INDIA

**SukumarBabu& Co.**
**Chartered Accountants**

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# INDEPENDENT AUDITOR'S REPORT

**To the Members of M/s. KNR Muzaffarpur Holdings Private Limited**

## Report on the Ind AS Consolidated Financial Statements

### Opinion

We have audited the Ind AS Consolidated financial statements of **KNR Muzaffarpur Holdings Private Limited** ("hereinafter referred to as "the Holding Company"), and its Subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Ind AS Consolidated financial statements, including a summary of significant accounting policies and other explanatory information( hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and Based on consideration of report of other auditors on separate financial statements and on the other financial information of subsidiaries, the aforesaid Ind AS Consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2024, and Consolidated profit, 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 Ind AS Consolidated Financial Statements section of our report. We are independent of the Group 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 Ind AS Consolidated 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 ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Ind AS Consolidated financial statements.

## Management's Responsibility for the Ind AS Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) the Act with respect to the preparation of these Ind AS Consolidated financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 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 Ind AS Consolidated 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.

The Board of Directors are responsible for overseeing the Group's financial reporting process.

## Auditor's Responsibilities for the Audit of the Ind AS Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS Consolidated 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 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 Ind AS Consolidated 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 Ind AS Consolidated 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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 the 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 Ind AS Consolidated 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 Ind AS financial statements, including the disclosures, and whether the Ind AS Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS Consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Ind AS Consolidated financial statements.

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**

As required by the Companies (Auditor's Report) Order, 2020 ("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.

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 Group so far as it appears from our examination of those books.

c) The Consolidated Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, 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 Ind AS Consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015.

e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

g) With respect to the other matters to be included in the Auditor's Report in accordance with 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, no remuneration has been paid by the Company to its Directors during the year so the provisions of section 197 of the Act are not applicable.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Group has disclosed the impact of pending litigations on its financial position in its Ind AS Consolidated financial statements.

ii. The Group did not have any long-term contracts including derivative contracts for which there any material foreseeable losses

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Group from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

v. The Group has not declared or paid any dividend during the year.

vi. As per information and explanations given and based on our examination, which include test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all the transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

**For Sukumar Babu & Co.,**
FRN: 021534S
Chartered Accountants

Membership Number: 024293
UDIN: **24024293BKCPVW4745**

Place: Hyderabad
Date: May 27, 2024.

## ANNEXURE - A 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 over financial reporting of **KNR Muzaffarpur Holdings Private Limited** ("the Holding Company") as of March 31, 2024 in conjunction with our audit of the 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 control over financial reporting criteria established by the Holding 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 Holding Company's internal financial controls over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of 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 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 Ind AS financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Sukumar Babu & Co.,**
FRN: 021534S
Chartered Accountants

SUKUMAR BABU & Co. Chartered Accountants HYDERABAD

Membership Number: 024293
UDIN: **24024293BKCPVW4745**

Place: Hyderabad
Date: May 27, 2024.

**KNR Muzaffarpur Holdings Private Limited**
**Consolidated Balance Sheet as at March 31, 2024**

(Rs. in Lakhs)

| Particulars | Note | As at March 31 ,2024 | As at March 31 ,2023 |
|---|---|---|---|
| **I ASSETS** | | | |
| **1) Non-current assets** | | | |
| a) Property, plant and equipment | 3.1 | 25.96 | 41.17 |
| b) Other Intangible assets | 3.2 | 26,122.19 | 30,276.38 |
| c) Other non-current assets | 4 | 23.72 | 12.97 |
| **Total Non-Current Assets** | | **26,171.87** | **30,330.52** |
| **2) Current assets** | | | |
| a) Financial assets | | | |
| i) Cash and cash equivalents | 5 | 130.83 | 226.80 |
| ii) Bank balances, other than above | 6 | 1,414.89 | 1,344.77 |
| iii) Other Financial Assets | 7 | 861.89 | 798.77 |
| b) Current Tax Asset | 8 | 19.84 | 18.43 |
| c) Other current assets | 9 | 3,272.16 | 3,273.84 |
| **Total Current Assets** | | **5,699.61** | **5,662.61** |
| **TOTAL ASSETS** | | **31,871.48** | **35,993.13** |
| **II EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| a) Share capital | 10 | 2,760.10 | 2,760.10 |
| b) Instrument entirely equity in Nature | 10.6 | 9,755.60 | 9,755.60 |
| c) Other equity | 11 | (14,419.24) | (11,806.17) |
| **Total equity attributable to equity holders of the Parent** | | **(1,903.54)** | **709.53** |
| Non-Controlling interests | | (8,614.34) | (6,104.16) |
| **Total Equity** | | **(10,517.88)** | **(5,394.63)** |
| **Liabilities** | | | |
| **1) Non-current liabilities** | | | |
| a) Financial liabilities | | | |
| i) Borrowings | 12 | 24,443.64 | 27,882.29 |
| ii) Other financial liabilities | 13 | 619.82 | 437.75 |
| b) Provisions | 14 | 5.57 | 4.45 |
| **Total Non-Current Liabilities** | | **25,069.03** | **28,324.49** |
| **2) Current liabilities** | | | |
| a) Financial liabilities | | | |
| i) Borrowings | 12 | 3,339.00 | 2,941.70 |
| ii) Trade Payables | 15 | 1,414.80 | 1,310.42 |
| iii) Other financial liabilities | 13 | 7,030.03 | 3,786.46 |
| b) Other current liabilities | 16 | 283.08 | 282.66 |
| c) Provisions | 14 | 5,253.42 | 4,742.03 |
| **Total Current Liabilities** | | **17,320.33** | **13,063.27** |
| **TOTAL EQUITY AND LIABILITIES** | | **31,871.48** | **35,993.13** |
| Corporate information and Significant accounting policies | 1 & 2 | | |

