



**INDEPENDENT AUDITOR'S REPORT**

**To the Members of**  
**KNR Muzaffarpur Barauni Tollway Private Limited**

**Report on the audit of the Standalone Ind AS Financial Statements**

**Opinion**

We have audited the Standalone Ind AS financial statements of **KNR Muzaffarpur Barauni Tollway Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020 and the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its loss, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Information Other than the Ind AS Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report (but does not include the standalone Ind AS financial statements and our auditor's report thereon)

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



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**Responsibility of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it 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 statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.





However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, the statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the 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 as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act. Above declaration from Mr. R.K. Jalan has not been provided to us.
  - f) With respect to the adequacy of the internal financial controls with reference to financial statement of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - 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 Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The company does not have any pending litigations which would impact its financial position except those disclosed in financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.






- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
3. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the year.

Place: New Delhi  
Date: 04/06/2020

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



  
G. K. Agrawal  
(Partner)  
(M No. 081603)



**Annexure 'A' to the Independent Auditor's Report of KNR MUZAFFARPUR BARAUNI TOLLWAY PRIVATE LIMITED for the Year ended as on 31<sup>st</sup> March 2020**

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

- i. a. The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;  
b. The Fixed Assets have been physically verified by the Management at regular intervals and no material discrepancies were noticed on such verification.  
c. The Company has no immovable property as on 31-03-2020.
- ii. As the company is engaged in the business of infrastructure development, operations and its maintenance and there is no inventory in hand at any point of time, hence paragraph 3(ii) of the Order is not applicable to the company.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, limited liabilities partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, reporting under clause (a) to (c) of Para 3(iii) are not applicable
- iv. The Company has not entered into any transaction in respect of loans, investments, guarantee and securities, which attracts compliance to the provisions of the sections 185 and 186 of the Companies Act, 2013. Therefore the paragraph 3(iv) of the Order is not applicable to the company.
- v. The Company has not accepted deposits and the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable to the Company.
- vi. The Company is prima-facie maintaining the cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
- vii. a. According to the information and explanations given to us and on the basis of our examination of the books of accounts, the company has been generally regular in depositing undisputed statutory dues including provident fund, employee state insurance, income tax, Goods service tax, , cess and other statutory dues during the year with the appropriate authorities. As on 31st March 2020, there are no undisputed statutory dues payables for period exceeding for a period more than six month from the date they become payable  
b. According to the information and explanation given to us, there are no dues of provident fund, employee state insurance, income tax, Goods service tax, cess and other statutory dues which have not been deposited on account of dispute.





- viii. During the year the company has not defaulted in repayment of loans or borrowings to the banks. The company has not taken any loan or borrowings from any financial institutions or Government. The company has not issued debentures.
- ix. Money raised by way of term loans were applied for the purpose for which it was raised. The Company has not raised money by way of initial public offer or further public offer.
- x. According to the information and explanation given to us by the management which have been relied by us, there were no frauds on or by the company noticed or reported during the period under audit.
- xi. The company has not paid managerial remuneration, hence paragraph 3(xi) of the order is not applicable to the company.
- xii. The Company is not a Nidhi Company and hence clause 3 (xii) of the Companies (Auditor's Report) Order 2016 is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place: New Delhi  
Date: 04/06/2020

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



*G. K. Agrawal*  
G. K. Agrawal  
(Partner)  
(M No. 081603)



**ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT**  
(Referred to in our Report of even date)**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to financial statements of **KNR Muzaffarpur Barauni Tollway Private Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). 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 with reference to financial statements based on our audit. We conducted our audit in accordance with 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error.

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





**Meaning of Internal Financial Controls with reference to financial statements**

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

**Inherent Limitations of Internal Financial Controls with reference to financial statements**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal financial controls with reference to financial statements 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.

Place: New Delhi  
Date: 04/05/2020

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



G. K. Agrawal  
(Partner)  
(M No. 081603)



**KNR Muzaffarpur Barauni Tollway Private Limited**  
**BALANCE SHEET as at March 31, 2020**

(Rs. in Lakhs)

Particulars	Note	As At March 31, 2020	As At March 31, 2019
<b>I ASSETS</b>			
<b>1) NON-CURRENT ASSETS</b>			
a) Property, plant and equipment	4	75.14	64.59
b) Intangible assets	4	39,114.74	42,068.93
c) Other non-current assets	5	11.10	27.23
<b>Total Non-Current Assets</b>		<b>39,200.98</b>	<b>42,160.75</b>
<b>2) CURRENT ASSETS</b>			
a) Financial assets			
i) Investments	6	220.84	800.95
ii) Cash and cash equivalents	7	376.83	87.33
iii) Other Bank balances	8	1,135.35	1,017.67
iv) Other financial assets	9	1,315.71	722.01
b) Current Tax Assets (net)	10	18.96	23.45
c) Other current assets	11	3,341.65	3,159.06
<b>Total Current Assets</b>		<b>6,409.34</b>	<b>5,810.47</b>
<b>TOTAL ASSETS</b>		<b>45,610.32</b>	<b>47,971.22</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
a) Equity Share capital	12	7,060.00	7,060.00
b) Instrument entirely equity in Nature	12.4	10,655.10	10,655.10
c) Other equity	13	(9,374.23)	(7,422.43)
<b>Total Equity</b>		<b>8,340.87</b>	<b>10,292.67</b>
<b>LIABILITIES</b>			
<b>1) NON - CURRENT LIABILITIES</b>			
a) Financial liabilities			
i) Borrowings	14	32,817.21	33,987.43
ii) Other financial liabilities	15	128.09	140.37
b) Provisions	16	1,427.69	850.05
<b>Total Non-current Liabilities</b>		<b>34,372.99</b>	<b>34,977.85</b>
<b>2) CURRENT LIABILITIES</b>			
a) Financial liabilities			
i) Trade Payables	17	377.05	363.40
ii) Other financial liabilities	15	1,494.74	1,300.74
b) Other current liabilities	18	283.06	294.99
c) Provisions	16	741.61	741.57
<b>Total current Liabilities</b>		<b>2,896.46</b>	<b>2,700.70</b>
<b>Total Liabilities</b>		<b>37,269.45</b>	<b>37,678.55</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>45,610.32</b>	<b>47,971.22</b>

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

**For Gianender & Associates**

Chartered Accountants

(ICAI Registration No.004661N)

