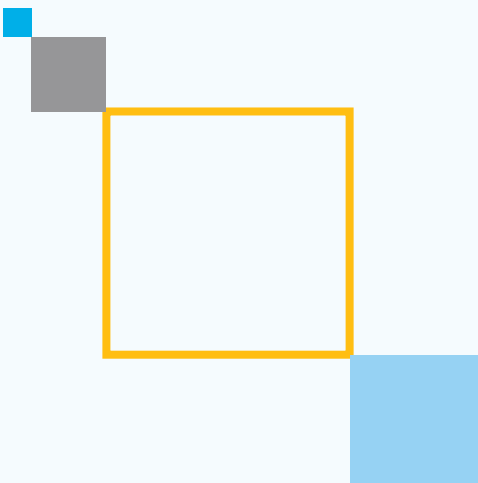
0

b. Percentage of data breaches involving personally identifiable information of customers

0%

c. Impact, if any, of the data breaches

NA



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 maximizing 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.

To succeed, we believe, it requires high standards of corporate behaviour towards everyone we work with, the community we touch and the environment on which we have an impact. This is our road to consistent, competitive and responsible growth and creating long term value for our members, our people and our business partners. The above principles have been the guiding force for whatever we do and shall continue to be so in the years to come.

The Board of Directors plays a crucial role in overseeing how the management serves the short and long-term interest of members and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board. We keep our governance practices under review

and benchmark ourselves to best practices across the globe.

2. BOARD OF DIRECTORS:

(a) Composition and category of directors:

The Board of your company has an optimum mix of executive and non-executive Directors with more than half of the board comprising of Independent Directors. As on date of this report, the Board consists of 8 directors - comprising 2 Executive directors, 5 Independent directors, and 1 non-executive director. Further, out of the said 8 Directors 3 of them are promoter Directors of the Company. The composition of the Board represents an optimal mix of professionalism, knowledge, experience and enables the board to discharge its responsibilities and provide effective leadership to the business.

The Company obtains from each director - on an annual basis - details of the board and board committee positions he/she occupies in other companies and changes, if any, regarding their directorship. In addition, the independent directors provide an annual confirmation that they meet criteria of independence as defined under section 149(6) of the Companies Act, 2013.

The Board composition is in conformity with the provisions of Companies Act, 2013 read with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Nomination and Remuneration Committee periodically evaluates the criteria with respect to qualifications, independence, remuneration, performance etc., of directors.

- (b) The details of the Board of directors including their attendance at the meetings of Board and committees, shareholders, directorships / chairmanships / memberships on the Boards / Committees of other Companies and names of the listed entities where the person is a director and the category of directorship as required under Regulation No.34 read with Schedule V of the Listing Regulations are as below:

Name of the Director	Category	No. of Board Meetings		Attendance at the last AGM (August 22, 2023)	No. of Directorships in other Companies		Chairmanships/ Memberships in Committees of other Public Companies		Name of other listed entities where he/she is a director and the category of directorship
		Entitled	Attended		Private	Public	Membership	Chairmanship	
Shri Bandhakavi Venkata Rama Rao	Independent / Non-Executive Director	5	5	Yes	0	0	0	0	0

Report On Corporate Governance (Contd.)

Name of the Director	Category	No. of Board Meetings		Attendance at the last AGM (August 22, 2023)	No. of Directorships in other Companies		Chairmanships/ Memberships in Committees of other Public Companies		Name of other listed entities where he/she is a director and the category of directorship
		Entitled	Attended		Private	Public	Membership	Chairmanship	
Shri Lodugu Balarami Reddy	Independent / Non-Executive Director	5	5	Yes	2	1		2	-
Shri Kamidi Narsimha Reddy	Promoter/ Executive Director	5	5	Yes	1	9	0	0	-
Shri Kamidi Jalandhar Reddy	Promoter/ Executive Director	5	5	Yes	3	9	0	0	-
Smt. Kamidi Yashoda	Promoter / Non-Executive Director	5	4	Yes	4	8	0	0	--
Smt Gottipulla Chandra Rekha	Independent / Non-Executive Director	5	5	Yes	0	1	1	2	-
Dr. Wdaru Rampulla Reddy	Independent / Non-Executive Director	NA	NA	NA	1	-	-	-	-
Shri Kalakota Udaya Bhaskara Reddy	Independent / Non-Executive Director	NA	NA	NA	1	1	0	1	-

Note: The number of directorships in public companies of Shri. Kamidi Narsimha Reddy, Shri Kamidi Jalandhar Reddy and Smt. Kamidi Yashoda included directorships in wholly-owned subsidiaries which are considered as deemed public companies.

The Directorships held by Directors in other Companies, as mentioned above do not include Directorships in Foreign Companies., Companies Registered under Section 8 of the Companies Act, 2013.

None of the Directors on the Board is a member on more than 10 Committees and Chairman of more than 5 Committees across all the listed entities in which they are directors. None of the Directors holds office in more than 10 public companies and seven listed entities. None of the Directors serves as Independent Director in more than seven listed entities.

In accordance with Regulation 26 of the SEBI (LODR) Regulations, none of the Directors are members in more than 10 committees or act as chairperson of more than 5 committees (the committees being, Audit Committee and Stakeholders' Relationship Committee) across all public limited companies in which he/she is a 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.

Report On Corporate Governance (Contd.)

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
 - the Company;
 - the financial statements;
 - compliance with laws;
 - 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

Barring emergency instances, the notice of Board meetings is given well in advance to all the directors. The agenda of the Board meeting is set by the Company Secretary in consultation with the Managing Director of the Company. The agenda is circulated a week prior to the date of the meeting that includes an Action Taken Report detailing the implementation of the decisions taken at the previous Board Meeting, business to be discussed at the meeting, statutory compliance status etc.

In case of urgency, the Company obtains prior approval from the Directors to call, convene, and hold Board meetings at shorter notice.

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

(c) Number of meetings of the Board of directors held and dates on which held:

The Board met 5 times during the financial year 2023-24 on the following dates, with a gap not exceeding one hundred and twenty days between any two meetings:

May 29, 2023	August 14, 2023	September 28, 2023	November 14, 2023	February 8, 2024
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Familiarisation programmes for Board Members

The Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarize 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 familiarization program can be viewed from our company's website 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 29, 2024 without the presence of Executive Directors and management personnel, inter-alia, to discuss:

Report On Corporate Governance (Contd.)

- i. Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- ii. Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors; and
- iii. 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 2023-24	
	Held	Attended
Shri Bandhakavi Venkata Rama Rao	1	1
Shri Lodugu Balarami Reddy	1	1
Smt Gottipulla Chandra Rekha	1	1
Dr Wdaru Rampulla Reddy	1	1
Shri Kalakota Udaya Bhaskara Reddy	1	1

Details of Directors

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

Shri Bandhakavi Venkata Rama Rao, aged 83 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 Bandhakavi Venkata 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 Bandhakavi Venkata 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 Bandhakavi Venkata 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, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Risk Management Committee.

Shri Bandhakavi Venkata Rama Rao does not hold any Equity Shares in the Company as on March 31, 2024.

Shri Lodugu Balarami Reddy, aged 81 years, is the Non-Executive and Independent Director of the Company. Shri Lodugu Balarami Reddy is a Fellow Member of The Institute of Chartered Accountants of India and is a Senior Partner in M/s Lodugu Balarami 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 also on deputation from Syndicate Bank to Rayalaseema Grameena Bank as Chairman for six years.

Shri Lodugu Balarami Reddy joined the Board of Directors of the Company with effect from December 26, 2005 and he is currently the Chairman of Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee in the Company and Director of New Era Insurance Broking Services Private Limited, Indira Television Limited and Virtual Agri Services Private Limited as on March 31, 2024.

Shri Lodugu Balarami Reddy does not hold any Equity Shares in the Company as on March 31, 2024.

Smt. Gottipulla Chandra Rekha, aged 48 years, Non-Executive and Independent Director of the Company. She is a B. Com, Graduate and has worked as billing and coding specialist and administrator in health sector.

Smt Gottipulla Chandra Rekha joined the Board of Directors of the Company with effect from May 30, 2019 and she is currently member of Nomination and remuneration committee, Stakeholders Relationship Committee and Risk Management Committee.

Smt Gottipulla Chandra Rekha does not hold any Equity Shares in the Company as on March 31, 2024

Shri Kamidi Narsimha Reddy aged 76 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

Report On Corporate Governance (Contd.)

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 Kamidi 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 Kamidi Narsimha Reddy is holding 9,14,20,000 Equity Shares in the Company as on 31st March 2024. (8,54,84,926 Equity shares as on date of this report.)

Smt. Kamidi Yashoda, aged 72 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 Kamidi Narsimha Reddy.

She is holding 80,15,010 Equity Shares in the Company as on 31st March 2024.

Shri Kamidi Jalandhar Reddy, aged 52 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 Kamidi 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 3,77,59,210 Equity Shares in the Company as on March 31, 2024.

Dr. Wdaru Rampulla Reddy had a career spanning around 33 years in the Indian Administrative Service, where he had held several senior positions in the central and state governments.

He served as Director General, National Institute of Rural Development and Panchayat Raj. He had also served in various positions such as Additional Chief Secretary, Principal Secretary, Special Secretary in Taxes Department, Government of Kerala,

He has also served for Government of India as Joint Secretary for Ministry of Agriculture, Director – Department of Personnel and Training.

In addition, he has also served as Deputy Secretary/Joint Secretary – Irrigation and Command Area Development Department, Project Director- District Rural Development Agency for Government of Andhra Pradesh (prior to separation).

Further, he has also served as Sub-Collector, District Collector, Government of Kerala, Managing Director for Kerala Water Authority, Managing Director for Kerala Milk Marketing Federation and Milk Development Commission for the Government of Kerala.

During his service, he has significantly contributed in the areas of rural development, planning and development of watershed areas for sustainable livelihood of the people in rain fed areas, planning, execution of irrigation projects, integrated tribal development, promoting water conservation, revitalizing the co-operative movement in dairy sector of Kerala and turning around the business of Kerala Co-operative Milk Federation, Promoting productivity of Livestock through artificial insemination in Kerala state, Revival of NIRDPR and launched numerous programs for sustainable rural development in India.

He headed the PSUs of Kerala viz., Kerala State Financial Enterprises, Kerala State Forest Development Corporation as Chairman. He also worked as Director on the Board of GSTIN, a PSU of Government of India.

He has also represented the Government of India at various international platforms like United Nations at UN Convention against Corruption during the year 2003-04, Member of delegation to India Brazil South Africa multilateral co-operation, head of the delegation of bilateral discussions with Brazil, Argentine, USA, Canada etc., Currently, he is serving as

- a) Board of Directors in APMAS, an NGO working in women empowerment and enterprise development in agriculture and allied sectors.
- b) Board of Director in SEEDS, a social sector enterprise working for rural upliftment
- c) Member of executive Committee of Indian Panchayat Foundation, a Society working with strengthening of the Local Governments in the country.

Report On Corporate Governance (Contd.)

- d) Set up an institution of excellence for agribusiness sector, and works as Guest professor in Food and Agri Business School (FABS), Sagar Group of Institutions, Hyderabad.

Shri Kalakota Udaya Bhaskara Reddy has a vast experience of around 40 years in banking sector. He had held various senior positions in Indian Bank viz., Deputy General Manager, Deputy Zonal Manager, General Manager, Zonal Manager and Chief Risk Officer at various locations in several departments like Treasury, Inspection and Control, MSMEs, International Division, Administration, Business Development and Profit Monitoring.

He was also associated with Syndicate Bank as Assistant Manager and Manager.

His area of expertise includes risk management, formulating risk management policies and their implementation, credit monitoring and underwriting, treasury management, International banking and business development.

He served as Nominee Director in IndBank Merchant Banking Services Limited and IndBank Housing Limited.

Currently he is serving as an Independent Director in NabFins Limited and Director in SYFX Treasury Foundation.

Disclosure of Relationship between the Directors inter-se:

Name of the Director	Name of Director to whom Related to	Relationship
Shri Kamidi Narsimha Reddy	Smt Kamidi Yashoda	Husband
	Shri Kamidi Jalandhar Reddy	Father
Smt Kamidi Yashoda	Shri Kamidi Narsimha Reddy	Wife
	Shri Kamidi Jalandhar Reddy	Mother
Shri Kamidi Jalandhar Reddy	Shri Kamidi Narsimha Reddy	Son
	Smt Kamidi Yashoda	
Shri Bandhakavi Venkata Rama Rao	None	None

Name of the Director	Name of Director to whom Related to	Relationship
Shri Lodugu Balarami Reddy	None	None
Smt. Gottipulla Chandra Rekha	None	None
Dr Wdaru Rampulla Reddy	None	None
Shri Kalakota Udaya Bhaskara Reddy	None	None

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 Kamidi Narsimha Reddy Shri Kamidi Jalandhar Reddy
2.	Regulatory	Shri Kamidi Narsimha Reddy Shri Kamidi Jalandhar Reddy Shri Bandhakavi Venkata Rama Rao Dr W R Reddy
3.	Finance and Accounts	Shri Kamidi Narsimha Reddy Shri Kamidi Jalandhar Reddy Shri Lodugu Balarami Reddy Shri Kalakota Udaya Bhaskara Reddy Shri Bandhakavi Venkata Rama Rao
4.	Legal and General Management	Shri Kamidi Narsimha Reddy Shri Kamidi Jalandhar Reddy Shri Lodugu Balarami Reddy Shri Bandhakavi Venkata Rama Rao Smt Kamidi Yashoda (General Management) Dr. Wdaru Rampulla Reddy
5.	Industrial health and safety	Smt. Gottipulla Chandra Rekha

The current composition of your Company's Board includes directors with core industry experience and has all the key skills and experience mentioned above.

Report On Corporate Governance (Contd.)

Detailed reasons for the resignation of independent director who resigns before the expiry of his/her tenure along with a confirmation by such director that there are no other material reasons other than those provided:

During the financial year 2023-24, no resignation to the office of Independent Director has taken place.

Committees of the Board

There are Five Board Committees – the Audit Committee, the Nomination & Remuneration Committee, the Stakeholders Relationship Committee, Corporate Social Responsibility 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.

3. AUDIT COMMITTEE

The Company has in place an audit committee as per the provisions section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI (LODR) Regulations, 2015.

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 Lodugu Balarami Reddy	Chairman	Non-Executive and Independent Director
Shri Bandhakavi Venkata Rama Rao	Member	Non-Executive and Independent Director
Shri Kamidi 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
- 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

Report On Corporate Governance (Contd.)

- 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;

Meetings and Attendance during the year:

During the financial year ended on March 31, 2024, the Audit Committee met 4 times May 29, 2023, August 14, 2023, November 14, 2023 and February 08, 2024 with a gap of not more than one hundred and twenty days between any two meetings.

Sl. No.	Name of the Director	Meetings entitled to attend	Attended
1	Shri Lodugu Balarami Reddy	4	4
2	Shri Bandhakavi Venkata Rama Rao	4	4
3	Shri Kamidi Jalandhar Reddy	4	4

4. NOMINATION AND REMUNERATION COMMITTEE

The Company has in place a Nomination and Remuneration committee in line with the provisions of section 178 of the companies Act, 2013 read with Regulation 19 of SEBI (LODR) Regulations, 2015. 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.

Composition, Name of the Members and Chairman

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

Name	Designation	Category
Shri Lodugu Balarami Reddy	Chairman	Non-Executive and Independent Director
Shri Bandhakavi Venkata Rama Rao	Member	Non-Executive and Independent Director

Name	Designation	Category
Smt. Gottipulla Chandra Rekha	Member	Non-Executive and Independent Director

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

The Minutes of the meetings of the Nomination and 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 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.

Report On Corporate Governance (Contd.)

Meetings and Attendance during the year:

During the financial year ended on March 31, 2024, the Nomination and Remuneration Committee met 2 times on September 28, 2023 and February 08, 2024.

Sl. No.	Name of the Director	Meetings entitled to attend	Attended
1	Shri Lodugu Balarami Reddy	2	2
2	Shri Bandhakavi Venkata Rama Rao	2	2
3	Smt. Gottipulla Chandra Rekha	2	2

Remuneration of Directors

- a) all pecuniary relationship or transactions of the non-executive directors vis-à-vis the Company:

The Company neither has any pecuniary relationship nor has entered into any transaction(s) with any of its non-executive directors except the sitting fees for attending the Board / committee meeting and reimbursement of expenses in that regard.

- b) Criteria of making payments to non-executive directors:

The remuneration policy describing the criteria of making payment to non-executive directors is available at <http://knrcl.com/images/policies/criteria-of-making-payments-to-Non-Executive-Directors.pdf>

- c) Disclosures with respect to remuneration Information that is mandatorily to be disclosed in the annual report as per the provisions of Sec 197 of the Companies Act, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Directors report.

Further, information as required under Regulation 34 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 is hereunder:

All elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc for the FY 2023-24:

(₹ In Lakhs)

Sl. No	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Shri Kamidi Narsimha Reddy (Managing Director)	Shri Kamidi Jalandhar Reddy Executive Director & CFO)	
1	Gross salary	7,80,00,000	5,40,00,000	13,20,00,000
a	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7,80,00,000	5,40,00,000	
b	Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	32,40,000	32,40,000
c	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil
	- as % of profit	Nil	Nil	Nil
	- others	Nil	Nil	Nil
5	Others (Variable Pay)	4,68,00,000	3,24,00,000	7,92,00,000
	Total	12,48,00,000	8,96,40,000	21,44,40,000

Note: During the year the executive directors were paid variable pay as under

Report On Corporate Governance (Contd.)

Shri. Kamidi Narsimha Reddy - 4,68,00,000

Shri Kamidi Jalandhar Reddy - 3,24,00,000

- The Board in consultation with its Nomination and Remuneration Committee adopts generally accepted criteria for determining remuneration to its Director's.
- There are no performance linked incentives or bonus to any of its directors.
- Moreover, no service contracts were entered into by the Company, hence, notice period and severance fees are not applicable.
- Stock option details, if any including issue at a discount as well as the period over which accrued and over which exercisable: The Company has not issued any stock options

Sitting Fees paid to the Non-Executive Directors during 2023-24:

Amount in ₹

Name	Position	Sitting Fee	Other Fees	Total
INDEPENDENT DIRECTORS / NON EXECUTIVE DIRECTORS				
Shri Bandhakavi Venkata Rama Rao	Chairman /Non-executive Independent Director	17,75,000	-	17,75,000
Shri Lodugu Balarami Reddy	Non-Executive Independent Director	17,75,000	-	17,75,000
Smt. Kamidi Yashoda	Non-Executive Non-Independent Director	4,00,000	-	4,00,000
Smt. Gottipulla Chandra Rekha	Non-executive Independent Director	10,00,000	-	10,00,000
Dr. Wdaru Rampulla Reddy	Non-executive Independent Director	1,00,000	--	1,00,000
Shri Kalakota Udaya Bhaskara Reddy	Non-executive Independent Director	1,00,000	--	1,00,000

Shares held by the Non-Executive Directors as on 31st March 2024 are as under:

Name of the Non-Executive Directors	No. of shares held as on the date
Shri Bandhakavi Venkata Rama Rao	Nil
Shri Lodugu Balarami Reddy	Nil
Smt. Kamidi Yashoda	80,15,010
Smt. Gottipulla Chandra Rekha	Nil
Dr. Wdaru Rampulla Reddy	Nil
Shri Kalakota Udaya Bhaskara Reddy	Nil

Performance Evaluation criteria for independent director:

Independent Directors are evaluated based on below mentioned criteria:

- their general understanding of the Company's business dynamics
- global business and social perspective
- professional ethics, integrity and values
- willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively

Report On Corporate Governance (Contd.)

The Nomination and Remuneration Committee laid down criteria for performance evaluation of all the Directors on the Board and recommended the same for evaluating the performance of each and every Director.

Board evaluates the performance of Independent Directors annually based on their participation at the Board and Committee meetings conducted during the year and the Nomination and Remuneration Committee recommends the appointment/re-appointment of the Independent Directors by assessing the role played by them in all the meetings they attended.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Board has constituted Stakeholders' Relationship Committee in accordance with the provisions of Section 178 of the Companies Act, 2013 read with Regulation 20 of SEBI (LODR) Regulations, 2015.

Composition, Name of the Members and Chairman

This Committee comprises of three members, with 1 Non-Executive Independent director, 1 Non-Executive Director and one Executive Director.

This Committee comprises of the following members

Name	Designation	Category
Smt. Kamidi Yashoda	Chairperson	Non-Executive and Non-Independent Director
Shri Kamidi Jalandhar Reddy	Member	Executive and Non-Independent Director
Smt. Gottipulla 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.

Shareholders complaints Status:

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

Name of non-executive director heading the committee:

Smt. Kamidi Yashoda (Non-Executive and Non-Independent Director)

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@knrcl.com

Fax - +91 40 4026 8760

Meeting and Attendance during the year:

During the financial year ended on March 31, 2024, the Stakeholders Relationship Committee met once on August 07, 2023.

Sl. No.	Name of the Director	Meeting entitled to attend	Attended
1	Smt. Kamidi Yashoda	1	1
2	Shri Kamidi Jalandhar Reddy	1	1
3	Smt. Gottipulla Chandra Rekha	1	1

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company has in place a Corporate Social Responsibility Committee, constituted in accordance with Section 135 of the Companies Act, 2013, comprising of

Report On Corporate Governance (Contd.)

members in compliance of the said act. The Committee performs its duties and discharges its responsibilities as per its terms of reference and directions if any, given by the Board from time to time. The Corporate Social Responsibility Committee was entrusted with the responsibility of overseeing Environment, Social and Governance (ESG) related issues along with the responsibilities as per Section 135(3) of the Companies Act, 2013.

Composition, Name of the Members and Chairman

This Committee comprises of three members, with 2 Non-Executive Independent Director and one Executive Director.

This Committee comprises of the following members

Name	Designation	Category
Shri Lodugu Balarami Reddy	Chairperson	Non-Executive & Independent Director
Shri Bandhakavi Venkata Rama Rao	Member	Non-Executive & Independent Director
Shri Kamidi Jalandhar Reddy	Member	Executive Director

The terms of reference of the Corporate Social Responsibility Committee are as under:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013;
- Recommend the amount of expenditure to be incurred on the activities referred to in clause (i) above; and
- Monitor the Corporate Social Responsibility Policy of the Company from time to time.

Meeting and Attendance during the year:

During the financial year ended on March 31,, 2024, the Corporate Social Responsibility Committee met 5 times on May 29, 2023, June 12, 2023, August 14, 2023, November 14, 2023 and March 28, 2024.

Sl. No.	Name of the Director	Meeting entitled to attend	Attended
1	Shri Lodugu Balarami Reddy	5	5
2	Shri Bandhakavi Venkata Rama Rao	5	5
3	Shri Kamidi Jalandhar Reddy	5	5

7. RISK MANAGEMENT COMMITTEE

The Company has in place a Risk Management Committee constituted in accordance with the Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 comprising of members in compliance of the said regulations. The Committee performs its duties and discharges its responsibilities as per its terms of reference and directions if any, given by the Board from time to time.

Composition, Name of the Members and Chairman

This Committee comprises of six members, with 3 Non-Executive Independent Director, 1 Executive Director, 1 Vice-President (Finance & Accounts) and 1 Vice-President (Technical).

This Committee comprises of the following members

Name	Designation	Category
Shri Kamidi Jalandhar Reddy	Chairperson	Executive Director
Shri Bandhakavi Venkata Rama Rao	Member	Non-Executive & Independent Director
Shri Lodugu Balarami Reddy	Member	Non-Executive & Independent Director
Smt Gottipulla Chandra Rekha	Member	Non-Executive & Independent Director
Shri V Narsimha Ramana	Member	Vice-President (Finance & Accounts)
Shri S Vaikuntanathan	Member	Vice-President (Technical)

The terms of reference of the Risk Management Committee are as follows:

The Committee shall

- Approve and periodically review the risk management policies of the Company's operations.

Report On Corporate Governance (Contd.)

- b) Review significant reports from regulatory agencies relating to risk management and compliance issues, and management's responses.
- c) Policies and procedures establishing risk management governance, risk management procedures and risk control infrastructure for operations
- d) Review significant risk exposures and steps, including policies and procedures, that management has taken to identify, measure, monitor, control, limit and report such exposures including, without limitation, credit, market, fiduciary, liquidity, reputational, operational fraud, strategic, technology (data security, information, business continuity risk etc) and risks associated with incentive compensation plans;
- e) Evaluate risk exposure and tolerance;
- f) Review and evaluate the corporation's practices with respect to risk assessment and risk management;
- g) Review reports and significant findings of risk and compliance and internal Audit Department with respect to the risk management and compliance activities of the corporation, together with the management's responses and follow-up to these reports;
- h) To evaluate various risks of the business and to draw out risk management plan for the Company;
- i) To take steps to identify and mitigate Information technology and cyber security risks that the Company is or may be exposed to on regular basis;
- j) To inform Board on the effectiveness of the risk management framework and process of risk management.

Meeting and Attendance during the year:

During the financial year ended on March 31, 2024, the Risk Management Committee met 2 times on July 15, 2023 and January 10, 2024.

Sl. No.	Name of the Director	Meeting entitled to attend	Attended
1	Shri Kamidi Jalandhar Reddy	2	2
2	Shri Bandhakavi Venkata Rama Rao	2	2
3	Shri Lodugu Balarami Reddy	2	2
4	Smt Gottipulla Chandra Rekha	2	2
5	Shri V Narsimha Ramana	2	1
6	Shri S Vaikuntanathan	2	2

8. SENIOR MANAGEMENT:

Particulars of the Senior management including the changes therein since the close of the previous financial year.

Sl. no	Employee Name	Department	Designation	Date of Joining
1	V.Venugopal Reddy	Engineering	Director Projects	April 1, 2003
2	Maj T.L Varma	Engineering	Sr.Vice President	January 3, 2011
3	V.N.Rammna	Engineering	Sr.Vice President	January 9, 2018
4	T.Bhaskar Rao	Engineering	Sr.Vice President - Tech	August 6, 2018
5	E.Srinivasa Rao	Engineering	Vice President - Tech	December 1, 2012
6	S.Vaikuntanathan	Accounts & Finance	VP - Finance	Januaray 7, 2016
7	Shri.K.Shankar Reddy	Engineering	Sr.Vice President	June 1, 2014
8	C Muralidhar Reddy	Engineering	Vice President	April 1, 2012

Report On Corporate Governance (Contd.)

Sl. no	Employee Name	Department	Designation	Date of Joining
Appointed during the year				
NIL				
Resigned during the year				
NIL				

9. GENERAL BODY MEETINGS:

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

Financial Year	Date and Time	Venue	Special Resolutions passed at the AGMs by the Shareholders
2020-21 (26th AGM)	Wednesday, 29 September 29, 2021 03.00 PM	Through video conferencing/ other audio visual means.	1. Sale/disposal and transfer of entire stake in KNR Shankarampet Projects Private Limited, a material wholly owned subsidiary of the Company 2. Sale/disposal and transfer of entire stake in KNR Srirangam Infra Private Limited, a material wholly owned subsidiary of the Company. 3. Sale/disposal and transfer of entire stake in KNR Tirumala Infra Private Limited, a material wholly owned subsidiary of the Company.
2021-22 (27th AGM)	Thursday, 29 September 29, 2022 11.00AM	Through video conferencing/ other audio visual means.	NIL
2022-23 (28th AGM)	Thursday, 28 September 28, 2023 03.30PM	Through video conferencing/ other audio visual means	NIL

There was no Extra-Ordinary General Meeting held during the year under review.

b. Postal Ballot:

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

Special Resolution No.1

Alteration to the Memorandum of Association with respect to the Objects 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	238059836	0	238059836
Less: Invalid Votes	0	0	0
Net valid votes cast	238059836	0	238059836
Votes cast in favour	238057105	0	238057105
Votes cast against	2731	0	2731

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Special Resolution No. 2

Alteration(s) to the Memorandum of Association of the Company in line with the provisions of the Companies Act, 2013.

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	238059836	0	238059836
Less: Invalid Votes	0	0	0
Net valid votes cast	238059836	0	238059836
Votes cast in favour	238057135	0	238057135
Votes cast against	2701	0	2701

Special Resolution No. 3

Appointment of Dr. Wdaru Rampulla Reddy (IAS Retd.) (DIN: 03081486) to the office of Independent Director 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	238059860	0	238059860
Less: Invalid Votes	0	0	0
Net valid votes cast	238059860	0	238059860
Votes cast in favour	238053128	0	238053128
Votes cast against	6732	0	6732

Special Resolution No. 4

Appointment of Mr. Kalakota Udaya Bhaskara Reddy (DIN: 06926054) to the office of Independent Director 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	238059860	0	238059860
Less: Invalid Votes	0	0	0
Net valid votes cast	238059860	0	238059860
Votes cast in favour	238053012	0	238053012
Votes cast against	6848	0	6848

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Special Resolution No. 5

Re-appointment of Mrs. Gottipulla Chandra Rekha (DIN:08464587) to the office of Independent Director 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	238059862	0	238059862
Less: Invalid Votes	0	0	0
Net valid votes cast	238059860	0	238059860
Votes cast in favour	235268535	0	235268535
Votes cast against	2791327	0	2791327

The date of passing of the said resolution stand as Wednesday, March 20, 2024.

Mr. Vikas Sirohiya, Practicing Company Secretary (M.No.15116) appointed as Scrutinizer for conducting the voting process in a fair and transparent manner

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 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 electronic mail to the registered email ids 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 scrutinizer who is not in the employment of the Company. The scrutinizer after the closing date, 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/Managing Director 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.

10. 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.

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

Website:

The Company's website 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

Report On Corporate Governance (Contd.)

Statement, Directors' Report, Auditors' Report, Corporate Governance Report and other important information is circulated to members and others entitled thereto.

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 by BSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

SCORES

A centralised web based complaints redress system 'SCORES' which serves as a centralised database of all complaints received, enables uploading of Action Taken Reports by the concerned companies and online viewing by the investors of actions taken on complaints and its current status.

Online Dispute Resolution Portal ('ODR Portal')

A mechanism to streamline and strengthen the existing dispute resolution in the Indian Securities Market, SEBI vide Circular No. SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/195 dated July 31, 2023 (updated as on December 20, 2023), introduced the ODR Portal. This mechanism enhanced the degree of regulatory supervision by SEBI over disputes between aggrieved parties and the ODR order is binding on both the parties to the dispute.

Pursuant to above-mentioned circulars, the aggrieved party can initiate the mechanism through the ODR portal, after exercising the primary options to resolve the issue directly with the Company and through the SCORES platform.