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

**For Sukumar Babu & Co.,**
Chartered Accountants
(Firm's Registration No. 021534S)

SUKUMAR BABU & Co. Chartered Accountants HYDERABAD

**C.Sukumar Babu**
Partner
Membership No: 024293
UDIN: 24024293BKCPVW4745
Place : Hyderabad
Date : 27-05-2024

**For and on behalf of the Board**

K. Jalandhar Reddy

**K. Jalandhar Reddy**
Director
DIN No:00434911

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

**KNR Muzaffarpur Holdings Private Limited**
**Consolidated Statement of Profit and Loss for the year ended March 31, 2024**

(Rs. in Lakhs)

| | Particulars | Note | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|---|---|
| | | | Audited | Audited |
| I | Revenue from Operations | 17 | 4,017.98 | 4,212.29 |
| II | Other income | 18 | 83.89 | 75.39 |
| III | **Total Revenue (I + II)** | | **4,101.87** | **4,287.68** |
| IV | **Expenses** | | | |
| | Operation & Maintenance Expenses | 19 | 1,317.17 | 1,437.98 |
| | Employee benefits expense | 20 | 58.88 | 56.07 |
| | Finance costs | 21 | 3,322.98 | 3,530.65 |
| | Depreciation and amortization expense | 3 | 2,970.22 | 2,965.52 |
| | Other expenses | 22 | 1,555.50 | 613.35 |
| | **Total expenses (IV)** | | **9,224.75** | **8,603.57** |
| V | **Profit before exceptional items and tax (III - IV)** | | **(5,122.88)** | **(4,315.89)** |
| VI | Exceptional items | | - | - |
| VII | **Profit/(Loss) before tax (V - VI)** | | **(5,122.88)** | **(4,315.89)** |
| VIII | **Tax expense** | | | |
| | 1) Current tax | | - | - |
| | 2) Deferred tax | | - | - |
| | | | - | - |
| IX | **Profit /(Loss) for the period (VII - VIII)** | | **(5,122.88)** | **(4,315.89)** |
| X | **Other comprehensive income/(loss)** | | | |
| | a) Items that will not be reclassified to profit or loss | 23 | | |
| | Actuarial gains and losses | | (0.38) | 0.47 |
| | Deferred tax | | - | - |
| | b) Items that will be reclassified to profit or loss | | - | - |
| XI | **Total Comprehensive Income for the period (IX+X) (Comprising Profit(Loss) and Other Comprehensive Income for the period)** | | **(5,123.25)** | **(4,315.42)** |
| | **Profit/(loss) attributable to (IX):** | | | |
| | Owners of the parent | | (2,612.69) | (2,201.63) |
| | Non-controlling interest | | (2,510.19) | (2,114.26) |
| | | | **(5,122.88)** | **(4,315.89)** |
| | **Total comprehensive income attributable to (XI):** | | | |
| | Owners of the parent | | (2,613.06) | (2,201.16) |
| | Non-controlling interest | | (2,510.19) | (2,114.26) |
| | | | **(5,123.25)** | **(4,315.42)** |
| XII | **Earnings per equity share : (In Rs.)** | | | |
| | Equity shares of par value Rs. 10/- each | 28 | | |
| | 1) Basic | | (51,228.76) | (0.43) |
| | 2) Diluted | | (51,228.76) | (0.43) |
| | Corporate information and Significant accounting policies | 1 & 2 | | |

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

**For Sukumar Babu & Co.,**
Chartered Accountants
(Firm's Registration No. 021534S)

**For and on behalf of the Board**

K Jalandhar Reddy

**C.Sukumar Babu**
Partner
Membership No: 024293
UDIN: 24024293BKCPVW4745
Place : Hyderabad
Date : 27-05-2024

**K. Jalandhar Reddy**
Director
DIN No:00434911

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

**KNR Muzaffarpur Holdings Private Limited**
**Consolidated Cash Flow Statement for the year ended March 31,2024**

(Rs. in Lakhs)

| | Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|---|
| **A)** | **Cash flow from Operating Activities** | | |
| | Profit before tax | **(5,122.88)** | **(4,315.89)** |
| | Adjustments for : | | |
| | Depreciation and impairment of property, plant and equipment | 2,970.22 | 2,965.52 |
| | (Gain) / Loss on Fair value of Mutual Funds | - | (7.46) |
| | Provision for MMR | 511.00 | 666.67 |
| | Unwinding Interest on NHAI Premium | 671.72 | 596.17 |
| | Un winding Interest on MMR | - | 357.14 |
| | Un winding Processing fee | 12.26 | 12.26 |
| | Modification gain/loss | - | 2.03 |
| | Acturial gain/ (loss) | (0.38) | 0.47 |
| | Provision for Impairment on Carriage Way | 1,200.00 | - |
| | Finance costs | 2,639.00 | 2,563.05 |
| | **Operating profit before working capital changes** | **2,880.94** | **2,839.96** |
| | **Working capital adjustments:** | | |
| | (Increase)/Decrease in Trade and other receivables | (73.60) | 1.44 |
| | (Increase)/Decrease in Trade payables and other liabilities | 3,531.96 | 1,345.68 |
| | **Cash generated/ (used) from Operations** | **6,339.30** | **4,187.08** |
| | Income Taxes (paid) / Refunds | - | - |
| | **Net Cash flows from / (used in) Operating Activities- (A)** | **6,339.30** | **4,187.08** |
| **B)** | **Cash flow from Investing Activities** | | |
| | Purchase of property, plant and equipment and Capital Work-in-Progress | (0.84) | (1.28) |
| | Intangible assets under development | - | - |
| | Investments in Equity, Mutual Funds and Inter-corporate loans | (70.12) | (151.51) |
| | **Net Cash flows from / (used in) Investing Activities- (B)** | **(70.96)** | **(152.79)** |
| **C)** | **Cash flow from Financing Activities** | | |
| | Finance cost paid | (2,639.00) | (2,563.05) |
| | Deferred payment Liability | (0.00) | (4.00) |
| | Repayment of borrowings | (3,725.33) | (1,323.02) |
| | **Net Cash Flows from / (used in) Financing Activities- (C)** | **(6,364.33)** | **(3,890.07)** |
| | **Net increase/(decrease) in cash and cash equivalents - (A+B+C)** | **(95.99)** | **144.22** |
| | Cash & Cash Equivalents at the beginning of the year | 226.80 | 82.58 |
| | Cash & Cash Equivalents as at end of the year | 130.81 | 226.80 |

**Note:**

1 Cash & Cash equivalents includes:

| | | |
|---|---|---|
| Cash in Hand | 13.02 | 13.55 |
| Bank Balance -Current Account | 117.81 | 213.25 |

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

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

4 Figures in brackets represent cash outflows.

Corporate information and Significant accounting policies
See accompanying notes forming part of the financial statements
As per our report of even date attached
**For Sukumar Babu & Co.,**
Chartered Accountants
(Firm's Registration No. 021534S)

**For and on behalf of the Board**

**C.Sukumar Babu**
Partner
Membership No: 024293
UDIN: 24024293BKCPVW4745
Place : Hyderabad
Date : 27-05-2024

K Jalandhar Reddy

**K. Jalandhar Reddy**
Director
DIN No:00434911

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

KNR Muzaffarpur Holdings Private Limited
Consolidated Statement of Changes In Equity for the Year ended March 31, 2024

**Statement of Changes in Equity**

**A - Equity Share Capital**

(Rs. in Lakhs)

| Particulars | Number of Shares | Amount |
|---|---|---|
| **As at April 01, 2022** | 10,000.00 | 1.00 |
| Changes in Equity Share Capital due to prior period errors | - | - |
| Restated balance at the beginning of the current reporting period | - | - |
| Add: Equity shares allotted during the year | - | - |
| **As at March 31, 2023** | 10,000.00 | 1.00 |
| **As at April 01, 2023** | 10,000.00 | 1.00 |
| Changes in Equity Share Capital due to prior period errors | - | - |
| Restated balance at the beginning of the current reporting period | - | - |
| Add: Equity shares allotted during the year | - | - |
| **As at March 31, 2024** | **10,000.00** | **1.00** |

**B - Instrument entirely equity in Nature**

(Rs. in Lakhs)

| | |
|---|---|
| **As at April 01, 2022** | |
| Addition during the year | 9.755.60 |
| Less: Adjustment/deletion | - |
| **As at March 31, 2023** | - |
| **As at April 01, 2023** | **9.755.60** |
| Addition during the year | 9.755.60 |
| Less: Adjustment/deletion | - |
| **As at March 31, 2024** | - |
| | **9.755.60** |

**C - Other Equity**

(Rs. in Lakhs)

| Particulars | Retained Earning | Non Controlling Interests | Other items of Other Comprehensive Income | Total |
|---|---|---|---|---|
| Balance as at 1st, April, 2022 | (9.606.76) | (3.989.90) | 1.75 | (13.594.91) |
| Total Comprehensive Income for the Year | (2.201.63) | (2.114.26) | 0.47 | (4.315.42) |
| **Balance as at March 31, 2023** | **(11,808.39)** | **(6,104.16)** | **2.22** | **(17,910.33)** |
| Balance as at 1st, April, 2023 | (11,808.39) | (6,104.16) | 2.22 | (17,910.33) |
| Total Comprehensive Income for the Year | (2.612.69) | (2.510.19) | (0.38) | (5.123.25) |
| **Balance as at March 31, 2024** | **(14,421.08)** | **(8,614.35)** | **1.84** | **(23,033.58)** |

See accompanying notes forming part of the financial statements
As per our report of even date attached
**For Sukumar Babu & Co.,**
Chartered Accountants
(Firm's Registration No. 021534S)

SUKUMAR BABU & Co. Chartered Accountants HYDERABAD

**For and on behalf of the Board**

**C.Sukumar Babu**
Partner
Membership No: 024293
UDIN:24024293BKCPVW4745
Place : Hyderabad
Date : 27-05-2024

**K. Jalandhar Reddy**
Director
DIN No:00434911

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

## KNR Muzaffarpur Holdings Private Limited
## Notes forming part of the consolidated financial statements

**1) Corporate Information:**

KNR Muzaffarpur Holdings Private Limited ('the Company') is a company domiciled in India with its registered office at KNR House, 4th Floor, Plot No. 114 Phase - I, Kavuri Hills Hyderabad. The Company has been incorporated under the provisions of Indian Companies Act in 2011. The Company and its subsidiaries collectively referred to as the "Group".

