



Sukumar Babu & Co.
Chartered Accountants

513, 'B' Block, Aditya Enclave,
Ameerpet, Hyderabad - 500 038.
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Independent Auditors' Report



To The Members of
KNRC Holdings and Investments Private Limited.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of **KNRC Holdings and Investments Private Limited** (hereinafter referred to as "the Holding Company") and its Subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), comprising the Consolidated Balance Sheet as at March 31, 2019 the Consolidated Statement of Profit and Loss (including other comprehensive income), , the Consolidated Statement of Changes in Equity, 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 statements").

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 (including other comprehensive income), consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated 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. 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS financial statements.

Opinion

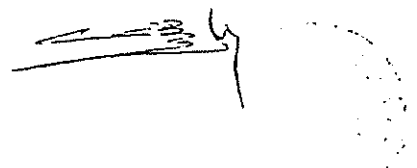
In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiary, the aforesaid consolidated financial statements give 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 (financial position) of the Group as at March 31, 2019, and their consolidated loss(financial performance including other comprehensive income), their consolidated statement of changes in equity and consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiary, 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, Consolidated Statement of Changes in Equity and 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 Ind AS financial statements.
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiary companies, associates companies and jointly controlled entities /joint ventures incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**".
- (g) 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 as at March 31, 2019 which would impact the consolidated financial position of the Group.
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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- 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 company incorporated in India during the year ended March 31, 2019.

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


C. Sukumar Babu
Partner
Membership No: 024293

Place: Hyderabad
Date: 24-05-2019

Annexure-A

Annexure referred to in paragraph 2 (i) under the heading "Report on Other Legal and Regulatory Requirements" of our report on even date:-

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

We have audited the internal financial controls over financial reporting of KNR Constructions Limited ("the Company") as of 31st March, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

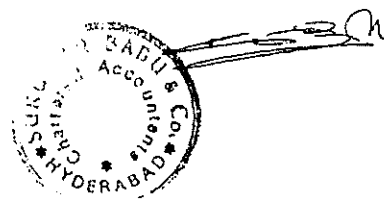
Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.


Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For SUKUMAR BABU & CO.,
Chartered Accountants
Firm Regn. No.004188S


SUKUMAR BABU
Partner
Membership No: 024293

Place: Hyderabad
Date: 24-05-2019

KNRC Holdings and Investments Private Limited
Consolidated Balance Sheet as at March 31, 2019

(Rs in Lakhs)

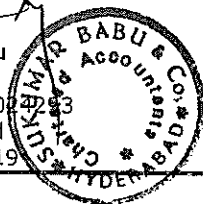
Particulars	Note	As At	
		March 31, 2019	March 31, 2018
I ASSETS			
1) Non-current assets			
a) Property, plant and equipment	3	64.59	34.14
b) Investment property	3.1	54.50	135.59
c) Other Intangible assets	3.2	42,068.93	45,015.05
d) Other non-current assets	4	524.28	27.23
Total Non-Current Assets		42,712.30	45,212.01
2) Current assets			
a) Financial assets			
i) Investments	5	800.95	-
ii) Cash and cash equivalents	6	94.18	216.54
iii) Bank balances, other than (ii) above	7	1,017.67	-
iv) Other Financial Assets	8	722.01	97.38
b) Current tax Asset(net)	9	23.58	19.69
c) Other current assets	10	3,159.06	2,755.36
Total Current Assets		5,817.45	3,088.97
TOTAL ASSETS		48,529.75	48,300.98
II EQUITY AND LIABILITIES			
Equity			
a) Equity Share capital	11	1.00	1.00
b) Instruments entirely equity in nature	11.4	10,111.89	9,351.93
c) Other equity	12	(3,781.65)	(3,196.71)
Total equity attributable to equity holders of the Parent		6,331.24	6,156.22
Non-Controlling interests		4,322.50	4,884.40
Total Equity		10,653.74	11,040.62
Liabilities			
1) Non-current liabilities			
a) Financial liabilities			
i) Borrowings	13	34,134.20	34,345.44
ii) Other financial liabilities	14	174.36	74.27
b) Provisions	15	850.05	379.92
Total Non-Current Liabilities		35,158.61	34,799.63
2) Current liabilities			
a) Financial liabilities			
i) Trade Payables	16	363.40	71.10
ii) Other financial liabilities	14	1,317.44	1,363.31
b) Other current liabilities	17	294.99	284.77
c) Provisions	15	741.57	741.55
Total Current Liabilities		2,717.40	2,460.73
TOTAL EQUITY AND LIABILITIES		48,529.75	48,300.98
Corporate information and Significant accounting policies	1 & 2		

