

PATEL KNR HEAVY INFRASTRUCTURES LIMITED

ANNUAL REPORT- 2021-22

BOARD OF DIRECTORS

Mr. B. Sudaschander Reddy
Mr. K Narasimha Reddy
Ms. Kavita Shirvaikar (w.e.f. 24.12.2021)
Mrs. B S Radhika
Mrs. Daruvuri Venkatapadma

CEO – Mr. V Narasimha Ramana

CFO – Mr. S Vaikuntanathan

Company Secretary – Mr. Mohit Agarwal

AUDITORS

M K Dandeker & Co
Chartered Accountants

SECRETARIAL AUDITORS

MS Pitroda & Co.,
Company Secretaries

BANKERS

ICICI Bank Ltd.,
Standard Chartered Bank
Larsen & Toubro Finance Ltd.

REGISTERED OFFICE

KNR House, 4th Floor,
Plot No. 114, Phase – I,
Kavuri Hills, Hyderabad - 500033

DEBENTURE TRUSTEES:

IDBI Trusteeship Services Limited
Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate,
Mumbai – 400 001.
Ph: 022- 4080 7000

PATEL KNR HEAVY INFRASTRUCTURES LIMITED

NOTICE

Notice is hereby given that the 16th Annual General Meeting of the Members of the Company will be held on Wednesday, the 28th Day of September, 2022 at 11.00 A.M. at “KNR House, Plot No. 114, Phase – I, Kavuri Hills, Hyderabad – 500033 at to transact the following business:

ORDINARY BUSINESS:

1. To Receive, consider and adopt the audited Balance Sheet for the year ended March 31, 2022 and Profit and Loss account along with the report of the Directors and Auditors thereon
2. To not to fill up vacancy caused by retirement of Mr. B Sudaschander Reddy, Director (DIN: 01675600) who retires by rotation and has not offered himself to be re-appointed/has expressed his unwillingness to be re-appointed.

SPECIAL BUSINESS:

3. To appoint Ms. Kavita Shirvaikar (DIN: 07737376) as Director of the Company.

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

“**RESOLVED THAT** pursuant to provisions of Section 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 read with applicable rules made thereunder, Ms. Kavita Shirvaikar (DIN: 07737376) who was appointed as Additional director of the Company with effect from December 24, 2021 and who holds office until the date of the Annual General Meeting pursuant and in respect of whom the Company has received notice in writing from member under Section 160 of the Act, proposing her candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company and shall be liable to retire by rotation.”

“**FURTHER RESOLVED THAT** any of the Directors or the Company Secretary of the Company be and are hereby authorised to file relevant forms with the Registrar of Companies, Telangana and do all other acts, deeds and things as may be necessary in connection with the above appointment.”

4. To appoint Mr. Rahul Agarwal (DIN: **08407819**) as Director of the Company.

To consider and if thought fit, to pass with or without modification, the following resolution as **Ordinary Resolution**

“**RESOLVED THAT** pursuant to provisions of Section 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 read with applicable rules made thereunder, Mr. Rahul Agarwal (DIN: 08407819) who was appointed as Additional director of the Company with effect from August 9, 2021 and who holds office until the date of the Annual General Meeting pursuant and in respect of whom the Company has received notice in writing from member under Section 160 of the Act, proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company and shall be liable to retire by rotation.”

“**FURTHER RESOLVED THAT** any of the Directors or the Company Secretary of the Company be and are hereby authorised to file relevant forms with the Registrar of Companies, Telangana and do all other acts, deeds and things as may be necessary in connection with the above appointment.”

PATEL KNR HEAVY INFRASTRUCTURES LIMITED

For and on behalf of the Board of
Patel KNR Heavy Infrastructures Limited

Sd/-
K Narsimha Reddy
Director
DIN: 00382412

Place: Hyderabad
Date: 09.08.2022

Notes:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxies in order to be effective must be received by the company not later than forty-eight (48) hours before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.

A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

2. A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder.
3. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
4. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours up to the date of the Meeting.
5. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
6. Members seeking any information with regard to the Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.

PATEL KNR HEAVY INFRASTRUCTURES LIMITED

Explanatory Statement

[Pursuant to the provisions of Section 102 of the Companies Act, 2013]

Item No.3: Ms. Kavita Shirvaikar was appointed as Additional Director by the Board of Directors of the Company at their meeting held on 24th December 2021, in terms of Section 161 of the Companies Act, 2013. In terms of the aforementioned section, an Additional Director holds office up to the ensuing Annual General Meeting and be eligible for appointment to the office of Director at any General Meeting in terms of Section 160 of the Act. The Company has received a notice from a member under section 160 of the Companies Act 2013, along with requisite deposit proposing the candidature of Ms. Kavita Shirvaikar for the office of Director of the Company.

The Board recommends to the members, appointment of Ms. Kavita Shirvaikar as Director of the Company liable to retire by rotation by passing the resolution as set out in Item no. 3 to the notice of the AGM.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Ms. Kavita Shirvakar, is concerned or interested in the resolution in any manner.

Item No. 4: Mr. Rahul Agarwal was appointed as Additional Director by the Board of Directors of the Company at their meeting held on 09th August 2022, in terms of Section 161 of the Companies Act, 2013. In terms of the aforementioned section, an Additional Director holds office up to the ensuing Annual General Meeting and be eligible for appointment to the office of Director at any General Meeting in terms of Section 160 of the Act. The Company has received a notice from a member under section 160 of the Companies Act 2013, along with requisite deposit proposing the candidature of Mr. Rahul Agarwal for the office of Director of the Company.

The Board recommends to the members, appointment of Mr. Rahul Agarwal as Director of the Company liable to retire by rotation by passing the resolution as set out in Item no. 3 to the notice of the AGM.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Mr. Rahul Agarwal, is concerned or interested in the resolution in any manner.

PATEL KNR HEAVY INFRASTRUCTURES LIMITED

Information in respect of Director seeking appointment/re-appointment as required under the Secretarial Standards on General Meetings issued by the ICSI.

