

Sukumar Babu & Co

Chartered Accountants,

Flat. No: 513, Aditya Enclave, Annapurna Block, Ameerpet, Hyderabad-500038

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KNRC HOLDINGS AND INVESTMENT PRIVATE LIMITED.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **KNR Holdings and Investment Private Limited** (hereinafter referred to as "the Holding Company") and its Subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising the Consolidated Balance Sheet as at 31st, March, 2016 the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated financial statement")

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

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

Other Matters

We did not audit the financial statements / financial information of one subsidiary, whose financial statements reflect total assets of Rs. 45,104.76 Lakhs as at 31st March, 2016, total revenues of Rs. Nil and net cash flows amounting to Rs.1,100.62 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us
- i. There were no pending litigations which would have material impact on the consolidated financial position of the Group.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies incorporated in India.

For Sukumar Babu & Co.
Chartered Accountants
Firm Regn. No.004188S



A handwritten signature in black ink, appearing to be 'C. Sukumar Babu', written over a horizontal line.

C. Sukumar Babu
Partner
M.No. 024293

Place: Hyderabad
Date: 25-05-2016

KNRC HOLDINGS AND INVESTMENTS PRIVATE LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31st March 2016

(Rs. In Lakhs)

PARTICULARS	NOTE No.	As At 31-03-2016		As At 31-03-2015	
I EQUITY AND LIABILITIES					
1) SHAREHOLDERS' FUNDS					
a) Share Capital	3		1.00		1.00
b) Reserves and Surplus	4		(42.57)		(38.19)
2) SHARE APPLICATION MONEY					
			-		-
3) MINORITY INTEREST					
			7,952.13		8,954.71
4) NON - CURRENT LIABILITIES					
a) Long Term Borrowings	5	33,423.05		23,445.62	
b) Other Long Term Liabilities	6	276.16	33,699.21	-	23,445.62
5) CURRENT LIABILITES					
a) Other Current Liabilities	7	3,793.17	3,793.17	1,607.56	1,607.56
TOTAL			45,402.94		33,970.70
II ASSETS					
1) NON-CURRENT ASSETS					
a) Fixed Assets					
Tangible Assets		288.43		288.73	
Intangible Assets	8	1.83		1.83	
Intangible Assets Under Development		42,284.99		31,918.99	
b) Deferred Tax Assets(Net)		-		-	
c) Long-Term Loans and Advance	9	1,500.00		1,635.71	
d) Other Non-Current Assets	10	1.36	44,076.61	1.03	33,846.29
2) CURRENT ASSETS					
a) Cash and Cash Equivalents	11	1,175.24		74.61	
b) Short-Term Loans and Advances	12	23.40		8.24	
c) Other Current Assets	13	127.69	1,326.33	41.56	124.41
TOTAL			45,402.94		33,970.70
Significant Accounting Policies		1 & 2			

See accompanying Notes to financial statements

As per our report of even date attached

For Sukumar Babu & Co.

Chartered Accountants

(Firm Regn. No. 004188S)

C.Sukumar Babu

Partner

Membership No: 024293

Place : Hyderabad

Date : 25-05-2016



For and on behalf of the Board

K. Narasimha Reddy
K. Narasimha Reddy
Director

K. Jalandhar Reddy
K. Jalandhar Reddy
Director

KNRC HOLDINGS AND INVESTMENTS PRIVATE LIMITED

**STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31st
MARCH 2016**

(Rs. In Lakhs)

PARTICULARS	NOTE No.	For The Year ended 31-03-16	For The Year ended 31-03-15
I Income			
Revenue from operations		-	-
Other income		-	-
Total Revenue		-	-
II Expenses:			
Finance costs		-	-
Depreciation and amortization expense		-	-
Other expenses	14	6.96	7.90
Total expenses		6.96	7.90
Profit before tax (I- II)		(6.96)	(7.90)
Tax expense:			
1) Current tax		-	-
2) Deferred tax		-	0.17
Profit (Loss) for the period		(6.96)	(8.07)
Less: Share of Profit/Loss of Minority in Subsidiary		2.58	2.53
III Profit After Tax (after adjustment of minority interest)		(4.38)	(5.54)
Earnings per equity share (In Rs.)			
1) Basic		(43.80)	(55.40)
2) Diluted		(43.80)	(55.40)
Significant Accounting Policies	1&2		