G.K. Agrawal  
Partner

Membership No: 081603



**For and on behalf of the Board of Directors**

K. Narsimha Reddy  
Director

DIN: 00382412

R.K. Jalan  
Director

DIN: 01088662

K. Venkata Ram Rao  
CFO

R.Rama Laxmi  
Company Secretary



Place : New Delhi  
Date : 04-Jun-2020



**KNR Muzaffarpur Barauni Tollway Private Limited**  
**STATEMENT OF PROFIT AND LOSS for the Year Ended March 31 ,2020**

PARTICULARS		Note	Year ended March 31 ,2020	Year ended March 31 ,2019
			<b>Audited</b>	<b>Audited</b>
<b>I</b>	Gross Revenue from Operations	19	6,916.38	7,534.28
<b>II</b>	Other income	20	728.24	512.77
<b>III</b>	<b>Total Revenue (I + II)</b>		<b>7,644.62</b>	<b>8,047.05</b>
<b>IV</b>	<b>EXPENSES</b>			
	Operating And Maintenance Expenses	21	1,905.52	1,546.63
	Employee benefits expense	22	60.11	90.70
	Finance costs	23	4,414.24	4,367.97
	Depreciation and amortization expense	4	2,973.27	2,956.58
	Other expenses	24	243.03	231.67
	<b>Total expenses (IV)</b>		<b>9,596.17</b>	<b>9,193.55</b>
<b>V</b>	<b>Profit before exceptional items and tax (III - IV)</b>		<b>(1,951.55)</b>	<b>(1,146.50)</b>
<b>VI</b>	Exceptional items		-	-
<b>VII</b>	<b>Profit/(Loss) before tax (V - VI)</b>		<b>(1,951.55)</b>	<b>(1,146.50)</b>
<b>VIII</b>	<b>Tax expense</b>			
	1) Current tax		-	-
	2) Adjustment of tax relating to earlier periods		-	-
	3) Deferred tax		-	-
			-	-
<b>IX</b>	<b>Profit (Loss) for the period (VII - VIII)</b>		<b>(1,951.55)</b>	<b>(1,146.50)</b>
<b>X</b>	<b>OTHER COMPREHENSIVE INCOME</b>			
	Remeasurement of defined benefit obligation	25	(0.25)	(0.20)
	<b>Total Comprehensive Income for the period (IX+X)</b>			
<b>XI</b>	<b>(Comprising Profit(Loss) and Other Comprehensive Income for the period)</b>		<b>(1,951.80)</b>	<b>(1,146.70)</b>
<b>XII</b>	<b>Earnings per equity share : (In Rs.)</b>	30		
	1) Basic		(2.76)	(1.62)
	2) Diluted		(2.76)	(1.62)

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

**For Gianender & Associates**  
Chartered Accountants  
(ICAI Registration No.004661N )

**G.K. Agrawal**  
Partner  
Membership No: 081603



Place : New Delhi  
Date : 04-Jun-2020

**For and on behalf of the Board of Directors**

**K. Narsimha Reddy**  
Director  
DIN: 00382412

**R.K. Jalan**  
Director  
DIN: 01088662

**K. Venkata Ram Rao**  
CFO

**R.Rama Laxmi**  
Company Secretary





**KNR Muzaffarpur Barauni Tollway Private Limited**  
**Statement Of Changes In Equity For The Year ended March 31, 2020**

**A - Equity Share Capital**

Equity Shares of Rs. 10/- each issued, subscribed and fully paid	No. of Shares in Lakhs	Amount in Rs. Lakhs
At April 01, 2019	706.00	7,060.00
Changes in equity share capital during the year	-	-
<b>At March 31, 2020</b>	<b>706.00</b>	<b>7,060.00</b>

**B - Instruments entirely equity in nature**

Particulars	(Rs. In Lakhs)
<b>Loan from Promoter</b>	<b>Amount</b>
Opening as on April 1, 2018	
Addition during the year	10,220.69
<b>Closing as on March 31, 2019</b>	<b>434.41</b>
Opening as on April 1, 2019	10,655.10
Addition during the year	-
<b>Closing as on March 31, 2020</b>	<b>10,655.10</b>

**C - Other Equity**

Particulars	Retained Earning	Other Comprehensive Income	Total
Balance as at 1st. April, 2018	(6,275.22)	(0.51)	(6,275.73)
Total Comprehensive Income for the Year	(1,146.50)	(0.20)	(1,146.70)
Balance as at March 31, 2019	<b>(7,421.72)</b>	<b>(0.71)</b>	<b>(7,422.43)</b>
Balance as at 1st. April, 2019	(7,421.72)	(0.71)	(7,422.43)
Total Comprehensive Income for the Year	(1,951.55)	(0.25)	(1,951.80)
Balance as at March 31, 2020	<b>(9,373.27)</b>	<b>(0.96)</b>	<b>(9,374.23)</b>

See accompanying Notes to financial statements

As per our report of even date attached

**For Gianender & Associates**

Chartered Accountants

(ICAI Registration No.004661N)

**G.K. Agrawal**  
 Partner  
 Membership No: 081603



**For and on behalf of the Board of Directors**

**K. Narsimha Reddy**  
 Director  
 DIN: 00382412

**K. Venkata Ram Rao**  
 CFO

**R.K. Jalan**  
 Director  
 DIN: 01088662

**R.Rama Laxmi**  
 Company Secretary

Place : New Delhi  
 Date : 04-Jun-2020





**KNR Muzaffarpur Barauni Tollway Private Limited**  
**Cash Flow Statement For the Year ended March 31, 2020**

(Rs. in Lakhs)

PARTICULARS	For the Year ended March 31, 2020	For the Year ended March 31, 2019
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	(1,951.55)	(1,146.50)
<b>Adjustments for</b>		
Depreciation & Amortization Expenses	2,973.27	2,956.58
Actuarial gain/loss	(0.25)	(0.20)
Provision for MMR	474.52	423.68
(Gain)/loss on fair value of Mutual funds	(44.89)	(6.11)
Un winding Interest on NHAI Premium	430.49	455.48
Un winding Interest on MMR	101.68	45.39
Un winding Processing fee	12.26	41.12
Modification Gain/Loss on NHAI Premium	538.30	-
Credit Balance Written off	(22.46)	-
Interest Cost & Other borrowing cost	3,331.51	3,726.21
<b>CHANGES IN OPERATING ASSETS AND LIABILITIES</b>		
(Increase)/Decrease in Trade and Other Receivables	5,842.88	6,495.65
Increase/(Decrease) in Trade Payables and Other Liabilities	(755.67)	(1,032.21)
	(11.47)	413.90
<b>CASH GENERATED FROM OPERATIONS</b>	<b>(767.14)</b>	<b>(618.31)</b>
Taxes paid	-	-
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>5,075.74</b>	<b>5,877.34</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
(Purchase)/Sale of Tangible/ Intangible asset under development	(29.63)	(40.91)
(Investment)/sale of Mutual funds and others	507.32	(1,812.51)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>477.69</b>	<b>(1,853.42)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long Term Funds Repaid	(861.17)	(7,057.93)
Long Term Funds Received	-	6,203.67
Deferred Payment Liability	(1,071.25)	-
Deemed Equity - Instruments entirely equity in nature	-	434.41
Finance Cost	(3,331.51)	(3,726.21)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>(5,263.93)</b>	<b>(4,146.06)</b>
<b>Net change in Cash and Cash Equivalents (A+B+C)</b>	<b>289.50</b>	<b>(122.14)</b>
Cash and Cash Equivalents at the beginning of the year	87.33	209.47
Cash and Cash Equivalents at the end of the year	<b>376.83</b>	<b>87.33</b>

**Notes:**

1 Components of Cash & Cash Equivalents

Cash in Hand		
Bank Balance - Current Account	12.65	62.71
Deposits with Bank	364.18	24.62
	<b>376.83</b>	<b>87.33</b>

2 The Cash flow statement is prepared in accordance with the Indirect Method stated in 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.