Name & Age	Ms. Kavita Shirvaikar, 50 years	Mr. Rahul Agarwal, 40 years
Qualification	CA & Grad CWA	CA
Experience (including expertise in specific functional area)/Brief Resume	She has vast experience of over 20 years in the fields of Accountancy, Tax, Audit, Banking, Finance and Fund Management, etc.	He has vast experience of over 15 years in the fields of Accountancy, Tax, Audit, Banking, Finance and Fund Management, etc.
Terms and Conditions of Appointment / Reappointment	Shall be appointed as Non-Executive Director liable to retire by rotation.	Shall be appointed as Non-Executive Director liable to retire by rotation.
Details of Remuneration sought to be paid	Nil	Nil
Remuneration last drawn	Nil	Nil
Date of first appointment on the Board	24.12.2021	09.08.2022
Shareholding in the Company as on March 31, 2022	Nil	Nil
Relationship with other Directors/Key Managerial Personnel	Nil.	Nil
Number of meetings of the Board attended during the year (2020-21)	2	Nil
Directorships of other Boards as on March 31, 2022	8	5
Membership / Chairmanship of Committees of other Boards as on March 31, 2022	Nil	Nil

PATEL KNR HEAVY INFRASTRUCTURES LIMITED

Form No. MGT-11 Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s)		
Registered Address		
E-mail Id	Folio No /Client ID	DP ID

I/We, being the member(s) of _____ shares of the above named company. Hereby appoint

Name :	E-mail Id:
Address:	
Signature , or failing him	

Name :	E-mail Id:
Address:	
Signature , or failing him	

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the company, to be held on Wednesday, the 28th September, 2022 at 11.00 am at “KNR House, Plot No. 114, Phase – I, Kavuri Hills, Hyderabad – 500033 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

Sl. No.	Resolution(S)	Vote	
		For	Against
1.	Adoption of statement of Profit & Loss, Balance Sheet, report of Director’s and Auditor’s for the financial year 31st March, 2022		
2.	To not to fill up the vacancy caused by retirement of Mr. B S Reddy, Director (DIN: 01675600), who retires by rotation and has not offered himself to be re-appointed / has expressed his unwillingness to be re-appointed.		
3	Appointment of Ms. Kavita Shirvaikar (DIN: 07737376) as Director of the Company.		
4	Appointment of Mr. Rahul Agarwal (DIN: 08407819) as Director of the Company		

* Applicable for investors holding shares in Electronic form.

Signed this _____ day of _____ 2022

Affix Revenue
Stamps

Signature of Shareholder
Note:

Signature of Proxy holder

Signature of the shareholder across Revenue Stamp

PATEL KNR HEAVY INFRASTRUCTURES LIMITED

- 1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- 2) The proxy need not be a member of the company

PATEL KNR HEAVY INFRASTRUCTURES LIMITED

ATTENDANCE SLIP 16th Annual General Meeting on 28th September 2022

Full name of the members attending _____
(In block capitals)

Ledger Folio No. /Client ID No. _____ No. of shares held: _____

Name of Proxy _____
(To be filled in, if the proxy attends instead of the member)

I hereby record my presence at the Annual General Meeting of the PATEL KNR HEAVY INFRASTRUCTURES LIMITED, at “KNR House, Plot No. 114, Phase – I, Kavuri Hills, Hyderabad – 500033 to be held on Wednesday the 28th September, 2022.

(Member’s /Proxy’s Signature)

Note:

- 1) Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be available.
- 2) The Proxy, to be effective should be deposited at the Registered Office of the Company not less than FORTY-EIGHT HOURS before the commencement of the meeting.
- 3) A Proxy need not be a member of the Company.
- 4) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
- 5) The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.

PATEL KNR HEAVY INFRASTRUCTURES LIMITED

DIRECTORS' REPORT

To,
The Members,
PATEL KNR HEAVY INFRASTRUCTURES LIMITED

Your Directors are happy to present their 16th Annual Report on the business and operations of the Company and the Financial Accounts for the year ended 31st March, 2022.

1. FINANCIAL RESULTS

The financial results for the year ended 31st March, 2022 are summarized below:

	<i>(in Lacs)</i>	
Particulars	2021-22	2020-21
Total Revenue	7739.65	8657.47
Profit Before Interest, Depreciation & Tax	6816.52	6593.59
Less: Depreciation	9.86	4.26
Less: Interest / Finance Cost	3550.89	4702.65
Profit for the year before Taxes	3255.77	1886.67
Less: Provision for tax	-	696.06
Profit after Taxes	3255.77	1190.61

2. COMPANY'S AFFAIRS & FUTURE OUTLOOK

The Company is in operation stage and all the annuities are received as per the Concession Agreement during the year under review.

3. DIVIDEND

Your Directors do not recommend any dividend for the financial year ended 31st March, 2022.

4. AMOUNT TRANSFERRED TO RESERVES

Your directors have decided not to make any transfer to reserves.

5. CHANGE IN NATURE OF BUSINESS

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

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

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relates and the date of this report.

PATEL KNR HEAVY INFRASTRUCTURES LIMITED

7. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

During the year under review there has been no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

8. CAPITAL AND DEBT STRUCTURE

a) Equity Share Capital

As on the date of this report, the Authorised share capital of the Company is Rs. 30,00,00,000 (Rupees Thirty Crores only) divided into 3,00,00,000 (Thirty Crores) Equity Shares of Rs. 10/- each and Paid-Up Share Capital Rs. 23,82,38,040/- divided into 2,38,23,804 equity shares of Rs.10/- each respectively.

b) Non-Convertible Debentures

Your Company has issued non-convertible debentures aggregating to Rs. 400 crores and the outstanding balance as on 31st March 2022 is Rs. 244.2 Crores and the Company is classified as Large Corporate Entity pursuant to SEBI Circular No. SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018.

Issue of shares:

During the year under review, the Company has not

- a) Bought back any of its securities
- b) Issued Bonus shares
- c) Issued Employee Options scheme
- d) Issued Sweat Equity shares

9. CREDIT RATING OF SECURITIES

The credit rating assigned by Care Edge Ratings to the NCDs and Long term bank facilities of the Company is "CARE AA+ Stable reaffirmed" vide their letter dated August 30, 2022.

10. DIRECTORS AND KEY MANAGERIAL PERSONNEL

As on the date of report, your company's Board comprises of the following Directors

S.No	Name of the Director	Designation
1.	Mr.K Narsimha Reddy	Director
2.	Mr. B Sudashander Reddy	Director (upto 09.08.2022)
3.	Mr. Sharad Kumar	Non-Executive Director (up to 24.12.2022)
4.	Ms. Kavita Shirvaikar	Non-Executive Director (w.e.f 24.12.2022)
5.	Mr. Rahul Agarwal	Non_Executive Director

PATEL KNR HEAVY INFRASTRUCTURES LIMITED

		(w.e.f. 09.08.2022)
6.	Smt. B S Radhika	Independent Director
7.	Smt. D Venkata Padma	Independent Director

Key Managerial Personnel

As on the date of report, the following are the Key Managerial Personnel of the Company as per the provisions of Section 203 of the Companies Act, 2013.

Mr. V Narasimha Ramana	-	CEO(\$)
Shri S Vaikuntanathan	-	CFO
Shri Mohit Agarwal	-	Company Secretary*

\$ Appointed w.e.f. 03.08.2021

**Appointed w.e.f 09.04.2021*

Changes in Directors and Key Managerial personnel

The below are the changes in Board of Directors of the Company, during the year under review.