Dedicated e-mail ID for investors grievances redressal:

Investors@knrcl.com

11. GENERAL SHAREHOLDERS' INFORMATION

a) Annual General Meeting	: 29th Annual General Meeting Thursday, September 26, 2024
Time	: 11.00AM
Venue	: Through video Conference or other Audio/Visual means
b) Financial Year	: April 01, 2024 to March 31, 2025
c) Book closure dates	: September 19, 2024 to September 26, 2024 (Both days inclusive)
d) Dividend Payment date	: The Credit / dispatch of final dividend between September 30, 2024 and October 15, 2024
e) Financial Calendar for the year 2024-25	
Financial Reporting for the first quarter ended June 30, 2024	: on or before August 14, 2024
Financial Reporting for the second quarter / half-year ended September 30, 2024	: on or before November 14, 2024
Financial Reporting for the third quarter / nine months ended December 31, 2024	: on or before February 14, 2025
Financial Reporting for the fourth quarter / year ended March 31, 2025	: on or before May 30, 2025

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f) 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 2024-25 have been paid in full.

g) 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 the financial year 2023-24 have been paid to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

c. Corporate Identity Number (CIN)

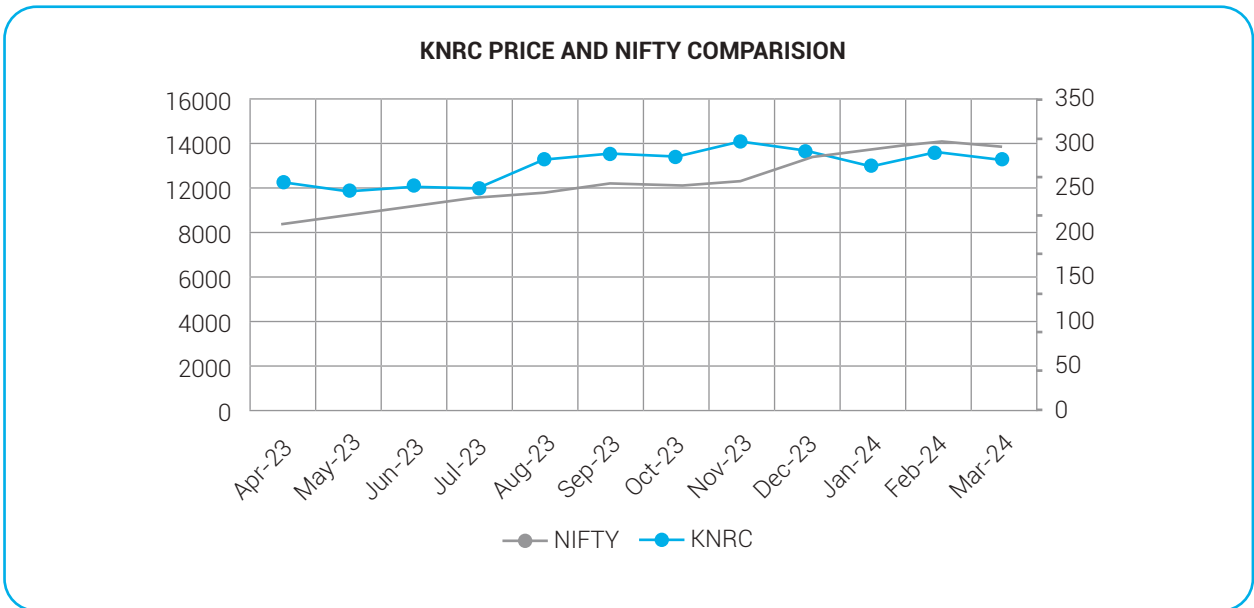
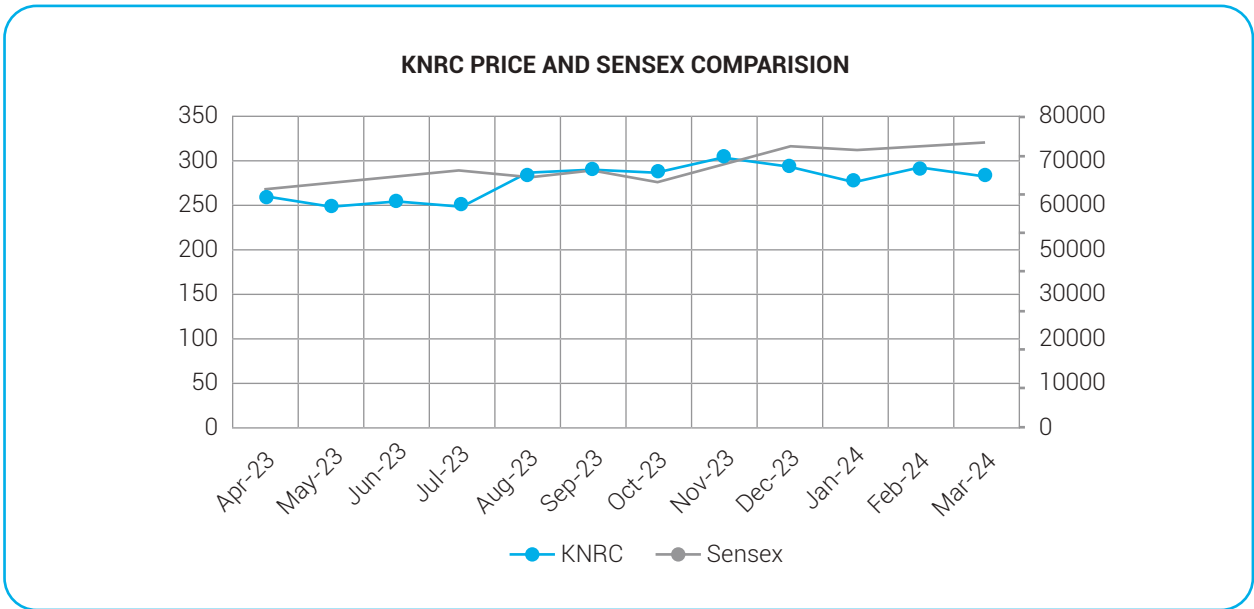
The CIN allotted by the Ministry of Corporate Affairs, Government of India is **L74210TG1995PLC130199**, and the Company is registered within the jurisdictions of the Registrar of Companies, Telangana.

h) Market Price Data:

Month	BSE Limited (BSE)		National Stock Exchange of India Limited (NSE)	
	High Price	Low Price	High Price	Low Price
Apr-23	258.7	232.5	258.70	232.40
May-23	249.5	235.8	249.70	235.60
Jun-23	256.25	226.2	256.90	226.30
Jul-23	252.45	239.65	252.75	239.80
Aug-23	284.7	237.75	284.75	237.70
Sep-23	289.9	266.5	291.00	266.10
Oct-23	288.45	256.05	288.50	256.00
Nov-23	305.25	260.35	305.50	260.20
Dec-23	295.9	251.5	294.55	251.85
Jan-24	278.00	249.1	278.00	248.75
Feb-24	292.00	254.00	292.00	254.00
Mar-24	285.30	236.70	284.95	236.75

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



Report On Corporate Governance (Contd.)

j) **The trading of our securities was never suspended at any point of time during the 2023-24.**

k) **Registrar & Share Transfer Agents:**

(for shares held in both Physical and Demat mode)

Link Intime India Pvt Ltd

C-101, 247 Park,

LBS Marg, Vikhroli (West),

Mumbai – 400083

Phone: +91 – 22 -25960320

Fax: +91 – 22 – 25960329

l) **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.

m) **Distribution of shareholding as on March 31, 2024**

Range		No. of Shareholders		No of shares held	
From	To	Number	% of total	Number	% of total
1	500	124822	94.0463	9158498	3.2565
501	1000	4244	3.1976	3354059	1.1926
1001	2000	1923	1.4486	2919714	1.0382
2001	3000	559	0.4212	1440232	0.5121
3001	4000	277	0.2087	1008694	0.3587
4001	5000	202	0.1522	961299	0.3418
5001	10000	311	0.2343	2255291	0.8019
10001	And above	386	0.2908	260136813	92.4982
Total		132724	100.00	28,12,34,600	100.00

n) **Pattern of Shareholding as on March 31, 2024**

S.No	Category	Total_Shares	Total_Percent
1	Promoters & Promoter Group	14,36,94,220	51.09%
2	Mutual Funds	8,32,29,929	29.59%
4	Banks	400	0.00%
5	Insurance Companies	24,55,380	0.87%
6	NBFCs Registered with RBI	1,205	0.00%
7	Foreign Portfolio Investors Category I	1,91,82,722	6.82%
8	Foreign Portfolio Investors Category II	8,71,321	0.31%
10	Investor Education and Protection Fund	23,178	0.01%

Report On Corporate Governance (Contd.)

S.No	Category	Total_Shares	Total_Percent
11	Public	2,69,57,282	9.59%
12	Non-Resident Indians	13,38,974	0.48%
13	Bodies Corporate	22,32,477	0.79%
14	Clearing Members	4,455	0.00%
15	HUF	8,65,487	0.31%
16	Limited Liability Partnerships	3,77,029	0.13%
17	Trusts	540	0.00%
18	Key Managerial Personnel	1	0.00%
	TOTAL :	28,12,34,600	100

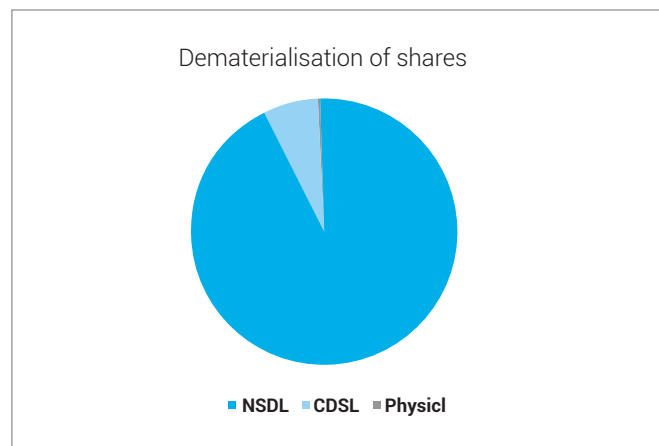
o) Dematerialisation of Shares & Liquidity

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

Dematerialisation of Shares and Liquidity as on March 31, 2024

As on March 31, 2024 a total of 28,12,31,173 Equity Shares were dematerialized representing 99.999 % of the total paid up equity share capital of the Company.

	No. of Shares	% of Total
NSDL	25,95,97,894	93.24
CDSL	2,16,33,279	6.76
Physical	3427	0.001
Total	28,12,34,600	100.00



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

q) 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.

Report On Corporate Governance (Contd.)

r) Address for Correspondence:

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

Company Secretary

KNR Constructions Limited
"KNR House", 3rd Floor,
Plot No. 114, Phase I, Kavuri Hills,
Hyderabad – 5000033
Andhra Pradesh, 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

s) Plant locations

The Company doesn't have any plant locations.

t) list of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad

The Company does not have any debt instruments or fixed deposit programme or any scheme or proposal involving mobilization of funds.

12. DISCLOSURES

a. Related Party Transactions

During the year ended March 31, 2024 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. 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.

However, During the year, the Company has received a query from BSE regarding delay in submission of Proceedings of 28th AGM. The Company re-submitted the proceedings along with the clarification regarding delay in submission and no further reply received from BSE in that regard. The Board ensures that the Company shall be extra cautious in compliance with all applicable regulations.

c. The Company has complied with all the mandatory requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has also adopted the discretionary requirements as specified in part E of Schedule II of the Regulations and the same may be referred at point no.14 hereunder

d. The Policy on Material Subsidiaries as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as approved by the Board is available on the website of the Company and may be accessed through the link, http://knrcl.com/images/policies/Policy_on_MATERIAL_SUBSIDIARIES.pdf

e. 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.

Report On Corporate Governance (Contd.)

f. 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.

g. **Disclosure of Accounting Treatment**

During the preparation of financial statements for the financial year 2023-24, the Company has followed the applicable accounting standards as prescribed by the Ministry of Corporate Affairs and the Institute of Chartered Accountants of India.

h. **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>)

i. **Board Disclosures**

1. **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.

2. **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 unauthorized use or losses, executing transactions with proper authorization 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.

j. **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

k. **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://knrcl.com/images/policies/knrcl_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.

l. **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 organization. No personnel have been denied access to the Audit Committee.

Report On Corporate Governance (Contd.)

m. **Subsidiary Companies**

The details of 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.

n. **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.

o. **Details of utilization 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.

p. **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.

q. **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

Your Company has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace as per the provisions of the Sexual Harassment of Women at Workplace (Prevention,

Prohibition and Redressal) Act, 2013 and the Rules made thereunder. The policy aims to provide protection to Employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where Employees feel secure. The Company has also constituted an Internal Committee, known as Anti Sexual Harassment Committee to address the concerns and complaints of sexual harassment and to recommend appropriate action. Your Company has not received any complaint on sexual harassment during the year.

S. **Disclosure by the listed entity and its subsidiaries of Loans and advances in the nature of loans to firms/ companies in which directors are interested by name and amount'**

The details of the loans and advances in the nature of loans to firms/companies in which directors are interested are provided in the directors' report.

n. **Details of material subsidiaries of the listed entity:**

During the year 2023-24, the Company had no material subsidiaries as defined under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. However, as per the audited financial statements for the financial year ended 31st March 2024, the Company has identified two material unlisted subsidiaries for the financial year 2024-25:

1. KNR Guruvayur Infra Private Limited
2. KNR Ramanattukara Infra Private Limited

13. **NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT, WITH REASONS THEREOF:**

All the corporate governance requirements are complied.

Report On Corporate Governance (Contd.)

14. ADOPTION OF DISCRETIONARY REQUIREMENTS SPECIFIED IN PART E OF SCHEDULE II OF SEBI (LODR) REGULATIONS, 2015.

1.	The Board	Maintenance of Office to the Non-Executive Chairperson at the Company's expense: The Non-Executive Chairperson being resident of the same city as of the Company, visits the Company's Registered Office / stores as and when deemed necessary. Hence, no separate office as such is required to be maintained.
2.	Shareholders rights	All the quarterly financial results are placed on the Company's Website: www.cclproducts.com, apart from publishing the same in the Newspapers along with BSE and NSE
3.	Modified opinion(s) on Audit Report	The Company's financial statements are with unmodified opinion
4.	Separate Posts of Chairman and the Managing Director or the CEO	The Office of i) Chairman & ii) Managing Director are held by different persons. The Company does not have any CEO.
5.	Reporting of internal auditor	The Internal Auditor reports to the Chairman of the Audit Committee.

15. 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)
17	Board of directors	Yes
18	Audit committee	Yes
19	Nomination and Remuneration committee (refer Note)	Yes
20	Stakeholders Relationship committee	Yes
21	Risk Management committee	Yes
22	Vigil mechanism	Yes
23	Related party transactions	Yes
24	Corporate Governance requirements with respect to Subsidiary of listed entity	Yes
25	Obligations with respect to Independent directors	Yes
26	Obligations with respect to employees including senior management, key managerial personnel, directors and promoters	Yes
27	Other Corporate Governance requirements	Yes
46(2) (b) to (i)	Website	Yes

16. 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.

Report On Corporate Governance (Contd.)

17. 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 (in ₹)	Date of Declaration	Due date for transfer	Amount in ₹ *
2017	Final	0.25	30.09.2017	30.10.2024	64,401.00
2018	Final	0.40	29.09.2018	29.10.2025	59,827.60
2019	Final	0.40	30.09.2019	30.10.2026	53,173.20
2020	Interim	0.50	10.03.2020	10.04.2027	1,80,435.00
2021	Final	0.25	29.09.2021	29.10.2028	1,38,708.74
2022	Final	0.25	29.09.2022	29.10.2029	55,372.25
2023	Final	0.25	28.09.2023	28.10.2030	1,11,428.25

* as on March 31, 2024

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

19. DISCLOSURE OF CERTAIN TYPES OF AGREEMENTS BINDING LISTED ENTITIES (Information disclosed under clause 5A of paragraph A of Part A of Schedule III of these regulations):

Not Applicable

20. AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE:

The Company has obtained certificate from M/s K P Rao & Co., Chartered Accountants regarding compliance with the provisions relating to Corporate Governance laid down in Part E of schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said certificate is annexed herewith and will be sent to the stock exchanges, along with the Annual Reports to be filed by the Company.

Report On Corporate Governance (Contd.)

21. CEO AND CFO CERTIFICATION

The MD and CFO have certified to the Board with regard to the financial statements and other matters as required under regulation 17(8), read with Part-B of schedule II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For **KNR Constructions Limited**

Sd/-

Kamidi Narsimha Reddy

Managing Director

(DIN:00382412)

Place: Hyderabad

Date: August 14, 2024.

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. We 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, 2024.

For **KNR Constructions Limited**

Sd/-

Kamidi Narsimha Reddy

Managing Director

(DIN:00382412)

Sd/-

Kamidi Jalandhar Reddy

Executive Director

(DIN: 00434911)

Place: Hyderabad

Date: August 14, 2024

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, 2024, 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, 2024.

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

Sd/-

Mohan R Lavi

Partner

Membership Number: 029340

UDIN: 240293408KBGET5452

Place: Bengaluru

Date: August 14, 2024

CEO and CFO Compliance Certificate

In relation to the Audited Financial Accounts of the Company as at March 31st, 2024, 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**

Sd/-
Kamidi Narsimha Reddy
Managing Director
(DIN: 00382412)

Sd/-
Kamidi Jalandhar Reddy
Executive Director & CFO
(DIN: 00434911)

Place: Hyderabad
Date: August 14, 2024

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,
M/s. 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, 2024 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	Wholetime Director
3.	Balarami Lodugu Reddy	00956445	Independent Director
4.	Bandhakavi Venkata Ramarao	00972552	Independent Director
5.	Yashoda Kamidi	05157487	Non-Executive Non-Independent Director
6.	Gottipulla Chandra Rekha	08464587	Independent Director
7.	*Wdaru Rampulla Reddy	03081486	Independent Director
8.	*Kalakota Udaya Bhaskara Reddy	06926054	Independent Director

*Mr. Wdaru Rampulla Reddy was appointed as Independent Director on 08.02.2024

*Mr. Kalakota Udaya Bhaskara Reddy was appointed as Independent Director on 08.02.2024

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

Sd/-
Ch Veeranjanyulu

Partner

CP NO. 6392, M No. F6121

Peer Review Cer. No. 751/2020

UDIN: F006121F000989721

Place: Hyderabad

Date: August 14, 2024

Financial Statements

STANDALONE FINANCIAL STATEMENTS: 143 - 215

CONSOLIDATED FINANCIAL STATEMENTS: 216 - 282

Independent Auditor's Report

To the Members of

KNR CONSTRUCTIONS LIMITED
REPORT ON THE STANDALONE IND AS FINANCIAL
STATEMENTS

Opinion

We have audited the accompanying Standalone Ind AS Financial Statements of **KNR CONSTRUCTIONS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year ended, and notes to the standalone Ind AS financial statements, including a summary of the significant accounting policies and other explanatory information. (Hereinafter referred to as "the standalone Ind AS 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 standalone Ind AS 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, 2024, 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 standalone Ind AS financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone Ind AS financial statements

Key Audit Matters:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the standalone Ind AS 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>A) Revenue Recognition of long-term contracts</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"> • Ensured that the revenue recognition method applied was appropriate based on the terms of the arrangement; • Agreed the total project revenue estimates to sales agreements, including amendments as appropriate; • We obtained an understanding of the processes and tested relevant controls, which impact the revenue recognition; • We assessed the reliability of management's estimates by comparing the actual results of delivered projects to previous estimates;
<p>B) Litigation and Claims</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"> • evaluating the Company's policies, procedures and controls in relation to litigation, claims and provision assessments; • independent enquiries to understand the background of each case, legal position and the material risks that may impact the Company's standalone Ind AS financial statements; and • assessing reasonableness of judgment made by management, determining the adequacy of the level of provisioning or disclosure in the standalone Ind AS financial statements.

INFORMATION OTHER THAN THE STANDALONE IND AS 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 Ind AS financial statements and our auditor's report thereon.

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

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

Independent Auditor's Report (Contd.)

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 STANDALONE IND AS FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance 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 Ind AS 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 Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance 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 Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our

opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS 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 standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or 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 Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Independent Auditor's Report (Contd.)

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS 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

- a) The standalone Ind AS financial statements include the audited financial statements of 12 Joint operations, whose financial statements reflect total assets (before consolidation adjustments) of ₹ 75,040.28 lakhs, total revenue (before consolidation adjustments) of Rs.76,293.98 lakhs, total net profit/(loss) after tax (before consolidation adjustments) of ₹ (371.36) lakhs, total comprehensive income/(loss) (before consolidated adjustments) of ₹ (371.36) lakhs and net cash flow/(outflow) ₹ 3,411.17 lakhs for year ended 31st March 2024, as considered in the standalone financial statements, which have been audited by their respective independent auditors. The independent auditors' reports on financial statements of these entities have been furnished to us by the management and our opinion on the standalone Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors

and the procedures performed by us are as stated in paragraph above.

Our opinion on the standalone Ind AS financial statements is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

- b) The standalone Ind AS financial statements include the unaudited financial statements of 4 Joint operations whose financial information reflect total assets of ₹ 671.57 lakhs (before consolidation adjustments), total revenues of ₹ 0.46 lakhs (before consolidation adjustments), total net profit/(loss) after tax of ₹ 0.46 lakhs (before consolidation adjustments), and total comprehensive income/(loss) (before consolidated adjustments) of ₹ 0.46 lakhs, and net cash flow/(outflow) ₹ 4.04 lakhs for year ended 31st March 2024, as considered in the standalone financial statements, which have not been audited by us. These financial information are unaudited and have been furnished to us by the Management and our opinion and conclusion on the statement, in so far as it relates to the amounts and disclosures included in respect of this entity, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, these financial information are not material to the Group.

Our opinion on the standalone Ind AS financial statements is not modified in respect of the above matter with respect to our reliance on the financial information certified by the Board of Directors.

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:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

Independent Auditor's Report (Contd.)

- c) 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.
- d) In our opinion, the aforesaid standalone Ind AS 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 as on March 31, 2024 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2024 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 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.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 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, 2024 on its financial position in its Standalone Ind AS 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.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

Independent Auditor's Report (Contd.)

- v. The dividend declared or paid during the year by the Company is in compliance with section 123 of the Act.
- vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit and on the basis of test

checking of selected samples, we did not come across any instance of audit trail feature being tampered with.

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

Mohan R Lavi
Partner
Membership No. 029340
UDIN: 24029340BKBGBE6305

Place: Bengaluru
Date: 29th May, 2024

Annexure 1

TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE INDS AS FINANCIALS STATEMENTS OF KNR CONSTRUCTIONS LIMITED

WE REPORT THAT:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) Reporting under Clause (i)(a)(B) of the Order is not applicable to the company.
- (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 (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the Note no. 65 to standalone Ind AS financial statements held by the Company are in the name of the Company except for the following assets.

Description of Property	Gross Carrying Value (In ₹)	Held in name of	Whether promoter, director or their relative or employee	Period held
Land	38,85,189	K.Narsimha Reddy	Promoter & Managing Director	20-Apr-05
Land	5,36,555	K.Narsimha Reddy	Promoter & Managing Director	20-Oct-16
Land	44,49,615	K.Narsimha Reddy	Promoter & Managing Director	24-Oct-16
Land	2,65,625	K.Narsimha Reddy	Promoter & Managing Director	24-Oct-16
Land	7,57,385	K.Narsimha Reddy	Promoter & Managing Director	20-Oct-16
Land	13,34,965	K.Narsimha Reddy	Promoter & Managing Director	17-May-17
Land	13,34,965	K.Narsimha Reddy	Promoter & Managing Director	17-May-17
Land	1,07,06,074	K.Narsimha Reddy	Promoter & Managing Director	30-Apr-21
Land	1,37,63,347	K.Narsimha Reddy	Promoter & Managing Director	30-Apr-21
Land	1,27,72,920	K.Narsimha Reddy	Promoter & Managing Director	24-Jun-21
Land	91,99,260	K.Narsimha Reddy	Promoter & Managing Director	24-Jun-21
Land	24,54,010	K.Narsimha Reddy	Promoter & Managing Director	26-Jul-21
Land	4,27,245	K.Narsimha Reddy	Promoter & Managing Director	26-Jul-21
Land	21,33,835	K.Narsimha Reddy	Promoter & Managing Director	26-Jul-21
Land	12,07,741	K.Jalandhar Reddy	Promoter & Executive Director	15-Feb-10
Land	5,78,221	K.Jalandhar Reddy	Promoter & Executive Director	15-Feb-10
Land	11,03,051	K.Jalandhar Reddy	Promoter & Executive Director	24-Feb-10
Land	14,63,538	K.Jalandhar Reddy	Promoter & Executive Director	8-Mar-10
Land	5,09,102	K.Jalandhar Reddy	Promoter & Executive Director	23-Mar-10
Land	17,24,915	K.Jalandhar Reddy	Promoter & Executive Director	23-Mar-10
Land	15,31,111	K.Jalandhar Reddy	Promoter & Executive Director	24-Mar-10
Land	24,88,053	K.Jalandhar Reddy	Promoter & Executive Director	26-Mar-10
Land	16,54,935	K.Jalandhar Reddy	Promoter & Executive Director	31-Mar-10
Land	5,34,316	K.Jalandhar Reddy	Promoter & Executive Director	31-Mar-10
Land	7,12,255	K.Jalandhar Reddy	Promoter & Executive Director	31-Mar-10
Land	7,88,464	K.Jalandhar Reddy	Promoter & Executive Director	9-Apr-10
Land	8,64,415	K.Jalandhar Reddy	Promoter & Executive Director	19-Apr-10
Land	4,85,450	K.Jalandhar Reddy	Promoter & Executive Director	26-May-10
Land	11,20,850	K.Jalandhar Reddy	Promoter & Executive Director	26-May-10

Annexure 1 to the Independent Auditor's Report of Even Date on the Standalone Ind As Financial Statements of KNR Constructions Limited (Contd.)

Description of Property	Gross Carrying Value (In ₹)	Held in name of	Whether promoter, director or their relative or employee	Period held
Land	4,38,505	K.Jalandhar Reddy	Promoter & Executive Director	3-Jan-11
Land	6,99,290	K.Jalandhar Reddy	Promoter & Executive Director	3-Mar-11
Land	3,33,456	K.Jalandhar Reddy	Promoter & Executive Director	5-Mar-11
Land	55,52,450	K.Jalandhar Reddy	Promoter & Executive Director	30-Apr-21
Land	1,51,77,110	K.Jalandhar Reddy	Promoter & Executive Director	30-Apr-21
Land	21,80,868	K.Jalandhar Reddy	Promoter & Executive Director	30-Apr-21
Land	67,57,682	K.Jalandhar Reddy	Promoter & Executive Director	30-Apr-21
Land	1,26,91,905	K.Jalandhar Reddy	Promoter & Executive Director	24-Jun-21
Land	51,74,005	K.Jalandhar Reddy	Promoter & Executive Director	27-Jun-22
Land	8,22,895	K.Jalandhar Reddy	Promoter & Executive Director	27-Jun-22
Land	10,85,446	V.Venu Gopal Reddy	Employee	7-Aug-10
Land	11,74,860	V.Venu Gopal Reddy	Employee	14-Sep-10
Land	8,59,220	V.Venu Gopal Reddy	Employee	28-Sep-10
Land	5,47,602	V.Venu Gopal Reddy	Employee	27-Dec-10
Land	3,27,925	V.Venu Gopal Reddy	Employee	18-Mar-11
Land	2,99,310	V.Venu Gopal Reddy	Employee	29-Mar-11
Land	1,38,063	V.Venu Gopal Reddy	Employee	14-Jun-11
Land	1,43,457	V.Venu Gopal Reddy	Employee	14-Jun-11
Land	5,12,940	V.Venu Gopal Reddy	Employee	30-Apr-12
Land	10,38,580	V.Venu Gopal Reddy	Employee	1-Dec-16
Land	3,23,59,314	K.Jalandhar Reddy & K.Smitha Reddy	Promoter & Executive Director	31-Mar-13
Land	5,36,987	J.Anudeep	Employee	19-Jun-17
Land	5,36,988	J.Anudeep	Employee	19-Jun-17
Land	13,91,075	J.Anudeep	Employee	17-Oct-17
Land	8,59,610	J.Anudeep	Employee	25-May-18
Land	7,48,625	J.Anudeep	Employee	17-Sep-18
Land	10,68,575	J.Anudeep	Employee	17-Sep-18
Land	21,39,080	J.Anudeep	Employee	17-Nov-18
Land	12,84,645	J.Anudeep	Employee	28-Dec-18
Land	2,15,915	J.Anudeep	Employee	16-Mar-19
Land	16,05,311	J.Anudeep	Employee	9-Apr-19
Land	12,85,561	J.Anudeep	Employee	9-Apr-19
Land	9,00,135	J.Anudeep	Employee	3-Aug-19
Land	9,00,135	J.Anudeep	Employee	3-Aug-19
Land	1,10,145	J.Anudeep	Employee	8-Jul-19
Land	9,63,510	J.Anudeep	Employee	4-Sep-19
Land	8,55,520	J.Anudeep	Employee	7-Feb-20
Land	10,67,300	J.Anudeep	Employee	29-Sep-20
Land	10,68,100	J.Anudeep	Employee	29-Sep-20
Land	6,41,370	J.Anudeep	Employee	19-Apr-21
Land	12,84,710	K.Yashoda	Promoter & Non-Executive Director	24-Jan-19

Annexure 1 to the Independent Auditor's Report of Even Date on the Standalone Ind As Financial Statements of KNR Constructions Limited (Contd.)

Reason for not being held in the name of the company: Due to regulatory restrictions in the respective state. The Company has taken undertaking from respective parties for having no interest in the lands.

- (d) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) 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.
- (b) According to the information and explanations given to us, the company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. The quarterly returns filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.
- (iii) According to the information and explanations given to us, the company has during the year granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties,
- (a) The company has provided loans and advances in the nature of loans, or stood guarantee, or provided security to any other entity,
- (A) The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to subsidiaries, joint ventures and associates were ₹ 11,557.07 Lakhs and ₹ 8,939.81 Lakhs respectively.
- (B) No such loans or advances and guarantees or security to parties other than subsidiaries, joint ventures and associates.
- (b) In our opinion, the investments made, guarantees provided and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest.
- (c) In respect of loans and advances granted by the company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.
- (d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.;
- (e) No loan granted by the company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.
- (f) The company has granted loans without specifying any terms which are repayable on demand. The Balance outstanding and percentage thereof to total loan during the year is ₹ 11,34.62 Lakhs and 12.69 %.
- 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.
- (iv) 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.
- (v) In our opinion and according to the information and explanation given to us, the Company has not accepted deposits to which directives issued by the Reserve Bank

Annexure 1 to the Independent Auditor's Report of Even Date on the Standalone Ind As Financial Statements of KNR Constructions Limited (Contd.)

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.

- (vi) 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.

(vii) 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 disputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Duty of Customs, Duty of Excise, Cess and other statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable, except the following:

Name of the Statute	Nature of the Dues	₹ In lakhs	Period to which the amount relates	Forum where dispute is pending	Remarks
Income Tax Act, 1961	Income Tax	Nil	FY 2006-07	Income Tax Appellate Tribunal, Hyderabad	Paid under protest ₹ 244.21 lakhs
Income Tax Act, 1961	Income Tax	2,913.64	FY 2015-16	Commissioner of Income Tax (Appeals), Faceless, Delhi	
Income Tax Act, 1961	Income Tax	71.87	FY 2016-17	Commissioner of Income Tax (Appeals)-12, Hyderabad	
Income Tax Act, 1961	Income Tax	6,465.98	FY 2017-18	Income Tax Appellate Tribunal, Hyderabad	
Income Tax Act, 1961	Income Tax	2,583.92	FY 2017-18	Commissioner of Income Tax (Appeals)-12, Hyderabad	
Income Tax Act, 1961	Income Tax	10,043.93	FY 2018-19	Commissioner of Income Tax (Appeals)-12, Hyderabad	
Income Tax Act, 1961	Income Tax	-	FY 2019-20	Commissioner of Income Tax (Appeals)-12, Hyderabad	
Income Tax Act, 1961	Income Tax	1,486.72	FY 2020-21	Commissioner of Income Tax (Appeals)-12, Hyderabad	
Income Tax Act, 1961	Income Tax	748.35	FY 2020-21	Commissioner of Income Tax (Appeals)-12, Hyderabad	
Income Tax Act, 1961	Income Tax	163.40	FY 2022-23	DCIT, CC-(2), Hyd	
Andhra Pradesh Value Added Tax Act, 2005	VAT	Nil	FY 2010-11	Telangana Value Added Tax Appellate Tribunal	Paid under protest ₹ 51.82 lakhs
APVAT/TVAT Act, 2005	VAT	1.94	FY 2014-15	Honourable Supreme Court of India. Order received infavour of company, awaiting for effectual order	
Andhra Pradesh Value Added Tax Act, 2005	VAT	29.09	FY 2015-16	Honourable Supreme Court of India. Order received infavour of company, awaiting for effectual order	

Annexure 1 to the Independent Auditor's Report of Even Date on the Standalone Ind As Financial Statements of KNR Constructions Limited (Contd.)

Name of the Statute	Nature of the Dues	₹ In lakhs	Period to which the amount relates	Forum where dispute is pending	Remarks
Telangana Tax on Entry of Goods into Local Areas Act, 2001	Entry Tax	80.38	FY 2017-18	Honorable High Court of Telangana.	
Telangana Tax on Entry of Goods into Local Areas Act, 2001	Entry Tax	183.45	FY 2014-15 to 15-16	Honorable High Court of Telangana.	
GST Telangana	GST	496.95	FY 01-04-16 to 30-06-17	We prefer to file an appeal before GST Tribunal, till now the Tribunals were not formed by the Government.	
GST Telangana	GST	5,785.65	FY 01-04-17 to 30-06-18	Commissioner of Appeals, Hyderabad	
GST Karnataka	GST	32.44	FY 2018-19 to 2019-20	We prefer to file an appeal before GST Tribunal, till now the Tribunals were not formed by the Government.	
GST Karnataka	GST	151.31	FY 2018-19	Joint Commissioner (Appeals), Bangalore	
GST Karnataka	GST	228.34	FY 2019-20	Joint Commissioner (Appeals), Bangalore	
GST Karnataka	GST	470.26	FY 2017-18	Joint Commissioner (Appeals), Bangalore	
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-CAG issue	
GST Tamil Nadu	GST	507.61	FY 2016-17 to 17-18	Commissioner of Appeals, Salem, Tamil Nadu	
GST Tamil Nadu	GST	106.56	FY 2016-17	Honorable High Court of Tamil Nadu	
GST Tamil Nadu	GST	556.31	FY 2017-18	Commissioner of Appeals, Salem, Tamil Nadu	
Odisha Sales Tax and VAT laws	Entry Tax	28.87	FY 2009-10 to 11-12	Honorable Odisha High Court	
Odisha Sales Tax and VAT laws	Entry Tax	22.00	FY 2012-13 to 14-15	Sales Tax Tribunal, Cuttack, Odisha	
Odisha Sales Tax and VAT laws	VAT	166.85	FY 2012-13 to 14-15	Sales Tax Tribunal, Cuttack, Odisha	
Odisha Sales Tax and VAT laws	CST	6.03	FY 2012-13 to 14-15	Sales Tax Tribunal, Cuttack, Odisha	
CGST Act, 2017 and Kerala SGST Act, 2017	GST	7.04	FY 2017-18	Additional Commissioner (Appeals), Cochin	
Finance Act, 1994	Service Tax	607.05	01-04-16 to 30-06-17	Customs, Excise and Service Tax Appellate Tribunal	
Customs Act, 1962	Customs	1,509.52	FY 2004-09	High Court at Telangana	

Annexure 1 to the Independent Auditor's Report of Even Date on the Standalone Ind As Financial Statements of KNR Constructions Limited (Contd.)