**2) Significant Accounting Policies**

**2.1 Statement of Compliance**

These financial statements are the Consolidated financial statements of the Group prepared in accordance with Indian Accounting Standards ("Ind AS") as per the Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Rules, 2016 notified under the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

**2.2 Basis of Preparation & Presentation**

These consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

**2.3 Basis of Consolidation**

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

**i) Subsidiaries**

The consolidated financial statements comprise the financial statements of the Holding Company and its subsidiaries. Subsidiaries are consolidated from the date control commences until the date control ceases. Subsidiaries are consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances, intra-group transactions and resulting unrealized profits or losses on intra-group transactions as per Indian Accounting Standard 110.

**ii)** The financial statements of the Subsidiaries used in the consolidation are drawn up to the same reporting date as that of the Holding Company, i.e. March 31, 2024.

**iii)** Non-controlling interests in the net assets of the consolidated subsidiaries is identified and presented in consolidated balance sheet under the Total Equity.

**iv)** Non-controlling interests in the net assets of consolidated subsidiaries consists of:

**a)** The amount of equity attributable to Non-controlling holders at the date on which investment in a subsidiary is made; and

**b)** The Non-controlling holders share of movements in the equity since the date the parent subsidiary relationship came into existence.

**v)** The consolidated financial statements are prepared to the extent possible using uniform accounting policies for like transactions and other events in similar circumstances and are presented to extent possible, in the same manner as the Company's separate financial statements. The Subsidiaries considered for consolidated financial statements are given in Note 33.

**2.4 Changes in the Group's ownership interest in existing subsidiaries**

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to shareholders of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or when applicable, the cost on initial recognition of an investment in an associate.

**2.5 Current and Non-Current classification**

The group has classified all its assets and liabilities as current or non-current, wherever applicable, as per the operating cycle of the group as per Schedule III to the Act.

**2.6 Fair Value Measurement**

The group measures certain financial instruments and other items in its financial statements at fair value at each balance sheet date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within fair value hierarchy based on the low-level of input that is significant to the fair value measurement as a whole:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (observable input).

Level 3 – Inputs for the assets and liabilities that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the group 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 Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

**2.7 Property, plant and equipment (PPE)**

Items of property, plant and equipment are measured at cost, 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.

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

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 except the below mentioned assets, 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.

For the Assets costing up to Rs. 5,000 are depreciated fully in the year of purchase.

### 2.8 Capital Work-in-progress

Capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost less refundable taxes.

### 2.9 Intangible Asset under Service Concession Arrangements (SCA)

The Group 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.

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

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

**Government grants – Viability Gap Funding (VGF)**

Any VGF in the form of equity support in connection with project construction is accounted as a receivable and is adjusted to the extent of actual receipt.

**Accounting for negative grants**

The Group is required to make payments to the authority 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 Group 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.

### 2.10 Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with the Ind AS 16's requirement for cost model.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no further economic benefits expected from disposal. Any gain or loss arising on derecognition of the property is included in profit or loss in the period in which the property is derecognized.

### 2.11 Financial Instruments

#### i. Classification and subsequent measurement

**Financial assets**
Financial asset is
- Cash / Equity Instrument of another Entity,
- Contractual right to –
  - a) Receive Cash / another Financial Asset from another Entity, or
  - b) Exchange Financial Assets or Financial Liabilities with another Entity under conditions those are potentially favorable to the Entity.

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

- Amortized cost;
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group 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.

**Financial liabilities**

Financial liability is Contractual Obligation to
- deliver Cash or another Financial Asset to another Entity, or
- exchange Financial Assets or Financial Liabilities with another Entity under conditions that are potentially unfavorable to the Entity

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.

**ii. De-recognition**

**Financial assets**
The Group derecognizes 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 Group 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 Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognizes 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. Impairment**

**Impairment of financial assets**

In accordance with Ind AS 109, the Group 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 measured at amortized cost
- Trade receivables

The Group 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 Group 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

**Impairment of non-financial assets**

The Group'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.

### 2.12 Cash and cash equivalents

Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term and liquid investments being not free from more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

### 2.13 Provisions

Provisions are recognised only when:
a) An entity has a present obligation (legal or constructive) as a result of a past event
b) It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
c) A reliable estimate can be made of the amount of the obligation.
Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

### 2.14 Contingent liability, Contingent Assets and Commitments

Contingent liability is disclosed in case of

a) A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation
b) A present obligation arising from past events, when no reliable estimate is possible.

Contingent assets are disclosed where an inflow of economic benefits is probable.
Commitments are future liabilities for contractual expenditure. Commitments are classified and disclosed as follows:
a) Estimated amount of contracts remaining to be executed on capital account and not provided for
b) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.
c) Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.
Contingent liabilities, Contingent assets and Commitments are reviewed at each Balance Sheet date.