See accompanying Notes to financial statements  
As per our report of even date attached

**For Gianender & Associates**

Chartered Accountants  
(ICA Registration No.004661N)

**G.K. Agrawal**

Partner

Membership No: 081603



**For and on behalf of the Board of Directors**

**K. Narasimha Reddy**  
Director  
DIN: 00382412

**R.K. Jalan**  
Director  
DIN: 01088662

**K. Venkata Ram Rao**  
CFO

**R. Rama Laxmi**  
Company Secretary

Place : New Delhi

Date : 04-Jun-2020





**KNR Muzaffarpur Barauni Tollway Private Limited**  
**Notes to the financial statements for the year ended March 31, 2020**

**1. Reporting Entity**

KNR Muzaffarpur Barauni Tollways Private Limited (the 'Company') is a company domiciled in India with its registered office situated at KNR House, Phase - I, Kavuri 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 ('KNR') and JKM Infra Projects Limited ('JKM').

The Company has entered into a Service Concession Arrangement ("SCA") with National Highway Authority of India ("NHAI") for Design, Build, Finance, Operate and Transfer (The "DBFOT") from KM 519.600 to KM 627.000 of NH-28 in the State of Bihar, Under NHDP - IV) on BOT (Toll) basis. The company achieved 75% Provisional COD with effect from 03rd June 2016 and 100% PCOD on 24th August 2017.

**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.

The financial statements were authorized for issue by the Company's Board of Directors on 04-June-2020.

Details of the Company's accounting policies are included in Note 2.

**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
Net defined benefit (asset)/liability	Fair value of plan assets (if any) less present value of defined benefit obligations

**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.





**KNR Muzaffarpur Barauni Tollway Private Limited**  
**Notes to the financial statements for the year ended March 31, 2020**

**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 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 director.

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.





**KNR Muzaffarpur Barauni Tollway Private Limited**  
**Notes to the financial statements for the year ended March 31, 2020**

**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 capitalized 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.

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

**ii. Subsequent expenditure**

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

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

**b. Intangible Asset under Service Concession Arrangements**

**i. Recognition and measurement**

The Company recognizes an intangible asset arising from a service concession arrangement to the extent it has a right to charge for use of the concession infrastructure. The fair value, at the time of initial recognition of such an intangible asset received as consideration for providing construction or upgrade services in a service concession arrangement, is regarded to be its cost. Subsequent to initial recognition the intangible asset is measured at cost, less any accumulated amortization and accumulated impairment losses.

**ii. Subsequent expenditure**

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates.

**iii. Amortization**

The Company has followed life-based amortization for intangible assets which are recognized under service concession arrangements, over the balance concession period.





**KNR Muzaffarpur Barauni Tollway Private Limited**  
**Notes to the financial statements for the year ended March 31, 2020**

**iv. Accounting for negative grants**

The company is required to make payments to the authority (NHAI) during the period of SCA which is called negative grant as per appendix to Ind-As 11, and the payment is in the form of fixed payment (annual throughout the SCA) and the company has recognized as a liability with a present value of annual payments payable during the SCA. And the same was capitalized to the intangible assets.

**c. Financial instruments**

**i. 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

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





**KNR Muzaffarpur Barauni Tollway Private Limited**  
**Notes to the financial statements for the year ended March 31, 2020**

**ii. 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 recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

**iii. 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 realize the asset and settle the liability simultaneously.

**iv. Non-derivative financial assets – service concession arrangements**

The Company recognizes an intangible asset arising from a service concession arrangement when it has an unconditional contractual right to collect or 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 intangible assets are measured at fair value upon initial recognition and classified as intangible.

**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 amortized 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 recognizes 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 amortized cost are deducted from the gross carrying amount of the assets.





**KNR Muzaffarpur Barauni Tollway Private Limited**  
**Notes to the financial statements for the year ended March 31, 2020**

***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.

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

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

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

**e. Employee benefits**

***i. 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 recognized 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.

***ii. Long Term and post employee benefits***

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

- i. **Defined contribution plans:** The state governed provident fund scheme, employee state insurance scheme and employee pension scheme are defined contribution plans. The contribution paid/payable under the schemes is recognized during the period in which the employee renders the related service.
- ii. **Defined benefit plans:** The employees' gratuity fund schemes, provident fund scheme managed by the Company's defined benefit plans. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method.





**KNR Muzaffarpur Barauni Tollway Private Limited**  
**Notes to the financial statements for the year ended March 31, 2020**

The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the related obligations at the Balance Sheet date.

Re measurement, comprising actuarial gains and losses, the return on plan assets (excluding net interest) and any change in the effect of asset ceiling (wherever applicable) are recognized in other comprehensive income and is reflected immediately in retained earnings and is not reclassified to profit & loss.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognize the obligation on a net basis.

Gains or losses on the curtailment or settlement of any defined benefit plan are recognized when the curtailment or settlement occurs. Past service cost is recognized as expense at the earlier of the plan amendment or curtailment and when the Company recognizes related restructuring costs or termination benefits.

**f. Provisions (other than employee benefits)**

A provision is recognized 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.

***Provision for major maintenance***

Provisions are taken for contractual obligations to maintain the condition of infrastructure under concession, principally to cover the expense of major road repairs (surface courses, restructuring of slow lanes, etc.), bridges, tunnels etc. Provision for major maintenance is determined by discounting the expected maintenance expense spanning several years at a pre-tax rate that reflects the current market assessment of the time value and the risks specific to the liability and is updated annually. Provisions are also taken whenever recognized signs of defects are encountered on identified infrastructure.

**g. 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:**

The Company derives revenue primarily from toll collection and other miscellaneous construction contracts. Toll collections from the users of the infrastructure facility constructed by the Company under the Service Concession Arrangement is accounted for based on completion of the performance obligation which largely coincides with actual toll collection from the user. Revenue from sale of smart cards is accounted on recharge basis.

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.





**KNR Muzaffarpur Barauni Tollway Private Limited**  
**Notes to the financial statements for the year ended March 31, 2020**

**Others**

Dividend & Interest income are recognized when the right to receive is established. Other items of income are accounted as and when the right to receive arises and recovery is certain.

**h. 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 recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

**ii. Deferred tax**

Deferred tax is recognized 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 recognized in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognized 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 recognizes 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 recognized, are reviewed at each reporting date and are recognized/ 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.

**i. 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 capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.





**KNR Muzaffarpur Barauni Tollway Private Limited**  
**Notes to the financial statements for the year ended March 31, 2020**

**j. Segment reporting**

The Board of Directors assess the financial performance of the Company and makes 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.