- viii) As detailed in Note No 48 to these financial statements, the Company has disclosed certain transactions to the Income tax authorities.
- ix) (a) According to the information and explanations given to us, the company has not defaulted in repayment of dues to banks, financial institutions and debenture holders.
- (b) According to the information and explanations given to us, the company is not a declared wilful defaulter by any bank or financial institution or other lender.
- (c) According to the information and explanations given to us, Term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone Ind AS financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.
- (e) According to the information and explanations given to us and procedures performed by us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) According to the information and explanations given to us and procedures performed by us, the company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures, or associate companies.
- (x) (a) The Company did not raise any money by way of initial public or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix)(a) of the Order is not applicable.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially, or optionally convertible) during the year. Accordingly, paragraph 3 (ix)(b) of the Order is not applicable.
- (xi) (a) According to the information and explanations given to us, no material fraud by the company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (b) We have not filed any report under sub-section (12) of section 143 of the Companies Act in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the Management, there are no whistle-blower complaints received by the company during the year.
- (xii) The company is not a Nidhi Company and therefore the provisions of Para 3(xii) of the Companies (Auditors Report), 2020 are not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the standalone Ind AS financial Statements etc., as required by the applicable accounting standards.
- (xiv) (a) In our opinion, the company has an adequate internal audit system commensurate with the size and nature of its business;
- (b) We have considered the reports of the Internal Auditors for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with any of its directors or directors of its subsidiary companies, associate companies or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.
- (b) According to the information and explanations given to us, the company has not conducted any Non-Banking Financing or Housing Finance activities during the year.
- (c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the provisions of Para 3(xvi)(c) are not applicable to the company.
- (d) As per the information and explanations given to us, there are no Core Investment Companies as part of

Annexure 1 to the Independent Auditor's Report of Even Date on the Standalone Ind AS Financial Statements of KNR Constructions Limited (Contd.)

the Group. Accordingly, the provisions of Para 3(xvi) (d) is not applicable to the company.

- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly clause (xviii) is not applicable.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone Ind AS financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- (xx) (a) In respect of other than ongoing projects, the company has transferred unspent amounts to a fund specified in Schedule VII of the Companies

Act (the Act), within six months of the expiry of the financial year in compliance with second proviso to sub section (5) of section 135 of the Act. This matter has been disclosed in note no.31 to the financial statements.

- (b) In respect to the ongoing projects, any amount remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said Act; This matter has been disclosed in note no.31 to the financial statements.

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

Mohan R Lavi
Partner
Membership No. 029340
UDIN: 24029340BKGBE6305

Place: Bengaluru
Date: 29th May, 2024

Annexure 2

TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS 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, 2024 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal 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 Ind AS financial statements, whether due to fraud or error.

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind As financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind As financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 Ind AS financial statements.

Annexure 2 to the Independent Auditor's Report of Even Date on the Standalone Ind As Financial Statements of KNR Constructions Limited (Contd.)

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating

effectively as at March 31, 2024, based on the Internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India". The processes of internal control and documenting them can be further strengthened considering the size of the company and the nature of its business.

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

Mohan R Lavi
Partner
Membership No. 029340
UDIN: 24029340BKGBE6305

Place: Bengaluru
Date: 29th May, 2024

Balance Sheet

as at March 31, 2024

(₹ in Lakhs)

Particulars	Note	As at March 31, 2024	As at March 31, 2023
I ASSETS			
1) Non-current assets			
a) Property, plant and equipment	3	36,597.05	40,840.51
b) Capital work-in-progress	3.1	218.43	251.01
c) Right of use asset		455.32	691.92
d) Investment property	3.2	6,634.71	6,587.97
e) Other intangible assets	3.3	4.38	5.12
f) Financial assets			
i) Investments	4	35,020.71	19,745.71
ii) Other investments	4	31,177.16	32,693.16
iii) Trade receivables	5	4,172.00	2,953.00
iv) Loans	6	347.42	329.34
v) Other financial assets	7	74.95	2,774.95
g) Deferred tax assets (Net)	8	13,674.51	12,293.45
h) Non current tax assets (Net)	9	2,425.61	2,674.14
i) Other non-current assets	10	7,131.47	7,145.95
Total Non-current assets		1,37,933.72	1,28,986.23
2) Current assets			
a) Inventories	11	22,072.06	23,407.34
b) Financial assets			
i) Trade receivables	5	1,36,421.53	98,344.38
ii) Cash and cash equivalents	12	21,652.64	18,557.52
iii) Bank balances, other than (ii) above	13	1,807.80	1,427.43
iv) Loans	6	184.46	11.14
v) Other financials assets	7	88,459.43	82,666.89
c) Other current assets	14	15,243.08	16,561.56
Total Current assets		2,85,841.00	2,40,976.26
TOTAL ASSETS		4,23,774.72	3,69,962.49
II EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	15	5,624.70	5,624.70
b) Other equity	16	3,16,941.21	2,67,802.82
Total equity		3,22,565.91	2,73,427.52
Liabilities			
1) Non-current liabilities			
a) Financial liabilities			
i) Lease liability		421.65	566.07
b) Provisions	20	663.23	1,150.57
c) Other non-current liabilities	21	1,071.60	1,127.75
Total non-current liabilities		2,156.48	2,844.39
2) Current liabilities			
a) Financial liabilities			
i) Borrowings	17	-	25.45
ii) Trade payables	19		
Dues to micro & small enterprises		140.00	167.04
Due to other than micro & small enterprises		27,248.72	37,437.04
iii) Other financial liabilities	18	51,363.84	29,359.30
b) Provisions	20	799.67	1,458.02
c) Other current liabilities	22	18,885.65	23,676.02
d) Current tax liability (Net)	23	614.45	1,567.71
Total current liabilities		99,052.33	93,690.58
TOTAL EQUITY AND LIABILITIES		4,23,774.72	3,69,962.49
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 and on behalf of the Board

For K. P. Rao & Co.,
Chartered Accountants
(Firm Regn. No.003135S)

K. Narsimha Reddy
Managing Director
DIN: 00382412

K. Jalandhar Reddy
Executive Director & CFO
DIN: 00434911

Mohan R Lavi
Partner
Membership No: 029340
UDIN: 24029340BKBBE6305

S. Vaikuntanathan
Vice President (F&A)

V. Haritha
Company Secretary

Place : Hyderabad
Date : May 29, 2024

Statement of Profit and Loss

for the year ended March 31, 2024

(₹ in Lakhs)

Particulars	Note	Year ended March 31, 2024	Year ended March 31, 2023
I Revenue from operations	24	4,09,097.84	3,74,379.62
II Other income	25	14,216.90	3,208.72
III Total Income (I + II)		4,23,314.74	3,77,588.34
IV Expenses			
Cost of materials consumed	26	1,66,015.31	1,49,474.47
Construction expenses	27	1,36,770.43	1,28,819.96
Employee benefits expense	28	17,354.77	17,099.19
Finance costs	29	2,928.98	3,926.45
Depreciation and amortisation expense	30	12,450.25	14,743.35
Other expenses	31	18,861.57	6,814.06
Total expenses (IV)		3,54,381.31	3,20,877.48
V Profit before exceptional items and tax (III - IV)		68,933.43	56,710.86
VI Exceptional items - Expenses/(Income)	32	-	(13,796.61)
VII Profit/(Loss) before tax (V - VI)		68,933.43	70,507.47
VIII Tax expense	33		
1) Current tax		20,283.59	18,052.54
2) Adjustment of tax relating to earlier periods		801.95	3,139.40
3) Deferred tax		(1,535.23)	(567.79)
		19,550.31	20,624.15
IX Profit/(Loss) for the year (VII - VIII)		49,383.12	49,883.32
X Other comprehensive income / (loss)	34		
a) Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		612.52	67.29
Deferred Tax on above items		(154.16)	(16.94)
b) Items that will be reclassified to profit or loss		-	-
XI Total Comprehensive Income for the period (IX+X) (Comprising Profit/(Loss) and Other Comprehensive Income/ (loss))		49,841.48	49,933.67
XII Earnings per equity share : (In ₹)	39		
1) Basic		17.56	17.74
2) Diluted		17.56	17.74
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 and on behalf of the Board

For K. P. Rao & Co.,
Chartered Accountants
(Firm Regn. No.003135S)

K. Narsimha Reddy
Managing Director
DIN: 00382412

K. Jalandhar Reddy
Executive Director & CFO
DIN: 00434911

Mohan R Lavi
Partner
Membership No: 029340
UDIN: 24029340BKGBE6305

S. Vaikuntanathan
Vice President (F&A)

V. Haritha
Company Secretary

Place : Hyderabad
Date : May 29, 2024

Statement of Changes in Equity

for the year ended March 31, 2024

A - EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	Number of Shares	Amount
Balance as at April 01, 2022	28,12,34,600	5,624.70
Add/(Less) Changes in equity share capital during the year	-	-
Balance as at March 31, 2023	28,12,34,600	5,624.70
Add/(Less) Changes in equity share capital during the year	-	-
Balance as at March 31, 2024	28,12,34,600	5,624.70

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 01, 2022	9,786.96	2,849.00	-	2,06,152.00	(215.72)	-	2,18,572.24
Profit for the year	-	-	-	49,883.32	-	-	49,883.32
Other Comprehensive Income/ loss for the year (Net of Taxes)	-	-	-	-	50.35	-	50.35
Payment of dividend	-	-	-	(703.09)	-	-	(703.09)
Balance as at March 31, 2023	9,786.96	2,849.00	-	2,55,332.23	(165.37)	-	2,67,802.82
Balance as at April 01, 2023	9,786.96	2,849.00	-	2,55,332.23	(165.37)	-	2,67,802.82
Profit for the year	-	-	-	49,383.12	-	-	49,383.12
Other Comprehensive Income/ loss for the year (Net of Taxes)	-	-	-	-	458.36	-	458.36
Payment of dividend	-	-	-	(703.09)	-	-	(703.09)
Balance as at March 31, 2024	9,786.96	2,849.00	-	3,04,012.26	292.99	-	3,16,941.21

See accompanying notes forming part of the financial statements

As per our report of even date attached

For and on behalf of the Board

For K. P. Rao & Co.,
Chartered Accountants
(Firm Regn. No.003135S)

K. Narsimha Reddy
Managing Director
DIN: 00382412

K. Jalandhar Reddy
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Mohan R Lavi
Partner
Membership No: 029340
UDIN: 24029340BKGBE6305

S. Vaikuntanathan
Vice President (F&A)

V. Haritha
Company Secretary

Place : Hyderabad
Date : May 29, 2024

Cash Flow Statement

for the Year Ended March 31, 2024

(₹ in Lakhs)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
A) Cash flow from Operating Activities		
Profit before tax	68,933.43	70,507.47
Adjustments for:		
Depreciation and amortisation expense	12,450.25	14,743.35
Loss/(Profit) on sale of property, plant and equipment, investment property(Net)	(280.15)	(128.06)
Liabilities no longer required written back	(515.08)	(110.89)
Bad debts / advances written off	245.01	224.43
(Gain) / Loss on mutual funds	(90.37)	(165.17)
Un winding Interest on fair value of financial instruments	(539.09)	(763.70)
Unbilled revenue written off	2,536.91	536.94
Exceptional Item	-	(13,796.61)
Provision for doubtful advances and other receivables	4,325.63	-
Provision for impairment of investments	5,450.00	-
Un winding interest on lease liability	43.60	31.33
Interest on mobilisation advance	791.68	268.90
Finance cost	2,094.00	3,626.22
Interest Income	(11,213.68)	(166.30)
Operating profit before working capital changes	84,232.14	74,807.91
Changes in working capital:		
(Increase)/Decrease in trade and other receivables and prepayments	(48,044.16)	(40,148.14)
(Increase)/Decrease in inventories	1,335.28	(703.36)
Increase/(Decrease) in trade and other payables	6,024.36	(11,495.95)
Cash generated/ (used) from Operations	43,547.62	22,460.46
Income taxes (paid) / refund	(21,769.27)	(21,173.31)
Net Cash flows from / (used in) Operating Activities- (A)	21,778.35	1,287.15
B) Cash flow from Investing Activities		
Proceeds from sale of property, plant and equipment	554.02	5,829.31
Payments for property, plant and equipment and capital work-in-progress	(7,832.15)	(10,990.62)
Interest received	11,187.73	185.65
(Increase)/Decrease in fixed deposits	(380.37)	2,232.76
Loans/advances to subsidiaries/associates and others	(170.81)	1,253.62
Investments in subsidiaries, associates and others	(19,118.63)	9,798.64
TDS on interest received	(21.00)	(6.77)
Net Cash flows from / (used in) Investing Activities- (B)	(15,781.21)	8,302.59

Cash Flow Statement (Contd.)

(₹ in Lakhs)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
C) Cash flow from Financing Activities		
Proceeds from borrowings	50,000.00	25,000.00
Repayment of borrowings	(50,000.00)	(25,000.00)
Increase / (Decrease) in short term borrowings	(25.45)	25.45
Finance cost paid	(2,173.48)	(4,024.81)
Dividend paid	(703.09)	(703.09)
Net Cash Flows from / (used in) Financing Activities- (C)	(2,902.02)	(4,702.45)
Net Increase/(Decrease) in cash and cash equivalents - (A+B+C)	3,095.12	4,887.29
Cash & Cash Equivalents at the beginning of the year	18,557.52	13,670.23
Cash & Cash Equivalents at end of the year (Refer note)	21,652.64	18,557.52
Note:		
1 Cash & Cash equivalents		
Cash on hand	33.47	42.16
Bank Balance including Deposits and Cheques on Hand - Current Account	21,619.17	18,515.36
Total Cash & Cash equivalents	21,652.64	18,557.52

- 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 and on behalf of the Board

For K. P. Rao & Co.,
Chartered Accountants
(Firm Regn. No.003135S)

K. Narsimha Reddy
Managing Director
DIN: 00382412

K. Jalandhar Reddy
Executive Director & CFO
DIN: 00434911

Mohan R Lavi
Partner
Membership No: 029340
UDIN: 24029340BKGBE6305

S. Vaikuntanathan
Vice President (F&A)

V. Haritha
Company Secretary

Place : Hyderabad
Date : May 29, 2024

Notes forming part of the Financial Statements

for the Year Ended March 31, 2024

1. REPORTING ENTITY INFORMATION

KNR Constructions Limited ('the Company') is a company domiciled in India with its registered office at 'KNR House' 3rd & 4th 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. MATERIAL 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 (INR), 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 recognizes 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 realization 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 categorized 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 inputs).

Notes forming part of the Financial Statements (Contd.)

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 categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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

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

labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

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

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

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

Sl. No.	Description	Useful life given as per Companies Act 2013	Company's estimated useful life
1.	Buildings		
	RCC structure	60 years	60 years
	Temporary structure	3 Years	3 Years
2.	Plant and Machinery		
	Concreting, crushing, piling equipment's and road making equipment's	12 Years	7 Years */3 Years**
	Heavy Lift equipment's		
	- Cranes < 100 tons	15 Years	7 Years */3 Years**
	- Earth-moving equipment's	9 Years	7 Years */3 Years**
	Construction Accessories	12 Years	7 Years */3 Years**
	Others including Material Handling / Pipeline / Welding Equipment's	12 Years	7 Years */3 Years**
3.	Furniture and fittings	10 Years	10 Years

Notes forming part of the Financial Statements (Contd.)

Sl. No.	Description	Useful life given as per Companies Act 2013	Company's estimated useful life
4.	Motor Vehicles		
	Motor cycles, Scooters and other mopeds	10 Years	10 Years
	Motor buses, motor lorries, motor cars and motor taxis	8 Years	8 Years
5.	Office equipment's	5 Years	5 Years
6.	Computers and data processing units		
	Servers and networks	6 Years	6 Years
	End user devices, such as, desktops, laptop etc.,	3 Years	3 Years
7.	Laboratory equipment's	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 derecognized 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 derecognized.

2.10 Intangible assets

Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortization 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 capitalized as a part of the cost of the intangible assets. Intangible assets are amortized 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:

- decision has been made to sell,
- the assets are available for immediate sale in its present condition,
- the assets are being actively marketed and

Notes forming part of the Financial Statements (Contd.)

- (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 realizable 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

- Amortized 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 amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

ii. De-recognition

Financial assets

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

Financial liabilities

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

Notes forming part of the Financial Statements (Contd.)

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

iii. 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 amortized 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 recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Impairment of non-financial assets

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

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

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their

present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

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

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,

Notes forming part of the Financial Statements (Contd.)

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 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 recognized 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.

Notes forming part of the Financial Statements (Contd.)

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 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 recognized 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. Interest awarded, being in the nature of additional compensation under the terms of the contract, is accounted as other Income on receipt of arbitration award and acceptance by client.

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 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/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

Notes forming part of the Financial Statements (Contd.)

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 recognize 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 recognizes related restructuring costs or termination benefits.

2.21 Taxes on Income

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

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is

measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

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

ii. Deferred tax

Deferred tax is recognised 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 utilized. 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.

2.22 Foreign currencies

- a) The Functional Currency of the Company is Indian Rupees (INR), 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 realized 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 capitalized 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 recognized in the periods in which the results are known / materialize. 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

Notes forming part of the Financial Statements (Contd.)

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, recognized 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.

2.29 Recent accounting pronouncements:

New and amended standards adopted by the Company

The Ministry of Corporate Affairs ("MCA") has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated March 31, 2023 to amend the following Ind AS which are effective for annual periods beginning on or after April 01, 2023. The Company has applied these amendments for the first-time in these standalone financial statements.

Notes forming part of the Financial Statements (Contd.)

Amendments to Ind AS 1 - Disclosure of accounting policies: The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments have an impact on the disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the standalone financial statements.

Amendments to Ind AS 12 - Deferred tax related to assets and liabilities arising from a single transaction: The amendments narrow the scope of the initial recognition

exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases. This amendment does not have any material impact on the standalone financial statements.

New Standards (including amendments) issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Notes forming part of the Financial Statements (Contd.)

3. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Tangible Assets		
Land - free hold*	8,915.15	7,717.22
Buildings	1,401.34	1,592.99
Plant and equipment	24,749.87	29,979.50
Furniture and fixtures	143.71	170.18
Vehicles	1,256.70	1,200.66
Office equipment	96.15	130.24
Computers & accessories	34.13	49.72
	36,597.05	40,840.51

Note: Refer note 17.1 for details of assets pledged.

(₹ in Lakhs)

Particulars	Tangible Assets							Total
	Land - free hold*	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computers & accessories	
Cost or Deemed Cost :								
As at April 01, 2023	7,717.22	4,016.66	1,42,882.79	523.56	3,497.83	519.16	304.61	1,59,461.83
Additions	1,197.93	77.75	6,277.34	21.50	471.36	43.76	21.77	8,111.41
Disposals/Adjustments	-	(23.82)	(4,475.78)	(84.13)	(100.50)	(238.87)	(117.50)	(5,040.60)
As at March 31, 2024	8,915.15	4,070.59	1,44,684.35	460.93	3,868.69	324.05	208.88	1,62,532.64
Accumulated Depreciation								
As at April 01, 2023	-	2,423.67	1,12,903.29	353.38	2,297.17	388.92	254.89	1,18,621.32
Charge for the period	-	261.86	11,271.35	43.77	406.62	65.76	31.68	12,081.04
Disposals/Adjustments	-	(16.28)	(4,240.16)	(79.93)	(91.80)	(226.78)	(111.82)	(4,766.77)
As at March 31, 2024	-	2,669.25	1,19,934.48	317.22	2,611.99	227.90	174.75	1,25,935.59
Net Carrying Amount								
As at March 31, 2024	8,915.15	1,401.34	24,749.87	143.71	1,256.70	96.15	34.13	36,597.05
As at March 31, 2023	7,717.22	1,592.99	29,979.50	170.18	1,200.66	130.24	49.72	40,840.51

(₹ in Lakhs)

Particulars	Tangible Assets							Total
	Land - free hold*	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computers & accessories	
Cost or Deemed Cost :								
As at April 01, 2022	7,701.86	3,558.52	1,32,314.38	492.06	3,338.06	447.98	265.99	1,48,118.85
Additions	67.87	458.14	13,022.32	31.50	487.22	71.18	38.62	14,176.85
Disposals/Adjustments	(52.51)	-	(2,453.91)	-	(327.45)	-	-	(2,833.87)
As at March 31, 2023	7,717.22	4,016.66	1,42,882.79	523.56	3,497.83	519.16	304.61	1,59,461.83
Accumulated Depreciation								
As at April 01, 2022	-	2,066.93	1,01,701.05	302.73	2,077.83	313.55	217.54	1,06,679.63
Charge for the period	-	356.74	13,323.60	50.65	452.80	75.37	37.35	14,296.51
Disposals/Adjustments	-	-	(2,121.36)	-	(233.46)	-	-	(2,354.82)
As at March 31, 2023	-	2,423.67	1,12,903.29	353.38	2,297.17	388.92	254.89	1,18,621.32
Net Carrying Amount								
As at March 31, 2023	7,717.22	1,592.99	29,979.50	170.18	1,200.66	130.24	49.72	40,840.51
As at March 31, 2022	7,701.86	1,491.59	30,613.33	189.33	1,260.23	134.43	48.45	41,439.22

Notes forming part of the Financial Statements (Contd.)

3.1 CAPITAL WORK-IN-PROGRESS

Particulars	(₹ in Lakhs)	
	As at March 31, 2024	As at March 31, 2023
Cost :		
Opening As at	251.01	2,062.00
Add: Additions	597.94	1,040.61
Less: Adjustments	630.52	2,851.60
Closing As at	218.43	251.01

The capital work-in-progress ageing schedule as follows:

Particulars	As at March 31, 2024					As at March 31, 2023				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	212.87	5.56	-	-	218.43	136.32	114.69	-	-	251.01
Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-
Total capital work-in-progress	212.87	5.56	-	-	218.43	136.32	114.69	-	-	251.01

As on the date of balance sheet, there is no capital work-in-progress project(s) whose completion is overdue or has exceeded the cost, based on the approved plan.

3.2 INVESTMENT PROPERTY

Particulars	(₹ in Lakhs)	
	As at March 31, 2024	As at March 31, 2023
Investment Property *	6,634.71	6,587.97
	6,634.71	6,587.97

*Land and investment property includes ₹ 1,885.66 Lakhs (P.Y ₹ 1,896.38 Lakhs) held in the name of Directors, relatives of Directors for and on behalf of the Company and refer note 65 for the details of the immovable property not held in the name of the Company.

Note: Refer note 17.1 for details of assets pledged.

As at March 31, 2024		(₹ in Lakhs)
Particulars	Amount	
Gross Carrying Amount		
As at April 01, 2023	6,587.97	
Additions	46.74	
Disposals / Adjustments	-	
As at March 31, 2024	6,634.71	
Accumulated Depreciation		
As at April 01, 2023	-	
Charge for the period	-	
Disposals / Adjustments	-	
As at March 31, 2024	-	
Net Carrying Amount	6,634.71	
As at March 31, 2024		
As at March 31, 2023	6,587.97	

As at March 31, 2023		(₹ in Lakhs)
Particulars	Amount	
Gross Carrying Amount		
As at April 01, 2022	6,587.97	
Additions	5,222.20	
Disposals / Adjustments	(5,222.20)	
As at March 31, 2023	6,587.97	
Accumulated Depreciation		
As at April 01, 2022	-	
Charge for the period	-	
Disposals / Adjustments	-	
As at March 31, 2023	-	
Net Carrying Amount	6,587.97	
As at March 31, 2023		
As at March 31, 2022	6,587.97	

Notes forming part of the Financial Statements (Contd.)

3.2 INVESTMENT PROPERTY (CONTD.)

Fair Value of Investment Property

Details and fair value of the investment property as on March 31, 2024 and March 31, 2023 is given below

(₹ in Lakhs)

Particulars	Fair value Hierarchy	As at March 31, 2024	As at March 31, 2023
Investment Property	Level 3	15,081.96	14,300.70
		15,081.96	14,300.70

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.

3.3 OTHER INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Computer Software	4.38	5.12
Total	4.38	5.12

As at March 31, 2024 (₹ in Lakhs)

Particulars	Computer software	Total
Gross Carrying Amount		
As at April 01, 2023	56.27	56.27
Additions	-	-
Disposals / Adjustments	(1.07)	(1.07)
As at March 31, 2024	55.20	55.20
Accumulated Depreciation		
As at April 01, 2023	51.15	51.15
Charge for the period	0.70	0.70
Disposals	(1.03)	(1.03)
As at March 31, 2024	50.82	50.82
Net Carrying Amount		
As at March 31, 2024	4.38	4.38
As at March 31, 2023	5.12	5.12

As at March 31, 2023 (₹ in Lakhs)

Particulars	Computer software	Total
Gross Carrying Amount		
As at April 01, 2022	53.92	53.92
Additions	2.35	2.35
Disposals / Adjustments	-	-
As at March 31, 2023	56.27	56.27
Accumulated Depreciation		
As at April 01, 2022	48.93	48.93
Charge for the period	2.22	2.22
Disposals	-	-
As at March 31, 2023	51.15	51.15
Net Carrying Amount		
As at March 31, 2023	5.12	5.12
As at March 31, 2022	4.99	4.99

Notes forming part of the Financial Statements (Contd.)

4. INVESTMENTS

(₹ in Lakhs)		
Particulars	As at March 31, 2024	As at March 31, 2023
Non-Current		
Trade - Unquoted		
a) Equity instruments of subsidiaries (At cost):		
KNR Agrotech & Beverages Private Limited	1.00	1.00
10,000 (PY 10,000) equity shares of ₹ 10/- each, fully paid		
KNR Infrastructure Projects Private Limited	1.00	1.00
10,000 (PY 10,000) equity shares of ₹ 10/- each, fully paid		
KNR Energy Limited	5.00	5.00
50,000 (PY 50,000) equity shares of ₹ 10/- each, fully paid		
KNRC Holdings & Investments Private Limited	1.00	1.00
10,000 (PY 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 (PY 4,59,000) equity shares of ₹ 10/- each, fully paid		
KNR Somwarpet Infraproject Private Limited (Refer note 4.2)	3,052.50	3,052.50
3,05,250 (PY 3,05,250) equity shares of ₹ 1,000/- each, fully paid		
KNR Palani Infra Private Limited (Refer note 4.3)	4,023.00	4,023.00
4,02,300 (PY 4,02,300) equity shares of ₹ 1,000/- each, fully paid		
KNR Guruvayur Infra Private Limited (Refer note 4.4)	10,457.50	10.00
10,45,750 (PY 1,000) equity shares of ₹ 1,000/- each, fully paid		
KNR Ramanattukara Infra Private Limited (Refer note 4.5)	11,250.00	11,250.00
11,25,000 (PY 11,25,000) equity shares of ₹ 1,000/- each, fully paid		
KNR Ramagiri Infra Private Limited (Refer note 4.6)	4,807.50	10.00
4,80,750 (PY 1,000) equity shares of ₹ 1,000/- each, fully paid		
KNR Sriranganatha Infra Private Limited (Refer note 4.7)	10.00	-
1,000 (PY Nil) equity shares of ₹ 1,000/- each, fully paid		
KNR Kaveri Infra Private Limited (Refer note 4.8)	10.00	-
1,000 (PY Nil) equity shares of ₹ 1,000/- each, fully paid		
KNR Ramatheertham Infra Private Limited (Refer note 4.9)	10.00	-
1,000 (PY Nil) equity shares of ₹ 1,000/- each, fully paid		
Total Unquoted Investments of Subsidiaries	33,674.40	18,399.40
b) Equity instruments of associates (At Cost):		
Patel KNR Infrastructures Limited	1,480.00	1,480.00
1,48,00,000 (PY 1,48,00,000) equity shares of ₹ 10/- each, fully paid		
Patel KNR Heavy Infrastructures Limited	952.95	952.95
95,29,500 (PY 95,29,500) equity shares of ₹ 10/- each, fully paid		
Total Un quoted Investments in Associates	2,432.95	2,432.95
Less : Impairment Made	(1,086.64)	(1,086.64)
Net Un quoted Investments in Associates	1,346.31	1,346.31
Total equity Investments (a+b)	35,020.71	19,745.71

Notes forming part of the Financial Statements (Contd.)

4. INVESTMENTS (CONTD.)

(₹ in Lakhs)		
Particulars	As at March 31, 2024	As at March 31, 2023
c) Other Investment In Subsidiaries & Associates (Quasi Debt)		
Subsidiaries		
KNR Muzaffarpur Barauni Tollway Private Limited	5,276.50	5,276.50
KNR Agrotech & Beverages Private Limited	590.13	590.13
KNR Energy Limited	425.24	425.24
KNRC Holdings and Investments Private Limited	9,623.22	9,623.22
KNR Somwarpet Infraproject Private Limited	8,189.00	7,054.00
KNR Palani Infra Private Limited	2,417.21	2,417.21
KNR Guruvayur Infra Private Limited	2,127.00	1,382.00
KNR Ramanattukara Infra Private Limited	2,056.00	436.00
KNR Ramagiri Infra Private Limited	434.00	-
Associates		
Patel KNR Heavy Infrastructures Limited	1,793.69	1,793.69
Total Other Investment In Subsidiaries & Associates (Quasi Debt)	32,931.99	28,997.99
Less : Provision for impairment		
Impairment made for KNR Muzaffarpur Barauni Tollway Private Limited	(3,229.08)	-
Impairment made for KNRC Holdings and Investments Private Limited	(2,220.92)	-
Total Impairment	(5,450.00)	-
Net Other Investment in Subsidiaries & Associates (Quasi Debt)	27,481.99	28,997.99
d) Other Investment In LLPs		
Manjeri City Infrastructures and Developers LLP	3,290.17	3,290.17
Benedire Infrastructures and Developers LLP	405.00	405.00
Total	3,695.17	3,695.17
Total other investments (c+d)	31,177.16	32,693.16
Total non-current investments (a+b+c+d)	66,197.87	52,438.87

(₹ in Lakhs)		
Particulars	As at March 31, 2024	As at March 31, 2023
i) Aggregate amount of Unquoted equity investments in Subsidiaries - Non Current (a)	33,674.40	18,399.40
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)	32,931.99	28,997.99
v) Aggregate amount of impairment in value of investments - Non Current (c)	(5,450.00)	-
vi) Aggregate amount of unquoted investments in LLP - Non Current (d)	3,695.17	3,695.17
	66,197.87	52,438.87

- 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 1,55,678 Shares (P.Y. 1,55,678) equity share have been pledged with Catalyst Trusteeship Limited for the term loan availed by KNR Somwarpet Infra Project Private Limited

Notes forming part of the Financial Statements (Contd.)

4. INVESTMENTS (CONTD.)

- 4.3 2,05,173 Shares (P.Y. 2,05,173) equity share have been pledged with Axis Trustee services Limited for the term loan availed by KNR Palani Infra Private Limited
- 4.4 5,33,333 Shares (P.Y. 510) equity share have been pledged with SBI Cap Trustee services Limited for the term loan availed by KNR Guruvayur Infra Private Limited
- 4.5 5,73,750 Shares (P.Y. 5,73,750) equity share have been pledged with Catalyst Trustee services Limited for the term loan availed by KNR Ramanattukara Infra Private Limited
- 4.6 2,45,183 Shares (P.Y. 510) equity share have been pledged with Axis Trustee services Limited for the term loan availed by KNR Ramagiri Infra Private Limited
- 4.7 510 Shares (P.Y. Nil) equity share have been pledged with Axis Trustee services Limited for the term loan availed by KNR Sriranganatha Infra Private Limited
- 4.8 510 Shares (P.Y. Nil) equity share have been pledged with Catalyst Trustee services Limited for the term loan availed by KNR Kaveri Infra Private Limited
- 4.9 510 Shares (P.Y. Nil) equity share have been pledged with SBI Cap Trustee services Limited for the term loan availed by KNR Ramatheertham Infra Private Limited

5. TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
Unsecured, considered good		
Trade Receivables (Arbitration Award Claims from JV's)	1,851.50	2,953.00
Trade Receivables (Arbitration Award Claims from Others)	2,320.50	-
Total Non-Current Trade Receivables	4,172.00	2,953.00
Current		
Unsecured, considered good		
Trade Receivables from Related Party (Refer note: 45)	71,737.71	36,972.48
Trade Receivables from others	64,683.82	61,371.90
Unsecured, considered doubtful		
Trade Receivables	1,226.96	194.40
Less: Provision for doubtful Trade Receivables	(1,226.96)	(194.40)
Total Current Trade Receivables	1,36,421.53	98,344.38
Total	1,40,593.53	1,01,297.38

Notes forming part of the Financial Statements (Contd.)