See accompanying Notes to financial statements

As per our report of even date attached

For Sukumar Babu & Co.,

Chartered Accountants

(Firm Regn. No. 004188S)

For and on behalf of the Board

C.Sukumar Babu

Partner

Membership No: 024293

Place : Hyderabad

Date : 25-05-2016



K.N. Reddy
K.Narasimha Reddy
Director

K. Jalandhar Reddy
K. Jalandhar Reddy
Director

KNRC HOLDINGS AND INVESTMENTS PRIVATE LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

(Amount in Rs.)

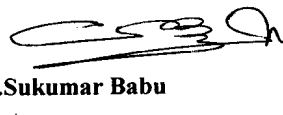
PARTICULARS	For the Year ended 31-03-2016	For the Year ended 31-03-2015
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(loss) before Tax	(6.96)	(7.90)
Adjustments for		
Depreciation	-	-
Loss on Discarded Assets	-	0.92
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(6.96)	(6.98)
(Increase)/Decrease in Trade and Other Assets	(0.33)	(0.42)
Increase/(Decrease) in Trade and Other Liabilities	-	0.07
CASH GENERATED FROM OPERATIONS	(7.29)	(7.33)
Taxes paid	-	-
NET CASH USED IN OPERATING ACTIVITIES	(7.29)	(7.33)
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-	(81.09)
Intangible Assets Under Development	(7,869.51)	(10,145.75)
NET CASH USED IN INVESTING ACTIVITIES	(7,869.51)	(10,226.84)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings	9,977.43	7,934.43
Payment (to)/from minority interest	(1,000.00)	2,242.50
NET CASH FROM FINANCING ACTIVITIES	8,977.43	10,176.93
	1,100.63	(57.24)
Cash and Cash Equivalents as at the beginning of the year	74.61	131.85
Cash and Cash Equivalents as at the end of the year (refer note 11)	1,175.24	74.61

Notes:

- 1 The Cash flow statement is prepared in accordance with the Indirect Method stated in Accounting Standard 3 on Cash Flow Statements and presents the cash flows by operating, investing and financing activities.
- 2 Previous year's figures have been regrouped, wherever necessary.
- 3 Figures in brackets represent cash outflows.


The Schedules referred above form an integral part of the Balance Sheet.


For Sukumar Babu & Co.,
Chartered Accountants
(Firm Regn. No. 004188S)


C. Sukumar Babu
Partner
Membership No: 024293



For and on behalf of the Board


K. Narasimha Reddy
Director


K. Jalandhar Reddy
Director

Place: Hyderabad
Date : 25-05-2016

KNRC HOLDINGS AND INVESTMENTS PVT LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

1. Company Overview

The Company is engaged in the business of Investment activity.

2. Significant Accounting Policies

2.1 Basis of Accounting and preparation of Consolidation financial statements

The Consolidated financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year unless otherwise stated separately herein below.

2.2 Principal of Consolidation

The Consolidation financial statements have been prepared on the following basis:

- a) The financial statements of the Company and its subsidiary companies have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and unrealized profits or losses on intra group transactions as per Accounting Standard 21 on “Consolidated Financial Statements” notified by the Companies (Accounting Standard) Rules, 2014.
- b) The financial statements of the subsidiaries used in consolidation are drawn up to the same reporting date as that of the Company, i.e. March 31, 2016.
- c) Minority interest in the net assets/reserves of the consolidated subsidiaries is identified and presented in consolidated balance sheet separately from liabilities and equity of the company.
- d) Minority interest in the net profit for the year in the case of subsidiaries whose accounts are consolidated is identified and adjusted against the profit after tax of the group.
- e) Intra-group balances and intra-group transactions and the resulting unrealized profits have been eliminated.