### 2.15 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.

**Other Income**

**Interest income:** Finance income is accrued on a time proportion basis, by reference to the principal outstanding and the applicable Effective interest rate (EIR). Other income is accounted for on accrual basis. Where the receipt of income is uncertain, it is accounted for on receipt basis

**Other Items of Income:** Other items of income are accounted as and when the right to receive arises and it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably

**2.16 Employee Benefits**

**a) Short term employee benefits:**

All employee benefits falling due wholly within twelve months of rendering the service are classified as short-term employee benefits. The benefits like salaries, wages, and short term compensated absences etc. Expenses on non-accumulating compensated absences are recognised in the period in which the absences occur.

**b) Post-employment benefits:**

**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 recognised during the period in which the employee renders the related service.

**ii. Defined benefit plans:** The employees' group gratuity fund schemes are managed by Life Insurance Corporation of India (L.I.C), and post-retirement provident fund scheme are the Group'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.

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 recognised in other comprehensive income and is reflected immediately in retained earnings and is not reclassified to profit and 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 recognised when the curtailment or settlement occurs. Past service cost is recognised as expense at the earlier of the plan amendment or curtailment and when the Group recognizes related restructuring costs or termination benefits.

## 2.17 Taxes on Income

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

### i. Current tax

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

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

### ii. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary differences arise from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.
The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

### iii. Minimum Alternate Tax (MAT)

Minimum Alternative Tax ("MAT") under the provisions of the Income-tax Act, 1961 is recognised as current tax in the statement of profit and loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

## 2.18 Leases

Leases in which a substantial portion of risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments and receipts under such leases are recognised to the Statement of Profit and loss on a straight-line basis over the term of the lease unless the lease payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase, in which case the same are recognised as an expense in line with the contractual term.

## 2.19 Cash flow statement

The Consolidated Cash flow statement is prepared in accordance with Ind AS 7 by using indirect method by segregating as cash flows from operating, investing and financing activities. Under the Cash flow from operating activities, the net profit is adjusted for the effects of Non-cash items, Changes in working capital and other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) are reflected as such in the Cash Flow Statement. Those amounts which are not considered in cash and cash equivalents as on the date of Balance Sheet are included in investing activities.

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition).

**2.20 Earnings per share**

**a) Earnings per share**
Basic earnings per share is calculated by dividing:
- the profit attributable to owners of the Group
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury share.

**b) Diluted earnings per share**
Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:
- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**2.21 Borrowing Costs**

Borrowing costs include interest expense calculated using the effective interest method. Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

**2.22 Key accounting estimates and judgement**

The preparation of these consolidated 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 property plant and equipment, inventory; future obligations in respect of retirement benefit plans, provisions, fair value measurement and taxes etc.

**a) Property, plant and equipment**
The Group reviews the estimated useful lives of property plant and equipment at the end of each reporting period. During the current year, there has been no change in life considered for the assets.

**b) Fair value measurement of financial instruments**
When the fair values of financials assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgement and assumptions.

**c) Provision for employee benefits**
The Group uses actuarial assumptions to determine the obligations for employee benefits at each reporting period. These assumptions include the discount rate, expected long-term rate of return on plan assets, rate of increase in compensation levels and mortality rates.

KNR Muzaffarpur Holdings Private Limited
Notes forming part of the consolidated financial statements

### 3.1 Property, Plant and Equipment

(Rs. in Lakhs)

| Particulars | Tangible Assets | | | | | |
|---|---|---|---|---|---|---|
| | Furniture and Fixtures | Office equipment | Computers & Accessories | Buildings | Vehicles | Total |
| **Cost (Carrying value)** | | | | | | |
| As at April 1, 2022 | 4.30 | 93.60 | 17.28 | 17.87 | 9.51 | **142.56** |
| Additions | - | - | 1.28 | - | - | **1.28** |
| Disposals/Adjustments | - | - | - | - | - | **-** |
| **As at March 31, 2023** | **4.30** | **93.60** | **18.56** | **17.87** | **9.51** | **143.84** |
| **Depreciation** | | | | | | |
| As at April 1, 2022 | 2.06 | 60.22 | 11.40 | 3.61 | 5.99 | **83.27** |
| Charge for the period | 0.40 | 14.06 | 2.38 | 1.28 | 1.29 | **19.40** |
| Disposals/Adjustments | - | - | - | - | - | **-** |
| **As at March 31, 2023** | **2.46** | **74.28** | **13.78** | **4.89** | **7.28** | **102.67** |
| **Net block** | | | | | | |
| **As at March 31, 2023** | **1.84** | **19.32** | **4.78** | **12.98** | **2.23** | **41.17** |
| As at March 31, 2022 | 2.24 | 33.39 | 5.88 | 14.26 | 3.52 | 59.29 |
| **Cost (Carrying value)** | | | | | | |
| As at April 1, 2023 | 4.30 | 93.60 | 18.56 | 17.87 | 9.51 | **143.84** |
| Additions | - | 0.84 | | - | - | **0.84** |
| Disposals/Adjustments | - | - | - | - | - | **-** |
| **As at March 31, 2024** | **4.30** | **94.44** | **18.56** | **17.87** | **9.51** | **144.68** |
| **Depreciation** | | | | | | |
| As at April 1, 2023 | 2.46 | 74.28 | 13.78 | 4.89 | 7.28 | **102.68** |
| Charge for the period | 0.33 | 11.47 | 1.67 | 1.28 | 1.29 | **16.04** |
| Disposals/Adjustments | - | - | - | - | - | **-** |
| **As at March 31, 2024** | **2.80** | **85.76** | **15.44** | **6.17** | **8.57** | **118.72** |
| **Net block** | | | | | | |
| **As at March 31, 2024** | **1.50** | **8.68** | **3.12** | **11.70** | **0.94** | **25.96** |
| As at March 31, 2023 | 1.84 | 19.32 | 4.78 | 12.98 | 2.23 | 41.17 |