5. TRADE RECEIVABLES (CONTD.)
5.1 Ageing Trade Receivables

(₹ in Lakhs)

Particulars	Outstanding for the following periods from the due date of payment					
	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
As on March 31, 2024						
Undisputed Trade Receivables - Considered Good	1,27,925.43	5,867.68	1,730.01	59.30	5,011.11	1,40,593.53
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	720.75	312.21	194.00	1,226.96
Undisputed Trade Receivables – credit impaired	-	-	(720.75)	(312.21)	(194.00)	(1,226.96)
Disputed Trade receivables - Considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	1,27,925.43	5,867.68	1,730.01	59.30	5,011.11	1,40,593.53
As on March 31, 2023						
Undisputed Trade Receivables - Considered Good	65,588.05	16,942.38	17,783.17	277.43	706.35	1,01,297.38
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	194.40	194.40
Undisputed Trade Receivables – credit impaired	-	-	-	-	(194.40)	(194.40)
Disputed Trade receivables - Considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	65,588.05	16,942.38	17,783.17	277.43	706.35	1,01,297.38

6. LOANS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
Unsecured, considered good:		
Loans to related parties (Refer note : 6.1, 6.2 & 45)		
-Subsidiaries	347.42	329.34
Total Non-Current Loans	347.42	329.34
Current		
Unsecured, considered good:		
Loans to		
-Joint Venture Partners & Subsidiaries (Refer note : 45)	184.46	11.14
Total Current Loans	184.46	11.14
Total	531.88	340.48

Notes forming part of the Financial Statements (Contd.)

6. LOANS (CONTD.)

- 6.1** - Loans due by subsidiaries have common directors.
 - Intercompany loans to related parties carried at fair value (Amortised cost) as per Ind AS

- 6.2** - All the above loans are interest bearing

7. OTHER FINANCIAL ASSETS

(₹ in Lakhs)		
Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
Unsecured, considered good:		
Retention deposits & With Held	46.13	46.13
Advances to Sub-contractors	28.82	28.82
Receivable from WVEPL	-	2,700.00
Total Non-Current Other Financial Assets	74.95	2,774.95
Current		
Unsecured, considered good:		
Advances to related parties (Refer note: 45)	5,739.19	4,718.07
Retention Deposits & Withheld	24,208.99	24,382.77
Unbilled Revenue	49,758.71	44,898.54
Interest receivable	49.92	23.97
Security Deposits	1,628.78	1,848.13
Other Receivables	2,259.64	1,940.26
Receivable from WVEPL	1,408.13	1,449.08
Receivable from CUBE	3,406.07	3,406.07
Unsecured, considered doubtful:		
Security Deposits	85.82	85.82
Less: Provision for doubtful Security Deposits	(85.82)	(85.82)
Other Receivables	201.20	187.89
Less: Provision for doubtful Others	(201.20)	(187.89)
Retention Deposits	14.91	14.91
Less: Provision for Retention Deposits	(14.91)	(14.91)
Advances to related parties (Refer note: 45)	3,279.76	-
Less: Provision for doubtful advances - related parties	(3,279.76)	-
Total Current Other Financial Assets	88,459.43	82,666.89
Total	88,534.38	85,441.84

Notes forming part of the Financial Statements (Contd.)

8. DEFERRED TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax assets	13,404.98	12,101.22
MAT credit entitlement	269.53	269.53
Deferred tax liability	-	(77.30)
	13,674.51	12,293.45

8.1 Components of deferred income tax assets and liabilities arising on account of temporary differences are:

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax asset		
Expenditure disallowed under Income Tax Act, 1961	300.84	270.28
Provision for doubtful advances and receivables and others	1,457.56	455.57
Deferred tax on fair value of investment of properties	1,967.87	1,796.77
Property, plant and equipment	9,678.71	9,578.60
MAT credit entitlement	269.53	269.53
	13,674.51	12,370.75
Deferred tax liability		
On OCI (Gratuity)	-	(77.30)
	-	(77.30)
Total	13,674.51	12,293.45

9. NON-CURRENT TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
Advance Tax	2,425.61	2,674.14
Total Non-current Tax Asset	2,425.61	2,674.14

10. OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Un-secured Considered good		
Capital advances	186.10	479.52
Security Deposits	1,643.35	507.74
Dues from Statutory authorities	5,302.02	6,158.69
Unsecured, considered doubtful:		
Capital advances	9.71	9.71
Less: Provision for doubtful advances	(9.71)	(9.71)
Total	7,131.47	7,145.95

Notes forming part of the Financial Statements (Contd.)

11. INVENTORIES

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Raw materials	9,748.10	10,475.47
Goods-in transit	369.07	630.82
	10,117.17	11,106.29
Stores and spares	11,573.69	12,106.99
Goods-in transit	381.20	194.06
	11,954.89	12,301.05
Total	22,072.06	23,407.34

11.1 The above inventories are valued at weighted average cost or net realisable value whichever is less.

12. CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks:		
In current accounts	21,159.14	18,515.36
Cheques on hand	460.03	-
Cash on hand	33.47	42.16
Total	21,652.64	18,557.52

13. OTHER BANK BALANCES

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Margin Money & Other Deposits (Refer Note: 13.1)	1,801.17	1,421.44
Un-claimed Dividend	6.63	5.99
Total	1,807.80	1,427.43

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, 2024	As at March 31, 2023
Un-secured Considered good		
Advances to Sub-contractors	10,953.23	10,732.26
Advances to Suppliers (Other than capital advances)	2,291.23	4,645.26
Staff Imprest & Salary Advances	389.45	330.40
Prepaid expenses	653.09	701.63
Receivables from Others	956.08	145.35
Security Deposits	-	6.66
Considered doubtful		
Advances to Sub-contractors	59.11	59.11
Provision for Advance to Sub Contractors	(59.11)	(59.11)
Total	15,243.08	16,561.56

Notes forming part of the Financial Statements (Contd.)

15. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	Amount	No. of Shares	Amount
Authorised Share capital				
Equity Shares of ₹ 2/- each	30,00,00,000	6,000.00	30,00,00,000	6,000.00
Issued, subscribed & fully paid share capital				
Equity Shares of ₹ 2/- each	28,12,34,600	5,624.70	28,12,34,600	5,624.70
Total	28,12,34,600	5,624.70	28,12,34,600	5,624.70

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, 2024		As at March 31, 2023	
	No. of Shares	Amount	No. of Shares	Amount
Number of Equity Shares at the beginning of the year	28,12,34,600	5,624.70	28,12,34,600	5,624.70
Add: Number of Shares Issued	-	-	-	-
Less: Number of Shares Bought Back	-	-	-	-
Number of Equity Shares at the end of the year	28,12,34,600	5,624.70	28,12,34,600	5,624.70

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 29, 2024 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, 2024 and March 31, 2023:

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	% holding	No. of Shares	% holding
Kamidi Narsimha Reddy	9,14,20,000	32.51	9,04,20,000	32.15
Kamidi Jalandhar Reddy	3,77,59,210	13.43	3,77,59,210	13.43
HDFC Trustee Company Ltd	-	-	1,85,42,546	6.59
DSP Flexi Cap Fund	-	-	1,81,08,779	6.44
HDFC Midcap opportunities fund	2,39,41,391	8.51	-	-

15.3 For the period of five years immediately preceding reporting period

- Shares allotted as fully paid-up pursuant to contract(s) without payment being received in cash. - Nil
- Aggregate Number and class of shares allotted as fully paid up by way of bonus shares..

Particulars	No. of Shares	₹ In lakhs
Equity share of ₹ 2/- each *	14,06,17,300	2,812.35

- Shares which were bought back in any of the years. - Nil
- Calls unpaid by any director or officer of the Company during the year. - Nil

* During the FY 2020-21 the Company has issued Bonus Shares in the ratio of 1:1 on February 05, 2021.

Notes forming part of the Financial Statements (Contd.)

15. EQUITY SHARE CAPITAL (CONTD.)

15.4 Shareholding of Promoters / Promoter group:

Promoter / Promoter group Name	As at March 31, 2024			As at March 31, 2023		
	No. of Shares	% Of Total Shares	% Change during the year	No. of Shares	% Of Total Shares	% Change during the year *
Kamidi Narsimha Reddy	9,14,20,000	32.51%	1.11%	9,04,20,000	32.15%	0.47%
Kamidi Jalandhar Reddy	3,77,59,210	13.43%	-	3,77,59,210	13.43%	0.00%
Kamidi Yashoda	80,15,010	2.85%	-	80,15,010	2.85%	0.00%
Merreddy Rajesh Reddy	65,00,000	2.31%	(13.33%)	75,00,000	2.67%	(16.67%)

16. OTHER EQUITY

Particulars	(₹ in Lakhs)	
	As at March 31, 2024	As at March 31, 2023
a) Securities premium reserve	9,786.96	9,786.96
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	2,55,332.23	2,06,152.00
Add: Profit/(Loss) for the period	49,383.12	49,883.32
Less: Dividend paid	(703.09)	(703.09)
	3,04,012.26	2,55,332.23
d) Other Comprehensive Income - Gratuity	292.99	(165.37)
Total (a+b+c+d)	3,16,941.21	2,67,802.82

17. BORROWINGS

Particulars	(₹ in Lakhs)	
	As at March 31, 2024	As at March 31, 2023
Non-current	-	-
Total non-current borrowings	-	-
Current		
Loans repayable on Demand		
Secured loans From banks (Refer note 17.1 & 17.2)		
Working capital demand loans	-	25.45
Total current borrowings	-	25.45
Total	-	25.45

17.1 Working Capital Facilities: Cash Credit facilities from consortium of banks are secured by:

- Hypothecation of entire current assets on pari passu basis with other participating banks
- First pari passu charge on equitable mortgage of certain land & buildings
- Hypothecation of certain equipment's of written down value as on March 31, 2022 is ₹ 110.03 Crores
- Personal guarantee of Director

17.2 The interest rate for working capital demand loan and cash credit facilities varies from 8.15% to 10.05% per annum

17.3 The quarterly returns of current assets filed by the Company with banks are in agreement with the books of account

Notes forming part of the Financial Statements (Contd.)

18. OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current	-	-
Total non-current other financial liabilities	-	-
Current		
Interest accrued but not due other than Mobilisation Advance	0.61	0.92
Interest accrued but not due on Mobilisation Advance	954.52	242.01
Advance Received From Clients - Related Parties (Refer note:45)	10.24	-
Unclaimed dividend (Refer note: 18.1)	6.71	6.07
Retention Deposits and with held	13,733.41	11,444.87
Security Deposits	660.98	836.68
Unearned Revenue	33,185.66	14,317.50
Outstanding Expenses	2,811.71	2,511.25
Total current other financial liabilities	51,363.84	29,359.30
Total	51,363.84	29,359.30

18.1 During the year, an un-paid dividend amount of ₹ 47,502 /- for relating to 2015-16 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, 2024	As at March 31, 2023
Current		
Trade payables (refer note 19.1)		
Dues to Micro & Small Enterprises (Refer note 19.2)	140.00	167.04
Dues to creditors other than Micro & Small Enterprises	16,432.11	15,853.48
Bills Payable (Sub-contractors/Labour/Service)	10,816.61	21,583.56
Total current trade payables	27,388.72	37,604.08
Total	27,388.72	37,604.08

19.1 Ageing for trade payables from the due date of payment

(₹ in Lakhs)

Particulars	Less than one year	1-2 years	2-3 years	More than 3 years	Total
As on March 31, 2024					
Undisputed dues of micro enterprises and small enterprises	140.00	-	-	-	140.00
Undisputed dues of creditors other than micro enterprises and small enterprises	21,780.65	1,424.43	323.18	3,720.46	27,248.72
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Total	21,920.65	1,424.43	323.18	3,720.46	27,388.72

Notes forming part of the Financial Statements (Contd.)

19. TRADE PAYABLES (CONTD.)

19.1 Ageing for trade payables from the due date of payment

(₹ in Lakhs)

Particulars	Less than one year	1-2 years	2-3 years	More than 3 years	Total
As on March 31, 2023					
Undisputed dues of micro enterprises and small enterprises	167.04	-	-	-	167.04
Undisputed dues of creditors other than micro enterprises and small enterprises	32,820.90	1,421.75	590.60	2,603.79	37,437.04
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Total	32,987.94	1,421.75	590.60	2,603.79	37,604.08

19.2 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, 2024	As at March 31, 2023
a) Principal amount remaining unpaid	140.00	167.04
b) Interest due thereon	-	0.50
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	0.92	0.92
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"	-	0.92

20. PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
Provision for employee benefits		
- Gratuity (Refer note: 40)	663.23	1,150.57
Total non-current provisions	663.23	1,150.57
Current		
Provision for expenses	608.47	1,258.26
Provision for employee benefits		
- Gratuity (Refer note: 40)	191.20	199.76
Total current provisions	799.67	1,458.02
Total	1,462.90	2,608.59

Notes forming part of the Financial Statements (Contd.)

21. OTHER NON-CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Advance received from clients	808.62	808.62
Security Deposits	262.98	319.13
Total	1,071.60	1,127.75

22. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Mobilisation Advance received from clients - Related Parties (Refer note:45)	10,301.69	14,531.24
Mobilisation Advance received from clients - Others	72.85	1,120.99
Advance received from clients	-	39.38
Security deposits	1,035.58	919.73
Dues to statutory authorities	7,291.57	6,461.70
Others	183.96	602.98
Total	18,885.65	23,676.02

23. CURRENT TAX LIABILITY (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Provision for Income Tax	20,408.61	18,123.67
Less: Advance tax paid	(19,794.16)	(16,555.96)
Total	614.45	1,567.71

24. REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Income from Contracts	3,97,061.50	3,65,712.34
Other Operating Income	12,036.34	8,667.28
Total	4,09,097.84	3,74,379.62

Notes forming part of the Financial Statements (Contd.)

25. OTHER INCOME

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2024	Year ended March 31, 2023
Interest Income	11,213.68	166.30
Un winding interest on fair value of Financial Assets	539.09	763.70
Interest on Income tax refunds	8.35	33.61
Gain on foreign currency transactions	-	2.57
Other non-operating income		
Profit on Sale of Asset	381.72	212.67
Discount received from suppliers	814.15	672.12
Liabilities no longer required written back	515.08	110.89
Insurance claim received	89.36	145.68
Profit on Sale of Mutual Funds	90.37	165.17
Miscellaneous Income	565.10	936.01
Total	14,216.90	3,208.72

26. COST OF MATERIALS CONSUMED

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2024	Year ended March 31, 2023
Construction Materials, Stores & Spares		
Opening Stock	23,407.34	22,703.98
Add: Net Purchases	1,64,680.03	1,50,177.83
	1,88,087.37	1,72,881.81
Less: Closing Stock	22,072.06	23,407.34
Total Consumption	1,66,015.31	1,49,474.47

27. CONSTRUCTION EXPENSES

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2024	Year ended March 31, 2023
Sub-contract Expenses	19,242.80	33,423.64
Spreading & Assortment Exp.	89,693.74	75,056.17
Power and Fuel	1,412.54	1,148.73
Seigniorage charges / Royalty	4,150.57	3,531.73
Transport Charges	8,547.75	6,043.39
Hire Charges	2,311.22	1,738.46
Watch & Ward	770.99	618.50
Other Recoveries by Clients	1,303.86	395.75
Repairs to Others	213.18	217.29
Repairs to Machinery	547.07	417.89
Repairs to Vehicles	1,108.17	817.30
Other Construction expenses	7,468.54	5,411.11
Total	1,36,770.43	1,28,819.96

Notes forming part of the Financial Statements (Contd.)

28. EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, Wages and Other Benefits	16,838.29	16,619.54
Contribution to Provident and Other Funds	330.32	300.62
Staff welfare Expenses	186.16	179.03
Total	17,354.77	17,099.19

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.

29. FINANCE COSTS

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest Expense on		
Working Capital Demand Loans and Cash Credit	363.22	282.87
Term Loans	293.14	363.86
Interest on Mobilisation Advance	828.49	1,140.70
Un winding Interest on Lease liability	43.60	31.33
Interest on Income Tax (Refer note: 48)	595.86	1,195.07
Others	214.50	126.81
	2,338.81	3,140.64
Other Borrowing Costs		
Processing Charges	192.44	204.92
BG / LC Charges	388.50	472.02
Bank and Other Financial Charges	9.23	108.87
Total	2,928.98	3,926.45

30. DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation & Amortisation	12,081.74	14,298.73
Depreciation & Amortisation - ROU	368.51	444.62
Total	12,450.25	14,743.35

Notes forming part of the Financial Statements (Contd.)

31. OTHER EXPENSES

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2024	Year ended March 31, 2023
Travelling & Conveyance	383.19	346.87
Postage & Telegrams and Telephones	66.51	69.45
Business promotion expenses	15.10	112.99
Advertisement and publicity	5.90	22.04
Legal, Professional & Consultancy Charges	2,239.73	1,059.80
Insurance	1,204.13	925.98
Rates and taxes excluding taxes of Income	671.63	772.21
Auditor's Remuneration (including out of pocket Expenses)	18.48	17.72
Printing & Stationery	141.66	142.87
Tender expenses	40.40	167.83
Office maintenance	153.96	143.53
Rent expenses	616.74	579.64
Electricity charges	871.15	827.35
Directors Sitting Fees	51.50	58.20
Loss on sale of Assets	101.57	84.61
Bad Debts / Advances Written Off	245.01	224.43
Provision for Doubtful Advances, Receivables and Deposits	4,325.63	-
Donation	1,068.02	185.74
CSR expenses (Refer note 31.1)	879.90	755.57
Interest on Statutory dues	21.33	32.04
Provision for Impairment of Investments	5,450.00	-
Miscellaneous expenses	290.03	285.19
Total	18,861.57	6,814.06

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.

Notes forming part of the Financial Statements (Contd.)

31. OTHER EXPENSES (CONTD.)

(₹ in Lakhs)		
Particulars	Year ended March 31, 2024	Year ended March 31, 2023
a) Amount required to be spent by the Company during the year	1,117.99	847.11
b) Amount of expenditure incurred	879.90	755.57
c) Shortfall /(Excess) at the end of the year	238.09	91.54
d) Total of previous year's shortfall/(Excess)	434.88	196.79
e) Reason for shortfall	The shortfall is due to Ongoing Projects and the said amount is transferred to Un Spent account as per the provisions of Companies Act	
f) Nature of CSR activities		
1. Construction / acquisition of any assets	125.14	249.49
2. On Purposes other than (1) above	754.76	506.08
g) Details of related party transactions		
h) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.	Since no provision is made for short fall the amount is shown as Nil	Since no provision is made for short fall the amount is shown as Nil

32. EXCEPTIONAL ITEMS

(₹ in Lakhs)		
Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Loss/(Profit) on Sale of Investments (Refer note: 51)	-	(13,796.61)
Total	-	(13,796.61)

33. TAX EXPENSE (REFER NOTE: 33.1)

(₹ in Lakhs)		
Particulars	Year ended March 31, 2024	Year ended March 31, 2023
A - Current Tax		
Current tax on profits for the year	20,283.59	18,052.54
Adjustments in respect of prior years	801.95	3,139.40
Sub-Total	21,085.54	21,191.94
B - Deferred Tax		
Deferred Tax Liability / (Asset) due to timing difference	(1,535.23)	(567.79)
Sub-Total	(1,535.23)	(567.79)
Total	19,550.31	20,624.15

Notes forming part of the Financial Statements (Contd.)

33. TAX EXPENSE (REFER NOTE : 33.1) (CONTD.)

33.1 Reconciliation of tax expenses to accounting profit

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Accounting profit before tax	68,933.43	70,507.47
Tax @ 34.944% (PY 34.944%)	17,349.17	17,745.32
Adjustments		
Effect of income exempt from taxation	45.93	(518.44)
Effect of expenses that are not deductible in determining taxable profit	2,865.78	(2,735.49)
Others	-	772.86
Short term capital gain on Mutual funds and Long Term Capital gains on lands	22.71	41.57
Long term capital gain on sale of investments	-	2,746.72
Earlier year taxes	801.95	3,139.40
Deferred tax	(1,535.23)	(567.79)
Tax Expenses recognised in the statement of profit and loss	19,550.31	20,624.15

Income tax credit/(expense) recognised in Other Comprehensive Income :

* The Government of India, vide Taxation Laws (Amendment) Ordinance, 2019 dated September 20, 2019, introduced section 115 BAA in the Income Tax Act, 1961, providing domestic companies an irrevocable option to adopt reduced corporate tax rate, subject to certain conditions. The Company has decided to adopt reduced corporate tax rate from 2020-21.

34. OTHER COMPREHENSIVE INCOME

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Items that will not be reclassified to profit or loss		
i) Actuarial Gains & (Losses) on plan benefits	612.52	67.29
ii) Deferred Tax on above	(154.16)	(16.94)
Total	458.36	50.35

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, 2024 and March 31, 2023 was as follows

(₹ in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Total debt	-	25.45
Less: cash and cash equivalents	23,460.44	19,984.95
Adjusted net debt	(23,460.44)	(19,959.50)

Notes forming part of the Financial Statements (Contd.)

35. CAPITAL MANAGEMENT (CONTD.)

(₹ in Lakhs)		
Particulars	March 31, 2024	March 31, 2023
Total equity	3,22,565.91	2,73,427.52
Adjusted equity	3,22,565.91	2,73,427.52
Adjusted net debt to adjusted equity ratio	(0.07)	(0.07)

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, 2024

(₹ in Lakhs)

Particulars	Carrying amount			Fair Value			
	FVTPL	Amortised Cost	Total carrying amount	Level 1 (Quoted prices in active markets)	Level 2 (Significant observable inputs)	Level 3 (Significant un observable inputs)	Total
Financial assets							
Investments in Associates	-	35,020.71	35,020.71	-	-	35,020.71	35,020.71
Other Investments	-	31,177.16	31,177.16	-	-	31,177.16	31,177.16
Trade receivables	-	1,40,593.53	1,40,593.53	-	-	1,40,593.53	1,40,593.53
Cash and cash equivalents	-	23,460.44	23,460.44	-	-	-	-
Loans	-	531.88	531.88	-	-	531.88	531.88
Other financials assets	-	88,534.38	88,534.38	-	-	88,534.38	88,534.38
	-	3,19,318.10	3,19,318.10	-	-	2,95,857.66	2,95,857.66
Financial liabilities							
Secured Bank loans	-	-	-	-	-	-	-
Trade payables	-	27,388.72	27,388.72	-	-	27,388.72	27,388.72
Lease Liability	-	421.65	421.65	-	-	421.65	421.65
Other financial liabilities	-	51,363.84	51,363.84	-	-	51,363.84	51,363.84
	-	79,174.21	79,174.21	-	-	79,174.21	79,174.21

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, 2023

(₹ in Lakhs)

Particulars	Carrying amount			Fair Value			
	FVTPL	Amortised Cost	Total carrying amount	Level 1 (Quoted prices in active markets)	Level 2 (Significant observable inputs)	Level 3 (Significant unobservable inputs)	Total
Financial assets							
Investments in Associates	-	19,745.71	19,745.71	-	-	19,745.71	19,745.71
Other Investments	-	32,693.16	32,693.16	-	-	32,693.16	32,693.16
Trade receivables	-	1,01,297.38	1,01,297.38	-	-	1,01,297.38	1,01,297.38
Cash and cash equivalents	-	19,984.95	19,984.95	-	-	-	-
Loans	-	340.48	340.48	-	-	340.48	340.48
Other financials assets	-	85,441.84	85,441.84	-	-	85,441.84	85,441.84
	-	2,59,503.52	2,59,503.52	-	-	2,39,518.57	2,39,518.57
Financial liabilities							
Secured Bank loans	-	25.45	25.45	-	-	25.45	25.45
Trade payables	-	37,604.08	37,604.08	-	-	37,604.08	37,604.08
Lease Liability	-	566.07	566.07	-	-	566.07	566.07
Other financial liabilities	-	29,359.30	29,359.30	-	-	29,359.30	29,359.30
	-	67,554.90	67,554.90	-	-	67,554.90	67,554.90

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.

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.

Notes forming part of the Financial Statements (Contd.)

36. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTD.)

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 on March 31, 2024

(₹ in Lakhs)

Particulars	Contractual Cash flows				Total
	Carrying Amount	Upto 1 year	1 to 3 Years	More than 3 years	
Non-derivative financial liabilities					
Secured Bank loans	-	-	-	-	-
Trade payables	27,388.72	21,920.65	1,747.61	3,720.46	27,388.72
Lease Liability	421.65	268.21	153.44	-	421.65
Other financial liabilities	51,363.84	15,409.15	28,250.11	7,704.58	51,363.84
Total	79,174.21	37,598.01	30,151.16	11,425.04	79,174.21

As on March 31, 2023

(₹ in Lakhs)

Particulars	Contractual Cash flows				Total
	Carrying Amount	Upto 1 year	1 to 3 Years	More than 3 years	
Non-derivative financial liabilities					
Secured Bank loans	25.45	25.45	-	-	25.45
Trade payables	37,604.08	32,987.94	2,012.35	2,603.79	37,604.08
Lease Liability	566.07	249.76	316.31	-	566.07
Other financial liabilities	29,359.30	4,403.90	18,088.48	6,866.92	29,359.30
	67,554.90	37,667.05	20,417.14	9,470.71	67,554.90

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.

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 does not have any closing investments in mutual funds as on March 31, 2024 and March 31, 2023

Notes forming part of the Financial Statements (Contd.)

37. CONTINGENT LIABILITY, COMMITMENTS AND CONTINGENT ASSETS

(₹ in Lakhs)

Particulars	As at	
	March 31, 2024	March 31, 2023
i) Contingent Liabilities		
a) Claims against the company not acknowledged as debt #		
1. Disputed Income tax and Interest on TDS	30,012.94*	17,994.95*
2. Disputed Sales tax/ VAT/ Entry tax/GST	9,519.79	1,312.60
3. Disputed Service tax	607.05	607.05
4. Disputed Customs duty	1,509.52	1,509.52
5. Others (Civil cases)	25.69	1,341.69
b) Guarantees		
Corporate guarantees given to banks and financial institutions for financial assistance extended to Subsidiaries, Associates and Joint Ventures	-	-
c) Other money for which the company is contingently liable		
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
Total	41,675.00	22,765.82

* 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 ₹ 4,422.19 lakhs, for the A.Y 2006-07 to 2012-13 and A.Y 2014-15 the department has filed appeals against ITAT orders at the High Court of Judicature at Hyderabad for the State 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.

ii) Commitments		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for	41.44	215.87
b) Other commitments		
Estimated amount of committed funding by way of equity/loans to subsidiary companies	48,703.60	43,651.39
Total	43,745.04	43,867.26
iii) Contingent Assets		
Arbitration claims awarded, but client not accepted	19,960.16	51,356.41

38. REMUNERATION PAID TO THE STATUTORY AUDITORS

(₹ in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Statutory Audit Fees	14.00	14.00
Other services (including Out of pocket expenses)	4.48	3.72

Notes forming part of the Financial Statements (Contd.)

39. DISCLOSURE PURSUANT TO IND AS 33 "EARNINGS PER SHARE(EPS)

	(₹ in Lakhs)	
	March 31, 2024	March 31, 2023
i. Profit (loss) attributable to equity shareholders(basic)	49,383.12	49,883.32
ii. Weighted average number of equity shares (basic)	2,812.35	2,812.35
Basic EPS	17.56	17.74
i. Profit (loss) attributable to equity shareholders(diluted)	49,383.12	49,883.32
ii. Weighted average number of equity shares (diluted)	2,812.35	2,812.35
Diluted EPS	17.56	17.74

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 ₹ 327.04 Lakhs (PY 2022-23 is ₹ 297.08 Lakhs).

Changes in the Present Value of Obligation

	(₹ in Lakhs)	
	March 31, 2024	March 31, 2023
Present value of obligations as at beginning of the year	1,529.91	1,347.33
Interest cost	102.41	81.55
Current Service cost	159.81	164.96
Benefits paid	(16.64)	-
Actuarial (gain)/loss on obligations		
-Due to change in financial obligations	9.92	(62.36)
-Due to change in demographic assumption	-	11.32
-Due to experience adjustments	(615.92)	(12.89)
Past service cost	-	-
Present value of obligations as at end of year	1,169.49	1,529.91

Changes in Fair value of plan assets

	(₹ in Lakhs)	
	March 31, 2024	March 31, 2023
Fair value of plan assets at beginning of the year	179.58	167.49
Interest Income	10.51	8.64
Expected return on plan assets	6.52	3.36
Contributions	135.09	0.09
Benefits paid	(16.65)	-
Actuarial gain/(loss) on obligation	-	-
Fair value of plan assets at the end of year	315.05	179.58

Notes forming part of the Financial Statements (Contd.)

40. EMPLOYEE BENEFITS (CONTD.)

Assets recognised in the Balance Sheet

	(₹ in Lakhs)	
	March 31, 2024	March 31, 2023
Liability at the end of the period / year	1,169.49	1,529.91
Fair value of plan assets at the end of the period /year	(315.05)	(179.58)
Amount to be recognised in Balance Sheet	854.54	1,350.33

Expenses recognised in the Statement of Profit & Loss

	(₹ in Lakhs)	
	March 31, 2024	March 31, 2023
Current service cost	159.81	164.96
Interest cost	91.91	72.91
Net Actuarial (gain)/loss recognized in the year	-	-
Expenses recognized in statement of profit and loss	251.72	237.87

Amount recognised in statement of other comprehensive income (OCI)

	(₹ in Lakhs)	
	March 31, 2024	March 31, 2023
Opening amount recognised in OCI	(67.29)	83.87
Remeasurement for the period - Obligation (gain)/loss	(612.52)	(67.29)
Remeasurement for the period - plan assets (gain)/loss	-	-
Total Remeasurement cost / (credit) for the period recognised in OCI	(612.52)	(67.29)
Closing amount recognised in OCI	(612.52)	(67.29)

Assumptions

Discount Rate	7.20%	7.35%
Salary Escalation	7.00%	7.00%
Average future working life time	22.95 years	22.28 years
Attrition rate	10%	10%

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, 2024	March 31, 2023
1%/1% increase		
i. Discount rate	1,106.59	1,443.19
ii. Salary escalation rate- over a long-term	1,232.21	1,628.03
iii. Attrition rate	1,169.11	1,529.96
1%/1% decrease		
i. Discount rate	1,240.63	1,628.03
ii. Salary escalation rate- over a long-term	1,110.99	1,447.46
iii. Attrition rate	1,169.86	1,529.84

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.