See accompanying notes forming part of the financial statements
As per our report of even date attached

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

For and on behalf of the Board of Directors

C.Sukumar Babu
Partner
Membership No: 027983
Place : Hyderabad
Date : 24-05-2019



[Signature]

V. Venu Gopal Reddy
Director
DIN No: 08089571

[Signature]

K. Yashoda
Director
DIN No: 05157487

KNRC Holdings and Investments Private Limited

Consolidated Statement of Profit and Loss for the Year Ended March 31, 2019

(Rs in Lakhs)

Particulars		Note	Year ended March 31, 2019	Year ended March 31, 2018
I	Revenue from Operations	18	7,534.28	5,968.54
II	Other income	19	533.68	280.51
III	Total Revenue (I + II)		8,067.96	6,249.05
IV	Expenses			
	Construction Cost		-	1,436.59
	Operation & Maintenance Expenditure	20	1,218.86	532.91
	Employee benefits expense	21	91.04	91.33
	Finance costs	22	4,375.45	3,962.89
	Depreciation and amortization expense	3	2,956.58	2,698.79
	Other expenses	23	572.67	437.19
	Total expenses (IV)		9,214.60	9,159.70
V	Profit before exceptional items and tax (III - IV)		(1,146.64)	(2,910.65)
VI	Exceptional items		-	-
VII	Profit/(Loss) before tax (V - VI)		(1,146.64)	(2,910.65)
VIII	Tax expense			
	1) Current tax		-	-
	2) Deferred tax		-	-
			-	-
IX	Profit/(Loss) for the period (VII - VIII)		(1,146.64)	(2,910.65)
X	Other Comprehensive Income			
	a) Items that will not be reclassified to profit or loss			
	Actuarial gains and losses	24	(0.20)	1.15
	Deferred Tax on above items		-	-
	b) Items that will be reclassified to profit or loss			
XI	Total Comprehensive Income for the period (IX+X)		(1,146.84)	(2,909.50)
	Profit attributable to:			
	Owners of the parent		(584.74)	(1,457.69)
	Non-controlling interests		(561.90)	(1,452.96)
			(1,146.64)	(2,910.65)
	Total comprehensive income attributable to:			
	Owners of the Company		(584.94)	(1,456.54)
	Non-controlling interests		(561.90)	(1,452.96)
			(1,146.84)	(2,909.50)
XII	Earnings per equity share : (In Rs.)			
	Equity shares of par value Rs. 10/- each			
	1) Basic		(0.11)	(0.29)
	2) Diluted		(0.11)	(0.29)

Corporate information and Significant accounting policies

1 & 2

See accompanying notes forming part of the financial statements

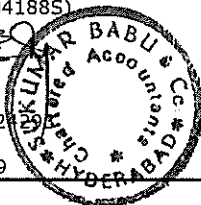
As per our report of even date attached

For Sukumar Babu & Co.,

Chartered Accountants

(Firm Regn. No. 0041885)

G. Sukumar Babu
Partner
Membership No: 02
Place : Hyderabad
Date : 24-05-2019



For and on behalf of the Board

V. Venu Gopal Reddy
Director
DIN No: 08089571

K. Yashoda
Director
DIN No: 05157487

KNRC Holdings and Investments Private Limited

Consolidated Cash Flow Statement for the Year Ended March 31, 2019

(Rs in Lakhs)

Particulars	Year ended 31-03-2019	Year ended 31-03-2018
A) Cash flow from Operating Activities		
Profit before tax	(1,146.64)	(2,910.65)
Adjustments for :		
Depreciation and impairment of property, plant and equipment	2,956.58	2,698.79
Profit on sale of asset	(20.91)	-
Gain on Mutual fund	(6.11)	(198.87)
Provision for MMR	423.68	378.28
Unwinding Interest on NHAI Premium	455.48	394.07
Unwinding Interest on MMR	45.39	-
Unwinding Processing fee	41.12	-
Interest Expense on Fair Value of interest free loans	7.25	5.67
Derecognition of Financial liability	-	(62.63)
Movements in provisions, gratuity and government grants	(0.20)	379.14
Finance costs	3,726.44	3,512.99
Operating profit before working capital changes	6,482.08	4,196.78
Changes in working capital:		
(Increase)/Decrease in Trade and Other Receivables	(1,525.38)	(1,501.99)
Increase/(Decrease) in Trade Payables and Other Liabilities	415.77	371.39
Cash generated/ (used) from Operations	5,372.47	3,066.18
Income Taxes (paid) / Refunds	(3.89)	(4.35)
Net Cash flows from / (used in) Operating Activities- (A)	5,368.58	3,061.83
B) Cash flow from Investing Activities		
Purchase of property, plant and equipment and Capital Work-in-Progress	(40.91)	(10.43)
Intangible assets under development	-	(1,230.28)
Investment in FD, Mutual funds	(1,812.51)	-
Proceeds from sale of Property	102.00	198.87
Net Cash flows from / (used in) Investing Activities- (B)	(1,751.42)	(1,041.84)
C) Cash flow from Financing Activities		
Finance cost paid	(3,726.44)	(3,508.81)
Proceeds from borrowings	6,344.43	1,100.00
Repayment of borrowings	(7,117.47)	(3,174.88)
Instrument entirely equity in nature (FV of US\$)	759.96	3,194.70
Net Cash Flows from / (used in) Financing Activities- (C)	(3,739.52)	(2,388.99)
Net increase/(decrease) in cash and cash equivalents - (A+B+C)	(122.36)	(369.00)
Cash & Cash Equivalents at the beginning of the year	216.54	585.54
Cash & Cash Equivalents as at end of the year (Refer note 1)	94.18	216.54