**k. 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 profit 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

**l. 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 recognized 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.

**m. 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.

**n. 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.





4. PROPERTY, PLANT AND EQUIPMENT

Particulars	(Rs. In Lakhs)					
	Tangible Assets					
	Computers	Furniture & Fixtures	Office Equipment	Buildings	Vehicles	Total
<b>Cost</b>						
As at April 1, 2019	6.61	4.30	63.83	-	9.51	84.25
Additions	3.83	-	7.93	17.87	-	29.63
Disposals/Adjustments	-	-	-	-	-	-
<b>As at March 31, 2020</b>	<b>10.44</b>	<b>4.30</b>	<b>71.76</b>	<b>17.87</b>	<b>9.51</b>	<b>113.88</b>
<b>Depreciation</b>						
As at April 1, 2019	2.77	0.67	14.10	-	2.12	19.66
Additions	2.36	0.46	13.91	1.06	1.29	19.08
Disposals/Adjustments	-	-	-	-	-	-
<b>As at March 31, 2020</b>	<b>5.13</b>	<b>1.13</b>	<b>28.01</b>	<b>1.06</b>	<b>3.41</b>	<b>38.74</b>
<b>Net block</b>						
As at March 31, 2020	5.31	3.17	43.75	16.81	6.10	75.14
As at April 1, 2019	3.84	3.63	49.73	-	7.39	64.59

Particulars	(Rs. In Lakhs)					
	Tangible Assets					
	Computers	Furniture & Fixtures	Office Equipment		Vehicles	Total
<b>Cost</b>						
As at April 1, 2018	4.35	1.67	29.11		8.21	43.34
Additions	2.26	2.63	34.72		1.30	40.91
Disposals/Adjustments	-	-	-		-	-
<b>As at March 31, 2019</b>	<b>6.61</b>	<b>4.30</b>	<b>63.83</b>		<b>9.51</b>	<b>84.25</b>
<b>Depreciation</b>						
As at April 1, 2018	1.19	0.43	6.29		1.29	9.20
Additions	1.58	0.24	7.81		0.83	10.46
Disposals/Adjustments	-	-	-		-	-
<b>As at March 31, 2019</b>	<b>2.77</b>	<b>0.67</b>	<b>14.10</b>		<b>2.12</b>	<b>19.66</b>
<b>Net block</b>						
As at March 31, 2019	3.84	3.63	49.73		7.39	64.59
As at April 1, 2018	3.16	1.24	22.82		6.92	34.14

4. INTANGIBLE ASSETS

Particulars	(Rs. In Lakhs)		
	Carriage Way	Intangible assets under development	Total
<b>Cost</b>			
As at April 1, 2019	49,612.54	-	49,612.54
Additions	-	-	-
Disposals/Adjustments	-	-	-
<b>As at March 31, 2020</b>	<b>49,612.54</b>	<b>-</b>	<b>49,612.54</b>
<b>Depreciation</b>			
As at April 1, 2019	7,543.61	-	7,543.61
Additions	2,954.19	-	2,954.19
Disposals	-	-	-
<b>As at March 31, 2020</b>	<b>10,497.80</b>	<b>-</b>	<b>10,497.80</b>
<b>Net block</b>			
As at March 31, 2020	39,114.74	-	39,114.74
As at April 1, 2019	42,068.93	-	42,068.93

Particulars	(Rs. In Lakhs)		
	Carriage Way	Intangible assets under development	Total
<b>Cost</b>			
As at April 1, 2018	49,612.54	-	49,612.54
Additions	-	-	-
Disposals/Adjustments	-	-	-
<b>As at March 31, 2019</b>	<b>49,612.54</b>	<b>-</b>	<b>49,612.54</b>
<b>Depreciation</b>			
As at April 1, 2018	4,597.49	-	4,597.49
Additions	2,946.12	-	2,946.12
Disposals	-	-	-
<b>As at March 31, 2019</b>	<b>7,543.61</b>	<b>-</b>	<b>7,543.61</b>
<b>Net block</b>			
As at March 31, 2019	42,068.93	-	42,068.93
As at April 1, 2018	45,015.05	-	45,015.05





**KNR Muzaffarpur Barauni Tollway Private Limited**  
**Notes to the financial statements for the Year ended March 31 ,2020**

**5 - OTHER NON-CURRENT ASSETS**

		(Rs. In Lakhs)	
PARTICULARS		As at	
		March 31 ,2020	March 31 ,2019
GST Input		7.28	23.41
Other Deposits		3.82	3.82
<b>Total</b>		<b>11.10</b>	<b>27.23</b>

**6 - INVESTMENTS**

		(Rs. In Lakhs)	
PARTICULARS	No.of Units	As at	
		March 31 ,2020	March 31 ,2019
<b>Current</b>			
<b>Trade - Quoted - at fair value</b>			
UTI Mutual fund	6792.132 (PY 26168.535)	220.84	800.95
<b>Total</b>		<b>220.84</b>	<b>800.95</b>

Note : Aggregate market value of quoted investments is Rs. 220.84 lakhs (March 31, 2019 Rs. 800.95 lakhs) and these amounts are kept as lien against DSRA

**7 - CASH AND CASH EQUIVALENTS**

		(Rs. In Lakhs)	
PARTICULARS		As at	
		March 31 ,2020	March 31 ,2019
<b>Balances with banks:</b>			
in current accounts		364.18	24.62
Cash on hand		12.65	62.71
<b>Total</b>		<b>376.83</b>	<b>87.33</b>

**8 - Other Bank Balances**

		(Rs. In Lakhs)	
PARTICULARS		As at	
		March 31 ,2020	March 31 ,2019
Fixed deposits (3months to 12 months)		1,135.35	1,017.67
<b>Total</b>		<b>1,135.35</b>	<b>1,017.67</b>

**9 - OTHER FINANCIAL ASSET**

		(Rs. In Lakhs)	
PARTICULARS		As at	
		March 31 ,2020	March 31 ,2019
<b>CURRENT</b>			
Receivable from NHAI		190.18	246.97
Amount receivable from Related Parties ( Refer Note : 32)			
Receivable from JKM - DLP		1,125.53	475.04
<b>Total Current Other Receivables</b>		<b>1,315.71</b>	<b>722.01</b>
<b>Total</b>		<b>1,315.71</b>	<b>722.01</b>

**10 - CURRENT TAX ASSETS (net)**

		(Rs. In Lakhs)	
PARTICULARS		As at	
		March 31 ,2020	March 31 ,2019
<b>Un-secured Considered good</b>			
TDS Receivable		18.96	23.45
<b>Total</b>		<b>18.96</b>	<b>23.45</b>