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

(₹ in Lakhs)

S. No	Name of the Company	Balance as at		Maximum outstanding during the year	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
A Subsidiaries					
1	KNR Agrotech & Beverages Pvt. Ltd.,	156.31	126.75	156.31	192.90
2	KNR Energy Ltd.,	147.60	147.34	147.60	147.34
3	KNRC Holdings and Investments Pvt. Ltd.,	792.55	268.22	792.55	315.38
4	Patel KNR Heavy Infrastructures Ltd.,	(10.24)	27.48	746.76	27.48
5	KNR Muzaffarpur Barauni Tollway Pvt. Ltd.,	6,355.56	3,279.76	6,355.56	3,279.76
6	KNR Infrastructure Projects Pvt. Ltd.,	11.33	11.09	11.33	11.09
7	KNR Muzaffarpur Holdings Pvt. Ltd.,	15.08	14.65	15.08	14.65
8	KNR Srirangam Infra Pvt. Ltd.,*	-	528.78	-	5,353.22
9	KNR Tirumala Infra Pvt. Ltd.,#	-	-	-	842.88
10	KNR Shankarampet Project Pvt. Ltd.,#	-	86.20	-	1,694.44
11	KNR Somwarpet Infra Project Pvt. Ltd.,	-	1.20	170.38	86.03
12	KNR Palani Infra Pvt. Ltd.,	11.43	455.16	755.19	455.16
13	Patel KNR Infrastructure Ltd.,	0.10	0.04	0.10	0.04
14	KNR Guruvayur Infra Pvt. Ltd.,	94.17	93.06	94.17	93.06
15	KNR Ramanattukara Infra Pvt. Ltd.,	307.14	175.02	307.14	1,189.33
16	KNR Ramagiri Infra Pvt. Ltd.,	177.54	437.16	3,007.29	437.16
17	KNR Kaveri Infra Pvt. Ltd.,	284.42	-	284.42	-
18	KNR Ramatheertham Infra Pvt. Ltd.,	322.03	-	322.03	-
19	KNR Sriranganatha Infra Pvt. Ltd.,	263.05	-	263.05	-
20	Benedire Infrastructures and Developers LLP	0.30	0.10	0.30	0.10
21	Manjeri City Infrastructures and Developers LLP	11.45	0.79	64.25	0.79
B Loans and Advances where there is no repayment schedule					
1	KNR Agrotech & Beverages Pvt. Ltd.,	156.31	126.75	156.31	192.90
2	KNR Energy Ltd.,	147.60	147.34	147.60	147.34
3	KNRC Holdings and Investments Pvt. Ltd.,	792.55	268.22	792.55	315.38
4	Patel KNR Heavy Infrastructures Ltd.,	(10.24)	27.48	746.76	27.48
5	KNR Muzaffarpur Barauni Tollway Pvt. Ltd.,	6,355.56	3,279.76	6,355.56	3,279.76
6	KNR Infrastructure Projects Pvt. Ltd.,	11.33	11.09	11.33	11.09
7	KNR Muzaffarpur Holdings Pvt. Ltd.,	15.08	14.65	15.08	14.65
8	KNR Srirangam Infra Pvt. Ltd.,*	-	528.78	-	5,353.22
9	KNR Tirumala Infra Pvt. Ltd.,#	-	-	-	842.88
10	KNR Shankarampet Project Pvt. Ltd.,#	-	86.20	-	1,694.44
11	KNR Somwarpet Infra Project Pvt. Ltd.,	-	1.20	170.38	86.03
12	KNR Palani Infra Pvt. Ltd.,	11.43	455.16	755.19	455.16
13	Patel KNR Infrastructure Ltd.,	0.10	0.04	0.10	0.04
14	KNR Guruvayur Infra Pvt. Ltd.,	94.17	93.06	94.17	93.06
15	KNR Ramanattukara Infra Pvt. Ltd.,	307.14	175.02	307.14	1,189.33
16	KNR Ramagiri Infra Pvt. Ltd.,	177.54	437.16	3,007.29	437.16
17	KNR Kaveri Infra Pvt. Ltd.,	284.42	-	284.42	-
18	KNR Ramatheertham Infra Pvt. Ltd.,	322.03	-	322.03	-
19	KNR Sriranganatha Infra Pvt. Ltd.,	263.05	-	263.05	-
20	Benedire Infrastructures and Developers LLP	0.30	0.10	0.30	0.10
21	Manjeri City Infrastructures and Developers LLP	11.45	0.79	64.25	0.79
C Loans to firms/Companies in which directors are interested		Nil	Nil	Nil	Nil

* Ceased to be Subsidiary with effect from October 14, 2022

Ceased to be Subsidiary with effect from October 20, 2022

Notes forming part of the Financial Statements (Contd.)

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 recognized 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:

Particulars	(₹ in Lakhs)	
	March 31, 2024	March 31, 2023
Receivables	1,40,593.53	1,01,297.38
Contract Assets	74,013.83	68,672.32
Contract Liabilities	43,560.20	29,969.73

43. VALUE OF IMPORTS CALCULATED ON CIF BASIS

S No.	Particulars	(₹ in Lakhs)	
		March 31, 2024	March 31, 2023
a	Material Purchases	762.50	Nil
b	Stores & Spares	Nil	30.90
c	Capital goods	Nil	140.17

44. EXPENDITURE/REMITTANCE IN FOREIGN CURRENCY

	Particulars	(₹ in Lakhs)	
		March 31, 2024	March 31, 2023
a	On account of Travel/Other expenses (including boarding & lodging expenses)	Nil	Nil

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 Pvt. Ltd.,	10	KNR Guruvayur Infra Pvt. Ltd.,
2	KNR Infrastructure Projects Pvt. Ltd.,	11	KNR Ramanattukara Infra Pvt. Ltd.,
3	KNR Energy Ltd.,	12	KNR Ramagiri Infra Pvt. Ltd.,
4	KNR Srirangam Infra Pvt. Ltd., *	13	KNR Ramatheertham Infra Pvt. Ltd.,
5	KNR Tirumala Infra Pvt. Ltd.,#	14	KNR Sriranganatha Infra Pvt. Ltd.,
6	KNR Shankarampet Projects Private Limited#	15	KNR Kaveri Infra Pvt. Ltd.,
7	KNR Somwarpet Infra Project Pvt. Ltd.,	16	Manjeri City Infrastructures and Developers LLP
8	KNR Palani Infra Pvt. Ltd.,	17	Benedire Infrastructures and Developers LLP
9	KNRC Holdings and Investment Pvt. Ltd.,		

* Ceased to be Subsidiary with effect from October 14, 2022

Ceased to be Subsidiary with effect from October 20, 2022

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.)

Step-down Subsidiaries :

1	Mesmeric Software Solutions Pvt. Ltd.,	4	Asara Construction & Projects Pvt. Ltd.,
2	Nag Talent Ventures & Infotech Pvt. Ltd.,	5	KNR Muzaffarpur Holdings Pvt. Ltd.,
3	Gradient Estates Pvt. Ltd.,	6	KNR Muzaffarpur-Barauni Tollway Pvt.Ltd.,

(ii) Associate Companies :

1. Patel KNR Infrastructures Ltd.,
2. Patel KNR Heavy Infrastructures Ltd.,

(iii) Joint Venture :

1. SEL-KNR-JV (At Bangladesh)

(iv) 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	Smt. V. Haritha	Company Secretary
9	Sri. Venugopal Reddy	Director in Subsidiaries

(v) Relatives of KMPs :

1	Sri. V.Krishna Reddy	Brother of Smt. K.Yashoda
2	Kamidi Reality Pvt. Ltd.,	Company in which Directors are Interested

(vi) Other Related parties :

1	KNR Constructions Limited Employees group gratuity fund	Post employment benefit plan
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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.)

(b) Disclosure of related party transactions :

(₹ in Lakhs)

Sl. No.	Particulars	Subsidiaries (including Step-down subsidiaries)		Associates		Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
1	Work contract receipts received	2,20,239.52	1,26,280.86	1,520.87	1,946.94	-	-	-	-	-	-
2	Interest Income on Inter corporate loans	18.08	16.58	-	-	-	-	-	-	-	-
3	Sale of Movable Assets	-	129.82	-	-	-	-	-	-	-	-
4	Sale of materials and services	-	-	137.50	-	-	-	-	-	-	-
5	Arbitration Claims received	-	-	830.87	-	-	-	-	-	-	-
6	Interest income from claims	-	-	1,445.31	-	-	-	-	-	-	-
7	Interest paid on Mob.Adv. Received	791.68	268.90	-	-	-	-	-	-	-	-
8	Other Expenses	-	23.32	-	-	-	-	-	-	-	-
9	Inter corporate Loans given/ (recovered)	-	(169.58)	-	-	-	-	-	-	-	-
10	Investment in Equity Shares	15,275.00	11,240.00	-	-	-	-	-	-	-	-
11	Sale /Redemption of investments equity shares	-	11,122.25	-	-	-	-	-	-	-	-
12	Investment (Equity Nature)	3,934.00	7,079.32	-	-	-	-	-	-	-	-
13	Sale/ Redemption of investments (Equity Nature)	-	3,024.41	-	-	-	-	-	-	-	-
14	Mobilisation advance received/(recovered)	(5,238.91)	13,887.01	1,009.38	-	-	-	-	-	-	-
15	Re-imbursment of expenditure incurred/ (Recovered)	3,075.80	772.28	(37.68)	22.48	-	-	-	(2.05)	-	-
16	Advance paid/(recovered)	845.79	(2,418.93)	-	-	-	-	-	-	-	-
17	Retention deposit & Withheld deducted/(released)	611.43	95.08	-	-	-	-	-	-	-	-
18	Advance received against sale of property rights /(Property sold)	-	-	-	-	-	-	-	(5,169.98)	-	-
19	Un-secured loan received	-	-	-	-	-	-	10,000.00	-	-	-
20	Un-secured loan (repaid)	-	-	-	-	-	-	(10,000.00)	-	-	-
21	Short Term Employee Benefits	-	-	-	-	-	-	2,230.73	2,934.08	-	-
22	Post-employment Benefits *	-	-	-	-	-	-	36.71	33.08	-	-
23	Other Long-term Benefits	-	-	-	-	-	-	-	-	-	-
24	Termination Benefits	-	-	-	-	-	-	-	-	-	-
25	Share based payment	-	-	-	-	-	-	-	-	-	-
26	Dividend paid	-	-	-	-	-	-	359.24	359.24	-	-
27	Land lease rent paid	375.00	375.00	-	-	-	-	39.18	39.18	-	-
28	Office rent paid	-	-	-	-	-	-	7.67	12.40	-	-
29	Directors sitting fee paid	-	-	-	-	-	-	51.50	58.20	-	-
30	Imprest paid / (recovered)	-	-	-	-	-	-	(5.10)	-	-	-
31	Contribution to Post-employment Benefit Plans	-	-	-	-	-	-	-	-	135.04	6.00

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.)
(c) Related party balances outstanding are as follows:

(₹ in Lakhs)

Sl. No.	Particulars	Subsidiaries (including Step-down subsidiaries)		Associates		Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
1	Debit balances outstanding										
	KNR Muzaffarpur Barauni Tollways Pvt. Ltd.,	13,070.21	9,616.58	-	-	-	-	-	-	-	-
	KNR Agrotech & Beverage Pvt. Ltd.,	747.44	717.87	-	-	-	-	-	-	-	-
	KNR Energy Ltd.,	577.84	577.57	-	-	-	-	-	-	-	-
	KNRC Holdings and Investments Pvt. Ltd.,	10,416.76	9,892.43	-	-	-	-	-	-	-	-
	KNR Infrastructure Projects Pvt. Ltd.,	12.33	12.09	-	-	-	-	-	-	-	-
	KNR Muzaffarpur Holdings Pvt. Ltd.,	15.09	14.65	-	-	-	-	-	-	-	-
	KNR Palani Infra Pvt. Ltd.,	7,992.15	8,446.80	-	-	-	-	-	-	-	-
	KNR Somwarpet Infra Project Pvt. Ltd.,	11,817.15	19,909.07	-	-	-	-	-	-	-	-
	KNR Guruvayur Infra Pvt. Ltd.,	37,881.81	17,172.11	-	-	-	-	-	-	-	-
	KNR Ramanattukara Infra Pvt. Ltd.,	44,610.66	20,302.62	-	-	-	-	-	-	-	-
	KNR Ramagiri Infra Pvt. Ltd.,	17,941.43	447.16	-	-	-	-	-	-	-	-
	KNR Ramatheertham Infra Pvt. Ltd.,	332.03	-	-	-	-	-	-	-	-	-
	KNR Sriranganatha Infra Pvt. Ltd.,	273.05	-	-	-	-	-	-	-	-	-
	KNR Kaveri Infra Pvt. Ltd.,	294.42	-	-	-	-	-	-	-	-	-
	Benedire Infrastructures and Developers LLP	405.30	405.10	-	-	-	-	-	-	-	-
	Manjeri City Infrastructures and Developers LLP	3,301.62	3,290.96	-	-	-	-	-	-	-	-
	Patel KNR Heavy Infrastructure Ltd.,	-	-	2,071.22	2,074.59	-	-	-	-	-	-
	Patel KNR Infrastructure Ltd.,	-	-	4,201.65	2,318.83	-	-	-	-	-	-
	V. Venuggopal Reddy	-	-	-	-	-	-	10.17	-	-	-
2	Credit Balances outstanding										
	KNR Somwarpet Infra Project Pvt. Ltd.,	859.53	1,834.59	-	-	-	-	-	-	-	-
	KNR Ramanattukara Infra Pvt. Ltd.,	887.51	12,938.65	-	-	-	-	-	-	-	-
	KNR Guruvayur Infra Pvt. Ltd.,	2,924.82	-	-	-	-	-	-	-	-	-
	KNR Ramagiri Infra Pvt. Ltd.,	5,574.97	-	-	-	-	-	-	-	-	-
	KNRC Holdings and Investments Pvt. Ltd.,	324.00	162.00	-	-	-	-	-	-	-	-
	Manjeri City Infrastructures and Developers LLP	486.00	243.00	-	-	-	-	-	-	-	-
	Patel Knr Infrastructure Ltd.,	-	-	1,009.38	-	-	-	-	-	-	-
	K.Narsimha Reddy*	-	-	-	-	-	-	41.17	37.53	-	-
	K.Jalandhar Reddy*	-	-	-	-	-	-	29.47	27.85	-	-
	S.Vaikuntanathan*	-	-	-	-	-	-	-	1.90	-	-
	V.Haritha *	-	-	-	-	-	-	1.04	0.82	-	-
	V. Venugopal Reddy*	-	-	-	-	-	-	4.02	-	-	-
	V.Krishna Reddy*	-	-	-	-	-	-	0.57	0.57	-	-
	K.Yashoda	-	-	-	-	-	-	1.97	1.97	-	-

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)

Sl. No.	Particulars	Subsidiaries (including Step-down subsidiaries)		Associates		Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
	KNR Ramanattukara Infra Pvt Ltd	1,620.00	-	-	-	-	-	-	-	-	-
	KNR Ramagiri Infra Pvt. Ltd.,	434.00	-	-	-	-	-	-	-	-	-
	KNRC Holdings and Investments Pvt. Ltd.,	-	4,234.86	-	-	-	-	-	-	-	-
	KNR Palani Infra Pvt. Ltd.,	-	1,140.50	-	-	-	-	-	-	-	-
12	Sale /Redemption of investments (Equity nature)										
	KNR Srirangam Infra Pvt. Ltd.,	-	3,024.41	-	-	-	-	-	-	-	-
13	Mobilisation advance received/(recovered)										
	KNR Ramanattukara Infra Pvt. Ltd.,	(12,357.99)	12,696.64	-	-	-	-	-	-	-	-
	KNR Somwarpet Infra Project Pvt. Ltd.,	(975.06)	1,834.59	-	-	-	-	-	-	-	-
	KNR Guruvayur Infra Pvt. Ltd	2,711.86	-	-	-	-	-	-	-	-	-
	KNR Ramagiri Infra Pvt. Ltd.,	5,382.28	-	-	-	-	-	-	-	-	-
	Patel Knr Infrastructure Ltd.,	-	-	1,009.38	-	-	-	-	-	-	-
14	Re-imbusement of expenditure incurred/(Recovered)										
	KNR Muzaffarpur Barauni Tollways Pvt. Ltd.,	3,075.80	772.28	-	-	-	-	-	-	-	-
15	Advance paid/(recovered)										
	KNR Srirangam Infra Pvt. Ltd.,	-	(1,092.66)	-	-	-	-	-	-	-	-
	KNR Tirumala Infra Pvt. Ltd.,	-	(697.30)	-	-	-	-	-	-	-	-
	KNR Shankarapet Project Pvt. Ltd.,	-	(452.48)	-	-	-	-	-	-	-	-
	KNR Ramanattukara Infra Pvt. Ltd.,	132.12	(776.91)	-	-	-	-	-	-	-	-
	KNR Palani Infra Pvt. Ltd.,	(443.73)	448.31	-	-	-	-	-	-	-	-
	KNRC Holdings and Investments Pvt. Ltd	506.24	-	-	-	-	-	-	-	-	-
	KNR Ramagiri Infra Pvt. Ltd.,	(259.63)	-	-	-	-	-	-	-	-	-
	KNR Ramatheertham Infra Pvt. Ltd.,	322.03	-	-	-	-	-	-	-	-	-
	KNR Sriranganatha Infra Pvt. Ltd.,	263.05	-	-	-	-	-	-	-	-	-
	KNR Kaveri Infra Pvt. Ltd.,	284.42	-	-	-	-	-	-	-	-	-
16	Retention deposit & Withheld deducted/(released)										
	KNR Palani Infra Pvt. Ltd.,	-	101.36	-	-	-	-	-	-	-	-
	KNR Somwarpet Infra Project Pvt. Ltd.,	-	107.89	-	-	-	-	-	-	-	-
	KNR Guruvayur Infra Pvt. Ltd.,	428.00	-	-	-	-	-	-	-	-	-
	KNR Ramanattukara Infra Pvt. Ltd.,	96.02	-	-	-	-	-	-	-	-	-
17	Advance received against sale of property rights / (Property sold)										
	Kamidi Reality Pvt. Ltd.,	-	-	-	-	-	-	-	(5,169.98)	-	-
18	Un-secured loan received										
	K.Narsimha Reddy	-	-	-	-	-	-	10,000.00	-	-	-
19	Un-secured loan (repaid)										
	K.Narsimha Reddy	-	-	-	-	-	-	(10,000.00)	-	-	-

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)

Sl. No.	Particulars	Subsidiaries (including Step-down subsidiaries)		Associates		Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
20	Short Term Employee Benefits										
	K.Narsimha Reddy	-	-	-	-	-	-	1,248.00	1,710.00	-	-
	K.Jalandhar Reddy	-	-	-	-	-	-	864.00	1,170.00	-	-
21	Post-employment Benefits *										
	K.Jalandhar Reddy	-	-	-	-	-	-	32.40	32.40	-	-
22	Dividend paid										
	K.Narsimha Reddy	-	-	-	-	-	-	226.05	226.05	-	-
	K.Jalandhar Reddy	-	-	-	-	-	-	94.40	94.40	-	-
23	Land lease rent paid										
	KNRC Holdings and Investments Pvt. Ltd.,	150.00	150.00	-	-	-	-	-	-	-	-
	Manjeri City Infrastructures and Developers LLP	225.00	225.00	-	-	-	-	-	-	-	-
24	Office rent paid										
	K.Jalandhar Reddy	-	-	-	-	-	-	7.67	12.40	-	-
25	Directors sitting fee paid										
	B.V.Rama Rao	-	-	-	-	-	-	17.75	20.40	-	-
	L.B.Reddy	-	-	-	-	-	-	17.75	20.40	-	-
	G.C. Rekha	-	-	-	-	-	-	10.00	12.40	-	-
26	Imprest paid (recovered)										
	V.Venugopal Reddy	-	-	-	-	-	-	(4.64)	-	-	-
27	Contribution to Post-employment Benefit Plans										
	KNR Constructions Limited Employees group gratuity fund	-	-	-	-	-	-	-	-	135.04	6.00

* 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.

(e) Disclosure in respect of commitments (Equity/Capital Commitment) with related parties as on March 31, 2024:

(₹ in Lakhs)

Sl. No.	Particulars	Subsidiaries		Associates		Joint Ventures	
		2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
1	KNR Somwarpet Infraproject Pvt. Ltd.,	968.60	2,103.60	-	-	-	-
2	KNR Palani Infra Pvt. Ltd.,	-	1,605.79	-	-	-	-
3	KNR Guruvayur Infra Pvt. Ltd.,	8,330.00	19,523.00	-	-	-	-
4	KNR Ramanattukara Infra Pvt. Ltd.,	9,194.00	10,814.00	-	-	-	-
5	KNR Ramagiri Infra Pvt. Ltd.,	4,373.00	9,605.00	-	-	-	-
6	KNR Ramatheertham Infra Pvt.Ltd.,	8,736.00	-	-	-	-	-
7	KNR Sriranganatha Infra Pvt.Ltd.,	8,940.00	-	-	-	-	-
8	KNR Kaveri Infra Pvt.Ltd.,	8,162.00	-	-	-	-	-
	Total	48,703.60	43,651.39	-	-	-	-

- 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.

Notes forming part of the Financial Statements (Contd.)

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	Un Secured Loans	Interest	Total
Opening Balance	25.45	-	242.93	268.38
Interest/Dividend Accrued during the year	-	-	2,928.98	2,928.98
Cash flows				
Received	50,000.00	10,000.00	-	50,000.00
Repayment	(50,025.45)	(10,000.00)	-	(50,025.45)
Interest paid	-	-	(2,173.48)	(2,173.48)
Non-Cash items				
Impact of Unwinding Interest and others	-	-	(43.30)	(43.30)
Closing Balance	-	-	955.13	955.13

47. SEGMENT INFORMATION

The Company's operations predominantly consist of "Construction and Engineering activities". Hence there are no reportable segments. 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 and the segment report is reviewed by Chief Operating Decision Maker, accordingly the Company has considered the business as a whole as a single Operating Segment in accordance with Ind AS 108.

48. With respect to the search operation conducted by the Income Tax Department under Section 132 of the Income-tax Act, 1961 in March 2022, we further disclose that as on the date of issuance of these financial statements, the Assessing Officer has initiated the proceedings for re assessment of income, as is relevant for each of the financial years from 2016-17 to 2021-22 under the applicable provisions of the Income tax Act, 1961 the re assessment proceedings has been completed by the Assessing Officer for the aforesaid years and based on Assessment Orders, the Company has made an additional provision of ₹ 845.34 Lakhs towards Income tax and ₹ 423.78 Lakhs towards interest on Income Tax for the above said years due to corporate additions/adjustments, which has been duly reflected in the Standalone Profit and Loss under the head "tax relating to earlier years" and "finance cost" respectively for the year ended March 31, 2024. The above provision is addition to the provision made in the FY 2022-23 of ₹ 2,475.26 Lakhs towards Income tax and ₹ 945.12 Lakhs towards interest on Income Tax for the above said years, which has been duly reflected in the Standalone Profit and Loss under the head "tax relating to earlier years" and "finance cost" respectively for the year ended March 31 2023..

49. DURING THE YEAR ENDED MARCH 31, 2024, THE COMPANY HAS RECEIVED FOLLOWING ARBITRATION CLAIMS, WHICH HAS BEEN INCLUDED IN THE STATEMENT OF STANDALONE PROFIT AND LOSS:-

- In one of the erstwhile Subsidiary Company i.e KNR Walayar Tollways Private Limited (now Walayar Vedakkanchery Expressway Private Limited) has received claims and passed on to the Company as per Share Purchase Agreement & Claim Management Agreement for an amount of ₹ 6,106.86 Lakhs and ₹ 9,491.00 Lakhs, which has been recognised as Contract Receipt included in Revenue from Operations and Interest Income included in other income respectively. Further also expenses related to such claims of ₹ 841.63 Lakhs included in Other expenses and the resultant tax of ₹ 3,713.85 Lakhs is included in current tax.
- In one of the Associate Company i.e Patel KNR Infrastructures Ltd., has received claims and passed on to the Company for an amount of ₹ 830.87 Lakhs, which was set off against existing unbilled revenue of ₹ 2,095.53 Lakhs and the balance unbilled revenue has been written off to the tune of ₹ 1,264.66 Lakhs included in other expenses and also received ₹ 1,459.06 Lakhs towards Interest included in other income and the resultant tax of ₹ 48.93 Lakhs is included in current tax.

Notes forming part of the Financial Statements (Contd.)

c) In two of Company's JOs i.e. Patel KNR JV & KNR Patel JV, the Company has received claims from the JOs for an amount of ₹ 7,411.77 Lakhs included in Revenue from Operations and also expenses related to such claims of ₹ 588.61 Lakhs included in Other expenses and the resultant tax of ₹ 1,717.39 Lakhs included in current tax

50. For the quarter and year ended March 31, 2024, the Company has made the provision towards impairment of equity of ₹ 5,450.00 Lakhs, towards doubtful advances of ₹ 3,279.76 Lakhs and towards doubtful trade receivables of ₹ 1,014.42 Lakhs for one of its Subsidiary Company i.e. KNR Muzaffarpur Barauni Tollways Pvt. Ltd., as the toll collection of the Project is not sufficient to recover the cost of the maintenance and debt obligation, hence management has decided that it is prudent to make such provisions in the books of the account and which is included in Other expenses in the statement of Standalone profit and loss.

51. During the year ended March 31, 2023, the Company has divested its balance 51% stake in KNR Tirumala Infra Pvt Ltd and KNR Shankarampet Projects Pvt Ltd on October 20, 2022 for a value of ₹ 8,218.54 Lakhs and ₹ 5,069.53 Lakhs respectively, and 100% stake in KNR Srirangam Infra Pvt Ltd on October 14, 2022 for a value of ₹ 14,655.20 Lakhs, which includes repayment of 100% sub debt infused by the Company of ₹ 3,024.41 Lakhs to CUBE Highways and Infrastructure III Pte. Ltd., accordingly profit of ₹ 13,796.61 Lakhs were shown as exceptional item and tax of ₹ 2,746.72 Lakhs on above profit under Current tax in the Statement of Standalone Profit and Loss.

52. For the year ended March 31, 2023, two of Company's JOs i.e. Patel KNR JV & KNR Patel JV have sold their pending Arbitration claims through assignment deed, accordingly the Company has recognised share of revenue of ₹ 2,409.00 Lakhs and ₹ 52.00 Lakhs respectively and also the resultant tax impact of ₹ 770.78 Lakhs and ₹ 19.68 Lakhs respectively in the statement of Standalone profit and loss.

53. For the year ended March 31, 2023, the Company has received a bonus of ₹ 725.86 Lakhs from one of the HAM Project i.e. KNR Tirumala Infra Private Limited for early Completion of the Project, which is included in the statement of Standalone profit and loss.

54. There have been no events after the reporting date that require disclosure in the financial statements.

55. Contribution to political parties during the FY 2023-24 is ₹ 1,000 Lakhs (for FY 2022-23 is ₹ Nil)

56. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

57. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period

58. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

59. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

Notes forming part of the Financial Statements (Contd.)

60. The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

61. The Company has no Loans or Advances in the nature of Loans to specified persons that are Repayable on Demand or without specifying any terms or period of repayment.

62. The Company had no transactions with Companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 during the year.

63. DISCLOSURE IN ACCORDANCE WITH IND AS - 116

The Company recognised in the Statement of Profit and Loss

	(₹ in Lakhs)	
Particulars	2023-24	2022-23
Depreciation Charge on ROU Asset	368.51	444.62
Interest Expense on Lease Liabilities	43.60	31.33

The Company recognised following lease assets and liabilities in the Balance sheet.

	(₹ in Lakhs)	
Particulars	2023-24	2022-23
Carrying Amount of ROU Assets	455.32	691.92
Lease liability	421.65	566.07

Notes forming part of the Financial Statements (Contd.)

64. KEY FINANCIAL RATIOS:

Ratio	Numerator	Denominator	As at March 31, 2024			As at March 31, 2023			Reason for variance	
			Numerator's Value	Denominator's Value	Ratio	Numerator's Value	Denominator's Value	Ratio		
			₹ in Lakhs							
Current ratio	Current Assets	Current Liabilities	2,85,841	99,052	2.89	2,40,976	93,691	2.57	12.20%	
Debt- Equity Ratio	Total Debt	Net Worth	-	3,22,566	-	25	2,73,428	0.00	(100.00%)	The Company doesn't have any outstanding debt as on 31.03.2024
Debt Service Coverage ratio	Earnings available for debt service	Debt Service	84,313	52,173	1.62	89,177	29,025	3.07	(47.40%)	
Return on Equity ratio	Net Profits after taxes - Preference Dividend	Average Shareholder's Equity	49,383	2,97,997	0.17	49,883	2,48,812	0.20	(17.34%)	
Inventory Turnover ratio	Net Sales	Average Inventory	4,09,098	22,740	17.99	3,74,380	23,056	16.24	10.79%	
Trade Receivable Turnover Ratio	Cost of goods sold OR sales	Average Trade Receivable	4,09,098	1,20,945	3.38	3,74,380	93,118	4.02	(15.87%)	
Trade Payable Turnover Ratio	Net Sales	Average Trade Payables	4,09,098	32,496	12.59	3,74,380	33,529	11.17	12.75%	
Net Capital Turnover Ratio	Net Sales	Working Capital	4,09,098	1,86,789	2.19	3,74,380	1,47,286	2.54	(13.84%)	
Net Profit ratio	Net Profit	Net sales	49,383	4,09,098	0.12	49,883	3,74,380	0.13	(9.40%)	
Return on Capital Employed	Earnings before interest and taxes	Capital Employed	71,862	3,22,566	0.22	74,434	2,73,428	0.27	(18.16%)	

Notes forming part of the Financial Statements (Contd.)

65. ALL PROPERTY, PLANT AND EQUIPMENT ARE HELD IN THE NAME OF THE COMPANY, EXCEPT FOLLOWING: (CONTD.)

Relevant line item in the Balance Sheet	Description of Property	Gross Carrying Value ₹	Title Deeds held in the name of	Whether title deed holder promoter, director or their relative of promoter /director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the Company
Investment Property	Land	3,885,189	Sri K. Narsimha Reddy	Promoter and Managing Director	20-Apr-05	Due to regulatory restrictions in the respective state
Property, Plant and Equipment	Land	536,555	Sri K. Narsimha Reddy	Promoter and Managing Director	20-Oct-16	
Property, Plant and Equipment	Land	4,449,615	Sri K. Narsimha Reddy	Promoter and Managing Director	24-Oct-16	
Property, Plant and Equipment	Land	265,625	Sri K. Narsimha Reddy	Promoter and Managing Director	24-Oct-16	
Property, Plant and Equipment	Land	757,385	Sri K. Narsimha Reddy	Promoter and Managing Director	20-Oct-16	
Investment Property	Land	1,334,965	Sri K. Narsimha Reddy	Promoter and Managing Director	17-May-17	
Investment Property	Land	1,334,965	Sri K. Narsimha Reddy	Promoter and Managing Director	17-May-17	
Property, Plant and Equipment	Land	10,706,074	Sri K. Narsimha Reddy	Promoter and Managing Director	30-Apr-21	
Property, Plant and Equipment	Land	13,763,347	Sri K. Narsimha Reddy	Promoter and Managing Director	30-Apr-21	
Property, Plant and Equipment	Land	12,772,920	Sri K. Narsimha Reddy	Promoter and Managing Director	24-Jun-21	
Property, Plant and Equipment	Land	9,199,260	Sri K. Narsimha Reddy	Promoter and Managing Director	24-Jun-21	
Property, Plant and Equipment	Land	2,454,010	Sri K. Narsimha Reddy	Promoter and Managing Director	26-Jul-21	
Property, Plant and Equipment	Land	427,245	Sri K. Narsimha Reddy	Promoter and Managing Director	26-Jul-21	
Property, Plant and Equipment	Land	2,133,835	Sri K. Narsimha Reddy	Promoter and Managing Director	26-Jul-21	
Investment Property	Land	1,207,741	Sri. K Jalandhar Reddy	Promoter and Executive Director	15-Feb-10	
Property, Plant and Equipment	Land	578,221	Sri. K Jalandhar Reddy	Promoter and Executive Director	15-Feb-10	
Investment Property	Land	1,103,051	Sri. K Jalandhar Reddy	Promoter and Executive Director	24-Feb-10	
Investment Property	Land	1,463,538	Sri. K Jalandhar Reddy	Promoter and Executive Director	8-Mar-10	
Investment Property	Land	509,102	Sri. K Jalandhar Reddy	Promoter and Executive Director	23-Mar-10	
Investment Property	Land	1,724,915	Sri. K Jalandhar Reddy	Promoter and Executive Director	23-Mar-10	
Investment Property	Land	1,531,111	Sri. K Jalandhar Reddy	Promoter and Executive Director	24-Mar-10	
Investment Property	Land	2,488,053	Sri. K Jalandhar Reddy	Promoter and Executive Director	26-Mar-10	
Investment Property	Land	1,654,935	Sri. K Jalandhar Reddy	Promoter and Executive Director	31-Mar-10	
Investment Property	Land	534,316	Sri. K Jalandhar Reddy	Promoter and Executive Director	31-Mar-10	
Investment Property	Land	712,255	Sri. K Jalandhar Reddy	Promoter and Executive Director	31-Mar-10	
Investment Property	Land	788,464	Sri. K Jalandhar Reddy	Promoter and Executive Director	9-Apr-10	
Investment Property	Land	864,415	Sri. K Jalandhar Reddy	Promoter and Executive Director	19-Apr-10	
Investment Property	Land	485,450	Sri. K Jalandhar Reddy	Promoter and Executive Director	26-May-10	
Investment Property	Land	1,120,850	Sri. K Jalandhar Reddy	Promoter and Executive Director	26-May-10	
Investment Property	Land	438,505	Sri. K Jalandhar Reddy	Promoter and Executive Director	3-Jan-11	

Notes forming part of the Financial Statements (Contd.)