- Cessation of Mr. Sharad Kumar as Director of the Company
- Appointment of Ms. Kavita Shirvaikar as Director of the Company
- Appointment of Mr. Mohit Agarwal as Company Secretary of the Company

Further, Mr. Rahul Agarwal has been appointed as Additional Director of the Company w.e.f 09th August 2022 and seeks approval of the members for the aforesaid appointment.

Independent Directors

The Company has received necessary declarations from independent directors as required under Section 149 (7) of the Companies Act, 2013 to the effect that they meet the criteria of independence as laid down under the provisions of Section 149(6) of the Companies Act, 2013 and that they are in compliance with the Code of Conduct for Independent Directors as stipulated under Schedule IV of the Companies Act, 2013.

The Independent Directors meet separately without the presence of the Executive Directors and management personnel as required under the provisions of Schedule IV of the Companies Act, 2013 to evaluate the performance of the Chairperson, executive directors and assess the quality and quantity and timelines of flow of information between the Company Management and the Board. One such meeting was held on 30th March 2022.

The Independent Directors are also registered with the Independent Directors data bank.

Retirement by rotation of Directors

Mr. B Sudaschander Reddy, has expressed his unwillingness to be re-appointed as Director through retirement by rotation.

PATEL KNR HEAVY INFRASTRUCTURES LIMITED

11. MEETINGS OF BOARD OF DIRECTORS

During the year under review, eight (8) board meetings were held on 13th May 2021, 24th June 2021, 03rd August 2021, 29th September 2021, 9th November 2021, 24th December 2021, 07th February, 2022 and 30th March 2022 and adequate quorum was present at all the meetings.

12. COMMITTEES OF THE BOARD

Your company has duly constituted the below committees of the Board as required under the provisions of the Companies Act, 2013.

Audit Committee

S.No	Name	Designation
1	Daruvuri Venkata Padma	Chairman
2	B S Radhika	Member
3	B S Reddy	Member

Four meetings of the Audit Committee were held during the year on 13th May, 2021, 03rd August, 2021, 9th November 2021 and 7th February 2022.

Nomination and Remuneration Committee

S.No	Name	Designation
1	B S Radhika	Chairman
2	Daruvuri Venkata Padma	Member
3	Sharad Kumar	Member (resigned w.e.f 24 th December 2021)
4.	Ms. Kavita Shirvaikar	Member (w.e.f. 07.02.2022)

Two meetings of the Nomination and Remuneration Committee was held on 03rd August, 2021 and 24th December 2021.

Corporate Social Responsibility Committee

S.No	Name	Designation
1	B S Reddy	Chairman
2	Daruvuri Venkata Padma	Member
3	B S Radhika	Member

Two meetings were held during the year on 9th November 2021 and 07th February 2022.

13. RECOMMENDATIONS OF THE AUDIT COMMITTEE

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

PATEL KNR HEAVY INFRASTRUCTURES LIMITED

14. POLICY OF DIRECTORS' APPOINTMENT AND REMUNERATION

The Company has in place appointment and remuneration policy of Directors as required under the provisions of Section 178 of the Companies Act, 2013 and the said policy is annexed as **Annexure I**.

15. BOARD EVALUATION

In compliance with the provisions of the Companies Act, the Board has conducted formal evaluation of the performance of Directors individually and the Board as a whole during the year under review.

16. COST RECORDS

The company doesn't fall under the threshold limits specified under the Companies (Cost Records and Audit) Rules, 2014 to maintain the cost records of the Company.

17. AUDITORS

Statutory Auditors

M/s M K Dandekar & Co., Chartered Accountant, were appointed as Statutory Auditors of the Company at the 12th Annual General Meeting held on 22nd August, 2018 for a period of 5 years i.e., upto conclusion of 17th AGM to be held in the year 2023. Pursuant to Notification issued by the Ministry of Corporate Affairs on 7th May, 2018 amending section 139 of the Companies Act, 2013 and the Rules framed thereunder, the mandatory requirement for ratification of appointment of Auditors by the Members at every Annual General Meeting ("AGM") has been omitted, and hence the Company is not proposing an item on ratification of appointment of Auditors at this AGM.

There are no qualifications or observations or remarks made by the Auditors in their Report. No frauds were reported by the Statutory Auditors during the year under report.

Internal Auditors

The Board of Directors, on recommendation of the Audit Committee, at their meeting held on 09th August 2022 has re-appointed M/s Raju Poojari and Associates, Chartered Accountants as Internal Auditors of the Company for the FY 2022-23. The Internal Auditors submit their report periodically to the Audit Committee.

Secretarial Auditors

The Board of Directors has appointed M/s M S Pitroda & Co., Practicing Company Secretaries, as Secretarial Auditors of the Company for the FY 2021-22.

The Secretarial Audit Report for the FY 2021-22 is annexed herewith as **Annexure II**.

18. INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to the Financial statements. During the period under review, such controls were tested and no reportable material weakness in the design or operation was observed.

PATEL KNR HEAVY INFRASTRUCTURES LIMITED

19. DIRECTORS RESPONSIBILITY STATEMENT

We, Directors of Patel KNR Heavy Infrastructures Limited, state that:

- a) in the preparation of Annual accounts for the financial year ended 31st March, 2022, 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' had selected such accounting policies and applied them consistently and made judgment and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and Profit of the Company for the year under review;
- c) the Directors' had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- d) The Directors' had prepared the accounts for the financial year ended 31st March 2021 on a going concern basis.
- e) The directors had devised proper systems to ensure compliances with the provisions of all applicable laws and that such systems were adequate and operating effectively.

20. DISCLOSURE RELATING TO SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the period under review, there are no subsidiaries, Associates and Joint ventures to the Company.

21. DEPOSITS

The Company has neither accepted nor renewed any deposits during the year under review.

22. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

23. PARTICULARS OF CONTRACTS AND ARRANGEMENTS ENTERED INTO WITH RELATED PARTIES

The particulars of contracts or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 disclosed in Form No. AOC -2 and is set out as **Annexure III** and forms part of this report.

PATEL KNR HEAVY INFRASTRUCTURES LIMITED

24. CORPORATE SOCIAL RESPONSIBILITY

The provisions of Corporate Social Responsibility are applicable to your Company during the year under review.

The initiatives undertaken by the Company under CSR during the year 2021-22 is provided in the CSR Annual Report which is annexed herewith as **Annexure IV**.

25. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The provisions of Section 134 (3) (m) read with Rule 8 (3) of Companies (Accounts) Rules, 2014 are not applicable to the Company. However, all possible efforts are being made to conserve the energy to the optimum level.

Foreign Exchange Earnings and Outgo.

There are no earnings in foreign currencies during the year. The details of Foreign Exchange outgo are as under:

(Rs in Lakhs)

Particulars	Amount (for the year 2021-22)
Agency Fee	20.48
Interest Payment	228.58
Hedging Expense	455.03
Principal Payment	2567.85
Total	3271.94

26. RISK MANAGEMENT

Your Company has in place Risk Management Policy as required under the provisions of the Companies Act, 2013, to effectively manage risk and address the concerns and challenges.