### 3.2 Other Intangible Assets

(Rs. in Lakhs)

| Particulars | Computer software | Carriage Way | Intangible assets under development | Total |
|---|---|---|---|---|
| **Cost (Carrying value)** | | | | |
| As at April 1, 2022 | - | 49,612.54 | - | **49,612.54** |
| Additions | - | - | - | **-** |
| Disposals/Adjustments | - | - | - | **-** |
| **As at March 31, 2023** | **-** | **49,612.54** | **-** | **49,612.54** |
| **Depreciation** | | | | |
| As at April 1, 2022 | - | 16,390.04 | - | **16,390.04** |
| Charge for the period | - | 2,946.12 | - | **2,946.12** |
| Disposals/Adjustments | - | - | - | **-** |
| **As at March 31, 2023** | **-** | **19,336.16** | **-** | **19,336.16** |
| **Net block** | | | | |
| **As at March 31, 2023** | **-** | **30,276.38** | **-** | **30,276.38** |
| As at March 31, 2022 | - | 33,222.50 | - | 33,222.50 |
| **Cost (Carrying value)** | | | | |
| As at April 1, 2023 | - | 49,612.54 | - | **49,612.54** |
| Additions | - | - | - | **-** |
| Disposals/Adjustments | - | 1,200.00 | - | **1,200.00** |
| **As at March 31, 2024** | **-** | **48,412.54** | **-** | **48,412.54** |
| **Depreciation** | | | | |
| As at April 1, 2021 | - | 19,336.16 | - | **19,336.16** |
| Charge for the period | - | 2,954.19 | - | **2,954.19** |
| Disposals/Adjustments | - | - | - | **-** |
| **As at March 31, 2024** | **-** | **22,290.35** | **-** | **22,290.35** |
| **Net block** | | | | |
| **As at March 31, 2024** | **-** | **26,122.19** | **-** | **26,122.19** |
| As at March 31, 2023 | - | 30,276.38 | - | 30,276.38 |

**KNR Muzaffarpur Holdings Private Limited**
**Notes forming part of the consolidated financial statements**

**4 - Other Non-current Assets**

| | (Rs. In Lakhs) | |
|---|---|---|
| | As at | |
| | March 31 ,2024 | March 31 ,2023 |
| GST Input | 19.85 | 9.15 |
| Other Deposits | 3.87 | 3.82 |
| | 23.72 | 12.97 |

**5 - Cash and Cash Equivalents**

| | (Rs. In Lakhs) | |
|---|---|---|
| | As at | |
| | March 31 ,2024 | March 31 ,2023 |
| **Balances with banks:** | | |
| in current accounts | 117.81 | 213.25 |
| Cash on hand | 13.02 | 13.55 |
| **Total** | 130.83 | 226.80 |

**6 - Other Bank Balances**

| | (Rs. In Lakhs) | |
|---|---|---|
| | As at | |
| | March 31 ,2024 | March 31 ,2023 |
| Fixed deposits (3months to 12 months) | 1,414.89 | 1,344.77 |
| **Total** | 1,414.89 | 1,344.77 |

**7 - Other Financial Assets**

| | (Rs. In Lakhs) | |
|---|---|---|
| | As at | |
| | March 31 ,2024 | March 31 ,2023 |
| Receivable from NHAI | 246.97 | 183.85 |
| Receivable from JKM - DLP | 614.92 | 614.92 |
| **Total** | 861.89 | 798.77 |

**8 - Current Tax Asset**

| | (Rs. In Lakhs) | |
|---|---|---|
| | As at | |
| | March 31 ,2024 | March 31 ,2023 |
| TDS Receivable | 19.81 | 18.40 |
| TCS Receivable | 0.03 | 0.03 |
| **Total** | 19.84 | 18.43 |

**9 - Other Current Assets**

| | (Rs. In Lakhs) | |
|---|---|---|
| | As at | |
| | March 31 ,2024 | March 31 ,2023 |
| Advance to EPC Contractor - JKM | 3,246.34 | 3,246.34 |
| Staff Imprest | 1.20 | 2.10 |
| Prepaid Expenses | 17.00 | 17.54 |
| Other Advances | 7.62 | 7.86 |
| **Total** | 3,272.16 | 3,273.84 |

**10 -Share Capital**

| | (Rs. In Lakhs) | |
|---|---|---|
| | As at | |
| | March 31 ,2024 | March 31 ,2023 |
| **Authorised Share capital** | | |
| 10,000 Equity Shares of Rs. 10/- each | 1.00 | 1.00 |
| 2,79,90,000 Preference Shares of Rs .10/- each | 2,799.00 | 2,799.00 |
| **Issued, subscribed & fully paid share capital** | | |
| 10,000 Equity Shares of 10/- Each Fully Paid up (Wholly Owned subsidiary of KNRC Holdings and Investments Private Limited) | 1.00 | 1.00 |
| 2,75,91,000 9% Non-Cumulative Redeemable Preference Shares of 10/- Each | 2,759.10 | 2,759.10 |
| **Total** | 2,760.10 | 2,760.10 |