65. ALL PROPERTY, PLANT AND EQUIPMENT ARE HELD IN THE NAME OF THE COMPANY, EXCEPT FOLLOWING: (CONTD.)

Relevant line item in the Balance Sheet	Description of Property	Gross Carrying Value ₹	Title Deeds held in the name of	Whether title deed holder promoter, director or their relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the Company
Investment Property	Land	699,290	Sri. K. Jalandhar Reddy	Promoter and Executive Director	3-Mar-11	
Investment Property	Land	333,456	Sri. K. Jalandhar Reddy	Promoter and Executive Director	5-Mar-11	
Property, Plant and Equipment	Land	5,552,450	Sri. K. Jalandhar Reddy	Promoter and Executive Director	30-Apr-21	
Property, Plant and Equipment	Land	15,177,110	Sri. K. Jalandhar Reddy	Promoter and Executive Director	30-Apr-21	
Property, Plant and Equipment	Land	2,180,868	Sri. K. Jalandhar Reddy	Promoter and Executive Director	30-Apr-21	
Property, Plant and Equipment	Land	6,757,682	Sri. K. Jalandhar Reddy	Promoter and Executive Director	30-Apr-21	
Property, Plant and Equipment	Land	12,691,905	Sri. K. Jalandhar Reddy	Promoter and Executive Director	24-Jun-21	
Property, Plant and Equipment	Land	5,174,005	Sri. K. Jalandhar Reddy	Promoter and Executive Director	27-Jun-22	
Property, Plant and Equipment	Land	822,895	Sri. K. Jalandhar Reddy	Promoter and Executive Director	27-Jun-22	
Investment Property	Land	1,085,446	Sri. V. Venu Gopal Reddy	Employee	7-Aug-10	
Investment Property	Land	1,174,860	Sri. V. Venu Gopal Reddy	Employee	14-Sep-10	
Investment Property	Land	859,220	Sri. V. Venu Gopal Reddy	Employee	28-Sep-10	
Investment Property	Land	547,602	Sri. V. Venu Gopal Reddy	Employee	27-Dec-10	
Property, Plant and Equipment	Land	327,925	Sri. V. Venu Gopal Reddy	Employee	18-Mar-11	
Investment Property	Land	299,310	Sri. V. Venu Gopal Reddy	Employee	29-Mar-11	
Investment Property	Land	138,063	Sri. V. Venu Gopal Reddy	Employee	14-Jun-11	
Investment Property	Land	143,457	Sri. V. Venu Gopal Reddy	Employee	14-Jun-11	
Investment Property	Land	512,940	Sri. V. Venu Gopal Reddy	Employee	30-Apr-12	
Property, Plant and Equipment	Land	1,038,580	Sri. V. Venu Gopal Reddy	Employee	1-Dec-16	
Investment Property	Land	32,359,314	Sri. K. Jalandhar Reddy & Smt. K. Smitha Reddy	Promoter and Executive Director	31-Mar-13	
Investment Property	Land	536,987	Sri. J. Anudeep	Employee	19-Jun-17	
Investment Property	Land	536,988	Sri. J. Anudeep	Employee	19-Jun-17	
Property, Plant and Equipment	Land	1,391,075	Sri. J. Anudeep	Employee	17-Oct-17	
Property, Plant and Equipment	Land	859,610	Sri. J. Anudeep	Employee	25-May-18	
Property, Plant and Equipment	Land	748,625	Sri. J. Anudeep	Employee	17-Sep-18	
Property, Plant and Equipment	Land	1,068,575	Sri. J. Anudeep	Employee	17-Sep-18	

Notes forming part of the Financial Statements (Contd.)

65. ALL PROPERTY, PLANT AND EQUIPMENT ARE HELD IN THE NAME OF THE COMPANY, EXCEPT FOLLOWING: (CONTD.)

Relevant line item in the Balance Sheet	Description of Property	Gross Carrying Value ₹	Title Deeds held in the name of	Whether title deed holder promoter, director or their relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the Company
Property, Plant and Equipment	Land	2,139,080	Sri. J. Anudeep	Employee	17-Nov-18	
Property, Plant and Equipment	Land	1,284,645	Sri. J. Anudeep	Employee	28-Dec-18	
Property, Plant and Equipment	Land	215,915	Sri. J. Anudeep	Employee	16-Mar-19	
Property, Plant and Equipment	Land	1,605,311	Sri. J. Anudeep	Employee	9-Apr-19	
Property, Plant and Equipment	Land	1,285,561	Sri. J. Anudeep	Employee	9-Apr-19	
Property, Plant and Equipment	Land	900,135	Sri. J. Anudeep	Employee	3-Aug-19	
Property, Plant and Equipment	Land	900,135	Sri. J. Anudeep	Employee	3-Aug-19	
Property, Plant and Equipment	Land	110,145	Sri. J. Anudeep	Employee	8-Jul-19	
Property, Plant and Equipment	Land	963,510	Sri. J. Anudeep	Employee	4-Sep-19	
Property, Plant and Equipment	Land	855,520	Sri. J. Anudeep	Employee	7-Feb-20	
Property, Plant and Equipment	Land	1,067,300	Sri. J. Anudeep	Employee	29-Sep-20	
Property, Plant and Equipment	Land	1,068,100	Sri. J. Anudeep	Employee	29-Sep-20	
Property, Plant and Equipment	Land	641,370	Sri. J. Anudeep	Employee	19-Apr-21	
Property, Plant and Equipment	Land	1,284,710	Smt. K. Yashoda	Promoter and Non-Executive Director	24-Jan-19	

Notes forming part of the Financial Statements (Contd.)

66. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by the Board of Directors on 29th May, 2024.

67 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)

Mohan R Lavi
Partner
Membership No: 029340
UDIN: 24029340BKGBE6305

Place : Hyderabad
Date : May 29, 2024

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 IND AS FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated Ind AS financial statements of **KNR CONSTRUCTIONS LIMITED** ("the Holding Company") and its subsidiaries (collectively referred to as 'the Group') which includes 16 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, 2024, 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 ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated Ind AS 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 Ind AS 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, 2024, 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 Consolidated Ind AS 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 consolidated Ind As 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 Ind AS financial statements.

Key Audit Matters:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the consolidated Ind AS 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>A) Revenue Recognition of long-term contracts of Holding Company</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"> • Ensured that the revenue recognition method applied was appropriate based on the terms of the arrangement; • Agreed the total project revenue estimates to sales agreements, including amendments as appropriate; • We obtained an understanding of the processes and tested relevant controls, which impact the revenue recognition; • We assessed the reliability of management's estimates by comparing the actual results of delivered projects to previous estimates;
<p>B) Litigations and Claims of Holding Company</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"> • evaluating the Company's policies, procedures and controls in relation to litigation, claims and provision assessments; • independent enquiries to understand the background of each case, legal position and the material risks that may impact the consolidated Ind AS financial statements; and • assessing reasonableness of judgment made by management, determining the adequacy of the level of provisioning or disclosure in the consolidated Ind As financial statements.

INFORMATION OTHER THAN THE CONSOLIDATED IND AS 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 Ind AS financial statements and our auditor's report thereon. Our opinion on the consolidated Ind As financial

statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated Ind As financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report (Contd.)

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

The Holding Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Act, with respect to the preparation of these consolidated Ind AS 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 Ind AS 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 Ind AS financial statements by the Directors of the Holding company, as aforesaid.

In preparing the consolidated Ind AS 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 Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS 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 Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or 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

Independent Auditor's Report (Contd.)

in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements including the disclosures, and whether the consolidated Ind AS 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 Ind AS financial statements. For the other entities included in the consolidated Ind AS 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 Ind AS 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

- a) The Consolidated financial statements include the audited financial statements of 14 subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of ₹ 3,02,298.89 lakhs, total revenue (before consolidation adjustments) of ₹ 2,52,275.57 lakhs, total net profit after tax (before consolidation adjustments) of ₹ 14,250.52 lakhs, total comprehensive income (net) of ₹ 14,250.14 lakhs and net cash inflows of ₹ 13,445.37 lakhs for the year ended 31 March 2024, as considered in the Consolidated financial statements, which have been audited by their respective independent auditors. The Consolidated financial statements also include the Group's share of net profit after tax (before consolidation adjustments) of ₹ (319.85) lakhs and the Group's share of total comprehensive income (before consolidation adjustments) of ₹ (319.85) lakhs for the year ended 31 March 2024, as considered in the consolidated financial statements, in respect of 1 associate, whose financial statements have been audited by their respective independent auditors. The independent auditors' reports on financial statements of these entities have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in the paragraph above.
- b) The Consolidated financial statements also include the Group's share of net profit after tax (before consolidation adjustments) of ₹ 4,734.57 lakhs and Group's share of total comprehensive income (before consolidation adjustments) of ₹ 4,949.66 lakhs for the year ended 31 March 2024, as considered in the consolidated financial statements, in respect of 1 associates. These financials information are unaudited and have been furnished to us by the Management and our opinion and conclusion the statement, in so far as it relates to the amounts and disclosures included in respect of this entity, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, these financial information are material to the Group.

Our opinion on the consolidated financial statements is not modified in respect of the above matter with respect

Independent Auditor's Report (Contd.)

to our reliance on the work done and the reports of the other auditors.

- c) The standalone Ind AS financial statements include the audited financial statements of 12 Joint operations, whose financial statements reflect total assets (before consolidation adjustments) of ₹ 75,040.28 lakhs, total revenue (before consolidation adjustments) of ₹ 76,293.98 lakhs, total net profit/(loss) after tax (before consolidation adjustments) of ₹ (371.36) lakhs, total comprehensive income/(loss) (before consolidated adjustments) of ₹ (371.36) lakhs and net cash flow/(outflow) ₹ 3,411.17 lakhs for year ended 31st March 2024, as considered in the standalone financial statements, which have been audited by their respective independent auditors. The independent auditors' reports on financial statements of these entities have been furnished to us by the management and our opinion on the standalone annual financial statements, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

Our opinion on the consolidated financial statements is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

- d) The standalone Ind AS financial statements include the unaudited financial statements of 4 Joint operations whose financial information reflect total assets of ₹ 671.57 lakhs (before consolidation adjustments), total revenues of ₹ 0.46 lakhs (before consolidation adjustments), total net profit/(loss) after tax of ₹ 0.46 lakhs (before consolidation adjustments) and total comprehensive income/(loss) (before consolidated adjustments) of ₹ 0.46 lakhs for the year ended 31st March 2024 and net cash flow/(outflow) ₹ 4.04 lakhs for year ended 31st March 2024, as considered in the standalone financial statements, which have not been audited by us. These financial information are unaudited and have been furnished to us by the Management and our opinion and conclusion on the statement, in so far as it relates to the amounts and disclosures included in respect of this entity, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, these financial information are not material to the Group.

Our report on the Statement is not modified in respect of the above matter with respect to our reliance on the financial information certified by the Board of Directors.

- e) The Consolidated financial statements also include the Group's share of net profit of and Rs. Nil lakhs for the year ended 31st March 2024, 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 year as the end of the year. In our opinion and according to the information and explanations given to us by the management, the financial information is not material to the Group.

Our report on the Statement is not modified in respect of the above matter with respect to our reliance on the financial information certified by the Board of Directors. Report on Other Legal and Regulatory Requirements

- A. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 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 the subsidiary companies and associate companies, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure I" a statement on the matters specified in paragraph 3(xxi) of the Order
- B. 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 Ind AS 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

Independent Auditor's Report (Contd.)

- with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- d) In our opinion, the aforesaid consolidated Ind AS 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, 2024 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, 2024 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 II", 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 Ind AS Financial Statements disclose the impact if any, of pending litigations as at March 31, 2024 on its financial position in its consolidated Ind AS 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.
 - iv. (a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds (which are material either

Independent Auditor's Report (Contd.)

- individually or in the aggregate) have been received by the respective Holding Company or any of such subsidiaries from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement
- v. The dividend declared or paid during the year by the Holding company and subsidiary companies incorporated in India, is in compliance with section 123 of the Act.
- vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit and on the basis of test checking of selected samples, we did not come across any instance of audit trail feature being tampered with.

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

Mohan R Lavi
Partner

Place: Bengaluru
Date: 29th May 2024.

Membership No. 029340
UDIN: 24029340BKGBF2983

ANNEXURE I

TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF KNR CONSTRUCTIONS LIMITED

In terms of the information and explanations sought by us and given by the company and to the best of our knowledge and belief, we state that:

- 3 (xxi) There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated Ind AS financial statements.

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

Mohan R Lavi
Partner
Membership No. 029340
UDIN: 24029340BKGBF2983

Place: Bengaluru
Date: 29th May 2024.

ANNEXURE II

TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS 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, 2024 in conjunction with our audit of the consolidated Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 the consolidated Ind AS financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

A company's internal financial control over financial reporting with reference to these consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Ind As 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 Ind AS 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;

ANNEXURE II (Contd.)

2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of the consolidated Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 consolidated Ind AS financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated Ind AS 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 Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to the consolidated Ind AS 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 Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2024, 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 the consolidated Ind AS financial statements of the Holding Company, in so far as it relates to these 11 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

Mohan R Lavi
Partner

Place: Bengaluru
Date: 29th May 2024.

Membership No. 029340
UDIN: 24029340BKBGBF2983

Consolidated Balance Sheet

as at March 31, 2024

Particulars	Note	(₹ in Lakhs)	
		As At March 31, 2024	As At March 31, 2023
I ASSETS			
1) Non-current assets			
a) Property, plant and equipment	3	40,302.43	44,803.06
b) Capital work-in-progress	3.1	218.43	251.01
c) Right of use asset		455.32	691.92
d) Investment property	3.2	13,751.66	13,272.42
e) Other intangible assets	3.3	26,126.57	30,281.50
f) Financial assets			
i) Investments	4	7,554.33	5,702.41
ii) Trade receivables	5	4,172.00	2,953.00
iii) Other financial assets	6	1,85,914.45	84,137.06
g) Deferred tax assets (net)	7	13,674.51	12,293.45
h) Non-current tax assets (net)	8	4,742.12	3,422.74
i) Other non-current assets	9	34,590.54	20,473.47
Total Non-current assets		3,31,502.36	2,18,282.04
2) Current assets			
a) Inventories	10	22,087.42	23,422.70
b) Financial assets			
i) Investments	4	3,964.30	1,532.39
ii) Trade receivables	5	67,398.39	62,289.70
iii) Cash and cash equivalents	11	35,638.01	19,097.53
iv) Bank balances, other than (iii) above	12	5,451.21	2,922.28
v) Loans	13	184.46	11.14
vi) Other financial assets	6	92,941.06	83,516.58
c) Current tax assets (net)	8	2,140.32	1,330.20
d) Other current assets	14	19,071.22	21,796.24
Total Current assets		2,48,876.39	2,15,918.76
TOTAL ASSETS		5,80,378.75	4,34,200.80
II EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	15	5,624.70	5,624.70
b) Instruments entirely equity in nature	15.5	850.00	850.00
c) Other equity	16	3,48,940.06	2,71,445.29
Equity attributable to the share holders of the Company		3,55,414.76	2,77,919.99
Non-controlling interests		(5,647.37)	(3,137.18)
Total Equity		3,49,767.39	2,74,782.81
Liabilities			
1) Non-current liabilities			
a) Financial liabilities			
i) Borrowings	17	1,16,178.65	49,162.26
ii) Lease liabilities		421.65	566.07
iii) Other financial liabilities	18	599.74	418.10
b) Provisions	20	2,168.28	1,380.05
c) Other non-current liabilities	21	1,071.60	1,127.75
Total non-current liabilities		1,20,439.92	52,654.23
2) Current liabilities			
a) Financial liabilities			
i) Borrowings	17	9,643.41	15,477.76
ii) Trade payables	19		
Dues to micro & small enterprises		140.00	167.04
Due to creditors other than micro & small enterprises		27,978.88	38,602.67
iii) Other financial liabilities	18	51,212.36	30,104.70
b) Provisions	20	6,053.09	6,200.05
c) Other current liabilities	22	14,493.47	14,576.84
d) Current tax liabilities (net)	23	650.23	1,634.70
Total current liabilities		1,10,171.44	1,06,763.76
TOTAL EQUITY AND LIABILITIES		5,80,378.75	4,34,200.80
Corporate information and Significant accounting policies	1&2		

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

For and on behalf of the Board

For K. P. Rao & Co.,
Chartered Accountants
(Firm Regn. No.003135S)

K. Narsimha Reddy
Managing Director
DIN: 00382412

K. Jalandhar Reddy
Executive Director & CFO
DIN: 00434911

Mohan R Lavi
Partner
Membership No: 029340
UDIN: 24029340BKBGBF2983

S. Vaikuntanathan
Vice President (F&A)

V. Haritha
Company Secretary

Place : Hyderabad
Date : May 29, 2024

Consolidated Statement of Profit and Loss

for the year ended March 31, 2024

(₹ in Lakhs)

Particulars	Note	Year ended March 31, 2024	Year ended March 31, 2023
INCOME			
I Revenue from operations	24	4,42,948.64	4,06,235.97
II Other income	25	14,469.09	3,667.67
III Total Income (I + II)		4,57,417.73	4,09,903.64
IV Expenses			
Cost of materials consumed	26	1,66,015.29	1,49,474.45
Construction expenses	27	1,38,667.68	1,31,943.58
Construction cost under service concession arrangements		4,314.71	5,181.41
Employee benefits expense	28	17,419.23	17,420.51
Finance costs	29	10,567.40	15,307.60
Depreciation and amortisation expense	3 & 30	15,683.13	18,070.09
Other expenses	31	11,756.16	10,484.62
Total expenses (IV)		3,64,423.60	3,47,882.26
V Profit/(Loss) before share of Profit/(Loss) from Associates and Joint Controlled entities (III-IV)		92,994.13	62,021.38
VI Share of Profit/(Loss) from Associates and Joint controlled entities		1,851.92	(81.17)
VII Profit/(Loss) before exceptional items and tax (V + VI)		94,846.05	61,940.21
VIII Exceptional items - Expenses/(Income)	32	-	(6,184.49)
IX Profit/(Loss) before tax (VII-VIII)		94,846.05	68,124.70
X Tax expense	33		
1) Current tax		20,319.37	18,119.53
2) Adjustment of tax relating to earlier periods		832.22	3,139.40
3) Deferred tax		(1,535.23)	2,924.83
		19,616.36	24,183.76
XI Profit/(Loss) for the year (IX- X)		75,229.69	43,940.94
XII Other comprehensive Income/(loss)	34		
a) Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		612.14	67.76
Deferred Tax on above items		(154.16)	(16.94)
b) Items that will be reclassified to profit or loss		-	-
XIII Total Comprehensive Income for the period (XI+XII) (Comprising Profit/(Loss) and Other Comprehensive Income for the period)		75,687.67	43,991.76
Profit/(loss) attributable to (XI):			
Owners of the Company		77,739.88	45,801.42
Non-controlling interests		(2,510.19)	(1,860.48)
		75,229.69	43,940.94
Total comprehensive income attributable to (XIII):			
Owners of the Company		78,197.86	45,852.24
Non-controlling interests		(2,510.19)	(1,860.48)
		75,687.67	43,991.76
XIV Earnings per equity share: (In ₹)	38		
1) Basic		27.64	16.29
2) Diluted		27.64	16.29
Corporate information and Significant accounting policies	1 & 2		

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

For and on behalf of the Board

For K. P. Rao & Co.,
Chartered Accountants
(Firm Regn. No.003135S)

Mohan R Lavi
Partner
Membership No: 029340
UDIN: 24029340BKGBF2983

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

Place : Hyderabad
Date : May 29, 2024

Consolidated Statement of Changes In Equity

for the year ended March 31, 2024

A - EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	Number	Amount
As at April 01, 2022	28,12,34,600	5,624.70
Add/Less: Changes in equity share capital during the year	-	-
As at March 31, 2023	28,12,34,600	5,624.70
Add/Less: Changes in equity share capital during the year	-	-
As at March 31, 2024	28,12,34,600	5,624.70

B - OTHER EQUITY

Attributable to the shareholders of the Company

(₹ in Lakhs)

Particulars	Reserves and Surplus			Items of other comprehensive income/(loss)	Instrument entirely equity in nature	Total Attributable to the shareholders of the Company	Non-controlling interests	Total
	Securities Premium	General Reserves	Retained Earnings	Other items of Other Comprehensive Income				
Balance as at April 01, 2022	9,786.96	2,849.00	2,13,876.47	(216.29)	850.00	2,27,146.14	23,144.33	2,50,290.47
Profit for the year	-	-	45,801.42	-	-	45,801.42	(1,860.48)	43,940.94
Other Comprehensive income/(loss) for the year	-	-	-	50.82	-	50.82	-	50.82
Dividends & Dividend tax paid	-	-	(703.09)	-	-	(703.09)	-	(703.09)
Increase/(decrease) in non-controlling interests due to dilution/divestment/acquisition/right issue	-	-	-	-	-	-	(24,421.03)	(24,421.03)
Balance as at March 31, 2023	9,786.96	2,849.00	2,58,974.80	(165.47)	850.00	2,72,295.29	(3,137.19)	2,69,158.11
Balance as at April 01, 2023	9,786.96	2,849.00	2,58,974.80	(165.47)	850.00	2,72,295.29	(3,137.19)	2,69,158.11
Profit for the year	-	-	77,739.88	-	-	77,739.88	(2,510.19)	75,229.69
Other Comprehensive income/(loss) for the year	-	-	-	457.98	-	457.98	-	457.98
Dividends & Dividend tax paid	-	-	(703.09)	-	-	(703.09)	-	(703.09)
Increase/(decrease) in non-controlling interests due to dilution/divestment/acquisition/right issue	-	-	-	-	-	-	-	-
Balance as at March 31, 2024	9,786.96	2,849.00	3,36,011.59	292.51	850.00	3,49,790.06	(5,647.38)	3,44,142.69

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

For and on behalf of the Board

For K. P. Rao & Co.,
Chartered Accountants
(Firm Regn. No.003135S)

K. Narsimha Reddy
Managing Director
DIN: 00382412

K. Jalandhar Reddy
Executive Director & CFO
DIN: 00434911

Mohan R Lavi
Partner
Membership No: 029340
UDIN: 24029340BKBGBF2983

S. Vaikuntanathan
Vice President (F&A)

V. Haritha
Company Secretary

Place : Hyderabad
Date : May 29, 2024

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2024

(₹ in Lakhs)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
A) Cash Flow from operating Activities		
Profit before tax	94,846.05	68,124.70
Adjustments for :		
Depreciation and Amortisation expense	15,683.13	18,070.09
Liabilities no longer required written back	(515.08)	(110.89)
Bad debts/advances written off	245.01	224.43
(Gain)/Loss on sale of property, plant and equipment	(280.15)	(128.06)
(Gain)/Loss on sale of mutual funds	(96.09)	(165.17)
(Gain) / Loss on fair value of financial instruments	(521.01)	(747.12)
Unbilled revenue written off	2,536.91	536.94
Exceptional Item	-	(6,184.49)
Provision for doubtful advances and other receivables	31.45	-
Finance Income on financial assets	(24,515.86)	(19,753.32)
Provision for periodic maintenance	1,828.33	848.81
Un winding Interest on lease liabilities	43.60	31.33
Un Winding Interest on deferment of NHAI premium	671.72	596.16
Un Winding interest on provision for MMR	-	357.14
Un Amortised processing fee	21.84	15.67
Modification gain/loss	664.37	2,484.12
Provision for Impairment on carriageway	1,200.00	-
Finance costs	9,830.24	14,307.30
Interest Income	(11,309.15)	(431.66)
	(4,480.74)	9,951.28
Operating profit/(loss) before working capital changes	90,365.31	78,075.98
Working capital adjustments:		
(Increase)/Decrease in Trade and Other receivables and prepayments	(1,07,761.86)	92,171.78
(Increase)/Decrease in Inventories	1,335.28	(682.20)
Increase/(Decrease) in Trade and other payables	10,593.54	(30,668.68)
Cash generated / (Used in) From Operations	(5,467.73)	1,38,896.88
Share of profit/(loss) of an associate and a joint venture	(1,851.92)	81.17
Income Taxes (paid) / refunds	(24,244.56)	(19,564.56)
Net Cash Flows from/(used in) Operating Activities - (A)	(31,564.21)	1,19,413.49
B) Cash Flow from Investing Activities		
Proceeds from sale of property, plant and equipment	554.02	5,993.02
Purchase of property, plant and equipment and Capital Work-in-Progress	(8,286.17)	(15,377.07)
Proceeds from sale/(purchase) of investments	(2,335.82)	6,359.19
Interest received	11,283.20	454.16

CONSOLIDATED CASH FLOW STATEMENT (Contd.)

(₹ in Lakhs)

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Bank Balances not considered as cash and cash equivalents	(2,528.93)	8,260.22
Loans to joint venture partners	(173.32)	998.50
TDS on interest received	(21.00)	(6.77)
Net Cash Flow from/ (used in) Investing Activities - (B)	(1,508.02)	6,681.25
C) Cash Flow from Financing Activities		
Proceeds from borrowings	1,31,987.37	48,084.00
Increase/(Decrease) from short term borrowings	(25.45)	25.45
Repayment of borrowings	(71,473.44)	(1,29,791.69)
Deferred payment of liability	-	(3.99)
Finance cost paid	(10,172.68)	(14,924.26)
Payment (to)/from non-controlling interest (net)	-	(24,421.03)
Dividends paid and Dividend Tax Paid	(703.09)	(703.09)
Net Cash Flow from/ (used in) Financing Activities - (C)	49,612.71	(1,21,734.61)
Net increase/ (decrease) in Cash and Cash Equivalents - (A+B+C)	16,540.48	4,360.13
Cash & Cash Equivalents at the beginning of the year	19,097.53	14,737.40
Cash & Cash Equivalents as at the end of the year (Refer Note)	35,638.01	19,097.53
Notes:		
1 Cash & Cash equivalents includes:		
Cash in Hand	50.26	58.14
Bank Balance and Cheques on hand - current account	35,587.75	19,039.39
Total Cash & Cash equivalents	35,638.01	19,097.53

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 attached

For and on behalf of the Board

For K. P. Rao & Co.,
Chartered Accountants
(Firm Regn. No.003135S)

K. Narsimha Reddy
Managing Director
DIN: 00382412

K. Jalandhar Reddy
Executive Director & CFO
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Mohan R Lavi
Partner
Membership No: 029340
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S. Vaikuntanathan
Vice President (F&A)

V. Haritha
Company Secretary

Place : Hyderabad
Date : May 29, 2024

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' 3rd & 4th 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. MATERIAL 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 (INR), 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 unrealized 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 recognized at cost, and the carrying amount is increased or decreased to recognize 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 recognizes 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 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

Notes forming part of the Consolidated financial statements (Contd.)

consolidation are drawn up to the same reporting date as that of the Holding Company, i.e. March 31, 2024.

- 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 realization 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 categorized 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).

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 categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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

Notes forming part of the Consolidated financial statements (Contd.)

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 labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

Subsequent expenditure is capitalized 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 recognized in the statement of profit and loss. Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed 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.	Buildings		
	RCC structure	60 years	60 years
	Temporary structure	3 Years	3 Years
2.	Plant and Machinery		
	Concreting, crushing, piling equipment's and road making equipment's	12 Years	7 Years */3 Years**
	Heavy Lift equipment's		
	- Cranes < 100 tons	15 Years	7 Years */3 Years**
	- Earth-moving equipment's	9 Years	7 Years */3 Years**
	Construction Accessories	12 Years	7 Years */3 Years**
	Others including Material Handling / Pipeline / Welding Equipment's	12 Years	7 Years */3 Years**
3.	Furniture and fittings	10 Years	10 Years
4.	Motor Vehicles		
	Motor cycles, Scooters and other mopeds	10 Years	10 Years
	Motor buses, motor lorries, motor cars and motor taxis	8 Years	8 Years
5.	Office equipment's	5 Years	5 Years
6.	Computers and data processing units		
	Servers and networks	6 Years	6 Years
	End user devices such as, desktops, laptop etc.,	3 Years	3 Years
7.	Laboratory equipment's	10 years	7 years *

* The Group estimated life of the asset as 7 years.

Notes forming part of the Consolidated financial statements (Contd.)

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

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

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

Government grants – Viability Gap Funding (VGF)

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

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 recognized as a liability with a present value of annual payments payable during the SCA. And the same was capitalized 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 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 derecognized upon disposal or when the investment property is permanently withdrawn

Notes forming part of the Consolidated financial statements (Contd.)

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 derecognized.

2.13 Other Intangible Assets

Other Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortization 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 capitalized as a part of the cost of the intangible assets. Intangible assets are amortized 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 realizable 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 conditions that are potentially favourable to the Entity.

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

- Amortized 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 amortized 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 amortized cost or FVTPL. A financial liability is

Notes forming part of the Consolidated financial statements (Contd.)

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

ii. De-recognition

Financial assets

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

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

iii. 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 amortized 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 recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition

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

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.

Notes forming part of the Consolidated financial statements (Contd.)

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 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 recognized 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 recognized signs of defects are encountered on identified infrastructure.

Notes forming part of the Consolidated financial statements (Contd.)

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 recognized 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.

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.

Notes forming part of the Consolidated financial statements (Contd.)

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/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 recognize 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 recognizes related restructuring costs or termination benefits.

2.24 Taxes on Income

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

Notes forming part of the Consolidated financial statements (Contd.)

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 realize 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 utilized. 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 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(INR), 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 realized 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.

Notes forming part of the Consolidated financial statements (Contd.)

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.

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 capitalized 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 recognized in the periods in which the results are known / materialize. 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, recognized 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.

Notes forming part of the Consolidated financial statements (Contd.)

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. 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.

2.32 Recent accounting pronouncements:

New and amended standards adopted by the Company

The Ministry of Corporate Affairs ("MCA") has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated March 31, 2023 to amend the following Ind AS which are effective for annual periods beginning on or after April 01, 2023. The Group has applied these amendments for the first-time in these consolidated financial statements.

Amendments to Ind AS 1 - Disclosure of accounting policies: The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments have an impact on the disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the consolidated financial statements.

Amendments to Ind AS 12 - Deferred tax related to assets and liabilities arising from a single transaction: The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases. This amendment does not have any material impact on the consolidated financial statements.

New Standards (including amendments) issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

Notes forming part of the Consolidated financial statements (Contd.)

3. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Tangible Assets		
Land - free hold *	11,463.51	10,244.90
Buildings	1,875.04	2,116.26
Plant and equipment	25,343.25	30,725.82
Furniture and fixtures	145.23	172.03
Vehicles	1,260.09	1,206.41
Office equipment	104.84	149.56
Computers & accessories	37.25	54.51
Road development	73.22	133.57
	40,302.43	44,803.06

Note: Refer note 17.1 for details of assets pledged

(₹ in Lakhs)

	Tangible Assets								Total
	Land - free hold *	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computers & accessories	Road development	
Cost									
As at April 01, 2023	10,244.90	4,612.13	1,43,922.64	528.72	3,515.16	612.84	323.77	262.25	1,64,022.41
Additions	1,218.61	77.75	6,277.34	21.50	471.36	44.60	21.77	-	8,132.93
Disposals/adjustments	-	(23.82)	(4,475.78)	(84.13)	(100.50)	(238.87)	(117.50)	-	(5,040.60)
As at March 31, 2024	11,463.51	4,666.06	1,45,724.20	466.09	3,886.02	418.57	228.04	262.25	1,67,114.74
Depreciation									
As at April 01, 2023	-	2,495.87	1,13,196.82	356.69	2,308.75	463.28	269.26	128.68	1,19,219.35
Charge for the period	-	311.43	11,424.29	44.10	408.98	77.23	33.35	60.35	12,359.73
Disposals/adjustments	-	(16.28)	(4,240.16)	(79.93)	(91.80)	(226.78)	(111.82)	-	(4,766.77)
As at March 31, 2024	-	2,791.02	1,20,380.95	320.86	2,625.93	313.73	190.79	189.03	1,26,812.31
Net Carrying Amount									
As at March 31, 2024	11,463.51	1,875.04	25,343.25	145.23	1,260.09	104.84	37.25	73.22	40,302.43
As at March 31, 2023	10,244.90	2,116.26	30,725.82	172.03	1,206.41	149.56	54.51	133.57	44,803.06

(₹ in Lakhs)

Particulars	Tangible Assets								Total
	Land - free hold *	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computers & accessories	Road development	
Cost									
As at April 01, 2022	10,218.54	4,153.99	1,33,369.50	499.39	3,360.52	542.98	287.15	262.25	1,52,694.32
Additions	78.87	458.14	13,072.45	33.67	566.91	76.25	42.15	-	14,328.44
Disposals/adjustments	(52.51)	-	(2,519.31)	(4.34)	(412.27)	(6.39)	(5.53)	-	(3,000.35)
As at March 31, 2023	10,244.90	4,612.13	1,43,922.64	528.72	3,515.16	612.84	323.77	262.25	1,64,022.41
Depreciation									
As at April 01, 2022	-	2,084.65	1,01,800.32	305.64	2,086.58	373.88	229.64	19.10	1,06,899.81
Charge for the period	-	411.22	13,518.52	51.27	456.28	89.87	40.39	109.58	14,677.13
Disposals/adjustments	-	-	(2,122.02)	(0.22)	(234.11)	(0.47)	(0.77)	-	(2,357.59)
As at March 31, 2023	-	2,495.87	1,13,196.82	356.69	2,308.75	463.28	269.26	128.68	1,19,219.35
Net Carrying Amount									
As at March 31, 2023	10,244.90	2,116.26	30,725.82	172.03	1,206.41	149.56	54.51	133.57	44,803.06
As at March 31, 2022	10,218.54	2,069.34	31,569.18	193.75	1,273.94	169.10	57.51	243.15	45,794.51

Notes forming part of the Consolidated financial statements (Contd.)