27. VIGIL MECHANISM

The Company has established a vigil mechanism to the employees to report genuine concerns/grievances. The vigil mechanism is presently overseen by the Board. There are no complaints/grievances received from any Directors or employees of the Company during the year under review.

28. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company confirms that it is compliance with the applicable secretarial standards issued by the Institute of Company Secretaries of India.

29. 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

PATEL KNR HEAVY INFRASTRUCTURES LIMITED

30. CORPORATE INSOLVENCY PROCEEDINGS INITIATED AGAINST THE COMPANY

No Corporate Insolvency proceedings were initiated against the Company under the provisions of Insolvency and Bankruptcy Code, 2016.

31. 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.

32. IMPLEMENTATION OF CORPORATE ACTION, FAILURE, IF ANY.

During the year under review, no corporate actions were decided and implemented by the Company.

33. ANNUAL RETURN

A copy of Annual Return is available in the website of the Company and can be accessed through the below link:

<http://knrcl.com/images/pkhill/annualreports/Annual-Return-2021-22.pdf>

34. DISCLOSURES PERTAINING TO SEXUAL HARRASSMENT OF WOMEN AT THE WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.

During the year under review, no sexual harassment cases were reported.

35. PARTICULARS OF EMPLOYEES

The information required under the provisions of Section 197 (12) of the Companies Act, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the Company for the year under report.

36. ACKNOWLEDGEMENT

Your Directors take this opportunity to place on record their appreciation and sincere gratitude to the Bankers to of the Company for their valuable support and look forward to their continued co-operation in the years to come.

Your Directors acknowledge the support and co-operation received from the employees and all those who have helped in the day to day management.

**ON BEHALF OF THE BOARD OF
Patel KNR Heavy Infrastructures Limited**

Sd/-
K N Reddy
Director
DIN: 00382412

Sd/-
D Venkata Padma
Independent Director
DIN: 07604106

Place: Hyderabad
Date: 09.08.2022

PATEL KNR HEAVY INDUSTRIES LIMITED
NOMINATION AND REMUNERATION POLICY

Introduction

Patel KNR Heavy Infrastructures Limited ('the Company') has adopted this Policy upon the recommendation of the Board and the said Policy is in compliance with the requirements of Section 178 of the Companies Act, 2013 and rules thereunder ('the Act').

This policy shall be applicable to the company with effect from 10th November, 2016.

Objective

The key objective of the policy would be:

- a) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management;
- b) To formulate criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees;
- c) Formulation of criteria for evaluation of Independent Director and the Board;
- d) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board;
- e) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management;
- f) To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations;
- g) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage;
- h) To devise a policy on Board diversity;
- i) To develop a succession plan for the Board and to regularly review the plan.

Scope and Applicability

The policy shall apply to

- a) Directors (Executive, Non-Executive and Independent);
- b) Key Managerial person;
- c) Senior management personnel.

Definitions

The following words shall have the meanings as provided in the policy, unless otherwise mentioned in the Act:

Board “Board” means the Board of Directors of the Company as defined under the Act.

Directors Directors mean Directors of the company.

Policy “Policy or this Policy” means Policy on Nomination and Remuneration of this company.

Senior Management: As per explanation to Section 178, Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors comprising all members of management one level below the executive directors, including functional Heads.

Key managerial personnel (KMP) Key managerial personnel means whole-time key managerial personnel of the Company appointed under section 203 of the Act, which include:

- (i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time director;
- (ii) Company Secretary;
- (iii) Chief Financial Officer; and
- (iv) Such other officer as may be prescribed.

Remuneration: Remuneration means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

Independent Director means an independent director referred to in sub-section (5) of section 149.

Employees’ stock option means the option given to the directors, officers or employees of a company or of its holding company or subsidiary company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the company at a future date at a pre-determined price.

Words and expressions used and not defined in the Policy shall have the same meanings as assigned to them in the Act.

Interpretation

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013 as amended from time to time.

Guiding Principles

The Policy ensures that

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and
- Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee will consist of three or more non-executive directors, out of which at least one-half shall be independent director(s), provided that chairperson of the Company may be appointed as a member of this Committee but shall not chair such Committee. In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman. Chairman of the Nomination and Remuneration Committee could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

Frequency of Meetings

The meeting of the committee shall be held at such intervals as may be required.

Minutes of Committee Meeting

Proceedings of all meetings must be minuted and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee meeting will be tabled at the subsequent Board and Committee meeting.

Committee Members' Interests

- A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

Voting

- Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- In the case of equality of votes, the Chairman of the meeting will have a casting vote.

Duties of the Committee

The duties of the Committee in relation to nomination matters include:

- Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- Identifying and recommending Directors who are to be put forward for retirement by rotation;
- Determining the appropriate size, diversity and composition of the Board;
- Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;

- Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- Recommend any necessary changes to the Board; and
- Considering any other matters, as may be requested by the Board.

The duties of the Committee in relation to remuneration matters include:

- Considering and determining the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate;
- Approving the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company;
- Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- Considering any other matters as may be requested by the Board.

Policy for Appointment /Resignation /Retirement /Succession of Director /KMP /Senior Management personnel

Appointment

- a) The committee shall define the qualification/experience and expertise of the person for appointment as Director/KMP/Senior management personnel;
- b) The committee shall also take into consideration the provisions of Section 164 of the Companies Act 2013 relating to disqualifications for the appointment of directors;
- c) Appointment of Independent Directors is subject compliance of provisions of section 149 of the Companies Act, 2013, read with schedule IV and rules thereunder;
- d) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment;
- e) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position;
- f) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

Term/Tenure

- a) Term for Managing Director/Whole time Director

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

- b) Term for Independent Director

i) An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

ii) No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

iii) At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

The Committee shall evaluate the performance of Directors taking into account the various parameters such as:

- Attendance at Board Meeting
- Participation in discussion
- Contribution in decision making,

While evaluation is being done, the Director who has been evaluated shall not participate in the discussion. The recommendations of the Committee will be sent to the Board for its review.

Retirement

The Director/ KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

Removal

The Committee may recommend, to the Board with reasons recorded in writing, removal of Director, KMP or Senior Management Personnel subject to the provisions of the Act and the rules made thereunder and all other applicable Acts, Rules and Regulations, if any.

Policy on Executive Succession Plan

1. A change in executive leadership is inevitable for all organizations and can be a very challenging time. Therefore, it is the policy of Patel KNR Heavy Infrastructures Limited (hereinafter to be referred to as "the Company") to be prepared for an eventual / permanent change in leadership, either planned or unplanned, to ensure the stability and accountability of the organization until such time as new permanent leadership is identified.