**11 - OTHER CURRENT ASSETS**

		(Rs. In Lakhs)	
PARTICULARS		As at	
		March 31 ,2020	March 31 ,2019
<b>Un-secured Considered good</b>			
Amount receivable from Related Parties ( Refer Note : 32)			
Advance to EPC Contractor - Related party		3,331.12	3,145.09
Salary Advance & Staff Imprest		2.58	3.91
Prepaid Expenses		7.88	6.68
Other Advances		0.07	3.38
<b>Total</b>		<b>3,341.65</b>	<b>3,159.06</b>





**KNR Muzaffarpur Barauni Tollway Private Limited**  
**Notes to the financial statements for the Year ended March 31, 2020**

**12 - EQUITY CAPITAL**

PARTICULARS	As at March 31, 2020		As at March 31, 2019	
	No. of Shares in Lakhs	Amount in Lakhs	No. of Shares in Lakhs	Amount in Lakhs
<b>EQUITY SHARE CAPITAL</b>				
Authorised Share capital 706,00,000 Equity Shares of Rs. 10/- each	706.00	7,060.00	706.00	7,060.00
Issued, subscribed & fully paid share capital 706,00,000 Equity Shares of Rs. 10/- each	706.00	7,060.00	706.00	7,060.00
<b>Total</b>		<b>7,060.00</b>		<b>7,060.00</b>

**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.

**12.1 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, 2020		As at March 31, 2019	
	No. of Shares in Lakhs	Amount in Lakhs	No. of Shares in Lakhs	Amount in Lakhs
Number of Equity Shares at the beginning	706.00	7060.00	706.00	7,060.00
Add:- Number of Shares Issued	-	-	-	-
Less: Number of Shares Brought Back	-	-	-	-
<b>Number of Equity Shares at the end of the year</b>	<b>706.00</b>	<b>7060.00</b>	<b>706.00</b>	<b>7,060.00</b>

**12.2 The details of shareholder holding by Holding company and its ultimate holding company as at March 31, 2020 and March 31, 2019 is set out below:**

Name of the shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of Shares in Lakhs	% held	No. of Shares in Lakhs	% held
KNR Muzaffarpur Holdings Private limited-Holding Company	355.47	50.35	355.47	50.35
KNR Constructions Limited & its nominee-Ultimate Holding Company	4.59	0.65	4.59	0.65
	<b>360.06</b>	<b>51.00</b>	<b>360.06</b>	<b>51.00</b>

**12.3 The details of shareholder holding more than 5% shares as at March 31, 2020 and March 31, 2019 is set out below:**

Name of the shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of Shares in Lakhs	% held	No. of Shares in Lakhs	% held
JKM Infra Projects Limited*	345.94	49.00	345.94	49.00
KNR Muzaffarpur Holdings Private limited-Holding Company	355.47	50.35	355.47	50.35
	<b>701.41</b>	<b>99.35</b>	<b>701.41</b>	<b>99.35</b>

\* Out of above shares, 1.65,70,560 Shares of JKM Infra projects Limited have been pledged to KNR Constructions Limited.

**12.4 - Instrument entirely equity in Nature**

PARTICULARS	As at	
	March 31, 2020	March 31, 2019
Loan from Promotor Company		
KNR Constructions Ltd	5,276.50	5,276.50
KNR Muzaffarpur Holdings Pvt Ltd	3,683.50	3,683.50
JKM Infra Projects Ltd	1,695.10	1,695.10
<b>Balance at the end of the period</b>	<b>10,655.10</b>	<b>10,655.10</b>

Foot Note : Borrowings from JKM Infra Projects Limited, KNR Constructions Limited and KNR Muzaffarpur Holding Private Limited are in the nature of sub-debt were recognised as a form of equity contribution from the respective parties, and the same was repayable after satisfaction of senior Debt and at the option of the company.

**13 - OTHER EQUITY**

PARTICULARS	(Rs. In Lakhs)	
	March 31, 2020	March 31, 2019
i) Surplus in the statement of profit and loss		
Balance at the beginning of the period	(7,421.72)	(6,275.22)
Add: Total Comprehensive Income	(1,951.55)	(1,146.50)
	<b>(9,373.27)</b>	<b>(7,421.72)</b>
ii) Other Comprehensive Income - Gratuity	(0.96)	(0.71)
<b>Balance at the end of the period (i+ii)</b>	<b>(9,374.23)</b>	<b>(7,422.43)</b>





**KNR Muzaffarpur Barauni Tollway Private Limited**  
**Notes to the financial statements for the Year ended March 31, 2020**

**14 - BORROWINGS**

PARTICULARS	As at	
	March 31, 2020	March 31, 2019
<b>NON - CURRENT</b>		
Secured loans		
From banks (Refer Foot Note)		
Term loans	28,872.79	29,940.55
<b>Un Secured - Deferred Payment Liability</b>		
Premium Payable - NHAI	3,944.42	4,046.88
<b>Total non-current borrowings</b>	<b>32,817.21</b>	<b>33,987.43</b>
<b>Total</b>	<b>32,817.21</b>	<b>33,987.43</b>

**Foot Note**

**I) Terms of Security**

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

**II) 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, 2020 are 37. The interest charged by the lenders is at 10%. Interest is payable monthly.

**15 - OTHER FINANCIAL LIABILITIES**

PARTICULARS	As at	
	March 31, 2020	March 31, 2019
<b>Non - CURRENT</b>		
Interest on Premium Payable - NHAI	128.09	140.37
<b>CURRENT</b>		
<b>Current maturities of long-term debts:</b>		
Current Maturities of Long Term Debt	954.00	735.15
Amount payable to Related Parties ( Refer Note : 32)		
Expenses Payable - JKM Infra	21.50	21.50
Expenses Payable - KNR Constructions Limited	37.74	1.47
Retention Deposit -JKM Infra Projects Ltd	425.00	425.00
Independent Engineer Fees Payable	-	41.53
Salaries Payable	6.36	4.96
Other Payables	50.14	71.13
<b>Total current other financial liabilities</b>	<b>1,494.74</b>	<b>1,300.74</b>
<b>Total</b>	<b>1,622.83</b>	<b>1,441.11</b>

**16 - PROVISIONS**

PARTICULARS	As at	
	March 31, 2020	March 31, 2019
<b>NON - CURRENT</b>		
Provision for employee benefits		
Gratuity	4.14	2.70
Provision for Major Maintenance	1,423.55	847.35
	<b>1,427.69</b>	<b>850.05</b>
<b>CURRENT</b>		
Provision for Capital Expenditure (Refer Foot Note)	741.50	741.50
Provision for Gratuity	0.11	0.07
	<b>741.61</b>	<b>741.57</b>
<b>Total provisions</b>	<b>2,169.30</b>	<b>1,591.62</b>

**Foot Note:** During the previous years company has received the 100% PCOD, and Rs. 741.50 lakhs pending for certification, hence provision has been made and capitalised, and the certification is pending till the date.