3.1 CAPITAL WORK-IN-PROGRESS

Particulars	(₹ in Lakhs)	
	As at March 31, 2024	As at March 31, 2023
Capital work-in-progress	218.43	251.01
	218.43	251.01

Particulars	(₹ in Lakhs)	
	Amount	
Cost		
As at April 01, 2023	251.01	
Additions	597.94	
Disposal/capitalised	(630.52)	
As at March 31, 2024	218.43	
Depreciation		
As at April 01, 2023	-	
Charge for the period	-	
Disposal/adjusted	-	
As at March 31, 2024	-	
Net Carrying Amount		
As at March 31, 2024	218.43	
As at March 31, 2023	251.01	

Particulars	(₹ in Lakhs)	
	Amount	
Cost		
As at April 01, 2022	2,062.00	
Additions	1,040.61	
Disposal/capitalised	(2,851.60)	
As at March 31, 2023	251.01	
Depreciation		
As at April 01, 2022	-	
Charge for the period	-	
Disposal/adjusted	-	
As at March 31, 2023	-	
Net Carrying Amount		
As at March 31, 2023	251.01	
As at March 31, 2022	2,062.00	

Ageing of Capital work-in-progress

Particulars	As at March 31, 2024					As at March 31, 2023				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	212.87	5.56	-	-	218.43	136.32	114.69	-	-	251.01
Projects temporarily suspended	-	-	-	-	-					
Total capital work-in-progress	212.87	5.56	-	-	218.43	136.32	114.69	-	-	251.01

As on the date of balance sheet, there is no capital work-in-progress project(s) whose completion is overdue or has exceeded the cost, based on the approved plan.

3.2 INVESTMENT PROPERTY

Particulars	(₹ in Lakhs)	
	As at March 31, 2024	As at March 31, 2023
Investment Property *	13,751.66	13,272.42
	13,751.66	13,272.42

* Land and investment property includes ₹1,885.66 Lakhs (P.Y ₹ 1,896.38 Lakhs) held in the name of Directors, relatives of Directors for and on behalf of the Company.

Note: Refer note 17.1 for details of assets pledged.

Notes forming part of the Consolidated financial statements (Contd.)

3.2 INVESTMENT PROPERTY (CONTD.)

(₹ in Lakhs)	
Particulars	Amount
As at April 01, 2023	13,272.42
Additions	479.24
Disposals	-
As at March 31, 2024	13,751.66
Depreciation	
As at April 01, 2023	-
Charge for the period	-
Disposal/adjusted	-
As at March 31, 2024	-
Net Carrying Amount	
As at March 31, 2024	13,751.66
As at March 31, 2023	13,272.42

(₹ in Lakhs)	
Particulars	Amount
As at April 01, 2022	9,037.56
Additions	9,457.06
Disposals	(5,222.20)
As at March 31, 2023	13,272.42
Depreciation	
As at April 01, 2022	-
Charge for the period	-
Disposal/adjusted	-
As at March 31, 2023	-
Net Carrying Amount	
As at March 31, 2023	13,272.42
As at March 31, 2022	9,037.56

3.3 OTHER INTANGIBLE ASSETS

(₹ in Lakhs)		
Particulars	As at March 31, 2024	As at March 31, 2023
Computer Software	4.38	5.12
Carriage way	26,122.19	30,276.38
Total	26,126.57	30,281.50

(₹ in Lakhs)				
Particulars	Computer software	Carriage way	Intangible assets under development	Total
Cost				
As at April 01, 2023	56.50	49,612.54	-	49,669.04
Additions	-	-	-	-
Disposals	(1.07)	(1,200.00)	-	(1,201.07)
As at March 31, 2024	55.43	48,412.54	-	48,467.97
Depreciation				
As at April 01, 2023	51.38	19,336.16	-	19,387.54
Charge for the period	0.70	2,954.19	-	2,954.89
Disposals	(1.03)	-	-	(1.03)
As at March 31, 2024	51.05	22,290.35	-	22,341.40
Net Carrying Amount				
As at March 31, 2024	4.38	26,122.19	-	26,126.57
As at March 31, 2023	5.12	30,276.38	-	30,281.50

Notes forming part of the Consolidated financial statements (Contd.)

3.2 OTHER INTANGIBLE ASSETS (CONTD.)

(₹ in Lakhs)

Particulars	Computer software	Carriage way	Total
Cost			
As at April 01, 2022	54.15	49,612.54	49,666.69
Additions	2.35	-	2.35
Disposals	-	-	-
As at March 31, 2023	56.50	49,612.54	49,669.04
Depreciation			
As at April 01, 2022	49.16	16,390.04	16,439.20
Charge for the period	2.22	2,946.12	2,948.34
Disposals	-	-	-
As at March 31, 2023	51.38	19,336.16	19,387.54
Net Carrying Amount			
As at March 31, 2023	5.12	30,276.38	30,281.50
As at March 31, 2022	4.99	33,222.50	33,227.49

4 INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
Trade - Unquoted		
a) Investment In Associate (Quasi Equity)		
Patel KNR Heavy Infrastructures Ltd.,	1,793.69	1,793.69
Total	1,793.69	1,793.69
Trade - Unquoted		
b) Equity instruments of associates (At Cost):		
Patel KNR Infrastructures Ltd.		
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	2,429.61	449.75
Net Investment (I)	3,909.61	1,929.75
Patel KNR Heavy Infrastructures Ltd.,		
95,29,500 (95,29,500) equity shares of ₹ 10/- each, fully paid	952.95	952.95
Add/(Less): Cumulative Share of Profit	1,984.72	2,112.66
Net Investment (II)	2,937.67	3,065.61
Total Equity investment in associates (I + II)	6,847.28	4,995.36
Less : Impairment Made	1,086.64	1,086.64
Net Equity investment in associates	5,760.64	3,908.72
Total Non- Current Investments (a+b)	7,554.33	5,702.41

Notes forming part of the Consolidated financial statements (Contd.)

4 INVESTMENTS (CONTD.)

(₹ in Lakhs)

Particulars			As at March 31, 2024	As at March 31, 2023
Current				
Trade - Quoted - at fair value				
c) Investments in Mutual Funds	No. of Units			
	CY	PY		
Bandhan Bond Fund - Short term Plan (Regular)	21,36,625	Nil	1,102.60	-
ICICI Prudential Floating Rate Fund-F-MF	2,65,898	Nil	1,022.76	-
SBI Corporate Bond Fund-MF	21,89,192	Nil	306.55	-
Total current investments			2,431.91	-
Trade - Unquoted				
d) Current Accounts in Joint Venture				
SEL - KNR JV			1,532.39	1,532.39
Total Current Investments (c+d)			3,964.30	1,532.39
Total Investments (a+b+c+d)			11,518.63	7,234.80
Total Investments				
i) Aggregate amount of amortised cost of unquoted investments - Non Current (a)			1,793.69	1,793.69
ii) Aggregate amount of unquoted equity investments in Associates - Non Current (b)			6,847.28	4,995.36
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)			2,431.91	-
v) Aggregate amount of unquoted investments - Current (d)			1,532.39	1,532.39
			11,518.63	7,234.80

Note : Aggregate market value of quoted investments is ₹ 2,431.91 Lakhs (March 31, 2023 is ₹ Nil Lakhs)

5. TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
Unsecured, considered good		
Trade Receivables (Arbitration Award Claims from JV's)	1,851.50	2,953.00
Trade Receivables (Arbitration Award Claims from others)	2,320.50	-
	4,172.00	2,953.00
Current		
Unsecured, considered good		
Trade Receivables	67,398.39	62,289.70
Unsecured, considered doubtful		
Trade Receivables	212.54	194.40
Less: Provision for doubtful Trade Receivables	(212.54)	(194.40)
Total Current Trade Receivables	67,398.39	62,289.70
Total	71,570.39	65,242.70

Notes forming part of the Consolidated financial statements (Contd.)

5. TRADE RECEIVABLES (CONTD.)
5.1 AGEING OF TRADE RECEIVABLES:

(₹ in Lakhs)

Particulars	Outstanding for the following periods from the due date of payment					Total
	Less than 6 months*	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
As on March 31, 2024						
Undisputed Trade Receivables - Considered Good	57,143.49	7,211.49	2,145.01	59.30	5,011.11	71,570.40
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	18.54	194.00	212.54
Undisputed Trade Receivables – credit impaired	-	-	-	(18.54)	(194.00)	(212.54)
Disputed Trade receivables - Considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	57,143.49	7,211.49	2,145.01	59.30	5,011.11	71,570.40

(₹ in Lakhs)

As on March 31, 2023						
Undisputed Trade Receivables - Considered Good	36,926.83	10,021.36	17,310.73	277.43	706.35	65,242.70
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	194.00	194.00
Undisputed Trade Receivables – credit impaired	-	-	-	-	(194.00)	(194.00)
Disputed Trade receivables - Considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	36,926.83	10,021.36	17,310.73	277.43	706.35	65,242.70

6 OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
Unsecured, considered good:		
Financial Asset Receivable	1,85,839.50	81,362.11
Retention deposits & With Held	46.13	46.13
Advances to Sub-contractors	28.82	28.82
Receivable from WVEPL	-	2,700.00
Total Non-Current Other Financial Assets	1,85,914.45	84,137.06
Current		
Unsecured, considered good:		
Financial Asset Receivable	5,034.11	-
Advances to related parties (Refer note : 40)	416.41	37.12

Notes forming part of the Consolidated financial statements (Contd.)

6 OTHER FINANCIAL ASSETS (CONTD.)

Particulars	(₹ in Lakhs)	
	As at March 31, 2024	As at March 31, 2023
Retention Deposits & Withheld	27,554.72	28,789.64
Interest receivable	49.92	23.97
Security Deposits	1,953.78	2,173.13
Other Receivables	3,359.21	2,739.03
Unbilled Revenue	49,758.71	44,898.54
Receivable from WVEPL	1,408.13	1,449.08
Receivable from SPV's	3,406.07	3,406.07
Unsecured, considered doubtful:		
Security Deposits	85.82	85.82
Less: Provision for doubtful Security Deposits	(85.82)	(85.82)
Other Receivables	201.20	187.89
Less: Provision for doubtful Others	(201.20)	(187.89)
Retention Deposits	14.91	14.91
Less: Provision for Retention Deposits	(14.91)	(14.91)
Total Current Other Financial Assets	92,941.06	83,516.58
Total	2,78,855.51	1,67,653.64

7 DEFERRED TAX ASSETS (NET)

	(₹ in Lakhs)	
	As at March 31, 2024	As at March 31, 2023
Deferred tax assets	13,404.98	12,101.22
MAT credit entitlement	269.53	269.53
Deferred tax liabilities	-	(77.30)
Total	13,674.51	12,293.45

7.1 Components of deferred income tax assets and liabilities arising on account of temporary differences are:

	(₹ in Lakhs)	
	As at March 31, 2024	As at March 31, 2023
Deferred tax assets		
Expenditure disallowed under Income Tax Act, 1961	300.84	270.28
Provision for doubtful advances	1457.56	455.57
Deferred tax on fair value of investment of properties	1,967.87	1,796.77
Property, plant and equipment	9,678.71	9,578.60
MAT credit entitlement	269.53	269.53
Total	13,674.51	12,370.75
Deferred tax liabilities		
On OCI (Gratuity)	-	(77.30)
Total	13,674.51	12,293.45

Notes forming part of the Consolidated financial statements (Contd.)

8 TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
Advance Tax	4,742.12	3,422.74
	4,742.12	3,422.74
Current		
Advance Tax	2,140.32	1,330.20
	2,140.32	1,330.20
Total	6,882.44	4,752.94

9 OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Un-secured Considered good		
Capital advances	261.10	554.52
Security Deposits	1,643.35	507.74
Dues from Statutory authorities	32,686.09	19,411.21
Unsecured, considered doubtful:		
Capital advances	9.71	9.71
Less: Provision for Capital Advances	(9.71)	(9.71)
Total	34,590.54	20,473.47

10 INVENTORIES

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Raw materials	9,763.45	10,490.83
Goods-in transit	369.07	630.82
Stores and spares	11,573.70	12,106.99
Goods-in transit	381.20	194.06
Total	22,087.42	23,422.70

Notes forming part of the Consolidated financial statements (Contd.)

11 CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks:		
in current accounts	35,127.72	19,039.39
Cheques on hand	460.03	-
Cash on hand	50.26	58.14
Total	35,638.01	19,097.53

12 OTHER BANK BALANCES

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Earmarked balances with Banks		
Margin Money & Other fixed deposits	5,444.58	2,916.29
Un-claimed Dividend	6.63	5.99
Total	5,451.21	2,922.28

13 LOANS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Unsecured, considered good:		
Loans to		
Joint Venture Partners (Refer note : 13.1)	184.46	11.14
Total	184.46	11.14

13.1 All the loans to joint venture partners are interest bearing.

14 OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Un-secured Considered good		
Advances to Sub-contractors	14,199.57	15,813.19
Advances to Suppliers (Other than capital advances)	2,291.23	4,645.26
Staff Imprest & Salary Advances	390.65	332.50
Prepaid expenses	811.60	790.48
Receivables from Others	1,378.17	214.81

Notes forming part of the Consolidated financial statements (Contd.)

14 OTHER CURRENT ASSETS (CONTD.)

Particulars	(₹ in Lakhs)	
	As at March 31, 2024	As at March 31, 2023
Considered doubtful		
Advances to Sub-contractors	59.11	59.11
Less: Provision for doubtful trade receivables	(59.11)	(59.11)
Total	19,071.22	21,796.24

15 EQUITY SHARE CAPITAL

Particulars	(₹ in Lakhs)			
	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	Amount in Lakhs	No. of Shares	Amount in Lakhs
Authorised Share capital				
Equity Shares of ₹ 2/- each	30,00,00,000	6,000.00	30,00,00,000	6,000.00
Issued, subscribed & fully paid share capital				
Equity Shares of ₹ 2/- each	28,12,34,600	5,624.70	28,12,34,600	5,624.70
Total	28,12,34,600	5,624.70	28,12,34,600	5,624.70

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

Particulars	(₹ in Lakhs)			
	As at March 31, 2024		As at March 31, 2023	
	No. of Shares (FV of ₹ 2)	Amount in Lakhs	No. of Shares (FV of ₹ 2)	Amount in Lakhs
Number of Equity Shares at the beginning	28,12,34,600	5,624.70	28,12,34,600	5,624.70
Add: Number of Shares Issued	-	-	-	-
Less: Number of Shares Brought Back	-	-	-	-
Number of Equity Shares at the end of the year	28,12,34,600	5,624.70	28,12,34,600	5,624.70

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 29, 2024 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, 2024 and March 31, 2023:

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	% holding	No. of Shares	% holding
Kamidi Narsimha Reddy	9,14,20,000	32.51	9,04,20,000	32.15
Kamidi Jalandhar Reddy	3,77,59,210	13.43	3,77,59,210	13.43
HDFC Trustee Company Ltd	-	-	1,85,42,546	6.59
DSP Flexi Cap Fund	-	-	1,81,08,779	6.44
HDFC Midcap opportunities fund	2,39,41,391	8.51	-	-

Notes forming part of the Consolidated financial statements (Contd.)

15 EQUITY SHARE CAPITAL (CONTD.)

15.3 For the period of five years immediately preceding reporting period

- i) Shares allotted as fully paid-up pursuant to contract(s) without payment being received in cash. - Nil
- ii) Aggregate Number and class of shares allotted as fully paid up by way of bonus shares.

Particulars	No. of shares	₹ In Lakhs
Equity share of ₹ 2/- each	14,06,17,300	2,812.35

- iii) Shares which were bought back in any of the years. - Nil
- iv) Calls unpaid by any director or officer of the Company during the year. - Nil

15.4 Shareholding of Promoters / Promoter group:

Promoter / Promoter group Name	As at March 31, 2024			As at March 31, 2023		
	No. of Shares	% Of Total Shares	% Change during the year	No. of Shares	% Of Total Shares	% Change during the year
Kamidi Narsimha Reddy	9,14,20,000	32.51%	1.11%	9,04,20,000	32.15%	0.47%
Kamidi Jalandhar Reddy	3,77,59,210	13.43%	0.00%	3,77,59,210	13.43%	0.00%
Kamidi Yashoda	80,15,010	2.85%	0.00%	80,15,010	2.85%	0.00%
Merreddy Rajesh Reddy	65,00,000	2.31%	(13.33%)	75,00,000	3.20%	(16.67%)

15.5 Instruments Entirely equity in nature

Particulars	(₹ in Lakhs)	
	As at March 31, 2024	As at March 31, 2023
Loan from Promoter of SPV	850.00	850.00
	850.00	850.00

16 OTHER EQUITY

Particulars	(₹ in Lakhs)	
	As at March 31, 2024	As at March 31, 2023
a) Securities premium reserve	9,786.96	9,786.96
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	2,58,974.80	2,13,876.47
Add: (Loss)/ Profit for the period	77,739.88	45,801.42
Less: Dividend paid	(703.09)	(703.09)
	3,36,011.59	2,58,974.80
d) Other Comprehensive Income - Gratuity	292.51	(165.47)
Balance at the end of the period (a+b+c+d)	3,48,940.06	2,71,445.29

Notes forming part of the Consolidated financial statements (Contd.)

17 BORROWINGS

Particulars	(₹ in Lakhs)	
	As at March 31, 2024	As at March 31, 2023
Non-current		
Secured loans		
From banks		
Term loans (refer note: 17.4)	1,10,210.51	43,865.84
	1,10,210.51	43,865.84
Unsecured loans		
Deferred Payment Liability - NHAI Premium	5,968.14	5,296.42
	5,968.14	5,296.42
Total non-current borrowings	1,16,178.65	49,162.26
Current		
Secured loans From Banks		
Term Loan (refer note: 17.4)	9,643.41	15,452.31
Working capital demand loans (refer note: 17.1 and 17.2)	-	25.45
Total current borrowings	9,643.41	15,477.76
Total	1,25,822.06	64,640.02

17.1 Working Capital Facilities: Cash Credit facilities from consortium of banks are secured by:

- Hypothecation of entire current assets on pari passu basis with other participating banks
- First pari passu charge on equitable mortgage of certain land & buildings
- Hypothecation of certain movable fixed assets of written down value as on 31.03.2022 is ₹ 110.03 Crores
- Personal guarantee of Director.

17.2 The interest rate for working capital demand loan and cash credit facilities varies from 8.15% to 10.05% per annum

17.3 The quarterly returns of current assets filed by the Company with banks are in agreement with the books of account.

17.4 Term Loans of Subsidiaries:

for KNR Muzaffarpur Barauni Tollway Private Limited

Terms of security

- Mortgage /charge over the Company's immovable and movable properties (other than project assets but including all receivables) both present and future;
- Charge/assignment of revenues receivables
- Charge over /assignment of the rights, titles and interests of the Company in to and in respect of all project agreements (in accordance with concession agreement).
- Assignment of insurance policies, interest, benefits, claims, guarantees ,performance bonds and liquidated damages;
- Pledge of 51% of the fully paid up Equity share capital of the Company;
- The aforesaid charge will rank Pari - Passu with the mortgages and charges created/to be created in favour of participating institutions/banks.

Repayment Terms : The above loan is repayable in fifty quarterly unequal instalments ranging from ₹ 0.16 Crores to ₹ 10.94 Crores beginning from 1st January, 2017 to April 01, 2030. The numbers of balance instalments as on 31st March, 2024 are 21. The interest charged by the lenders is at PNB 1year MCLR + Spread of 1.95% p.a. and Interest is payable monthly.

Notes forming part of the Consolidated financial statements (Contd.)

17 BORROWINGS (CONTD.)

For KNR Palani Infra Pvt Ltd

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 expect 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 March 31, 2024 the Company has outstanding term loan of ₹ 23,840.00 Lakhs at the interest rate of Axis 1 year MCLR P.a. and The numbers of balance instalments as on March 31, 2024 are 25.

For KNR Ramanattukara Infra Pvt Ltd

Terms of Security :

- a) A first charge on all the Borrower's tangible movable assets and all other movable assets both present and future save and except the 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 Projects 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) Hypothecation 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) Hypothecation of all applicable insurance policies.
- f) Pledge of 51% equity shares and preference shares (subject to regulatory compliance) of the borrower till the facilities is entirely repaid.
- g) Non disposal undertaking on balance 49% equity shares and preference shares.
- h) Pledge of 100% over NCDs /CCDs extended by Sponsor to Borrower, if funds are infused by Sponsor in the form of above instruments.

Repayment Terms: As on March 31, 2024 the Company has availed a Term loan of ₹ 30,000.00 Lakhs at the interest rate of HDFC 1 Year MCLR + spread of 0.80% P.a. and the term loan is repayable in 26 semi annual instalments starting from Q3 of FY 2025-26.

Notes forming part of the Consolidated financial statements (Contd.)

17 BORROWINGS (CONTD.)

For KNR Guruvayur Infra Pvt Ltd

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 expect 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 March 31, 2024 the Company has availed a long term loan of ₹30,000 Lakhs at the interest rate of SBI 6M MCLR+Spread of 1.05%, which is repayable in 26 semi annual instalments starting from Q3 of FY 2025-26.

For KNR Ramagiri Infra Pvt Ltd

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 fixed assets & 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 expect the Project Assets;
- c) A first charge over all accounts of the Borrower including but not limited to 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 Charge over book debts, Operating Cash flows, commissions, revenues of whatsoever nature & the receivables
- e) 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."
- f) a first ranking pari passu charge 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.
- g) Hypothecation of all applicable insurance policies.
- h) 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."

Notes forming part of the Consolidated financial statements (Contd.)

17 BORROWINGS (CONTD.)

- i) Non disposal undertaking on balance 49% of the stake.

Repayment Terms : As on March 31, 2024 the Company has availed a short term loan of ₹8,567.83 Lakhs at the interest rate of Axis 3 months MCLR + spread of 0.35% P.a and the entire loan will be repaid by 31st December 2024

For KNR Somwarpet Infra Projects Pvt Ltd

Terms of Security :

- 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 expect the Project Assets;
- A first charge over all accounts of the Borrower including the Escrow Account and the Sub-Accounts (or any account in substitution thereof) that may be opened in accordance with Escrow Agreement and the Supplementary Escrow Agreement, or any of the other Project Documents.
- A first charge on all the borrower Current assets and receivables, revenues of including but not limited to Book Debts, operating cashflows, termination payments, commissions, revenues of whatsoever nature.
- A first charge on all intangibles assets including but not limited to goodwill, rights, undertaking and uncalled capital present and future excluding the Project Assets.
- A pledge of 51% of the paid up share capital of the Borrower held by the Promoter in the Borrower till the Final Settlement Date.
- Non disposal undertaking on balance 49% of the stake.

Repayment Terms: As on March 31, 2024 the Company has outstanding term loan of ₹ 11,268.00 Lakhs at the interest rate of Tata Cleantech capital limited at NPLR-LT Less Spread 9.10% p.a. and The numbers of balance instalments as on 31st March, 2024 are 11.

18 OTHER FINANCIAL LIABILITIES

Particulars	(₹ in Lakhs)	
	As at March 31, 2024	As at March 31, 2023
Non-current		
Interest on NHAI Premium Payable	577.57	395.93
Other Payables	22.17	22.17
Total non-current other financial liabilities	599.74	418.10
Current		
Interest accrued but not due on other than Mobilisation Advance	100.07	1.93
Interest accrued but not due on Mobilisation Advance	208.69	649.27
Advance Received from Related Parties (Refer note : 40)	21.50	21.50
Unclaimed dividend (Refer note : 18.1)	6.71	6.07
Retention Deposits and With held	14,158.41	11,869.87
Security Deposits	660.98	836.68
Advance Received from Clients	10.24	-
Unearned Revenue	33,185.66	14,317.50
Outstanding Expenses	2,860.10	2,401.88
Total current other financial liabilities	51,212.36	30,104.70
Total	51,812.10	30,522.80

18.1 During the year, an un-paid dividend amount of ₹ 47,502 /- for relating to F.Y 2015-16 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.

Notes forming part of the Consolidated financial statements (Contd.)

19 TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Trade payables (Refer note 19.1)		
Dues to Micro & Small Enterprises	140.00	167.04
Dues to creditors other than Micro & Small Enterprises (Refer note 19.2)	16,108.11	15,691.48
Bills Payable (Sub-contractors/Labour/Service)	11,870.77	22,911.19
Total current trade payables	28,118.88	38,769.71
Total	28,118.88	38,769.71

19.1 Ageing for trade payables from the due date of payment

(₹ in Lakhs)

Particulars	Less than one year	1-2 years	2-3 years	More than 3 years	Total
As on March 31, 2024					
Undisputed dues of micro enterprises and small enterprises	140.00	-	-	-	140.00
Undisputed dues of creditors other than micro enterprises and small enterprises	22,510.81	1,424.43	323.18	3,720.46	27,978.88
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Total	22,650.81	1,424.43	323.18	3,720.46	28,118.88

(₹ in Lakhs)

Particulars	Less than one year	1-2 years	2-3 years	More than 3 years	Total
As on March 31, 2023					
Undisputed dues of micro enterprises and small enterprises	167.04	-	-	-	167.04
Undisputed dues of creditors other than micro enterprises and small enterprises	33,986.53	1,421.75	590.60	2,603.79	38,602.67
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Total	34,153.57	1,421.75	590.60	2,603.79	38,769.71

Notes forming part of the Consolidated financial statements (Contd.)

19 TRADE PAYABLES (CONTD.)

19.2 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, 2024	As at March 31, 2023
a) Principal amount remaining unpaid	140.00	167.04
b) Interest due thereon	-	0.50
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	0.92	0.92
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	-	0.92

20 PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current		
Provision for employee benefits		
Gratuity (Refer note : 39)	668.80	1,155.02
Provision for contractual obligations (Refer note : 20.1)	1,499.48	225.03
Total non-current provisions	2,168.28	1,380.05
Current		
Provision for Capital expenditure (Refer note : 20.2)	741.50	741.50
Provision for Expenses	608.47	1,258.26
Provision for employee benefits:		
Gratuity (Refer note : 39)	192.12	200.29
Provision for contractual obligations (Refer note : 20.1)	4,511.00	4,000.00
Total current provisions	6,053.09	6,200.05
Total	8,221.37	7,580.10

Notes forming part of the Consolidated financial statements (Contd.)

20 PROVISIONS (CONTD.)

20.1 In respect of subsidiaries, KNR Muzaffarpur Barauni Tollway Pvt Ltd, KNR Palani Infra Pvt Ltd and KNR Somwarpet Infra Project Pvt Ltd 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

Movement of Provision

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	4,225.03	5,257.55
Provision made during the year	1,828.33	2,153.08
Un winding Interest on MMR	-	357.14
Provision utilised during the year	-	-
Provision reversed during the year	(42.88)	(3,542.74)
Balance as at end of the year	6,010.48	4,225.03

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, 2024	As at March 31, 2023
Security Deposits	262.98	319.13
Advance received from clients	808.62	808.62
Total	1,071.60	1,127.75

22 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Mobilisation Advance received from clients - Others	4,156.94	5,718.84
Security deposits	1,035.58	919.73
Dues to statutory authorities	9,166.57	7,385.29
Others	134.38	552.98
Total	14,493.47	14,576.84

Notes forming part of the Consolidated financial statements (Contd.)

23 CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Income Tax Provision	20,444.39	18,190.66
Less: Advance tax paid	(19,794.16)	(16,555.96)
Total	650.23	1,634.70

24 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Income from Contracts & Services	4,02,066.73	3,74,010.19
Construction Income	4,314.71	3,774.18
Other Operating Income	36,567.20	28,451.60
Total	4,42,948.64	4,06,235.97

25 OTHER INCOME

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest Income	11,309.15	431.66
Interest Income on fair value of interest free loans	521.01	747.12
Gain/(Loss) on fair value of FD	77.91	65.83
Interest on Income tax refunds	63.62	168.71
Profit on sale of mutual Funds	96.09	165.17
Gain on foreign currency transactions	-	2.57
Other non-operating income		
Profit on Sale of Assets	381.72	212.67
Discount Received from suppliers	814.15	672.12
Liabilities no longer required written back	515.08	110.89
Insurance Claim Received	89.36	145.68
Gain on fair value of Mutual funds	31.90	7.46
Miscellaneous Income	569.10	937.79
Total	14,469.09	3,667.67

Notes forming part of the Consolidated financial statements (Contd.)

26 COST OF MATERIALS CONSUMED

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2024	Year ended March 31, 2023
Construction Materials, Stores & Spares		
Opening Stock	23,422.69	22,740.50
Add: Net Purchases	1,64,680.02	1,50,156.65
	1,88,102.71	1,72,897.15
Less: Closing Stock	22,087.42	23,422.70
Total Consumption	1,66,015.29	1,49,474.45

27 CONSTRUCTION EXPENSES

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2024	Year ended March 31, 2023
Sub-contract expenses	19,242.80	33,423.64
Spreading & Assortment exp.	89,744.92	75,121.29
Power and Fuel	1,460.80	1,195.36
Seigniorage charges / Royalty	4,157.06	3,531.73
Transport Charges	8,547.75	6,043.43
Hire Charges	2,311.79	1,738.81
Watch & Ward	815.78	666.72
Other Recoveries by Clients	1,303.86	395.75
Repairs to Others	239.72	251.42
Repairs to Machinery	547.47	424.25
Repairs to Vehicles	1,122.97	825.36
Toll Maintenance Expenses	215.15	215.15
Periodic / Major maintenance expenditure	1,828.33	2,153.08
Premium expenses	-	2.11
Repairs & Maintenance - DLP	-	6.17
Operation and Maintenance expenses - Routine	-	876.03
Other Construction Expenses	7,129.28	5,073.28
Total	1,38,667.68	1,31,943.58

Notes forming part of the Consolidated financial statements (Contd.)

28 EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, Wages and Other Benefits	16,901.29	16,920.47
Contribution to Provident and Other Funds (Refer note : 39)	330.32	316.97
Staff welfare Expenses	187.62	183.07
Total	17,419.23	17,420.51

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

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest Expense on		
Working capital demand loans and cash credit	363.22	282.87
Term Loans	7,551.51	6,881.21
Interest on Unsecured Debentures	-	1,000.90
Interest on secured NCDs	-	1,646.32
Interest on Mobilisation Advance	284.56	1,044.17
Others	416.32	292.75
Unwinding Interest	737.16	1,853.55
Interest on Income Tax	597.62	1,195.07
	9,950.39	14,196.84
Other Borrowing Costs		
Processing charges	192.44	204.92
BG / LC charges	388.50	476.23
Bank and Other Financial Charges	36.07	429.61
Total	10,567.40	15,307.60

30 DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation & Amortisation	15,314.62	17,625.47
Depreciation & Amortisation - Right of Use assets	368.51	444.62
Total	15,683.13	18,070.09

Notes forming part of the Consolidated financial statements (Contd.)

31. OTHER EXPENSES

(₹ in Lakhs)		
Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Travelling & Conveyance	388.43	358.38
Postage, Telegrams and Telephones	66.52	70.79
Business Promotion expenses	15.10	112.99
Advertisement and publicity	7.15	23.29
Legal & Professional charges	2,700.64	1,408.76
Insurance	1,468.84	1,217.06
Rates and taxes excluding taxes of Income	672.56	772.31
Payments to the Auditor	32.58	35.29
Printing & Stationery	143.94	146.28
Tender expenses	40.40	167.83
Office maintenance	153.96	143.53
Rent expenses	616.74	580.45
Electricity charges	871.15	827.35
Directors Sitting fees	51.50	58.20
Loss on sale of Assets	101.57	84.61
Bad Debts / Advances Written off	245.01	224.43
Provision for Doubtful Advances, Receivables and Deposits	31.45	-
Donation	1,068.19	185.79
CSR Expenses (Refer note 31.1)	968.40	811.77
Interest on Statutory Dues	21.35	32.15
Modification gain/loss	664.37	2,484.12
Provision for Impairment of Investments	1,200.00	-
Miscellaneous expenses	226.31	739.24
Total	11,756.16	10,484.62

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.

Notes forming part of the Consolidated financial statements (Contd.)

31. OTHER EXPENSES (CONTD.)

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.

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
a) Amount required to be spent by the Company during the year	1,206.36	902.89
b) Amount of expenditure incurred	968.40	811.77
c) Shortfall at the end of the year	237.96	91.12
d) Total of previous year's shortfall	428.22	190.26
e) Reason for shortfall	The Shortfall is Due to Ongoing Projects and the said amount is transferred to unspent account as per the provisions of Companies Act	The Shortfall is Due to Ongoing Projects and the said amount is transferred to unspent account as per the provisions of Companies Act
f) Nature of CSR activities		
1. Construction / acquisition of any assets	125.14	304.22
2. On Purposes other than (1) above	843.26	507.55
g) Details of related party transactions	Nil	Nil
h) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.	Since no provision is made for short fall the amount is shown as Nil	Since no provision is made for short fall the amount is shown as Nil

32. EXCEPTIONAL ITEMS

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Loss / (Profit) on Sale of Investments	-	(6,184.49)
Total	-	(6,184.49)

33. TAX EXPENSE

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
A - Current Tax		
Current tax on profits for the year	20,319.37	18,119.53
Adjustments in respect of prior years	832.22	3,139.40
Sub-Total	21,151.59	21,258.93
B - Deferred Tax		
Deferred Tax Liability / (Asset) due to timing difference	(1,535.23)	2,924.83
Sub-Total	(1,535.23)	2,924.83
Total	19,616.36	24,183.76

Notes forming part of the Consolidated financial statements (Contd.)