Note:

1 Cash & Cash equivalents includes:

Cash in Hand	67.22	40.84
Bank Balance -Current Account	26.96	175.70
Cheques on hand	-	-
	94.18	216.54

2 The Cash flow statement is prepared in accordance with the Indirect Method stated in Ind-AS7 on Cash Flow Statements and presents the cash flows by operating, investing and financing activities.

3 Previous year's figures have been rearranged, wherever necessary.

4 Figures in brackets represent cash outflows.

See accompanying notes forming part of the financial statements

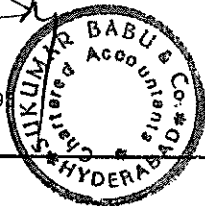
As per our report of even date attached

For Sukumar Babu & Co.,

Chartered Accountants

(Firm Regn. No. 004188S)

C.Sukumar Babu
Partner
Membership No: 02429
Place : Hyderabad
Date : 24-05-2019



For and on behalf of the Board

V. Venu Gopal Reddy
V. Venu Gopal Reddy
Director
DIN No: 08089571

K. Yashoda
K. Yashoda
Director
DIN No: 05157487

KNRC Holdings and Investments Private Limited

Consolidated Statement of Changes In Equity for the Year Ended March 31, 2019

A - Equity Share Capital

(Rs in Lakhs)

Particulars	Number of Shares	Amount
Balance as at April 01, 2017	10,000	1.00
Add: Equity shares allotted during the year	-	-
Balance as at March 31, 2018	10,000	1.00
Add: Equity shares allotted during the year	-	-
Balance as at March 31, 2019	10,000	1.00

B - Instrument entirely equity in Nature

(Rs. in Lakhs)

	Loan from Holding Company
At 1 April, 2017	6,219.87
Addition during the year	3,194.69
Less: Adjustment/Deletion	(62.63)
At 31 March, 2018	9,351.93
At 1 April, 2018	9,351.93
Addition during the year	759.96
Less: Adjustment/Deletion	-
At 31 March, 2019	10,111.89

C - Other Equity

(Rs in Lakhs)

Particulars	Retained Earnings	Other Comprehensive Income	Total
Balance as at April 01, 2017	(1,738.51)	(1.66)	(1,740.17)
Total Comprehensive Income for the Year	(1,457.69)	1.15	(1,456.54)
Balance as at March 31, 2018	(3,196.20)	(0.51)	(3,196.71)
Balance as at April 01, 2018	(3,196.20)	(0.51)	(3,196.71)
Total Comprehensive Income for the Year	(584.74)	(0.20)	(584.94)
Balance as at March 31, 2019	(3,780.94)	(0.71)	(3,781.65)

See accompanying notes forming part of the 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

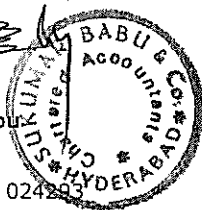
C.Sukumar Babu

Partner

Membership No: 024293

Place : Hyderabad

Date : 24-05-2019



V. Venu Gopal Reddy

V. Venu Gopal Reddy

Director

DIN No: 08089571

K. Yashoda

K. Yashoda

Director

DIN No: 05157487

KNRC Holdings and Investments Private Limited
Notes forming part of the consolidated financial statements

3 Property, Plant and Equipment

Particulars	(Rs. in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Tangible Assets		
Furniture and Fixtures	3.63	1.24
Office equipment	49.73	22.82
Computers & Accessories	3.84	3.16
Vehicles	7.39	6.92
	64.59	34.14