2. This policy covers the guideline for identification and development of future leaders from the pool of internal talents working within the Company or Group.
3. The Board of Directors shall be responsible for implementing this policy and its related procedures. It is also the policy of the Board to assess the permanent leadership needs of the organization and to ensure the selection of a qualified and capable leader who is representative of the community; a good fit for the organization's mission, vision, values, goals, and objectives; and who has the necessary skills for the organization.
4. To ensure that the organization's operations are not interrupted while the Board of Directors assesses the leadership needs and recruit a permanent executive officer, the Board will appoint interim executive leadership, in accordance with the policy described below.
5. The Interim Chief Executive Officer ('CEO') director shall ensure that the organization continues to operate without disruption and that all organizational commitments previously made are adequately executed, including but not limited to, loans approved, reports due, contracts, licenses, certifications, memberships, obligations to lenders or investors of the Company, and others.
6. It is also the policy of the Company, to develop a diverse pool of candidates and consider at least such number of finalist candidates for its permanent CEO position as may be determined by the Nomination and Remuneration Committee of the Company.
7. The Company shall implement an external recruitment and selection process, while at the same time encouraging the professional development and advancement of current employees. The interim CEO and any other interested internal candidates are encouraged to submit their qualifications for review and consideration by the Nomination and Remuneration Committee according to the guidelines established for the search and recruitment process.

Procedures for succession:

1. For a temporary change in executive leadership (i.e., illness or leave of absence) the immediate junior officer, reporting to such executive, shall take charge of his senior till he joins the office or if he is not competent then such other person who is competent to take the charge as may be decided by the Managing Director.
2. In the event the Managing / Executive Director of the Company is no longer able to serve in this position (i.e., leaves the position permanently), the Nomination and Remuneration Committee of the Board of Directors shall fill the vacancy for the time being, in the following manner:
 - a. Within 30 business days (if appointed from within the Organisation) or 120 business days (if appointed from outside the organisation), appoint an interim CEO according to the following line of succession:
 - Senior Executive Director / Executive Director of the Company;
 - President / Vice president of the Company.

(Note:- In case there is more than one candidate eligible for the interim CEO, then Nomination and Remuneration Committee shall select one candidate based on his experience and expertise after consulting the Chairman of the Board and Audit Committee.)

b. Within 30 days business days, the Nomination and Remuneration Committee shall take the responsibility and implement the following preliminary transition plan:

- Communicate with key stakeholders regarding appointment of interim CEO;
- Establish a time frame and plan for the recruitment and selection process in consultation with the recruitment agency from among the existing pool of talent or from outside, depending upon the requirement of the Company.

c. The Board may authorize the Managing / Executive Director for framing an internal policy for identifying and developing internal pool of talent for future leadership role in different department(s) / division in accordance with the requirement of such department(s) / division.

d. The Board shall review the succession policy periodically and if required, will make suitable changes in the policy keeping in view to the regulatory changes or changes due to business environment.

Policy for Remuneration of Director/KMP/Senior Management personnel Remuneration for Executive and Whole time Directors

The remuneration payable to the whole time directors shall be determined by the company as per the Articles of the company and the provisions of the Act and the rules made thereunder. The remuneration so determined shall be proposed to the board for approval and shall be subject to the approval of the shareholders/central government as applicable, wherever required.

Increments to the remuneration shall be recommended by the committee to the board which shall be well within the slabs as approved by the shareholders for the whole time director.

Remuneration for Non-Executive and Independent Directors

The remuneration to Non-Executive independent directors shall be as per the provisions of the Companies Act 2013. The amount of sitting fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

Criteria for making payments to Non-Executive Directors:

Criteria of making payments to Non-Executive Directors will be decided by the Board, it can be on the basis of:

- Contribution during the Meeting.
- Active Participation in strategic decision making.

Heads under which payments can be made

Any fee/remuneration payable to the Non- Executive Directors of the Company shall be in following manner:

Sitting Fee

Non- Executive Director(s) may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or any other meeting as required by Companies Act, 2013 or other applicable law or for any other purpose whatsoever as may be decided by the Board.

Remuneration and Commission

Under the Companies Act, 2013, Section 197 allows a company to pay remuneration to its Non-Executive Director(s) either by way of a monthly payment or at a specified percentage of the net profits of the company.

The Company is however not obligated to remunerate its Non- Executive Director(s). Further, the section 197 of the Act provides that the remuneration payable to directors who are neither managing directors nor whole time directors, shall not exceed-

- (i) one percent of the net profits of the Company, if there is a managing or whole time director or manager,
- (ii) three percent of the net profits in any other case.

Additional commission, apart from remuneration referred above, may be paid to Non-Executive Directors as may be decided by the Board of Directors of the company from time to time, depending on the extra time and effort as may be devoted and contribution as may be made by the Non-Executive Directors.

Refund of excess remuneration paid

If any such director draws or receives, directly or indirectly, by way of fee/remuneration any such sums in excess of the limit as prescribed or without the prior sanction of the Central Government, where it is required, he shall refund such sum to the company and until such sum is refunded, hold it in trust for the company. The company shall not waive the recovery of any sum refundable to it unless permitted by the Central Government.

Reimbursement of actual expenses incurred

Non- Executive Director(s) may also be paid/reimbursed such sums either as fixed allowance and /or actual as fair compensation for travel, boarding and lodging and incidental and /or actual out of pocket expenses incurred by such Directors for attending Board/Committee Meetings.

The Nomination and Remuneration Committee is entrusted with the role of reviewing the compensation of Non- Executive Director(s).

Payment to Non- Executive Directors and Independent Directors

The Company has no stock options plans and no payment by way of bonus, pension, incentives etc to its Non- Executives.

The Independent Director shall not be entitled to any stock option and may receive remuneration only by way of fees and reimbursement of expenses for participation in meetings of the Board or Committee thereof.

Remuneration to Key management personnel and Senior Management personnel

The remuneration of the Key management personnel and senior management personnel shall be decided by the Human resource team of the company and shall be presented to the committee for its perusal and approval.

Disclosures

Significant disclosures are required in the Directors report relating to the Remuneration of the Directors/Independent Directors/Key management personnel and the senior management personnel.

Conclusion

The committee shall have authority to modify or waive any procedural requirements of this policy.

In the event of any conflict between the provisions of this Policy and provisions of the Act and Rules framed thereunder or any other applicable laws for the time being in force, the later shall prevail over the Policy.

This Policy or the relevant provisions of this policy shall be disseminated to all concerned employees of the Company and shall also be uploaded on the website of the Company.

The policy shall be amended as required from time to time in case of any changes in the Act and the rules made thereunder.