33. TAX EXPENSE (CONTD.)

33.1 Reconciliation of tax expenses to accounting profit

(₹ in Lakhs)		
Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Accounting profit before tax	94,846.05	68,124.70
Enacted tax rates in India	25.17%	25.17%
Tax	23,870.85	17,145.62
Adjustments		
Effect of income exempt from taxation	45.93	(518.44)
Effect of expenses that are not deductible in determining taxable profit	(3,620.11)	(2,068.80)
Effect of capital gains	-	2,788.29
Earlier year taxes	801.95	3,139.40
Deferred tax	(1,535.23)	2,924.83
Short term capital gain on Mutual funds	22.71	-
Long term capital gain on lands	-	-
Others	30.26	772.86
Tax Expenses recognised in the statement of profit and loss	19,616.36	24,183.76
Income tax credit/(expense) recognised in Other Comprehensive Income:		
Tax effect on actuarial gains/losses on defined benefit obligations	(154.16)	(16.94)

34. OTHER COMPREHENSIVE INCOME

(₹ in Lakhs)		
Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Items that will not be reclassified to profit or loss		
i) Actuarial Gains & Losses	612.14	67.76
ii) Deferred tax	(154.16)	(16.94)
	457.98	50.82

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, 2024 and March 31, 2023 was as follows

(₹ in Lakhs)		
Particulars	March 31, 2024	March 31, 2023
Total debt	1,19,953.99	59,345.53
Less: cash and cash equivalents	41,089.22	22,019.81
Adjusted net debt	78,864.77	37,325.72

Notes forming part of the Consolidated financial statements (Contd.)

35. CAPITAL MANAGEMENT (CONTD.)

(₹ in Lakhs)		
Particulars	March 31, 2024	March 31, 2023
Total equity	3,55,414.76	2,77,919.99
Adjusted equity	3,55,414.76	2,77,919.99
Adjusted net debt to adjusted equity ratio	0.22	0.13

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, 2024

Particulars	Carrying amount			Fair Value			
	FVTPL	Amortised Cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets							
Investments in Associates	-	7,554.33	7,554.33	-	-	7,554.33	7,554.33
Other Investments	2,431.91	1,532.39	3,964.30	2,431.91	-	1,532.39	3,964.30
Trade receivables	-	71,570.39	71,570.39	-	-	71,570.39	71,570.39
Cash and cash equivalents	-	41,089.22	41,089.22	-	-	-	-
Loans	-	184.46	184.46	-	-	184.46	184.46
Other financial assets	-	2,78,855.51	2,78,855.51	-	-	2,78,855.51	2,78,855.51
	2,431.91	4,00,786.30	4,03,218.21	2,431.91	-	3,59,697.08	3,62,128.99
Financial liabilities							
Secured Bank loans	-	1,19,853.92	1,19,853.92	-	-	1,19,853.92	1,19,853.92
Deferred Payment Liability - NHAI Premium	-	5,968.14	5,968.14	-	-	5,968.14	5,968.14
Trade payables	-	28,118.88	28,118.88	-	-	28,118.88	28,118.88
Lease Liabilities	-	421.65	421.65	-	-	421.65	421.65
Other financial liabilities	-	51,812.10	51,812.10	-	-	51,812.10	51,812.10
	-	2,06,174.69	2,06,174.69	-	-	2,06,174.69	2,06,174.69

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

Notes forming part of the Consolidated financial statements (Contd.)

36. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTD.)

received or settled.

As at March 31, 2023

(₹ in Lakhs)

Particulars	Carrying amount			Fair Value			
	FVTPL	Amortised Cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets							
Investments in Associates held for sale	-	5,702.41	5,702.41	-	-	5,702.41	5,702.41
Other Investments	-	1,532.39	1,532.39	-	-	1,532.39	1,532.39
Trade receivables	-	65,242.70	65,242.70	-	-	65,242.70	65,242.70
Cash and cash equivalents	-	22,019.81	22,019.81	-	-	-	-
Loans	-	11.14	11.14	-	-	11.14	11.14
Other financials assets	-	1,67,653.64	1,67,653.64	-	-	1,67,653.64	1,67,653.64
	-	2,62,162.09	2,62,162.09	-	-	2,40,142.28	2,40,142.28
Financial liabilities							
Secured Bank loans	-	59,343.60	59,343.60	-	-	59,343.60	59,343.60
Deferred Payment Liability - NHAI Premium	-	5,296.42	5,296.42	-	-	5,296.42	5,296.42
Trade payables	-	38,769.71	38,769.71	-	-	38,769.71	38,769.71
Lease Liabilities	-	566.07	566.07	-	-	566.07	566.07
Other financial liabilities	-	30,522.80	30,522.80	-	-	30,522.80	30,522.80
	-	1,34,498.60	1,34,498.60	-	-	1,34,498.60	1,34,498.60

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.

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.

Notes forming part of the Consolidated financial statements (Contd.)

36. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTD.)

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 on March 31, 2024

(₹ in Lakhs)

Particulars	Contractual Cash flows				Total
	Carrying Amount	Upto 1 year	1 to 3 Years	More than 3 years	
Non-derivative financial liabilities					
Secured Bank loans	1,19,853.92	9,643.41	25,410.47	84,800.04	1,19,853.92
Deferred Payment Liability - NHAI Premium	5,968.14	359.00	676.00	4,933.14	5,968.14
Trade payables	28,118.88	22,650.81	1,747.61	3,720.46	28,118.88
Lease Liabilities	421.65	268.21	153.44	-	421.65
Other financial liabilities	51,812.10	15,543.63	28,496.66	7,771.82	51,812.10
	2,06,174.69	48,465.06	56,484.18	1,01,225.46	2,06,174.69

As on March 31, 2023

(₹ in Lakhs)

Particulars	Contractual Cash flows				Total
	Carrying Amount	Upto 1 year	1 to 3 Years	More than 3 years	
Non-derivative financial liabilities					
Secured Bank loans	59,343.60	17,917.75	13,329.50	28,096.35	59,343.60
Deferred Payment Liability - NHAI Premium	5,296.42	-	359.00	4,937.42	5,296.42
Trade payables	38,769.71	34,153.57	2,012.35	2,603.79	38,769.71
Lease Liabilities	566.07	249.76	316.31	-	566.07
Other financial liabilities	30,522.80	17,558.55	4,051.33	8,912.92	30,522.80
	1,34,498.60	69,879.62	20,068.49	44,550.48	1,34,498.60

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.

36. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTD.)

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, 2024	March 31, 2023
Borrowings outstanding	17	1,10,210.51	43,865.84
Borrowings Current maturities	17	9,643.41	15,477.76

(₹ in Lakhs)			
Interest Rate Risk Analysis	Impact on profit/ loss after tax		
	Year Ended March 31, 2024	Year Ended March 31, 2023	
Increase or decrease in Interest by 25bp	299.63	148.36	

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.

(₹ in Lakhs)			
Particulars	Note No.	March 31, 2024	March 31, 2023
Investments in Mutual Funds	4	2,431.91	-

Sensitivity analysis

(₹ in Lakhs)			
Price Rate Risk Analysis	Impact on profit/ loss after tax		
	Year Ended March 31, 2023	Year Ended March 31, 2024	
Increase or decrease in NAV by 2%	48.64	-	

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, 2024	March 31, 2023
i)	Contingent Liabilities		
a)	Claims against the company not acknowledged as debt #		
	1. Disputed Income tax and Interest on TDS*	33,195.19	17,994.95
	2. Disputed Sales tax/ VAT/ Entry tax/GST	9,519.79	1,312.60
	3. Disputed Service tax	607.05	607.05
	4. Disputed Customs duty	1,509.52	1,509.52
	5. Others (Civil cases)	25.69	1,341.69
	# Interest not ascertainable after the date of order, if any		
b)	Guarantees		
	Corporate guarantees given to banks and financial institutions for financial assistance extended to Joint Operations.	-	-
c)	Other money for which the company is contingently liable		
	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
	Total	44,857.24	22,765.82

*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 ₹ 4,422.19 Lakhs, for the A.Y 2006-07 to 2012-13 and A.Y 2014-15 the department has filed appeals against ITAT orders at the High Court of Judicature at Hyderabad for the State of Telangana.

The Company considers it appropriate not to create a liability for the above said amount on the basis of legal opinion and decided cases.

ii)	Commitments		
a)	Estimated amount of contracts remaining to be executed on capital account and not provided for	44.44	215.87
b)	Estimated amount of committed funding by way of equity/deemed equity to subsidiary companies	-	-
	Total	44.44	215.87
iii)	Contingent Assets		
	Arbitration claims awarded for various projects, but client not accepted (including insurance claims)	19,960.16	51,356.41

38. DISCLOSURE PURSUANT TO IND AS 33 "EARNINGS PER SHARE(EPS)

(₹ in Lakhs)

		Year ended March 31, 2024	Year ended March 31, 2023
i.	Profit (loss) attributable to equity shareholders(basic)	77,739.88	45,801.42
ii.	Weighted average number of equity shares (basic)	2,812.35	2,812.35
	Basic EPS	27.64	16.29
i.	Profit (loss) attributable to equity shareholders(diluted)	77,739.88	45,801.42
ii.	Weighted average number of equity shares (diluted)	2,812.35	2,812.35
	Diluted EPS	27.64	16.29

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, 2024	March 31, 2023
Present value of obligations as at beginning of the year	1,534.90	1,351.70
Interest cost	102.76	81.84
Current Service cost	160.58	165.75
Benefits paid	(16.65)	-
Actuarial (gain)/loss on obligations		
- Due to change in financial obligations	10.04	(62.55)
- Due to change in demographic assumption	-	11.32
- Due to experience adjustments	(615.66)	(13.16)
Past service cost	-	-
Present value of obligations as at end of year	1,175.98	1,534.90

Assets recognized in the Balance Sheet

	(₹ in Lakhs)	
	March 31, 2024	March 31, 2023
Liability at the end of the period / year	1,175.98	1,534.90
Fair value of plan assets at the end of the period /year	(315.06)	(179.58)
Amount to be recognised in Balance Sheet	860.92	1,355.32

Expenses recognized in the Statement of Profit & Loss

	(₹ in Lakhs)	
	March 31, 2024	March 31, 2023
Current service cost	160.58	165.75
Interest cost	92.25	73.20
Expected return on plan assets	-	-
Net Actuarial (gain)/loss recognized in the year	-	-
Expenses recognized in statement of profit and loss	252.84	238.95

Amount recognized in statement of OCI

	(₹ in Lakhs)	
	March 31, 2024	March 31, 2023
Remeasurement for the period - Obligation (gain)/loss	(67.76)	(67.76)
Remeasurement for the period - plan assets (gain)/loss	-	-
Total Remeasurement cost / (credit) for the period recognised in OCI	(612.14)	(67.76)
Closing amount recognised in OCI	(612.14)	(67.76)

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 :

- Patel KNR Infrastructures Ltd.,
- Patel KNR Heavy Infrastructures Ltd.,

(ii) Joint Venture :

- 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	Smt. V. Haritha	Company Secretary
9	Sri. V.Venugopal Reddy	Director in subsidiary companies

(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
4	Kamidi Reality Pvt. Ltd.,	Company in which Directors are Interested

(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)

Sl. No.	Particulars	Associates		Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		FY2023-24	FY2022-23	FY2023-24	FY2022-23	FY2023-24	FY2022-23	FY2023-24	FY2022-23
1	Work contract receipts received	1,520.87	1,946.94	-	-	-	-	-	-
2	Sale of materials and services	137.50	-	-	-	-	-	-	-
3	Arbitration Claims received	830.87	-	-	-	-	-	-	-
4	Interest income from claims	-	-	-	-	-	-	-	-
5	Mobilization advance received/(recovered)	1,445.31	-	-	-	-	-	-	-
6	Re-imbursment of expenditure incurred / (Recovered)	1,009.38	22.48	-	-	-	(2.05)	-	-
7	Advance received against sale of property rights /(Property sold)	(37.68)	-	-	-	-	(5,169.98)	-	-
8	Un-secured loan received	-	-	-	-	10,000.00	-	-	-
9	Un-secured loan (repaid)	-	-	-	-	(10,000.00)	-	-	-
10	Short Term Employee Benefits	-	-	-	-	2,230.73	2,934.08	-	-
11	Post-employment Benefits *	-	-	-	-	36.71	33.08	-	-
12	Other Long-term Benefits	-	-	-	-	-	-	-	-
13	Termination Benefits	-	-	-	-	-	-	-	-
14	Share based payment	-	-	-	-	-	-	-	-
15	Dividend paid	-	-	-	-	359.24	359.24	-	-

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)

Sl. No.	Particulars	Associates		Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		FY2023-24	FY2022-23	FY2023-24	FY2022-23	FY2023-24	FY2022-23	FY2023-24	FY2022-23
16	Land lease rent paid	-	-	-	-	39.18	39.18	-	-
17	Office rent paid	-	-	-	-	7.67	12.40	-	-
18	Directors sitting fee paid	-	-	-	-	51.50	58.20	-	-
19	Imprest paid / (recovered)	-	-	-	-	(5.10)	-	-	-
20	Contribution to Post-employment Benefit Plans	-	-	-	-	-	-	135.09	0.08

(c) Related party balances outstanding are as follows:

(₹ in Lakhs)

Sl. No.	Particulars	Associates		Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		FY2023-24	FY2022-23	FY2023-24	FY2022-23	FY2023-24	FY2022-23	FY2023-24	FY2022-23
1	Debit balances outstanding								
	Patel Knr Heavy Infrastructure Ltd.,	2,071.22	2,074.59	-	-	-	-	-	-
	Patel Knr Infrastructure Ltd.,	4,201.65	2,318.83	-	-	-	-	-	-
2	Credit Balances outstanding								
	Patel Knr Infrastructure Ltd.,	1,009.38	-	-	-	-	-	-	-
	K.Narsimha Reddy *	-	-	-	-	41.17	37.53	-	-
	K.Jalandhar Reddy *	-	-	-	-	29.47	27.85	-	-
	S.Vaikuntanathan *	-	-	-	-	-	1.90	-	-
	V.Haritha *	-	-	-	-	1.04	0.82	-	-
	V. Venugopal Reddy*	-	-	-	-	4.02	-	-	-
	V.Krishna Reddy *	-	-	-	-	0.57	0.57	-	-
	K.Yashoda	-	-	-	-	1.97	1.97	-	-

(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)

Sl. No.	Particulars	Associates		Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		F.Y 2023-24	F.Y 2022-23	F.Y 2023-24	F.Y 2022-23	F.Y 2023-24	F.Y 2022-23	F.Y 2023-24	F.Y 2022-23
1	Work contract receipts received								
	Patel Knr Heavy Infrastructure Ltd.,	771.52	694.83	-	-	-	-	-	-
	Patel Knr Infrastructure Ltd.,	749.35	1,252.11	-	-	-	-	-	-
2	Sale of materials and services								
	Patel Knr Infrastructure Ltd.,	137.50	-	-	-	-	-	-	-
3	Arbitration Claims received								
	Patel Knr Infrastructure Ltd.,	830.87	-	-	-	-	-	-	-
4	Interest income from claims								
	Patel Knr Infrastructure Ltd.,	1,445.31	-	-	-	-	-	-	-
5	Mobilisation advance received/(recovered)								
	Patel Knr Infrastructure Ltd.,	1,009.38	-	-	-	-	-	-	-

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)

Sl. No.	Particulars	Associates		Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		F.Y 2023-24	F.Y 2022-23	F.Y 2023-24	F.Y 2022-23	F.Y 2023-24	F.Y 2022-23	F.Y 2023-24	F.Y 2022-23
6	Re-imbusement of expenditure incurred/ (Recovered)								
	Patel Knr Heavy Infrastructure Ltd.,	(37.73)	22.48	-	-	-	-	-	-
	M.Rajesh Reddy	-	-	-	-	-	(2.05)	-	-
7	Advance received against sale of property rights / (Property sold)								
	Kamidi Reality Pvt. Ltd.,	-	-	-	-	-	(5,169.98)	-	-
8	Un-secured loan received								
	K.Narsimha Reddy	-	-	-	-	10,000.00	-	-	-
9	Un-secured loan (repaid)								
	K.Narsimha Reddy	-	-	-	-	(10,000.00)	-	-	-
10	Short Term Employee Benefits								
	K.Narsimha Reddy	-	-	-	-	1,248.00	1,710.00	-	-
	K.Jalandhar Reddy	-	-	-	-	864.00	1,170.00	-	-
11	Post-employment Benefits *								
	K.Jalandhar Reddy	-	-	-	-	32.40	32.40	-	-
12	Dividend paid								
	K.Narsimha Reddy	-	-	-	-	226.05	226.05	-	-
	K.Jalandhar Reddy	-	-	-	-	94.40	94.40	-	-
13	Land lease rent paid								
	K.Jalandhar Reddy	-	-	-	-	17.29	17.29	-	-
	K.Yashoda	-	-	-	-	21.89	21.89	-	-
14	Office rent paid								
	K.Jalandhar Reddy	-	-	-	-	7.67	12.40	-	-
15	Directors sitting fee paid								
	B.V.Rama Rao	-	-	-	-	17.75	20.40	-	-
	L.B.Reddy	-	-	-	-	17.75	20.40	-	-
	G.C.Rekha	-	-	-	-	10.00	12.40	-	-
16	Imprest paid (recovered)								
	V.Venugopal Reddy	-	-	-	-	(4.64)	-	-	-
17	Contribution to Post-employment Benefit Plans								
	KNR Constructions Limited Employees group gratuity fund	-	-	-	-	-	-	135.04	6.00

* 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.

Notes forming part of the Consolidated financial statements (Contd.)

41. DISCLOSURE MANDATED BY SCHEDULE III BY WAY OF ADDITIONAL INFORMATION

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	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent								
KNR Agrotech & Beverages Pvt Ltd.,	32.78%	1,14,672.50	(208.99%)	(1,57,224.54)	100.08%	458.36	(207.12%)	(1,56,766.18)
KNR Infrastructure Projects Pvt Ltd.,	0.02%	72.04	0.00%	0.54	0.00%	-	0.00%	0.54
KNR Energy Ltd.,	0.00%	(8.05)	0.00%	(0.24)	0.00%	-	0.00%	(0.24)
KNR Holdings and Investments Pvt. Ltd.,	0.00%	4.33	0.00%	(0.28)	0.00%	-	0.00%	(0.28)
KNRC Holdings and Investments Pvt. Ltd.,	(3.70%)	(12,955.18)	(2.82%)	(2,122.23)	(0.08)%	(0.38)	(2.80%)	(2,122.61)
KNR Somwarpet Infra Pvt Ltd	6.99%	24,450.86	23.18%	17,441.68	0.00%	-	23.04%	17,441.68
KNR Gurusvayur Infra Pvt Ltd	22.36%	78,201.36	103.22%	77,649.25	0.00%	-	102.59%	77,649.25
KNR Ramanattukara Infra Pvt Ltd	25.55%	89,383.48	117.91%	88,703.16	0.00%	-	117.20%	88,703.16
KNR Ramagiri Infra Pvt Ltd	11.44%	40,020.01	53.20%	40,020.01	0.00%	-	52.88%	40,020.01
KNR Palani Pvt Ltd	4.60%	16,075.37	15.52%	11,678.11	0.00%	-	15.43%	11,678.11
Manjeri City Infrastructures and Developers LLP	(0.13%)	(440.93)	(0.34%)	(254.99)	0.00%	-	(0.34%)	(254.99)
Benedire Infrastructures and Developers LLP	0.00%	(7.73)	0.00%	(2.51)	0.00%	-	0.00%	(2.51)
Non-controlling interest in all subsidiaries	(1.61%)	(5,647.37)	(3.34%)	(2,510.19)	0.00%	-	(3.32%)	(2,510.19)
Indian Associates (Investment as per the equity method)								
Patel KNR Infrastructures Ltd.,	0.69%	2,429.61	2.63%	1,979.86	0.00%	-	2.61%	1,979.86
Patel KNR Heavy Infrastructures Ltd.,	0.57%	1,984.72	(0.17%)	(127.94)	0.00%	-	(0.17%)	(127.94)
Joint ventures (Investment as per the equity method)								
SEL-KNR-JV	0.44%	1,532.38	0.00%	-	0.00%	-	0.00%	-
Total	100.00%	3,49,769.39	100.00%	75,229.69	100.00%	457.98	100.00%	75,687.67

(₹ in Lakhs)

Notes forming part of the Consolidated financial statements (Contd.)

42. INVESTMENT IN ASSOCIATES AND JOINT VENTURE

Assets and liabilities statement

(₹ in Lakhs)

Particulars	Associates		Joint Ventures	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Current assets	47,114.24	33,114.39	7,326.98	7,326.98
Non-current assets	15,225.20	28,593.29	898.93	898.93
Current liabilities	19,979.21	14,894.99	1,887.03	1,887.03
Non-current liabilities	21,137.81	30,220.08	3,211.58	3,211.58
Equity	21,222.42	16,592.61	3,127.30	3,127.30
Proportion of the group's ownership interest	40%	40%	49%	49%
Carrying amount of the group's interest	8,488.97	6,637.04	1,532.39	1,532.39

Statement of profit and loss

(₹ in Lakhs)

Particulars	Associates		Joint Ventures	
	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023
Income	17,263.25	9,240.08	-	-
Operating & Maintenance expenses	5,913.73	3,674.55	-	-
Construction Expenses	-	-	-	-
Employee benefits expense	6.72	7.13	-	-
Finance costs	3,839.37	4,582.50	-	-
Depreciation and amortization expense	19.66	90.15	-	-
Other expenses	1,674.93	1,107.46	-	-
Profit/(Loss) before tax	5,808.84	(221.71)	-	-
Tax expense	1,394.12	84.11	-	-
Profit/(Loss) for the year	4,414.72	(305.82)	-	-
Group's share of profit for the year	1,765.89	(122.33)	-	-
Group's share of other comprehensive income for the year	86.04	41.15	-	-
Group's total comprehensive income for the year	1,851.93	(81.18)	-	-
Dividend received from the associates during the year	-	-	-	-

Notes forming part of the Consolidated financial statements (Contd.)

43. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES CONSIDERED FOR CONSOLIDATION

S. No.	Particulars	Country	Holding as at	
			March 31, 2024	March 31, 2023
I) Subsidiaries				
1	KNR Agrotech & Beverages Pvt. Ltd.,	India	100%	100%
2	KNR Infrastructure Projects Pvt. Ltd.,	India	100%	100%
3	KNR Energy Ltd.,	India	100%	100%
4	KNR Srirangam Infra Pvt. Ltd., *	India	Nil	Nil
5	KNR Tirumala Infra Pvt. Ltd., #	India	Nil	Nil
6	KNR Shankarampet Projects Pvt. Ltd., #	India	Nil	Nil
7	KNR Somwarpet Infra Project Pvt. Ltd.,	India	100%	100%
8	KNR Palani Infra Pvt. Ltd.,	India	100%	100%
9	KNR Guruvayur Infra Pvt. Ltd.,	India	100%	100%
10	KNR Ramanattukara Infra Pvt. Ltd.,	India	100%	100%
11	KNR Ramagiri Infra Pvt. Ltd.,	India	100%	100%
12	KNR Ramateertham Infra Pvt. Ltd.,	India	100%	Nil
13	KNR Sriranganatha Infra Pvt. Ltd.,	India	100%	Nil
14	KNR Kaveri Infra Pvt. Ltd.,	India	100%	Nil
15	KNRC Holdings and Investments Pvt. Ltd.,	India	100%	100%
16	Manjeri City Infrastructures and Developers LLP	India	100%	100%
17	Benedire Infrastructures and Developers LLP	India	100%	100%
II) Step-down Subsidiaries				
18	Mesmeric Software Solutions Pvt. Ltd.,	India	100%	100%
19	Nag Talent Ventures & Infotech Pvt. Ltd.,	India	100%	100%
20	Gradient Estates Pvt. Ltd.,	India	100%	100%
21	Asara Construction & Projects Pvt. Ltd.,	India	100%	100%
22	KNR Muzaffarpur Holdings Pvt. Ltd.,	India	100%	100%
23	KNR Muzaffarpur-Barauni Tollway Pvt. Ltd.,	India	51%	51%
III) Associates				
1	Patel KNR Infrastructures Ltd.,	India	40%	40%
2	Patel KNR Heavy Infrastructures Ltd.,	India	40%	40%
IV) Joint Operations				
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%

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, 2024	March 31, 2023
14	KNR-HES-ACPL JV	India	51%	51%
15	KNR-NAVAYUGA-NCC JV	India	60%	60%
16	KNR-HES JV	India	60%	60%
17	KNRCL-AIPPL-KCCL JV	India	51%	N.A
V)	Joint Venture			
1	SEL-KNR-JV	Bangladesh	49%	49%

* Ceased to be Subsidiary with effect from October 14, 2022

Ceased to be Subsidiary with effect from October 20, 2022

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 recognized 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:

Particulars	(₹ in Lakhs)	
	March 31, 2024	March 31, 2023
Receivables	71,570.39	65,242.70
Contract Assets	77,359.56	73,094.10
Contract Liabilities	37,342.60	20,036.34

45. RECONCILIATION BETWEEN THE OPENING AND CLOSING BALANCES IN THE FINANCIAL STATEMENT FOR FINANCIAL LIABILITIES AND ASSETS ARISING FROM FINANCING ACTIVITIES (IND AS - 7)

Particulars	(₹ in Lakhs)				
	Secured Loans	Un Secured Loans	Deferred Payment of Liability	Finance cost	Total
Opening Balance	59,343.60	-	5,296.42	651.20	65,291.22
Interest/Dividend Accrued during the year	-	-	-	10,567.40	10,567.40
Cash flows					
Received	1,31,987.37	10,000.00	-	-	1,41,987.37
Repayment/Adjustment	(71,498.89)	(10,000.00)	-	-	(81,498.89)
Interest/Dividend paid				(10,172.68)	(10,172.68)
Non-Cash items					
Unwinding Interest	-	-	671.72	(671.72)	-
Unamortized Processing fee/Others	21.84	-	-	(65.44)	(43.60)
Closing Balance	1,19,853.92	-	5,968.14	308.76	1,26,130.82

Notes forming part of the Consolidated financial statements (Contd.)

46. SEGMENT INFORMATION

The Group's operations predominantly consist of "Construction and Engineering activities". Hence there are no reportable segments. 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 and the segment report is reviewed by Chief Operating Decision Maker, accordingly the Company has considered the business as a whole as a single Operating Segment in accordance with Ind AS 108.

47. With respect to the search operation conducted by the Income Tax Department under Section 132 of the Income-tax Act, 1961 in March 2022, we further disclose that as on the date of issuance of these financial statements, the Assessing Officer has initiated the proceedings for re assessment of income, as is relevant for each of the financial years from 2016-17 to 2021-22 under the applicable provisions of the Income tax Act, 1961 and the re assessment proceedings has been completed by the Assessing Officer for the aforesaid years and based on Assessment Orders, the Company has made an additional provision of ₹ 845.34 Lakhs towards Income tax and ₹ 423.78 Lakhs towards interest on Income Tax for the above said years due to corporate additions/adjustments, which has been duly reflected in the Consolidated Profit and Loss under the head "tax relating to earlier years" and "finance cost" respectively for the year ended March 31, 2024. The above provision is addition to the provision made in the FY 2022-23 of ₹ 2,475.26 Lakhs towards Income tax and ₹ 945.12 Lakhs towards interest on Income Tax for the above said years, which has been duly reflected in the Consolidated Profit and Loss under the head "tax relating to earlier years" and "finance cost" respectively for the year ended March 31 2023.

48. During the year ended March 31, 2024, the Company has received following Arbitration Claims, which has been included in the statement of Consolidated profit and loss:-

- a) In one of the erstwhile Subsidiary Company i.e KNR Walayar Tollways Private Limited (now Walayar Vedakkanchery Expressway Private Limited) has received claims and passed on to the Company as per Share Purchase Agreement & Claim Management Agreement for an amount of ₹ 6,106.86 Lakhs and ₹ 9,491.00 Lakhs, which has been recognised as Contract Receipt included in Revenue from Operations and Interest Income included in other income respectively. Further also expenses related to such claims of ₹ 841.63 Lakhs included in Other expenses and the resultant tax of ₹ 3,713.85 Lakhs is included in current tax.
- b) In one of the Associate Company i.e Patel KNR Infrastructures Ltd., has received claims and passed on to the Company for an amount of ₹ 830.87 Lakhs, which was set off against existing unbilled revenue of ₹ 2,095.53 Lakhs and the balance unbilled revenue has been written off to the tune of ₹ 1,264.66 Lakhs included in other expenses and also received ₹ 1,459.06 Lakhs towards Interest included in other income and the resultant tax of ₹ 48.93 Lakhs is included in current tax.
- c) In two of Company's JOs i.e. Patel KNR JV & KNR Patel JV, the Company has received claims from the JOs for an amount of ₹ 7,411.77 Lakhs included in Revenue from Operations and also expenses related to such claims of ₹ 588.61 Lakhs included in Other expenses and the resultant tax of ₹ 1,717.39 Lakhs included in current tax.

49. During the year ended March 31, 2023, the Company has divested its balance 51% stake in KNR Tirumala Infra Pvt Ltd and KNR Shankarampet Projects Pvt Ltd on October 20, 2022 for a value of ₹ 8,218.54 Lakhs and ₹ 5,069.53 Lakhs respectively, and 100% stake in KNR Srirangam Infra Pvt Ltd on October 14, 2022 for a value of ₹ 14,655.20 Lakhs, which includes repayment of 100% sub debt infused by the Company of ₹ 3,024.41 Lakhs to CUBE Highways and Infrastructure III Pte. Ltd., accordingly The Company has recognised an amount of ₹ 6,184.49 Lakhs as a profit on sale of 3 SPV's as purchase consideration is more than the networth of the 3 SPV's, which is shown as exceptional item in the Statement of Consolidated Profit and Loss.

Notes forming part of the Consolidated financial statements (Contd.)

50. For the year ended March 31, 2023, two of Company's Joint Operations i.e. Patel KNR JV & KNR Patel JV have sold their pending Arbitration claims through assignment deed, accordingly the Company has recognised share of revenue of ₹ 2,409.00 Lakhs and ₹ 52.00 Lakhs respectively and also the resultant tax impact of ₹ 770.78 Lakhs and ₹ 19.68 Lakhs respectively in the statement of Consolidated profit and loss.

51. For the year ended March 31, 2023, the Company has received a bonus of ₹ 725.86 Lakhs from one of the HAM Project i.e. KNR Tirumala Infra Private Limited for early Completion of the Project, which is included in the statement of Consolidated profit and loss.

52. DISCLOSURE IN ACCORDANCE WITH IND AS -116

The Group recognised in the Statement of Profit and Loss

Particulars	(₹ in Lakhs)	
	FY 2023-24	FY 2022-23
Depreciation Charge on ROU Asset	368.51	444.62
Interest Expense on Lease Liabilities	43.60	31.33

The Group recognised following lease assets and liabilities in the Balance sheet.

Particulars	(₹ in Lakhs)	
	2023-24	2022-23
Carrying Amount of ROU Assets	455.32	691.92
Lease liability	421.65	566.07

53. The Group has no Loans or Advances in the nature of Loans to specified persons that are Repayable on Demand or without specifying any terms or period of repayment.

54. The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

55. The Group has not been declared willful defaulter by any bank or financial institution or government or any government authority.

56. The Group had no transactions with Companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 during the year.

57. The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

58. There have been no events after the reporting date that require disclosure in the Consolidated financial statements.

59. Contribution to political parties by the Group during the FY 2023-24 is ₹ 1,000.00 Lakhs (for FY 2022-23 is ₹ Nil)

Notes forming part of the Consolidated financial statements (Contd.)

60. The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

61. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

62. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by the Board of Directors on May 29, 2024

63. 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)

For and on behalf of the Board

Mohan R Lavi
Partner
Membership No: 029340
UDIN: 24029340BKGBF2983

K. Narsimha Reddy
Managing Director
DIN: 00382412

K. Jalandhar Reddy
Executive Director & CFO
DIN: 00434911

Place : Hyderabad
Date : May 29, 2024

S. Vaikuntanathan
Vice President (F&A)

V. Haritha
Company Secretary



If undelivered, please return to:
KNR Constructions Limited
CIN: L74210TG1995PLC130199
'KNR House', 3rd & 4th Floors, Plot No. 114
Phase I, Kavuri Hills, Hyderabad - 500033

