

PATEL KNR HEAVY INFRASTRUCTURES LIMITED

Regd.off:KNR House,4th Floor, Plot No.114, Phase-1, Kavuri Hills,Hyderabad-500 033

Phone:+91-40-40268761/ 62 Fax: +91-40-40268760

Dated 26th May 2016

To

Dept. of Corporate Services,

BSE Limited

PJ Towers, Dalal Street,

Fort, MUMBAI - 400001

Fax: +91 - 22- 2272 2037 / 39 / 41

+91 22 2272 3121 / 3719 / 1557

Dear Sir,

Sub: Intimation under clause 52 of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

With reference to the captioned subject, we wish to inform you that the Board of Directors of the Patel KNR Heavy Infrastructures Limited (the Company) at its Meeting held on 25th May 2016, has approved the Audited Financial Results for the year ended 31st March 2016. Accordingly, please find enclosed herewith the following-

1. Audited Financial Results along with Auditors' Report thereon under clause 52(1)
2. Form A for audit report with unmodified opinion under clause 52(3)
3. Half Yearly Statement containing details for Non- Convertible Debentures (NCD's) under clause 52(4) and signed by Debenture Trustees under clause 52(5) stating that it has taken note of contents under clause 52(4)

The above information is furnished to you in terms of the relevant provisions of the Uniform Listing Agreement entered into by the Company with the Exchanges.

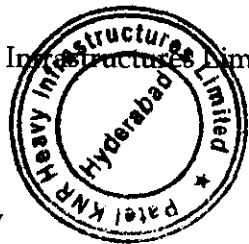
Thanking you,

Yours faithfully,

for Patel KNR Heavy Infrastructures Limited



Authorised Signatory



Enclosed - As above

PATEL KNR HEAVY INFRASTRUCTURES LIMITED

CIN: U70102TG2006PLC049949

Regd Office: KNR House, 4th Floor, Plot No.114, Phase-1, Kavuri Hills, Hyderabad-500033

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FINANCIAL RESULTS FOR THE YEAR ENDED 31.03.2016

(Rs. In Lacs)

Particulars	For the Current Half year ended March 31,2016	For the Corresponding Half year ended March 31,2015	For the Year to Current Period ended March 31, 2016	For the Previous Year ended March 31, 2015
	Audited	Audited	Audited	Audited
1. INCOME FROM OPERATIONS				
(a) Income from Sales and Services	4,437.00	4,437.00	8,874.00	8,874.00
(b) Other Operating Income	-	-	-	-
Total Income (a+b)	4,437.00	4,437.00	8,874.00	8,874.00
2. EXPENDITURE				
a. Operating Expenses	499.98	475.74	993.04	945.04
b. Employees Benefit Expenses	1.20	1.40	2.40	1.40
c. Depreciation	1,783.65	1,744.65	3,545.26	3,489.51
d. Other Expenditure	44.94	75.18	86.70	112.57
Total Expenditure (a+b+c+d)	2,329.77	2,296.97	4,627.40	4,548.52
3. PROFIT FROM OPERATIONS BEFORE OTHER INCOME, INTEREST AND EXCEPTIONAL ITEMS (1-2)	2,107.23	2,140.03	4,246.60	4,325.48
4. Other Income	385.23	311.70	573.79	533.43
5. PROFIT BEFORE INTEREST AND EXCEPTIONAL ITEMS (3+4)	2,492.46	2,451.73	4,820.39	4,858.91
6. Financial Expenses	2,566.53	2,670.09	5,185.39	5,416.35
7. Exceptional items	-	-	-	-
8. PROFIT FROM ORDINARY ACTIVITIES BEFORE TAX (5- 6-7)	(74.07)	(218.36)	(365.00)	(557.44)
9. Tax expense	-	-	-	-
10. NET PROFIT FROM ORDINARY ACTIVITIES AFTER TAX (8-9)	(74.07)	(218.36)	(365.00)	(557.44)
11. Extra Ordinary Items (Net of Tax Expense)	-	-	-	-
12. NET PROFIT/(LOSS) FOR THE PERIOD (10-11)	(74.07)	(218.36)	(365.00)	(557.44)
13. Paid up Equity Share Capital (Face Value of Rs 10 each)	2,382.38	2,382.38	2,382.38	2,382.38
14. Paid up Debt Capital	46,518.76	48,468.41	46,518.76	48,468.41
15. Reserves including Revaluation Reserves as per balance sheet of the previous accounting year	(450.59)	(85.59)	(450.59)	(85.59)
16. Debentures Redemption Reserve	-	-	-	-
17. Earnings per Share (EPS)	-0.31*	-0.92*	-1.53	-2.34
18. Debt Equity Ratio	10.30	9.93	10.30	9.93
19. Debt Service Coverage Ratio	1.10	1.07	1.07	1.06
20. Interest Service Coverage Ratio	0.97	0.92	0.93	0.90

* Not Annualized

Notes:

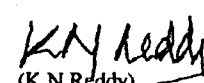
- The above financial results were reviewed and approved and taken on record by the Board in their meeting held on 25th May 2016. The statutory auditors have performed Audit of the above financial statements.
- The Company has only one reportable business segment namely "execution of BOT (Annuity) road projects", as per AS-17 "Segment Reporting", issued by the Institute of Chartered Accountants of India. Hence, segmental reporting is not required.
- Previous financial year's figures have been regrouped / re-arranged wherever necessary to make them comparable.