KNRC HOLDINGS AND INVESTMENTS PVT LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

- f) The consolidated financial statements are prepared to the extent possible using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible in the same manner as the Company's separate financial statement.

2.3 Fixed Assets

I) Tangible Assets

Tangible Fixed Assets are stated at historic cost which includes freight, installation cost, duties, taxes and other incidental expenses less accumulated depreciation.

II) Intangible Assets

Intangible assets are recognized as per the criteria specified in accounting standard (AS) 26 "Intangible Assets" as specified in the companies (Accounting Standard) Rules, 2006.

III) Intangible Assets under development

Intangible Asset under development includes direct and indirect expenditure incurred for the Highway project and the cost incidental and related thereto.

Expenses incurred relating to the development of Highway project prior to commencement of commercial operations are included under intangible Asset under development (net of income earned during project development stage) and after completion, the same will be transferred to Intangible Assets.

Pre-operative expenses including administrative and other general overhead expenses incurred up to the date of commencement of commercial operations which are specifically attributable to construction of the carriageway are capitalized as part of the cost of the asset. Other expenses have been written off in the year of incurrence of such expenditure.

2.4 Provisions, Contingent Liabilities and Contingent Assets

The Company recognizes provisions when there is present obligation as a result of past event and it is probable that there will be an outflow of resources and reliable estimate can be made of the amount of the obligation. A disclosure for Contingent liabilities is made in the notes on accounts when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. Contingent assets are neither recognized nor disclosed in the financial statements.

KNRC HOLDINGS AND INVESTMENTS PVT LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

2.5 Taxes on Income

Provision for current tax is made based on the liability computed in accordance with the relevant tax rates and tax laws applicable. Provision for deferred tax is made for timing differences arising between taxable incomes and accounting income using the tax laws and tax rates enacted or subsequently enacted as of the balance sheet date. Deferred Tax Assets are recognized only if there is a virtual certainty that there will be sufficient taxable income in future.

2.6 Investments

Current Investments are carried at lower of cost and market value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of investment.

2.7 Borrowing Costs

Borrowing Costs that are directly attributable to the acquisition or the construction of a qualifying asset is capitalized for the period until the asset is ready for its intended use. A qualifying asset is one that necessarily takes substantial period of time i.e., more than 12 months to get ready for intended use. All other borrowing costs are charged to revenue.

2.8 Depreciation

Depreciation or Amortization on fixed assets has been provided on straight-line basis in the manner specified in Schedule II of the Companies Act, 2013.

2.9 Earning Per Share

Basic and Diluted Earnings Per Share (EPS) is reported in accordance with Accounting Standard (AS) -20, "Earning Per Share", issued by the Institute of Chartered Accountants of India and notified under Companies (Accounting Standards) Rules, 2006. EPS is computed by dividing the net profit or loss for the year by the weighted average number of Equity Shares outstanding during the year.

KNRC HOLDINGS AND INVESTMENTS PRIVATE LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

3 SHARE CAPITAL

Particulars	(Rs. In Lakhs)	
	As at 'March 31, 2016	As at 'March 31, 2015
EQUITY SHARE CAPITAL		
Authorised Share capital		
2,000,000 Equity Shares of Rs. 10/- each	200.00	200.00
Issued, subscribed & fully paid share capital		
10,000 Equity Shares of Rs. 10/- each	1.00	1.00
	1.00	1.00

3.1 The Company has only one class of shares referred to as equity shares having a par value of Rs. 10/- . Each holder of equity shares is entitled to one vote per share.