**KNR Muzaffarpur Holdings Private Limited**
**Notes forming part of the consolidated financial statements**

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

**10.2** The details of equity shares holding more than 5% shares as at March 31, 2024 and March 31, 2023 is set out below:
**10.3** The below Preference shares are kept as security with KNRC Holdings & Investments Private Limited for the outstanding liabilities of JKM Infra Projects Limited in KNRCL group.

| Name of the shareholder | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | No. of Shares | % held | No. of Shares | % held |
| KNRC Holdings and Investments Pvt. Ltd., | 10,000 | 100% | 10,000 | 100% |

**10.4** The details of 9% Non- cumulative Redeemable Preference Shares held by each shareholders holding more than 5% of total NCRPS

| Name of the shareholder | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | No. of Shares | % held | No. of Shares | % held |
| JKM Infra Projects Ltd., (Refer Note : 10.3) | 2,75,91,000 | 100% | 2,75,91,000 | 100% |

**10.5 The reconciliation of the number of shares outstanding at the end of the year**

| | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | No. of Shares | Rupees in Lakhs | No. of Shares | Rupees in Lakhs |
| Number of Equity Shares at the beginning | 10,000 | 1.00 | 10,000 | 1.00 |
| Add:- Number of Shares Issued | - | - | - | - |
| Less: Number of Shares Bought Back | - | - | - | - |
| Number of Equity Shares at the end of the year | 10,000 | 1.00 | 10,000 | 1.00 |
| Number of Non-Cumulative Redeemable Preference Shares | 2,75,91,000 | 2,759.10 | 2,75,91,000 | 2,759.10 |
| Add:- Number of Shares Issued | - | - | - | - |
| Less: Number of Shares Brought Back | - | - | - | - |
| Number of Non-Cumulative Redeemable Preference Shares | 2,75,91,000 | 2,759.10 | 2,75,91,000 | 2,759.10 |

**10.6 - Instrument entirely equity in Nature**

(Rs. in Lakhs)

| | As at March 31 ,2024 | As at March 31 ,2023 |
|---|---|---|
| KNR Constructions Ltd., | 5,276.50 | 5,276.50 |
| KNR Holdings Pvt Ltd | 3,629.10 | 3,629.10 |
| JKM Infra Projects Ltd | 850.00 | 850.00 |
| | 9,755.60 | 9,755.60 |

**10.7 The shareholding pattern of promoters**

| Name of the shareholder | As at March 31,2024 | | | As at March 31, 2023 | | |
|---|---|---|---|---|---|---|
| | No. of Shares | % Of Total Shares | % Change during the year | No. of Shares | % Of Total Shares | % Change during the year |
| KNRC Holdings and Investments Pvt. Ltd., | 10,000 | 100% | - | 10,000 | 100% | - |
| | 10,000 | 100% | - | 10,000 | 100% | - |

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

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

**11 - Other Equity**

(Rs. in Lakhs)

| | As at March 31 ,2024 | As at March 31 ,2023 |
|---|---|---|
| i) Surplus/(deficit) in the Statement of Profit and Loss | (11,808.39) | (9,606.76) |
| Add: Profit/(Loss) for the year | (2,612.69) | (2,201.63) |
| | (14,421.08) | (11,808.39) |
| ii) Other Comprehensive Income - Gratuity | 1.84 | 2.22 |
| Total | (14,419.24) | (11,806.17) |

**12 - Borrowings**

(Rs. in Lakhs)

| | As at March 31 ,2024 | As at March 31 ,2023 |
|---|---|---|
| **Non-current** | | |
| **Secured loans** | | |
| From Banks (Rupee Loans) -(Foot Note - 12.1) | 18,475.50 | 22,585.87 |
| **Un Secured - Deferred Payment Liability** | | |
| Premium Payable - NHAI | 5,968.14 | 5,296.42 |
| Total | 24,443.64 | 27,882.29 |
| **CURRENT** | | |
| **Secured loans** | | |
| From Banks (Rupee Loans) -(Foot Note - 12.1) | 3,339.00 | 2,941.70 |
| Total | 27,782.64 | 30,823.99 |

**Note - 12.1**

**Terms of Security of Project Loan**

i. Mortgage /charge over the company's immovable and movable properties (other than project assets but including all receivables) both present and future;
ii. Charge/assignment of revenues receivables .
iii. Charge over /assignment of the rights, titles and interests of the company in to and in respect of all project agreements (in accordance with concession agreement).
iv. Assignment of insurance policies, interest, benefits, claims, guarantees ,performance bonds and liquidated damages;
v. Pledge of 51% of the fully paid up Equity share capital of the company;

The aforesaid charge will rank Pari - Passu with the mortgages and charges created/to be created in favour of participating institutions/banks.

**Terms of Repayment of Project Loan**

The above loan is repayable in fifty quarterly unequal installments ranging from 0.16 crores to 10.94 crores beginning from 1st January, 2017 to 1st April, 2030. The numbers of balance installments as on 31st March, 2024 are 27. The interest charged by the lenders is at 10.35% p.a. and interest is payable monthly.