**Movement of Provision for Major Maintenance**

PARTICULARS	As at	
	March 31, 2020	March 31, 2019
<b>Balance as at 1 April</b>	<b>847.35</b>	<b>378.28</b>
Provision made during the year	474.52	423.68
Un winding Interest on MMR	101.68	45.39
Provision utilised during the year	-	-
Provision reversed during the year	-	-
<b>Balance as at 31 March</b>	<b>1,423.55</b>	<b>847.35</b>





<b>17 - Trade Payables</b>		
PARTICULARS	As at	
	March 31, 2020	March 31, 2019
Amount payable to Related Parties ( Refer Note : 32)		
KNR Constructions Limited	233.79	183.34
Creditors for expenses	143.26	180.06
<b>Total current borrowings</b>	<b>377.05</b>	<b>363.40</b>
<b>Total</b>	<b>377.05</b>	<b>363.40</b>
<b>18 - OTHER CURRENT LIABILITIES</b>		
PARTICULARS	As at	
	March 31, 2020	March 31, 2019
Mobilization Advance -NHAI	276.16	276.16
Statutory Dues	6.90	18.83
<b>Total</b>	<b>283.06</b>	<b>294.99</b>





**KNR Muzaffarpur Barauni Tollway Private Limited**  
**Notes to the financial statements for the Year ended March 31, 2020**

**19 - REVENUE FROM OPERATIONS**

PARTICULARS	(Rs. In Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Toll Revenue	6,916.38	7,534.28
<b>Total</b>	<b>6,916.38</b>	<b>7,534.28</b>

**20 - OTHER INCOME**

PARTICULARS	(Rs. In Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Repairs & maintenance income - DLP	580.79	431.86
Credit balances Written back	22.46	-
Gain/(Loss) on FV of Mutual funds	44.89	6.11
Other Income	80.10	74.80
<b>Total</b>	<b>728.24</b>	<b>512.77</b>

**Note :** As per the clause 29 of EPC Contract, the DLP period is 24 months from the Completion certificate, And the Company has incurred the expenditure with respect to DLP works and accordingly raised an invoice to EPC contractor for the work done.

**21 - OPERATING AND MAINTENANCE EXPENSES**

PARTICULARS	(Rs. In Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Operation and Maintenance expenses - Routine	456.75	217.50
Toll Maintenance Expenditure -		
- Toll Operating Charges	177.66	163.75
- Security Charges	49.70	47.76
- Power & Fuel	116.35	106.15
- Mess Expenses	23.58	28.65
- NMR & Labour expenses	84.52	83.78
- Electricity Charges	33.87	33.97
- AMC for Toll Equipment	21.17	19.92
- Printing & Stationery	5.98	7.07
- Other Expenses	4.75	0.47
Repairs & Maintenance - DLP	456.67	413.93
Provision for MMR	474.52	423.68
<b>Total</b>	<b>1,905.52</b>	<b>1,546.63</b>

**22 - EMPLOYEE BENEFITS EXPENSE**

PARTICULARS	(Rs. In Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, Wages and Other Benefits	53.53	81.72
Contribution to Provident and Other Funds	3.37	6.17
Staff welfare Expenses	3.21	2.81
<b>Total</b>	<b>60.11</b>	<b>90.70</b>

**23 - FINANCE COSTS**

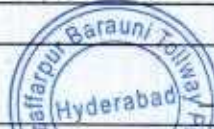
PARTICULARS	(Rs. In Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Interest on Term Loans	3,275.61	3,640.35
<b>Other Borrowing Cost</b>		
Interest on Premium Payable	45.21	99.77
Un winding interest on NHAI Premium	430.49	455.48
Un winding interest on MMR	101.68	45.39
Un winding Processing Fee	12.26	41.12
Other Borrowing Charges	10.69	85.86
Modification gain/loss on NHAI Premium	538.30	-
<b>Total</b>	<b>4,414.24</b>	<b>4,367.97</b>

**24 - OTHER EXPENSES**

PARTICULARS	(Rs. In Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Travelling & Conveyance (includes Boarding & Lodging Expenses)	5.13	8.30
Postage & Telegrams	0.15	0.09
Advertisement and publicity	1.05	1.05
Legal & Professional Charges	5.28	15.86
Interest on TDS & Servicetax	0.32	1.30
Insurance	29.48	24.93
Rates and taxes excluding taxes of Income	0.14	9.15
Audit fee	6.05	3.20
Consultancy Expenses	64.00	65.32
Telephone Expenditure	2.98	2.25
Hire Charges	47.06	28.59
Repairs & Maintenance	22.08	12.93
GST Expenses	56.71	50.48
Other Expenses	2.60	8.22
<b>Total</b>	<b>243.03</b>	<b>231.67</b>

**25 - OTHER COMPREHENSIVE INCOME**

PARTICULARS	(Rs. In Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit obligation	(0.25)	(0.20)
<b>Total</b>	<b>(0.25)</b>	<b>(0.20)</b>





**26 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, issue of new shares or infusion of loan entirely equity in future.

The Company's adjusted net debt to equity ratio at 31 March 2020 and 31 March 2019 was as follows:

	(Rs. In Lakhs)	
	March 31, 2020	March 31, 2019
Debt	29,826.79	30,675.70
Less: cash and bank balances	(1,512.18)	(1,103.00)
Adjusted net debt	28,314.61	29,570.90
Total equity	8,340.87	10,292.67
Adjusted equity	8,340.87	10,292.67
Adjusted net debt to adjusted equity ratio	3.39	2.87

Foot Note : Debt includes Long Term Borrowings (Including Current Maturities and excluding deferred payment liabilities) and Interest accrued there on.

**27 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, 2020			(Rs. In Lakhs)		
	FVTPL	Carrying amount	Amortised Cost	Level 1	Level 2	Level 3
<b>Financial Assets</b>						
Investments	220.84			220.84	-	-
Cash and Cash equivalents	-	376.83	376.83	-	-	-
Other Bank balances	-	1,135.35	1,135.35	1,135.35	-	-
Other financial Assets	-	1,315.71	1,315.71	-	-	1,315.71
<b>Financial liabilities</b>						
Secured bank loans	220.84	2,827.89	3,048.73	1,356.19	-	1,315.71
Revol Premium Payable	-	29,826.79	29,826.79	-	-	29,826.79
Trade payables	-	3,944.42	3,944.42	-	-	3,944.42
Other financial liabilities	-	377.05	377.05	-	-	377.05
	-	668.83	668.83	-	-	668.83
	-	34,817.09	34,817.09	-	-	34,817.09

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

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

	March 31, 2019			(Rs. In Lakhs)		
	FVTPL	Carrying amount	Amortised Cost	Level 1	Level 2	Level 3
<b>Financial Assets</b>						
Investments	800.95			800.95	-	-
Cash and Cash equivalents	-	87.33	87.33	-	-	-
Other Bank balances	-	1,017.67	1,017.67	1,017.67	-	-
Other financial Assets	-	722.01	722.01	-	-	722.01
<b>Financial liabilities</b>						
Secured bank loans	800.95	1,827.01	2,627.96	1,818.62	-	722.01
Revol Premium Payable	-	30,675.70	30,675.70	-	-	30,675.70
Trade payables	-	4,046.88	4,046.88	-	-	4,046.88
Other financial liabilities	-	363.40	363.40	-	-	363.40
	-	705.96	705.96	-	-	705.96
	-	35,791.94	35,791.94	-	-	35,791.94