3.2 The details of shareholder holding more than 5% shares as at March 31, 2016 and March 31, 2015 is set out below:

Name of the shareholder	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	% held	No. of Shares	% held
KNR Constructions Ltd.,	10000	100%	10000	100%

3.3 The reconciliation of the number of shares outstanding at the beginning and at the end of the year is set out below:

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	Amount in Rupees	No. of Shares	Amount in Rupees
Number of Equity Shares at the beginning	10000	100,000	10000	100,000
Add:- Number of Shares Issued	-	-	-	-
Less: Number of Shares Brought Back	-	-	-	-
Number of Equity Shares at the end of the year	10000	100,000	10000	100,000

4 RESERVES AND SURPLUS

Particulars	(Rs. In Lakhs)	
	As at 'March 31, 2016	As at 'March 31, 2015
Surplus/(deficit) in the Statement of Profit and Loss		
Opening balance	(38.19)	(32.65)
Add: Profit/(Loss) for the year	(4.38)	(5.54)
	(42.57)	(38.19)

KNRC HOLDINGS AND INVESTMENTS PRIVATE LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

5 LONG TERM BORROWINGS

Particulars	(Rs. In Lakhs)	
	As at 'March 31, 2016	As at 'March 31, 2015
SECURED		
Term Loans		
From Banks-(Rupee Loans) -(Foot Note-i)	26,965.00	22,266.19
Sub-Total	<u>26,965.00</u>	<u>22,266.19</u>
UNSECURED		
Loans and Advances from Related Parties (refer note: 21)		
KNR Constructions Ltd.,	5,580.88	302.26
KNR Energy Ltd.,	5.00	5.00
Other Loans and Advances		
JKM Infra Projects Ltd.,	872.17	872.17
Sub-Total	<u>6,458.05</u>	<u>1,179.43</u>
Total	<u>33,423.05</u>	<u>23,445.62</u>

Foot Note - i

Project Loan of Rs.31,800.00 Lakhs sanctioned by Banks to subsidiary company i.e., KNR Muzaffarpur Barauni Tollways Private Limited and as on 31.03.2016 the subsidiary company availed an amount of Rs.26,985 Lakhs.

Terms of Security of Project Loan

- i. Mortgage /charge over the company's immovable and movable properties (other than project assets but including all receivables) both present and future;
 - ii. Charge/assignment of revenues receivables .
 - iii. 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).
 - iv. Assignment of insurance policies, interest, benefits, claims, guarantees ,performance bonds and liquidated damages;
 - v. Pledge of 51% of the fully paid up Equity share capital of the company;
- The aforesaid charge will rank Pari - Passu with the mortgages and charges created/to be created in favour of participating institutions/banks.

Terms of Repayment of Project Loan

The above loan is repayable in fifty quarterly unequal installments ranging from 0.16 crores to 10.94 crores beginning from 1st January , 2017 to 1st April, 2029. The numbers of balance installments as on 31st March, 2016 are 50. The interest charged by the lenders is in the range of 12% to 12.50%. Interest is payable monthly.

6 OTHER LONG TERM LIABILITIES

Particulars	(Rs. In Lakhs)	
	As at March 31, 2016	As at March 31, 2015
Trade Payable	-	-
Other		
-Mobilization Advance-NHAI	276.16	-
Total	<u>276.16</u>	<u>-</u>

7 OTHER CURRENT LIABILITIES

Particulars	(Rs. In Lakhs)	
	As at 'March 31, 2016	As at 'March 31, 2015
Current maturities of long-term debt	20.00	15.75
Retention Deposit - JKM Infra-EPC Contractor	425.00	200.99
Bills Payable (Sub-contractors/Labour) - EPC Contractor	2,785.87	702.23
Interest accrued but not due on borrowings;	259.63	229.81
Interest accrued and due on borrowings;	-	202.59
Creditors of Expenses-JKM & KNRCL	8.50	11.06
Outstanding Liabilities	81.62	166.69
Statutory Dues	212.55	78.44
Total	<u>3,793.17</u>	<u>1,607.56</u>

KNRC HOLDINGS AND INVESTMENTS PRIVATE LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