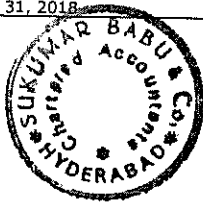
Particulars	(Rs in Lakhs)				
	Furniture and Fixtures	Vehicles	Office equipment	Computers & Accessories	Total
Cost or Deemed cost					
As at April 01, 2017	0.97	8.17	22.29	1.48	32.91
Additions	0.70	0.04	6.82	2.87	10.43
Disposals/adjustments	-	-	-	-	-
As at March 31, 2018	1.67	8.21	29.11	4.35	43.34
Depreciation					
As at April 01, 2017	0.26	0.47	1.15	0.48	2.36
Charge for the period	0.17	0.82	5.14	0.71	6.84
Disposals/adjustments	-	-	-	-	-
As at March 31, 2018	0.43	1.29	6.29	1.19	9.20
Net block					
As at March 31, 2018	1.24	6.92	22.82	3.16	34.14
As at March 31, 2017	0.71	7.70	21.14	1.00	30.55
Cost or Deemed cost					
As at April 01, 2018	1.67	8.21	29.11	4.35	43.34
Additions	2.63	1.30	34.72	2.26	40.91
Disposals/adjustments	-	-	-	-	-
As at March 31, 2019	4.30	9.51	63.83	6.61	84.25
Depreciation					
As at April 01, 2018	0.43	1.29	6.29	1.19	9.20
Charge for the period	0.24	0.83	7.81	1.58	10.46
Disposals/adjustments	-	-	-	-	-
As at March 31, 2019	0.67	2.12	14.10	2.77	19.66
Net block					
As at March 31, 2019	3.63	7.39	49.73	3.84	64.59
As at March 31, 2018	1.24	6.92	22.82	3.16	34.14

3.1 Investment Property

Particulars	(Rs. in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Investment Property *	54.50	135.59
	135.59	135.59

Note: Refer note 11 for details of assets pledged.

Particulars	(Rs. In Lakhs)	
	Amount	
As at April 01, 2017	135.59	
Additions	-	
Disposals	-	
As at March 31, 2018	135.59	
Depreciation		
As at April 01, 2017	-	
Charge for the period	-	
Disposals	-	
As at March 31, 2018	-	
Net block		
As at March 31, 2018	135.59	
As at March 31, 2017	135.59	
As at April 01, 2018	135.59	
Additions	-	
Disposals	(81.09)	
As at March 31, 2019	54.50	
Depreciation		
As at April 01, 2018	-	
Charge for the period	-	
Disposals	-	
As at March 31, 2019	-	
Net block		
As at March 31, 2019	54.50	
As at March 31, 2018	135.59	



KNRC Holdings and Investments Private Limited
Notes forming part of the consolidated financial statements

Fair Value of Investment Property

Details and fair value of the Investment Property as on March 31, 2019 and March 31, 2018 is given below

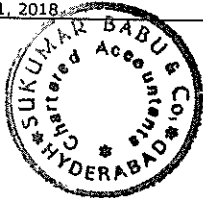
Particulars	Fair value Hierarchy	(Rs. In Lakhs)	
		As at March 31, 2019	As at March 31, 2018
Investment Property	Level 3	76.31	161.05
		76.31	161.05

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

3.3 Other Intangible assets

Particulars	(Rs. In Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Carriage way	42,068.93	45,015.05
Intangible assets under development	-	-
Total	42,068.93	45,015.05

Particulars	(Rs. In Lakhs)		
	Carriage way	Intangible assets under development	Total
Cost or Deemed cost			
As at April 01, 2017	39,522.52	8,859.74	48,382.26
Additions	10,090.02	1,230.28	11,320.30
Disposals	-	(10,090.02)	(10,090.02)
As at March 31, 2018	49,612.54	0.00	49,612.54
Depreciation			
As at April 01, 2017	1,905.54	-	1,905.54
Charge for the period	2,691.95	-	2,691.95
Disposals	-	-	-
As at March 31, 2018	4,597.49	-	4,597.49
Net block			
As at March 31, 2018	45,015.05	0.00	45,015.05
As at March 31, 2017	37,616.98	8,859.74	46,476.72
Cost or Deemed cost			
As at April 01, 2018	49,612.54	-	49,612.54
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2019	49,612.54	-	49,612.54
Depreciation			
As at April 01, 2018	4,597.49	-	4,597.49
Charge for the period	2,946.12	-	2,946.12
Disposals	-	-	-
As at March 31, 2019	7,543.61	-	7,543.61
Net block			
As at March 31, 2019	42,068.93	-	42,068.93
As at March 31, 2018	45,015.05	-	45,015.05



KNRC Holdings and Investments Private Limited
Notes forming part of the consolidated financial statements