FORM NO. MR.3
SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March, 2022

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

To,

The Members,

PATEL KNR HEAVY INFRASTRUCTURES LIMITED

'KNR HOUSE' 4th Floor, Plot No. 114,

Phase I, Kavuri Hills, Jubilee Hills,

Hyderabad 500033.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Patel KNR Heavy Infrastructures Limited** (hereinafter 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 my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 ('**Audit Period**') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the **Patel KNR Heavy Infrastructures Limited** (the "**Company**") for the financial year ended on 31st March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (**the Act**) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Overseas Direct Investment.
- (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. (**Not Applicable to the Company during the audit period**)
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. (**Not Applicable to the Company during the audit period**)
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. (**Not Applicable to the Company during the audit period**)
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations,

- 2014 (**Not Applicable to the Company during the audit period**)
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not Applicable to the Company during the audit period**) and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not Applicable to the Company during the audit period**)

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with stock exchange and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

I 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.

As confirmed by the Management adequate notice is given to all directors to schedule the Board Meetings and agenda items were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

**For M S Pitroda & Co.,
Practising Company Secretary**

Mehul Pitroda
Proprietor
ACS No. 43364
CP No. 20308

Place: Mumbai
Date: 9th August 2022

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

‘Annexure A’

To,
The Members,
PATEL KNR HEAVY INFRASTRUCTURES LIMITED
'KNR HOUSE' 4th Floor, Plot No. 114,
Phase I, Kavuri Hills, Jubilee Hills,
Hyderabad 500033.

My 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. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I 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. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My 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.

For M S Pitroda & Co.,
Practicing Company Secretary

Mehul Pitroda
Proprietor
ACS No. 43364
CP No. 20308

Place: Mumbai
Date: 9th August 2022

ANNEXURE III**FORM NO. AOC -2****(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the 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 arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NIL
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/ transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions'	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NIL
b)	Nature of contracts/ arrangements/ transaction	
c)	Duration of the contracts/ arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Date of approval by the Board	
f)	Amount paid as advances, if any	

ON BEHALF OF THE BOARD

Place: Hyderabad
Date: 09.08.2022

Sd/-
KN Reddy
Director
DIN: 00382412

Sd/-
D Venkata Padma
Director
DIN: 07604106

**FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT
FOR THE FINANCIAL YEAR 2021-22**

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.	Mr. B S Reddy	Non-Executive Director	2	2
2.	Mrs. D Venkata Padma	Non-Executive Independent Director	2	2
3.	Mrs. B S Radhika	Non-Executive Independent Director	2	2

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

<http://knrcil.com/pkhil-board-of-directors-and-committees.html>

<http://knrcil.com/pkhil.html>

4. Details of Impact Assessment: Not Applicable

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

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

6. Average Net profit of the Company as per Section 135 (5) of the Companies Act, 2013: Rs. 7,22,05,676/-

7. (a) Two percent of average net profit of the company as per section 135(5) Rs. 14,44,114/-

(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

(d) Total CSR Obligation for the financial year (7a+7b-7c): Rs. 14,44,114/-

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

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
Rs. 14,89,509/-	Nil	Nil	Nil	Nil	Nil

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	State	District	Project duration	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Name	Mode of Implementation - Through Implementing Agency CSR Registration number.
NIL												

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project		Project duration	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number.
1.	Construction of skill development for the purpose of skill development and training of rural people	II	No	Telangana	Warangal	N.A	Nil	Rs. 9,89,509/-	Nil	Yes	N.A	NA
2.	Contribution towards extending palliative care services to terminally ill patients suffering from cancer and other diseases	I	Yes	Telangana	Hyderabad	N.A	Nil	Rs. 5,00,000/-	Nil	Yes	N.A	N.A
							Total	Rs. 14,89,509/-				

(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) – Rs. 14,89,509/-

(g) Excess amount for set off, if any

Sl. No.	Particulars	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	Rs. 14,44,114/-
(ii)	Total amount spent for the Financial Year	Rs. 14,89,509/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Rs.45,395/-
(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)]	Rs.45,395/-

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 Rs.)	Amount spent in the reporting Financial Year (in Rs.).	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 Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1.	2020-21	Nil	Nil	Nil	Nil	Nil	Nil
2.	2019-20	Nil	Nil	Nil	Nil	Nil	Nil
3.	2018-19	Nil	Nil	Nil	Nil	Nil	Nil
	TOTAL	Nil	Nil	Nil	Nil	Nil	Nil

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project- Completed /Ongoing.
NIL								

1. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR Spent in the financial year

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

2. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). – N.A

Sd/-
K Narsimha Reddy
Director
(DIN:00382412)

Sd/-
B S Reddy
Chairman – CSR Committee
(DIN: 01675600)

Place: Hyderabad
Date: 09.08.2022

M.K. DANDEKER & CO.

Chartered Accountants

Phone : +91- 44 - 43514233
E-mail : admin@mkdandeker.com
Web : www.mkdandeker.com

No.185 (Old No.100) 2nd Floor,
Poonamallee High Road, Kilpauk,
Chennai - 600 010.

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of **Patel KNR Heavy Infrastructures Limited**

Report on the audit of the financial results

Opinion

We have audited the accompanying Financial Results of **Patel KNR Heavy Infrastructures Limited** ("the Company") for the year ended March 31, 2022, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of information and according to the explanations given to us, the aforesaid Financial Results:

- (i) are presented in accordance with the requirements of Regulation 52 of the Listing Regulations in this regard; and
- (ii) gives a true and fair view in conformity with applicable Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 (the "Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India of the net Profit and other comprehensive income and other financial information of the Company for the quarter and year ended March 31, 2022.

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 Financial Results" 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibility for the Financial Results

These Financial Results have been prepared on the basis of the annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of these Financial

Page 1 of 3

Results that give a true and fair view of the net profit and other comprehensive income and other financial information of the Company, in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. The Board of Directors of the Company are responsible for 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Results, the Board of Directors of the Company are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the Company are responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Financial Results

Our objectives are to obtain reasonable assurance about whether the Financial Results 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 Financial Results.

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

- Identify and assess the risks of material misstatement of the Financial Results, 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 with reference to financial statements 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 the Board of Directors.
- Conclude on the appropriateness of the Board of Directors 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 ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Results, including the disclosures, and whether the Financial Results 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.