8 FIXED ASSETS

Particulars	Gross Block				Accumulated Depreciation			Net Block	
	As at April 1, 2015	Additions	Deductions/Adjustment	As at March 31, 2016	As at April 1, 2015	For the Period	Deductions/Adjustment	As at March 31, 2016	As at March 31, 2015
I Tangible Assets									
Lands	287.54	-	-	287.54	-	-	-	287.54	287.54
Furniture & Fixtures	1.83	-	-	1.83	0.86	0.13	-	0.84	0.97
Office Equipments	0.15	-	-	0.15	0.08	0.02	-	0.05	0.07
Computers & Accessories	0.75	-	-	0.75	0.60	0.15	-	-	0.15
TOTAL	290.27	-	-	290.27	1.54	0.30	-	1.84	288.73
II Intangible Assets									
Good Will	1.83	-	-	1.83	-	-	-	1.83	1.83
TOTAL	1.83	-	-	1.83	-	-	-	1.83	1.83
III Intangible Assets Under Development									
	-	-	-	-	-	-	-	42,284.99	31,918.99
TOTAL	-	-	-	-	-	-	-	42,284.99	31,918.99
Grand Total	292.10	-	-	292.10	1.54	0.3*	-	42,575.25	32,209.55
As at 31st March, 2015	218.74	81.09	7.73	292.10	7.90	0.45*	6.81	32,209.55	22,116.08

* Depreciation has been capitalised.

KNRC HOLDINGS AND INVESTMENTS PRIVATE LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

9 LONG TERM LOANS AND ADVANCES

Particulars	(Rs. In Lakhs)	
	As at 'March 31, 2016	As at 'March 31, 2015
UNSECURED, CONSIDERED GOOD		
Capital Advance		
Mobilisation Advance	1,500.00	1,500.00
Material Advance	-	135.71
	1,500.00	1,635.71

10 OTHER NON CURRENT ASSETS

Particulars	(Rs. In Lakhs)	
	As at 'March 31, 2016	As at 'March 31, 2015
UNSECURED, CONSIDERED GOOD		
• Miscellaneous Expenditure (not written off)	1.360	1.030
	1.360	1.030

11 CASH AND CASH EQUIVALENTS

Particulars	(Rs. In Lakhs)	
	As at 'March 31, 2016	As at 'March 31, 2015
Balance with Banks		
In Current accounts	1,169.83	69.20
Cash on hand	5.41	5.41
	1,175.24	74.61

12 SHORT TERM LOANS AND ADVANCES

Particulars	(Rs. In Lakhs)	
	As at 'March 31, 2016	As at 'March 31, 2015
UNSECURED, CONSIDERED GOOD		
Loans and Advances from relates Party	-	-
Others		
TDS Receivable	19.05	7.69
Staff Imprest	0.99	0.55
Other Deposits	3.36	-
	23.40	8.24

13 OTHER CURRENT ASSETS

Particulars	(Rs. In Lakhs)	
	As at 'March 31, 2016	As at 'March 31, 2015
Receivable from NHAI	6.08	41.56
Amount Recoverable from KNRCL-(Creditors for Expenses)	121.61	-
	127.69	41.56

KNRC HOLDINGS AND INVESTMENTS PRIVATE LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31
MARCH 2016

14 OTHER EXPENSES

(Rs. In Lakhs)

PARTICULARS	As At 31-03-2016	As At 31-03-2015
Administration And Other Expenses		
Audit Fees	5.69	5.70
Filing Charges	0.12	0.63
Professional Fee	0.76	0.65
General Exp	0.01	-
Demat Charges	0.38	-
Discard of Assets	-	0.92
TOTAL	6.96	7.90

KNRC HOLDINGS AND INVESTMENTS PVT LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

15. The Subsidiary Company i.e., KNR Muzaffarpur Barauni Tollways Private Limited incorporated as a Special Purpose Vehicle (SPV) for development, maintenance and management of NH-28 from Km 519.600 to Km 627.000 in the State of Bihar on Design, Build, Finance, Operate and Transfer (The "DBFOT") on Toll basis under NHDP-IV for National Highways Authorities of India (NHAI) (Ministry of Road Transport and Highways, Government of India)