4 Other Non-current Assets

Particulars	(Rs in Lakhs)	
	As at	
	March 31, 2019	March 31, 2018
Amount paid to Related Party (refer note : 31)		
Capital advances	497.05	-
Other Receivables	3.82	3.82
GST Input	23.41	23.41
Total	524.28	27.23

5 Investments

Current	No. of Units	(Rs. in Lakhs)	
		As at	
		March 31, 2019	March 31, 2018
Trade - Quoted - at fair value			
Investments in Mutual funds			
UTI Mutual fund	26168.535 (PY Nil)	800.95	-
Total		800.95	-

6 Cash and Cash Equivalents

Particulars	(Rs in Lakhs)	
	As at	
	March 31, 2019	March 31, 2018
Balances with banks:		
in current accounts	26.96	175.70
Cash on hand	67.22	40.84
Total	94.18	216.54

7 Other Bank Balances

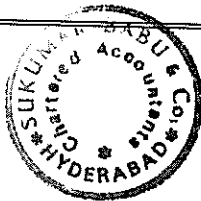
Particulars	(Rs. in Lakhs)	
	As at	
	March 31, 2019	March 31, 2018
Fixed deposits (3months to 12 months)	1,017.67	-
Total	1,017.67	-

8 Other Financial Assets

Particulars	(Rs in Lakhs)	
	As at	
	March 31, 2019	March 31, 2018
Current		
Receivable from NHA1-Project Director	246.97	97.38
Receivable from JKM - DLP	475.04	-
Total	722.01	97.38

9 Current Tax Asset (Net)

Particulars	(Rs in Lakhs)	
	As at	
	March 31, 2019	March 31, 2018
Current		
TDS Receivable	23.58	19.69
Total	23.58	19.69



KNRC Holdings and Investments Private Limited
Notes forming part of the consolidated financial statements
13 Borrowings

(Rs in Lakhs)

Particulars	As at	
	March 31, 2019	March 31, 2018
Non-current		
Secured loans		
Form Banks (Rupee Loans) -(Foot Note - 13.1)	29,940.55	30,695.74
Unsecured loans		
Un Secured - Deferred Payment Liability		
Premium Payable - NHAI (Refer note : 27)	4,046.88	3,591.40
From related parties (Refer note : 31)		
KNR Constructions Ltd.,	146.77	58.30
Total	34,134.20	34,345.44

Note - 13.1

Project Loan of Rs.31,800.00 Lakhs sanctioned by Banks to subsidiary company i.e., KNR Muzaffarpur Barauni Tollway Private Limited and as on 31.03.2019 the subsidiary company availed an amount of Rs.31,325 Lakhs.

Terms of Security of Project Loan

- Mortgage /charge over the company's immovable and movable properties (other than project assets but including all receivables) both present and future;
- Charge/assignment of revenues receivables .
- Charge over /assignment of the rights, titles and interests of the company in to and in respect of all project agreements (in accordance with concession agreement).
- Assignment of insurance policies, interest, benefits, claims, quarantees ,performance bonds and liquidated damages;
- Pledge of 51% of the fully paid up Equity share capital of the company;
The aforesaid charge will rank Pari - Passu with the mortgages and charges created/to be created in favour of participating institutions/banks.
- The Sponsor has provided a Corporate Guarantee to the tune of 20% of outstanding term loan debt.

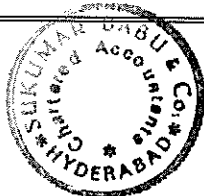
Terms of Repayment of Project Loan

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, 2028. The numbers of balance installments as on 31st March, 2019 are 41. The interest charged by the lenders is at 12% p.a. Interest is payable monthly.

14 Other Financial Liabilities

(Rs in Lakhs)

Particulars	As at	
	March 31, 2019	March 31, 2018
Non-current		
Interest on Premium Payable	140.37	50.16
Amount payable to Related Party(Refer Note : 31)		
KNR Constructions Ltd.,	11.82	1.94
JKM Infra Projects Ltd.,	22.17	22.17
Total non-current other financial liabilities	174.36	74.27
Current		
Current maturities of long-term debts:		
Term loans - from Banks (Refer note - 13.1)	735.15	793.10
Amount payable to Related Party (Refer Note : 31)		
Advance Received	15.79	24.37
Expenses Payable - KNR Constructions Ltd.,	1.47	0.83
Retention deposit - JKM Infra Projects Ltd.,	425.00	425.00
Expenses Payable - JKM Infra Projects Ltd.,	21.50	21.50
salaries payable	4.96	4.15
Independent Engineer fees payable	41.53	39.05
Outstanding Expenses	72.03	55.31
Total current other financial liabilities	1,317.43	1,363.31
Total	1,491.79	1,437.58