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

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





**27 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 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.

**Trade receivables**

The Company 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 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, 2020**

**(Rs. In Lakhs)**

	Carrying Amount	Contractual Cashflows		
		Upto 1 Year	1 to 3 Years	More than 3 year
<b>Non-derivative financial liabilities</b>				
Secured bank loans	29,826.79	3,927.36	8,933.35	34,695.40
NHAI Premium Payable	3,944.42	-	-	11,917.80
Trade payables	377.05	377.05	-	-
Other financial liabilities	668.83	668.83	-	-
	<b>34,817.09</b>	<b>4,973.24</b>	<b>8,933.35</b>	<b>46,613.20</b>

**March 31, 2019**

**(Rs. In Lakhs)**

	Carrying Amount	Contractual Cashflows		
		Upto 1 Year	1 to 3 Years	More than 3 year
<b>Non-derivative financial liabilities</b>				
Secured bank loans	30,675.70	4,400.00	9,421.59	41,781.64
NHAI Premium Payable	4,046.88	-	-	12,533.50
Trade payables	363.40	363.40	-	-
Other financial liabilities	705.96	705.96	-	-
	<b>35,791.94</b>	<b>5,469.36</b>	<b>9,421.59</b>	<b>54,315.14</b>





**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 not exposed to foreign currency risk as it has no borrowing or no material payables in foreign currency

**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 exposed to Interest rate risk as it has variable Interest rate borrowings.

**The company's exposure to interest rate risk due to borrowings is as follows:**

(Rs. In lakhs)			
Particulars	Note No.	March 31, 2020	March 31, 2019
Borrowings outstanding	12	28,872.79	29,940.55
Borrowings Current maturities	13	954.00	735.15

**Sensitivity analysis**

(Rs. In lakhs)

Interest Rate Risk Analysis	Impact on profit/ loss after tax	
	FY 2019-20	FY 2018-19
Increase or decrease in Interest by 25bp	75.63	77.71

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).

(Rs. In lakhs)			
Particulars	Note No.	March 31, 2020	March 31, 2019
Investments	6	220.84	800.95

**Sensitivity analysis**

(Rs. In lakhs)

Price Risk Analysis	Impact on profit/ loss after tax	
	FY 2019-20	FY 2018-19
Increase or decrease NAV by 2%	10.22	8.01

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

**27 C. 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 75% PCDD 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 a 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. 6,916.38 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 a 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 115, 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.





**28 Contingent Liability and Commitments and Contingent Assets**

Particulars	2019-20	2018-19
<b>a) Contingent Liability</b>		
Claims against the company	Nil	Nil
<b>b) Capital Commitment</b>		
Commitment to the extent not provided for	Nil	Nil
<b>c) Contingent Assets</b>		
Claims made by company- arbitration	Nil	Nil

**29 Remuneration paid to the Statutory Auditors (excluding taxes)**

(Rs. In Lakhs)

Audit and Other Fees	2019-20	2018-19
Statutory Audit Fees	4.70	3.20
Tax Audit fee	0.55	0.55
Other Services	0.80	0.25
Out of Pocket Expenses	-	-

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

(Rs. In Lakhs)

Particulars	2019-20	2018-19
i. Profit (loss) attributable to equity shareholders(basic)	(1,951.55)	(1,146.50)
ii. Weighted average number of equity shares (basic)	706.00	706.00
<b>Basic EPS</b>	<b>(2.76)</b>	<b>(1.62)</b>
i. Profit (loss) attributable to equity shareholders(diluted)	(1,951.55)	(1,146.50)
ii. Weighted average number of equity shares (diluted)	706.00	706.00
<b>Diluted EPS</b>	<b>(2.76)</b>	<b>(1.62)</b>

**31 Employee Benefits**

The disclosure is pursuant to the requirements of Ind AS - 19

**Defined Benefit plans:**

The Company operates gratuity plan through a trust wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement whichever is earlier. The benefit vests after five years of continuous service.

**The amount to be recognized in the Balance Sheet:**

(Rs. In Lakhs)

Particulars	2019-20	2018-19
Present value of the obligation at the end of the period	4.25	2.77
Fair value of plan assets at end of period	-	-
Net liability/(asset) recognized in Balance Sheet and related analysis	4.25	2.77
Funded Status	4.25	2.77

**Expense to be recognized in the statement of Profit and Loss:**

(Rs. In Lakhs)

Particulars	2019-20	2018-19
Interest cost	0.22	0.13
Current service cost	1.01	0.75





KNR MUZAFFARPUR BARAUNI TOLLWAY PRIVATE LIMITED  
Notes to the financial statements for the year ended March 31, 2020

Expected return on plan asset	-	-
Premium Expenses	-	-
Expenses to be recognized in the statement of profit and loss accounts	1.23	0.88

**Expense to be recognized in the statement of OCI:**

Particulars	(Rs. In Lakhs)	
	2019-20	2018-19
Due to Change in financial assumptions	0.45	(0.04)
Due to demographic adjustments	(0.09)	-
Due to experience adjustments	(0.11)	0.24
Amounts to be recognized in the Other Comprehensive Income	0.25	0.20

**Table Showing Changes in Present Value of Obligations:**

Particulars	2019-20	2018-19
Present value of the obligation at the beginning of the period	2.77	1.69
Interest cost	0.22	0.13
Current service cost	1.01	0.75
Benefits paid (if any)	Nil	Nil
Actuarial (gain)/loss	0.25	0.20
Present value of the obligation at the end of the period	4.25	2.77

**Actuarial (Gain)/Loss on Planned Assets:**

Particulars	2019-20	2018-19
Actual return on plan assets	Nil	Nil
Expected return on plan assets	Nil	Nil
Actuarial gain/ (Loss)	0.25	0.20

**Actuarial (Gain)/Loss recognized:**

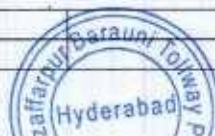
Particulars	2019-20	2018-19
Actuarial (gain)/loss - obligation	0.25	0.20
Actuarial (gain)/loss - plan assets	Nil	Nil
Total Actuarial (gain)/loss	0.25	0.20
Actuarial (gain)/loss recognized	0.25	0.20
Outstanding actuarial (gain)/loss at the end of the period	0.25	0.20

**Summary of membership data at the date of valuation and statistics based thereon:**

Particulars	2019-20	2018-19
Number of employees	39	37
Total monthly Basic salary	Rs. 2,91,325	Rs 2,84,825
Average Past Service(Years)	3.52 years	2.78 years
Average remaining working lives of employees(Years)	21.54 years	22.95 years
Average Age(Years)	9.88 years	11.92 years