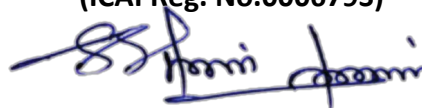
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

UDIN: 22223754AIYWLF7796

Date: May 14, 2022

Place: Chennai

**For M.K. Dandeker & Co.,
Chartered Accountants
(ICAI Reg. No.000679S)**



S. Poosaidurai

Partner

Membership No. 223754

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

(Rs. in Lakhs)

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

Corporate information and Significant accounting policies 1 to 3

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

As per our report of even date attached

For M.K. Dandekar & Co

Chartered Accountants

(Firm Registration No. 000679S)

For and on behalf of the Board

S. Poosaidurai

Partner

Membership No: 223754

K.N Reddy
(Director)

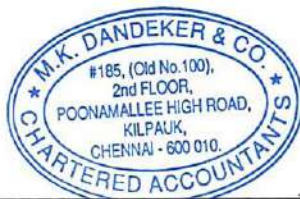
DIN: 00382412

B.S.Reddy
(Director)

DIN: 01675600

Place: Hyderabad

Date: 14-05-2022



S. Vaikuntanathan
Chief Financial Officer

Mohit Agarwal
Company Secretary



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

(Rs. in Lakhs)

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

Corporate information and Significant accounting policies

1 to 3

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

As per our report of even date attached

For M.K. Dandeker & Co

Chartered Accountants

(Firm Registration No. 000679S)

For and on behalf of the Board

S. Poosaidurai

Partner

Membership No: 223754



Place: Hyderabad

Date: 14-05-2022

K.N Reddy
B.S. Reddy

K.N Reddy
(Director)

DIN: 00382412

B.S.Reddy
(Director)

DIN: 01675600

S. Vaikuntanathan
S. Vaikuntanathan
Chief Financial Officer

Mohit Agarwal
Mohit Agarwal
Company Secretary

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

A - Equity Share Capital

(Rs. In Lakhs)

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

B - Instruments entirely equity in nature

(Rs. In Lakhs)

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

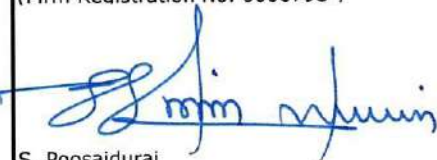
C - Other Equity

(Rs. In Lakhs)

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


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

For and on behalf of the Board




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


 K.N Reddy
 (Director)
 DIN: 00382412


 S. Vaikuntanathan
 Chief Financial Officer




 B.S.Reddy
 (Director)
 DIN: 01675600


 Mohit Agarwal
 Company Secretary



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

(Rs. In Lakhs)

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

Notes:

1 Components of Cash & Cash Equivalents

Bank Balance - Current Account	86.05	235.37
Cash in Hand	-	-
	86.05	235.37

- 2 The Cash flow statement is prepared in accordance with the Ind-AS 7 on Cash Flow Statements and presents the cash flows by operating, investing and financing activities.
- 3 Figures in brackets represent cash outflows.

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

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

S. Poosaidurai
Partner
Membership No: 223754



Place: Hyderabad
Date: 14-05-2022

For and on behalf of the Board

K.N Reddy
(Director)
DIN: 00382412

S. Vaikuntanathan
(CFO)

B.S.Reddy
(Director)
DIN: 01675600

Mohit Agarwal
Company Secretary

Handwritten signatures and stamps of K.N Reddy, B.S.Reddy, S. Vaikuntanathan, and Mohit Agarwal. A circular stamp of Patel KNR Heavy Infrastructures Ltd. Hyderabad is also visible.

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

1. Reporting entity

PATEL KNR Heavy Infrastructures Limited (the 'Company') is a company domiciled in India, with its registered office situated at KNR House, Phase I, Kavuri hills, Jubilee hills, Hyderabad, Telangana. The Company has been incorporated under the provisions of the Companies Act, 1956 as a Special Purpose Vehicle ("SPV") promoted by KNR Constructions Limited ('KNRCL') and Patel Engineering Infrastructures Ltd ('PEL').

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

2. Basis of preparation

A. Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

B. Functional and presentation currency

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

C. Basis of measurement

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

Items	Measurement Basis
Certain financial assets and liabilities	Fair value

D. Current Assets and Current Liabilities

Current Assets:

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

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

All other assets shall be classified as non-current.

Current Liabilities:

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

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

E. Use of estimates and judgment

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



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

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

F. Measurement of fair values

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

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

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

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

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

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

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

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

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

3. Significant accounting policies

a. Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any

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

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



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

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

ii. Subsequent expenditure

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

iii. Depreciation

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

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

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

b. Rights under Service Concession Arrangements (Annuity Project)

i) Financial Asset under SCA

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

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

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

c. Financial instruments

i. Recognition and initial measurement

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

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

ii. Classification and subsequent measurement

Non-Derivative Financial assets

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

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



PATEL KNR Heavy Infrastructures Limited

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

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

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

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

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

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

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

Financial liabilities: Classification, subsequent measurement and gains and losses

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

iii. De-recognition

Financial assets

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

Financial liabilities

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

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



iv. Offsetting

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

v. Non-derivative financial assets – service concession arrangements

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

d. Impairment

i. Impairment of financial instruments

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

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

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

Measurement of expected credit losses

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

Presentation of allowance for expected credit losses in the Balance Sheet

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

Write-off

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

ii. Impairment of non-financial assets

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



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

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

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

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

e. Cash and cash equivalents

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

f. Employee benefits

Short-term employee benefits

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

g. Provisions (other than employee benefits)

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

h. Revenue recognition

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

Accordingly, the policy for Revenue is amended as under:

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

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

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



PATEL KNR Heavy Infrastructures Limited

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

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

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

Other Income

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

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

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

i. FOREIGN CURRENCY TRANSACTIONS AND DERIVATIVES

Foreign Currency transaction and translation expenditure

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

Forward Exchange Contract/Derivative accounting

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

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

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



j. Recognition of interest income or expense

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

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

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

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

k. Income tax

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

i. Current tax

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

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

ii. Deferred tax

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

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

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

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

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



l. Borrowing cost

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

m. Segment reporting

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

n. Earnings per share

The basic earnings per share ("EPS") for the year is computed by dividing the net profit/ (loss) after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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

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

o. Contingent liabilities and contingent assets

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

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

p. Cash flow statement

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating, investing and financing activities of the company are segregated.

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

4 - PROPERTY, PLANT AND EQUIPMENT

(Rs. In Lakhs)

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

* The flat is mortgaged to Debenture Trustee

(Rs. In Lakhs)

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



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

5 - FINANCIAL ASSET RECEIVABLE

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

6 - OTHER NON-CURRENT ASSETS

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

7 - INVESTMENTS

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

Note:

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

8 - CASH AND CASH EQUIVALENTS

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

9 - Other Bank Balances

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

10 - OTHER FINANCIAL ASSETS

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

11 - CURRENT TAX ASSET(Net)

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

12- OTHER CURRENT ASSETS

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



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

13 - EQUITY CAPITAL

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

13.1 Terms/ Rights attached to equity shares

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

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the Shareholders

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

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

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

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

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

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

13.4 - Instrument entirely equity in Nature

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

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

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

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

(Rs. In Lakhs)

14 - OTHER EQUITY

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



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

15 - BORROWINGS

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

Foot Note i

Terms of Security

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

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

Terms of Repayment

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

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

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

Foot Note - ii

Terms of Security

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



PATEL KNR Heavy Infrastructures Ltd.