KNRC Holdings and Investments Private Limited
Notes forming part of the consolidated financial statements

15 Provisions

Particulars	(Rs in Lakhs)	
	As at	
	March 31, 2019	March 31, 2018
Non - Current		
Provision for Gratuity (Refer Note : 30)	2.70	1.64
Provision for MMR	847.35	378.28
	850.05	379.92
Current		
Provision for Gratuity	0.07	0.05
Provision for Capital Expenditure (Refer Foot Note)	741.50	741.50
Total	741.57	741.55

Foot Note: During the year company has received the 100% PCOD, and Rs. 741.50 lakhs pending for certification, hence provision has been made and capitalised

Movement of Provision for Major Maintenance

PARTICULARS	As at	
	March 31, 2019	March 31, 2018
Balance as at 1 April	378.28	-
Provision made during the year	423.68	378.28
Un winding Interest on MMR	45.39	-
Provision utilised during the year	-	-
Provision reversed during the year	-	-
Balance as at 31 March	847.35	378.28

16 Trade Payables

Particulars	(Rs in Lakhs)	
	As at	
	March 31, 2019	March 31, 2018
Bills Payable (Sub-contractors/Labour/Service)	180.06	71.10
Amount payable to Related Party (Refer Note : 31)		
KNR Constructions Limited	183.34	-
Total	363.40	71.10

17 Other Current Liabilities

Particulars	(Rs in Lakhs)	
	As at	
	March 31, 2019	March 31, 2018
Dues to statutory/government authorities	16.41	8.61
Mobilisation Advance - NHAI	276.16	276.16
Total	292.57	284.77



KNRC Holdings and Investments Private Limited
Notes forming part of the consolidated financial statements

18 Revenue From Operations

Particulars	(Rs in Lakhs)	
	Year ended 31-03-2019	Year ended 31-03-2018
Toll Revenue	7,534.28	4,531.95
Construction Income	-	1,436.59
Total	7,534.28	5,968.54

19 Other Income

Particulars	(Rs in Lakhs)	
	Year ended 31-03-2019	Year ended 31-03-2018
Derecognition of Financial Liability	-	62.64
Income from Demonitisation	-	198.87
Profit on Sale of Asset	20.91	-
Repairs & maintainane income - DLP	431.86	-
Gain/(Loss) on FV of Mutual funds	6.11	-
Other Income	74.80	19.00
Total	533.68	280.51

20 Operation & Maintenance Expenses

Particulars	(Rs in Lakhs)	
	Year ended 31-03-2019	Year ended 31-03-2018
Toll Maintenance Expenditure	163.75	149.73
NHAI Premium	-	4.90
Provision for MMR	423.68	378.28
Repairs & Maintenance - DLP	413.93	-
Operation and Maintenance expenses - Routine	217.50	-
Total	1,218.86	532.91

21 Employee Benefits Expense

Particulars	(Rs in Lakhs)	
	Year ended 31-03-2019	Year ended 31-03-2018
Salaries, Wages and Other Benefits	88.23	88.22
Staff welfare Expenses	2.81	3.11
Total	91.04	91.33

22 Finance Costs

Particulars	(Rs in Lakhs)	
	Year ended 31-03-2019	Year ended 31-03-2018
Interest on Term Loans	3,640.35	3,445.59
Interest on Premium Payable	99.77	50.16
Un winding interest on NHAI Premium	455.48	394.07
Un winding interest on MMR	45.39	-
Un winding Processing Fee	41.12	18.85
Unwinding Interest on fair value of USL	7.25	5.67
Other Borrowing Charges	86.09	48.55
Total	4,375.45	3,962.89



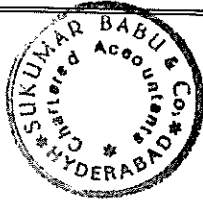
KNRC Holdings and Investments Private Limited
Notes forming part of the consolidated financial statements

23 Other Expenses

Particulars	(Rs in Lakhs)	
	Year ended 31-03-2019	Year ended 31-03-2018
Travelling & Conveyance (includes Boarding & Lodging Expenses)	8.30	11.60
Postage & Telegrams and Telephones	0.09	0.23
Security Charges	47.76	43.41
Advertisement and publicity	1.05	8.44
Legal & Professional Charges	19.22	5.64
Interest on TDS	1.30	0.34
Insurance	24.93	21.37
Rates and taxes excluding taxes of Income	18.11	1.93
Payments to the Auditor	4.21	6.60
Consultancy Expenses	65.32	70.47
Power & Fuel	140.12	70.01
Mess Expenses	28.65	18.69
Telephone Expenditure	2.25	2.49
Labour Expenses	83.78	55.63
Hire Charges	28.59	3.84
Repairs & Maintenance	12.93	27.83
AMC Charges	19.92	11.59
Service Tax	-	1.11
GST Expenses	48.05	43.44
Printing & Stationery	7.07	9.88
Other Expenses	8.59	22.65
Total	570.24	437.19