**The assumptions employed for the calculations are tabulated:**

Discount rate	6.55% per annum
Salary Growth Rate	4%





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Mortality	<b>IALM 2006-08 Ultimate</b>
Expected rate of return	0
Withdrawal rate (Per Annum)	20.00% p.a at younger ages reducing to 1.00% p.a at older ages

**Sensitivity to key assumptions:**

Particulars	March 31, 2020	March 31, 2019
<b>Discount rate Sensitivity</b>		
Increase by 1%	3,88,428	2,51,043
(% change)	-8.58%	-9.46%
Decrease by 1%	4,67,040	3,07,895
(% change)	9.92%	11.05%
<b>Salary growth rate Sensitivity</b>		
Increase by 1%	4,67,708	3,08,780
(% change)	10.08%	11.36%
Decrease by 1%	3,87,259	2,49,917
(% change)	-8.85%	-9.87%
<b>Withdrawal rate (W.R.) Sensitivity</b>		
W.R. x 110%	4,23,585	2,79,361
(% change)	-0.31%	0.75%
W.R. x 90%	4,25,675	2,74,844
(% change)	0.19%	-0.87%

**32 Disclosure of Related Parties/ Related Party Transactions pursuant to Ind As 24: Related party Disclosure"**

**List of related parties and nature of relationship**

S. No.	Name of the related party	Nature of relationship
1	KNR Constructions Limited	Ultimate Holding Company
2	KNR Muzaffarpur Holding Private Limited	Holding Company
3	JKM Infra Projects Limited	Associate company and EPC Contractor
<b>Key Management persons</b>		
4	Mr. K. Narasimha Reddy	Director
5	Mr. Jalandhar Reddy	Director
6	Mr R.K. Jalan	Director
7	Mr. K. Venkata Ram Rao	CFO
8	Mr. T.L. Verma	CEO
9	Ms. R. Rama Laxmi	Company Secretary





KNR MUZAFFARPUR BARAUNI TOLLWAY PRIVATE LIMITED  
Notes to the financial statements for the year ended March 31, 2020

**Transactions during the year**

			(Rs. In Lakhs)	
S. No.	Name of the related party	Nature of transactions	2019-20	2018-19
1	KNR Constructions Limited	Share capital	-	-
		Instruments entirely equity in nature	-	-
		Routine Maintenance Expenses	456.75	217.50
		Reimbursement of Expenses made on our behalf(O&M)	99.05	74.20
		Reimbursement of Expenses made on their behalf(KNRCL)	398.96	30.28
2	KNR Muzaffarpur Holding Private Limited	Share capital	-	-
		Instruments entirely equity in nature	-	434.41
3	JKM Infra Projects Limited	Share capital	-	-
		Instruments entirely equity in nature	-	-
		Defect Liability Bills	650.48	483.68
		EPC Bill - Payment	(186.03)	(539.32)
		Mobilisation Advance Recovered	-	-
4	R. Rama Laxmi	Remuneration	2.80	2.40

**Outstanding Balances**

			(Rs. In Lakhs)	
S. No.	Name of the related party	Nature of transactions	March 31, 2020	March 31, 2019
1	KNR Constructions Limited^	Share capital	45.90	45.90
		Instruments entirely equity in nature	5,276.50	5,276.50
		Routine Maintenance Bills Payable	233.79	183.34
		Other Expenses Payable	37.74	1.47
2	KNR Muzaffarpur Holding Private Limited	Share capital	3,554.70	3,554.70
		Instruments entirely equity in nature	3,683.50	3,683.50
3	JKM Infra Projects Limited*	Share capital	3,459.40	3,459.40
		Instruments entirely equity in nature	1,695.10	1,695.10
		Retention Money Payable	425.00	425.00
		Advance to EPC Contractor	3,331.12	3,145.09
		Bills Receivable - DLP	1,125.52	475.04
		Other Expenses Payable	21.50	21.50
4	R. Rama Laxmi	Remuneration Payable	0.25	0.20

\*Balance confirmation not received.

Note: Sponsor has provided a Corporate Guarantee to the tune of 20% of the outstanding Term Loan debt.

**33 Foreign Currency Transactions:**

(Rs. In Lakhs)			
S. No.	Particulars	2019-20	2018-19
1	CIF Value of Imports	Nil	Nil
2	Expenditure in Foreign Currency	Nil	Nil
3	Earnings in Foreign Currency	Nil	Nil





**34 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

**35** The duration and impact of the COVID-19 pandemic remains unclear at present as on book closure date. Hence, it is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods. However, the company is protected by the clauses 34.6 of the Concession Agreement to claim such loss under force majeure event in the form of revenue loss compensation by way of extension of the concession period. The management of the Company will study the impact & the appropriate claim will be lodged after this pandemic period. Accordingly, the financial position and results of operations as of and for the year ended 31st March 2020 have not been adjusted to reflect their impact.

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

For FY 2019-20

(Rs in Lakhs)

Particulars	Long Term Borrowings	Instrument entirely equity in Nature	Deferred Payment Liability	Interest on Term Loan
<b>Opening Balance</b>	<b>30,675.70</b>	<b>10,655.10</b>	<b>4,046.88</b>	<b>0.00</b>
Interest Accrued during the year				3,343.77
<b>Cash flows</b>				
Received	-	-		
Repayment	(861.17)		(1071.25)	
Interest paid				(3,331.51)
<b>Non-Cash items</b>				
Unwinding Interest			430.49	
Modification Gain/Loss			538.30	
Impact of EIR	12.26			(12.26)
<b>Closing Balance</b>	<b>29,826.79</b>	<b>10,655.10</b>	<b>3,944.42</b>	<b>0.00</b>

For FY 2018-19

Particulars	Long Term Borrowings	Instrument entirely equity in Nature	Deferred Payment Liability	Interest on Term Loan
<b>Opening Balance</b>	<b>31,488.84</b>	<b>10,220.69</b>	<b>3591.40</b>	<b>0.00</b>
Interest Accrued during the year				3,767.33
<b>Cash flows</b>				
Received	6203.67	434.41		
Repayment	(7057.93)			
Interest paid				(3,726.21)
<b>Non-Cash items</b>				
Unwinding Interest			455.48	
Impact of EIR	41.12			(41.12)
<b>Closing Balance</b>	<b>30,675.70</b>	<b>10,655.10</b>	<b>4,046.88</b>	<b>0.00</b>





**37 Segment Information**

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

**38 Taxes on Income**

The Company doesn't have any taxable income and book profit under Minimum Alternative Tax (MAT) 115JB. 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.

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

**For Gianender & Associates**  
Chartered Accountants  
ICAI Regn. No.004661N

**For and on behalf of the Board**

  
**G. K. Agrawal**  
Partner  
M.No. 081603



  
**K. Narsimha Reddy**  
Director  
DIN: 00382412

  
**R.K. Jalan**  
Director  
DIN: 01088662

**Place: New Delhi**  
Date: 04-06-2020

  
**K. Venkata Ram rao**  
CFO

  
**R. Rama Laxmi**  
Company Secretary