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

Terms of Repayment

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

16 - OTHER FINANCIAL LIABILITIES

(Rs. In Lakhs)

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

17 - OTHER NON - CURRENT LIABILITIES

(Rs. In Lakhs)

PARTICULARS	As at	
	March 31, 2022	March 31, 2021
Labour Cess Payable	86.19	103.61
Total	86.19	103.61

18 - TRADE PAYABLES

(Rs. In Lakhs)

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

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

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

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

(Rs. in Lakhs)

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



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



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

21 - REVENUE FROM OPERATIONS

(Rs. In Lakhs)

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

22 - OTHER INCOME

(Rs. In Lakhs)

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

23 - OPERATING & MAINTENANCE EXPENSES

(Rs. In Lakhs)

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

24 - EMPLOYEE BENEFITS EXPENSES

(Rs. In Lakhs)

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

25 - FINANCE COSTS

(Rs. In Lakhs)

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

26 - OTHER EXPENSES

(Rs. In Lakhs)

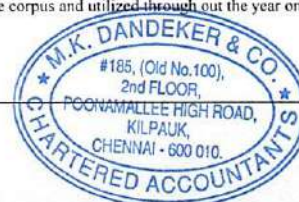
PARTICULARS	Year ended March 31, 2022	Year ended March 31, 2021
Agency Fee	22.86	22.09
Rating fee	9.50	11.21
Consultancy Fee	5.03	5.94
Advertising & Business Promotion Expenses	0.56	0.18
Interest on Income Tax/Service Tax/VAT	0.01	0.25
Independent Engineer Fee	45.52	28.18
Listing Fee	2.23	-
CSR Expenses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

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

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

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

b) Amount spent during the year on :



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

27 - TAX EXPENSES

(Rs. In Lakhs)

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



28. Capital management

The Company's policy is to maintain a strong capital base so as to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and for the future development of the Company. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return on capital to shareholders or issue of new shares.

The Company's adjusted net debt to equity ratio at 31 March 2022 and 31 March 2021 was as follows

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

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

29. Financial instruments - Fair values and risk management

A. Accounting classifications and fair values

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

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

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

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

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

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

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



B. Financial risk management

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

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

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

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

a) Credit risk

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

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

Financial asset receivable

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

b) Liquidity risk

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

Exposure to liquidity risk

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

March 31, 2022

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

March 31, 2021

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



PATEL KNR Heavy Infrastructures Limited

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

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

March 31, 2022

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

March 31, 2021

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

c) Market risk

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

Foreign Currency Risk

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

The Company is exposed to foreign currency risk as it has borrowing and options to payable in foreign currency

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

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

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

Sensitivity analysis

(Rs. In Lakhs)

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

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

Interest rate risk

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

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

The Company is not exposed to Interest rate risk as it is not having any variable interest rate borrowings.



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

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

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

The company measures risk through sensitivity analysis.

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

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

Particulars	Note No.	(Rs. In Lakhs)	
		March 31, 2022	March 31, 2021
Investments in Mutual Funds	7	6,249.39	7,724.22

Sensitivity analysis

(Rs. In Lakhs)

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

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

30. Service concession arrangement

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

The Company has right to receive an annuity payment of INR 8874.00 Lakhs from the grantor/authority. Accordingly, the Company has recognised its financial asset. At the end of the concession period the toll road will become the property of the grantor and the Company will have no further involvement in its operation or maintenance.

During the year, the Company has recorded revenue of Rs. 5,784.62 Lakhs, consisting of Rs. 4,052.19 Lakhs as a Income on financial asset, Rs.690.10 Lakhs as a income on operation & maintenance and Rs. 1,042.33 Lakhs as a income on Major Maintenance.

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



PATEL KNR Heavy Infrastructures Limited

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

31 Contingent Liability and Commitments and Contingent Assets

(Rs. in Lakhs)

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

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

32 Remuneration paid to the Statutory Auditors excluding Taxes

(Rs. in Lakhs)

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

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

(Rs. in Lakhs)

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

34 Employee Benefits

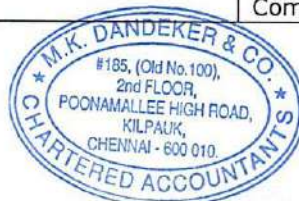
Actuarial valuation for gratuity to the company is not applicable during the year because the numbers of Employees are less than ten.

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

35 Related Party Transactions:

List of related parties and nature of relationship

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



PATEL KNR Heavy Infrastructures Limited

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

Transactions during the year

(Rs. In Lakhs)

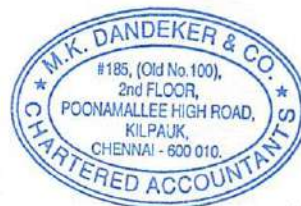
S. No.	Name of the related party	Nature of transactions	March 31, 2022	March 31, 2021
1	KNR Constructions Limited	Operation & Maintenance Expenditure	660.83	704.74
		Periodic Maintenance	1,007.46	2,451.96
		Reimbursement of Expenditure	22.87	179.49
		Mobilisation advance	-	330.32
		Mobilisation advance(recovered)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

Balances outstanding

(Rs. In lakhs)

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

*Confirmation not obtained



36 Foreign Currency Transactions:

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

37 Foreign Exchange transaction, translation and Hedge accounting

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

Derivative Instruments – Foreign Exchange Forward contracts

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

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



PATEL KNR Heavy Infrastructures Limited

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

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

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

52. Key financial ratios:

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

PATEL KNR Heavy Infrastructures Limited

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

53 Due to Micro, Small and Medium Enterprises

There has been no claimed transaction during the period with MICRO, Small and Medium Enterprises covered under the MICRO, Small and Medium Enterprises Development Act. (MSMED Act, 2006) Hence, reporting details of principal and interest does not arise

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

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

55 Segment Information

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

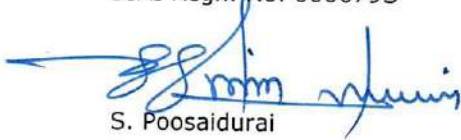
56 Taxes on Income

The Company is eligible for deduction under section 80IA of Income Tax Act and the tax holiday period of the company's project falls within the concession period of the company as defined in Section 80IA. Since deferred tax on Timing differences between Accounting Income and Taxable Income that arise during the year is reversing during such tax holiday period, no deferred tax asset/liability arises and accordingly no provision is made in the accounts.

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

For M.K. Dandeker & Co

Chartered Accountants
ICAI Regn. No. 000679S



S. Poosaidurai
Partner
M.No. 223754



Place: Hyderabad
Date: 14.05.2022

For and on behalf of the Board



K. N. Reddy
(Director)

B. S. Reddy
(Director)

DIN: 00382412

DIN: 01675600



S. Vaikuntanathan
(CFO)



Mohit Agarwal
(CS)