24 Other Comprehensive Income

Particulars	(Rs in Lakhs)	
	Year ended 31-03-2019	Year ended 31-03-2018
Items that will not be reclassified to profit or loss		
Actuarial Gains & Losses	0.20	(1.15)
Total	0.20	(1.15)



KNRC Holdings and Investments Private Limited
Notes forming part of the consolidated financial statements

25 Capital management

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

The Company's adjusted net debt to equity ratio at March 31, 2019 and March 31, 2018 was as follows

	(Rs. in Lakhs)	
	March 31, 2019	March 31, 2018
Total Debt from banks	30,822.47	31,547.14
Less: cash and cash equivalents	1,111.85	216.54
Adjusted net debt	29,710.62	31,330.60
Total equity	10,656.17	11,040.62
Adjusted equity	10,656.17	11,040.62
Adjusted net debt to adjusted equity ratio	2.79	2.84

Note : Debt from Banks Includes Interest accrued and due

26 Financial Instruments - Fair values and risk management

A. Accounting classifications and fair values

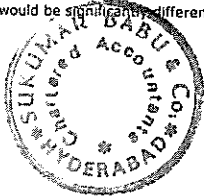
The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Particulars	Carrying amount (Rs. in Lakhs)			Fair Value (Rs. in Lakhs)			
	FVTPL	Amortised Cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets							
Cash and cash equivalents	-	94.18	94.18	-	-	-	-
Bank balances, other than above	-	1,017.67	1,017.67	1,017.67	-	-	1,017.67
Investments	800.95	-	800.95	800.95	-	-	800.95
Other financial assets	-	722.01	722.01	-	-	722.01	722.01
	800.95	1,833.86	2,634.81	1,818.62	-	722.01	2,540.63
Financial liabilities							
Trade Payables	-	363.40	363.40	-	-	363.40	363.40
Secured bank loans	-	30,675.70	30,675.70	-	-	30,675.70	30,675.70
Un Secured loans	-	146.77	146.77	-	-	146.77	146.77
NHAI Premium Payable	-	4,046.88	4,046.88	-	-	4,046.88	4,046.88
Other financial liabilities	-	756.64	756.64	-	-	756.64	756.64
	-	35,989.39	35,989.39	-	-	35,989.39	35,989.39

The management assessed the financial assets and liabilities measured at amortised cost are approximate to the fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

Particulars	Carrying amount (Rs. in Lakhs)			Fair Value (Rs. in Lakhs)			
	FVTPL	Amortised Cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets							
Cash and cash equivalents	-	216.54	216.54	-	-	-	-
Other financial assets	-	97.38	97.38	-	-	97.38	97.38
	-	313.92	313.92	-	-	97.38	97.38
Financial liabilities							
Trade Payables	-	71.10	71.10	-	-	71.10	71.10
Secured bank loans	-	31,488.84	31,488.84	-	-	31,488.84	31,488.84
Un Secured loans	-	58.30	58.30	-	-	58.30	58.30
NHAI Premium Payable	-	3,591.40	3,591.40	-	-	3,591.40	3,591.40
Other financial liabilities	-	644.48	644.48	-	-	644.48	644.48
	-	35,854.12	35,854.12	-	-	35,854.12	35,854.12

The management assessed the financial assets and liabilities measured at amortised cost are approximate to the fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.



KNRC Holdings and Investments Private Limited
Notes forming part of the consolidated financial statements

26 Financial instruments - Fair values and risk management

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 focus is to estimate a vulnerability of financial risk and to address the issue to minimize the potential adverse effects of its financial performance.

a) Credit risk

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

The group is not exposed to credit risk as it has no trade receivable

The group's BOT Projects generally does not have trade receivable as collection of toll income coincide as and when the traffic passes through toll plazas. Hence, the management believes that the company is not exposed to any credit risk.

b) Liquidity risk

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

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

As at March 31, 2019

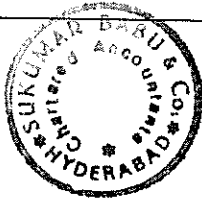
(Rs. in Lakhs)