For Patel KNR Heavy Infrastructures Ltd



(B.S.Reddy)

Director-DIN :01675600



(K.N.Reddy)

Director-DIN: 00382412

Date : 25-05-2016

Place : Hyderabad

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF PATEL KNR HEAVY INFRASTRUCTURES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **Patel KNR Heavy Infrastructures Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are



appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we enclosed in the annexure a statement on the matters specified in paragraph 3 and 4 of the said Order to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. There are no observations or comments on the financial transactions or matters which have any adverse effect on the functioning of the company.
 - f. On the basis of the written representations received from the directors as on 31st March, 2016 taken on record, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure-A".
 - 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 no pending litigation which would impact its financial position;
- ii. The company did not have any long-term contract including derivative contract for which there were any material foreseeable losses;
- iii. There were no amount which were required by the company to be transferred to the Investor Education and Protection Fund.

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



A handwritten signature in blue ink, appearing to read 'Ramesh Koul', written over the stamp.

Ramesh Koul
(Partner)
(Membership No. 077804)

Place: New Delhi
Date: 25/05/2016



Annexures to the Independent Auditor's Report of Patel KNR Heavy Infrastructures Limited for the Year ended as on 31st March 2016

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

- i.
 - a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
 - b) The Fixed Assets have been physically verified by the management at regular intervals and no material discrepancies were noticed on such verification
 - c) The title deeds of immovable properties are held in the name of the company.
- ii. As the company is engaged in the business of infrastructure development, operations and its maintenance and there is no inventory in hand at any point of time, hence paragraph 3(ii) of the Order is not applicable to the company.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, limited liabilities partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, reporting under clause (a) to (c) of Para 3(iii) are not applicable.
- iv. The Company has not entered into any transaction in respect of loans, investments, guarantee and securities, which attracts compliance to the provisions of the sections 185 and 186 of the Companies Act, 2013. Therefore the paragraph 3(iv) of the Order is not applicable to the company.
- v. The Company has not accepted deposits in terms of the provisions of section 73 to 76 of the Companies Act, 2013 and rules framed there under. Therefore the paragraph 3(v) of the Order is not applicable to the company.
- vi. According to the information and explanations given to us, we are of the opinion that prima facie, cost records prescribed, pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148 of the Companies Act, are made and maintained.
- vii.
 - a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the company has been generally regular in depositing undisputed statutory dues including provident fund, employee state insurance, income tax, service tax, value added tax, cess and other statutory dues during the year with the appropriate authorities. Undisputed labour welfare cess of Rs.207.22 lakhs was accrued but not due as on 31st March, 2016. As on 31st March 2016, there are no undisputed statutory dues payable for period exceeding for a period more than six month from the date they become payable.
 - b) According to the information and explanations given to us, there were no statutory dues pending in respect of income tax, sales tax, VAT, custom duty and cess etc. on account of any dispute.
- viii. During the year the company has not defaulted in repayment of loans or borrowings to the banks. The company has not taken any loan or borrowings from any financial institution or Government during the year. The company has not defaulted in payment of dues to the debentureholders.



- ix. Money raised by way of term loan were applied for the purpose for which it was raised. The Company has not raised money by way of initial public offer or further public offer.
- x. According to the information and explanation given to us by the management which have been relied by us, there were no frauds on or by the company noticed or reported during the period under audit.
- xi. The company has not paid any managerial remuneration. Therefore the provisions of section 197 read with Schedule V of the Companies Act 2013 are not applicable.
- xii. The company is not a Nidhi Company, therefore para 3(xii) of the Order is not applicable.
- xiii. In our opinion and according to the information provided to use, the transaction entered with the related parties are in compliance with section 177 and 188 of the Act and are disclosed in the financial statements as required by the applicable accounting standards.
- xiv. In our opinion and according to the information provided to us, the company had not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information provided to us, the company has not entered into any non-cash transaction with directors or the persons connected with him covered under section 192 of the Companies Act 2013. Therefore, paragraph 3(xv) of the Order is not applicable to the company.
- xvi. According to the information provided to us, the company is not required to be registered under section 451A of the Reserve Bank of India Act, 1934. Therefore, paragraph 3(xvi) of the Order is not applicable to the company.

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




Ramesh Koul
(Partner)
(Membership No. 077804)

Place: New Delhi
Date: 25/05/2016

Annexure-A

Annexure referred to in paragraph 2 under the heading “Report on Other Legal and Regulatory Requirements” of our report on even date:-

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **Patel KNR Heavy Infrastructures Limited** (“the Company”) as of March 31, 2016 in conjunction with our audit of the 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 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 my /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 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 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 financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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



Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Gianender & Associates
Chartered Accountants

(Firm's Registration No. 004661N)



A handwritten signature in blue ink, appearing to read "R. Koul".

Ramesh Koul
(Partner)

(Membership No. 077804)

Place: New Delhi

Date: 25/05/2016




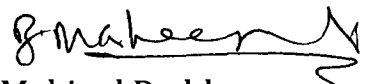
Form A (for audit report with unmodified opinion) along with financial results issued under Regulation 52 of SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015



FORM A (for audit report with unmodified opinion)

1	Name of the Company	Patel KNR Heavy Infrastructures Limited
2	Annual Financial Statement for the year	31 st March 2016
3	Type of Audit Observations	Unmodified
4	Frequency of Observations	Not Applicable

For Patel KNR Heavy Infrastructures Limited


K Narasimha Reddy
Director


B Mahipal Reddy
CFO/Compliance Officer


For Gianender & Associates 
Chartered Accountants
ICAI Reg. No. 004661N