16. Commitments:

(Rs. in Lakhs)

Particulars	As at March 31,2016	As at March 31,2015
Estimated amount of contract remaining to be executed on capital account and not provided for (net of advance)*	1,332.53	8,316.78

*The Said Commitment belong to KNR Muzaffarpur Barauni Tollways Private Limited

17. The details of Subsidiaries, Jointly Controlled Entities and Associate Companies considered for consolidated financial statements are given below:

Name of the Entity	Country of Incorporation	Proportion of Ownership Interest	
		As at March 31,2016	As at March 31,2015
Step-Down Subsidiary of the Company			
KNR Muzaffarpur-Barauni Tollway Pvt. Ltd.,	India	50.35%	50.17%
Subsidiaries of the Company			
KNR Muzaffarpur Holding Pvt Ltd	India	100%	100%
Mesmeric Software Solutions Pvt Ltd	India	100%	100%
Nag Talent Ventures & Infotech Pvt Ltd	India	100%	100%
Roche Polymers and additives Pvt Ltd	India	100%	100%
Gradient Realty Ventures Pvt Ltd	India	100%	100%
Asara Constructions & Projects Pvt Ltd	India	100%	100%
Gradient Estates Pvt Ltd	India	100%	100%

KNRC HOLDINGS AND INVESTMENTS PVT LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

18. Particulars of Employees who were in receipt of remuneration of more than Rs.5,00,000/- or more per month, if employed for a part of the year -- Nil (Previous Year – Nil) or who were in receipt of remuneration of more than Rs.60,00,000/- or more per annum, if employed for whole of the year – Nil (Previous Year – Nil)
19. 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
20. Earnings Per Share

Particulars	2015-16	2014-15
Net Profit After Tax (Rs in lakhs)	(4.38)	(5.54)
Weighted Average number of Equity Shares	10,000	10,000
EPS (In Rs.)	(43.80)	(55.40)

21. As per Accounting Standard 18, “Related Party Disclosure” issued by the Institute of Chartered Accountants of India, the disclosures of transactions with the related Parties as defined in the Accounting Standard are as follows:

A . Following is the list of related parties and relationships:

S.No	Name of Related Party	Relations Ship
1.	KNR Constructions Limited	Holding Company
2	KNR Energy Ltd	Fellow Subsidiary
3.	Mr.K.Narasimha Reddy	Key Management Personnel
4.	Mr. Jalandhar Reddy	Key Management Personnel

- B. Related party transactions during the year ended 31st March 2016 are as follows:
(Previous year’s figures are given in brackets below the current year figures)

KNRC HOLDINGS AND INVESTMENTS PVT LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

The nature and volume of transactions during the year with the above-related Parties were as follows:

Company Particulars	2015-16	2014-15
KNR Constructions Limited		
-Unsecured Loan Received	5278.62	83.24
- Expenses re-imbursement	227.70	2.80

(Rs. In Lakhs)


Balance outstanding as on 31.03.2016

Company Particulars	2015-16	2014-15
KNR Constructions Limited		
-Share Capital in KMBTPL	45.90	45.90
-Unsecured Loan	5580.88	302.26
- Expenses re-imbursement	(121.61)	2.56
KNR Energy Ltd		
-Unsecured Loan Received	5.00	5.00

22. In the opinion of the management, there is no impairment of assets requiring provision in accordance with AS-28 relating to 'Impairment of Assets'
23. Previous year's figures have been regrouped/reclassified/rearranged wherever considered necessary


As per our report of even date
For Sukumar Babu & Co.,
 Chartered Accountants
 (Firm Regn. No.004188S)

For and on behalf of the Board


C. Sukumar Babu
 Partner

Membership No: 024293
 Place: Hyderabad
 Date : 25-05-2016




K. Narasimha Reddy
 Director


K. Jalandhar Reddy
 Director