Particulars	Contractual Cash flows				Total
	Carrying Amount	Upto 1 year	1 to 3 Years	More than 3 years	
Non-derivative financial liabilities					
Secured Bank loans	30,675.70	735.15	2,425.80	27,514.75	30,675.70
Un Secured loans	146.77	-	-	146.77	146.77
NHAI Premium Payable	4,046.88	-	-	4,046.88	4,046.88
Trade payables	363.40	363.40	-	-	363.40
Other financial liabilities	756.64	157.28	-	599.36	756.64
	35,989.39	1,255.83	2,425.80	32,307.76	35,989.39

As at March 31, 2018

(Rs. in Lakhs)

Particulars	Contractual Cash flows				Total
	Carrying Amount	Upto 1 year	1 to 3 Years	More than 3 years	
Non-derivative financial liabilities					
Secured Bank loans	31,488.84	793.10	1,690.00	29,005.74	31,488.84
Un Secured loans	58.30	-	-	58.30	58.30
NHAI Premium Payable	3,591.40	-	-	3,591.40	3,591.40
Trade Payables	71.10	71.10	-	-	71.10
Other financial liabilities	644.48	145.21	-	499.27	644.48
	35,854.12	1,009.41	1,690.00	33,154.71	35,854.12



KNRC Holdings and Investments Private Limited
Notes forming part of the consolidated financial statements

c) Market risk

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

i) Foreign currency risk

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

The Group is not exposed to foreign currency risk as it has no borrowing or no material payables in foreign currency

ii) Interest rate risk

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

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

The Group is exposed to Interest rate risk as it has few variable interest rate borrowings.

The Groups exposure to interest rate risk due to borrowings is as follows:

Particulars	Note No.	(Rs. In lakhs)	
		March 31, 2019	March 31, 2018
Borrowings outstanding	11	29,940.55	30,695.74
Borrowings Current maturities	12	735.15	793.10

Sensitivity analysis

(Rs. in lakhs)

Interest Rate Risk Analysis	Impact on profit/ loss after tax	
	Year Ended March 31, 2019	Year Ended March 31, 2018
Increase or decrease in Interest by 25bp	77.71	81.17

Note : In case of Increase in Interest rate, Profit will reduce and vice versa

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).

Particulars	Note No.	March 31, 2019	March 31, 2018
Investments	5	800.95	-

Sensitivity analysis

(Rs. In lakhs)

Price Risk Analysis	Impact on profit/ loss after tax	
	FY 2018-19	FY 2017-18
Increase or decrease in NAV by 2%	8.01	-

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

27 Service concession arrangement

- i) The Company has entered into a service concession arrangement with National Highways authority of India (NHAI) for design, construction, development, finance, operation and maintenance of NH-28 from Km 519.600 to Km 627.000 in the State of Bihar for a period of twenty one (21) years from commencement date i.e. 08 July 2012 including construction period. The Company has achieved its PCOD on 03 June 2016, and toll collection has been commenced from 09 June 2016 and achieved 100% PCOD on 24 August 2017 and 100% toll collection has been commenced from 01 October 2017. The SCA does not provide for any renewal of this arrangement.

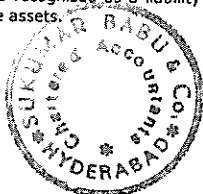
The Company has right to charge the users of the Asset as toll. Accordingly, the Company has recognised an Intangible asset. At the end of the concession period the toll road will become the property of the Authority and the Company will have no further involvement in its operation or maintenance.

During the year, the Company has recorded toll revenue of Rs. 7,534.28 Lakhs.

The revenue recognised in relation to construction represents the fair value of the construction services provided in constructing the toll road.

The Company has recognised an Intangible asset of Rs. 49,612.54 Lakhs

- ii) The company is required to make annual payments to the authority (NHAI) during the course of SCA which is called negative grant as per Ind-As 11, and the same was recognised as a liability with a present value of future annual payments payable during the period of SCA. And the same was capitalised to the intangible assets.



KNRC Holdings and Investments Private Limited
Notes forming part of the consolidated financial statements

36 Approval of Financial Statements

The financial statements were approved for issue by the Board of Directors on May 24, 2019


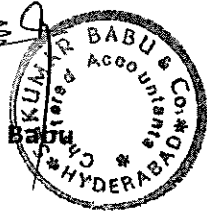
- 37** Previous year's figures have been regrouped/reclassified/rearranged wherever considered necessary.

For Sukumar Babu & Co.,

Chartered Accountants

(Firm Registration No. 004188S)

For and on behalf of the Board

C. Sukumar Babu

Partner

Membership No. 024293

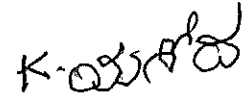
Place: Hyderabad

Date: 24-05-2019


V. Venu Gopal Reddy

Director

DIN: 08089571


K. Yashoda

Director

DIN: 05157487