KNR Muzaffarpur Holdings Private Limited
Notes forming part of the consolidated financial statements

## 13 - Other Financial Liabilities

(Rs. in Lakhs)

| | As at March 31 ,2024 | As at March 31 ,2023 |
|---|---|---|
| **Non-current** | | |
| Interest on Premium Payable - NHAI | 577.57 | 395.93 |
| **From related parties ( Refer note :30)** | | |
| KNR Constructions Ltd., | 15.08 | 14.65 |
| KNRC Holdings and Investments Pvt. Ltd., | 5.00 | 5.00 |
| JKM Infra Projects Ltd., | 22.17 | 22.17 |
| **Total non-current other financial liabilities** | **619.82** | **437.75** |
| **Current** | | |
| **From related parties ( Refer note :30)** | | |
| Expenses Payable -JKM Infra Projects Ltd., | 21.50 | 21.50 |
| Expenses Payable - KNR Constructions Ltd., | 6,355.56 | 3,279.76 |
| Retention Deposit -JKM Infra Projects Ltd | 425.00 | 425.00 |
| Salaries Payable | 4.85 | 7.56 |
| Other Payables | 222.77 | 52.37 |
| Outstanding Expenses | 0.35 | 0.27 |
| **Total current other financial liabilities** | **7,030.03** | **3,786.46** |
| **Total** | **7,649.85** | **4,224.21** |

## 14 - Provisions

(Rs. in Lakhs)

| | As at March 31 ,2024 | As at March 31 ,2023 |
|---|---|---|
| **Non - Current** | | |
| Gratuity | 5.57 | 4.45 |
| Provision for Major Maintanance(Refer Foot Note) | - | - |
| | **5.57** | **4.45** |
| **Current** | | |
| Provision for Capital Expenditure (Refer Foot Note) | 741.50 | 741.50 |
| Gratuity | 0.92 | 0.53 |
| Provision for Major Maintenance | 4,511.00 | 4,000.00 |
| | **5,253.42** | **4,742.03** |
| **Total** | **5,258.99** | **4,746.48** |

**Movement of Provision for Major Maintanance**

| PARTICULARS | As at March 31 ,2024 | As at March 31 ,2023 |
|---|---|---|
| **Balance as at 1 April** | **4,000.00** | **2,976.19** |
| Provision made during the year | 511.00 | 666.67 |
| Un winding Interest on MMR | - | 357.14 |
| Provision utilised during the year | - | - |
| Provision reversed during the year | - | - |
| **Balance as at 31 March** | **4,511.00** | **4,000.00** |

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

## 15 - Trade Payables

(Rs. in Lakhs)

| | As at March 31 ,2024 | As at March 31 ,2023 |
|---|---|---|
| Bills Payable (Sub-contractors/Labour/Service) | 22.55 | 296.00 |
| KNR Constructions Limited (Refer Note:30) | 1,392.25 | 1,014.42 |
| **Total** | **1,414.80** | **1,310.42** |

**Note:15.1: Ageing of Trade Payables**

**As at March 31 ,2024**

(Rs. in Lakhs)

| Particulars | Outstanding for following periods from due date of payments: Less than 1 year | 1-2 yrs. | 2-3 yrs. | More than 3 years | Total |
|---|---|---|---|---|---|
| MSME | - | - | - | - | - |
| Others | 597.56 | 817.24 | - | - | 1,414.80 |
| Disputed Dues-MSME | - | - | - | - | - |
| Disputed Dues-Others | - | - | - | - | - |

**As at March 31 ,2023**

(Rs. in Lakhs)

| Particulars | Outstanding for following periods from due date of payments: Less than 1 year | 1-2 yrs. | 2-3 yrs. | More than 3 years | Total |
|---|---|---|---|---|---|
| MSME | - | - | - | - | - |
| Others | 837.99 | 472.43 | - | - | 1,310.42 |
| Disputed Dues-MSME | - | - | - | - | - |
| Disputed Dues-Others | - | - | - | - | - |

## 16 - Other Current Liabilities

(Rs. in Lakhs)

| | As at March 31 ,2024 | As at March 31 ,2023 |
|---|---|---|
| Dues to statutory/government authorities | 6.92 | 6.50 |
| Mobilisation from NHAI | 276.16 | 276.16 |
| **Total** | **283.08** | **282.66** |

**KNR Muzaffarpur Holdings Private Limited**
**Notes forming part of the consolidated financial statements**
## 17 - Revenue From Operations

(Rs. in Lakhs)

| | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| Toll Revenue | 4,017.98 | 4,212.29 |
| **Total** | **4,017.98** | **4,212.29** |

## 18 - Other Income

(Rs. in Lakhs)

| | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| Other Income | 0.00 | 1.45 |
| Interest Income on ITR | 0.26 | 0.65 |
| Interest Income on FD | 77.91 | 65.83 |
| Gain/(Loss) on Mutual funds | - | 7.46 |
| Profit on sale of mutual fund | 5.72 | - |
| **Total** | **83.89** | **75.39** |

## 19- Operation & Maintenance Expenses

(Rs. in Lakhs)

| | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| Toll Maintenance Expenditure | 215.15 | 215.15 |
| Provision for MMR | 511.00 | 666.67 |
| Repairs & Maintenance | 6.10 | 6.17 |
| Operation and Maintenance expenses - Routine | 584.92 | 549.99 |
| **Total** | **1,317.17** | **1,437.98** |

## 20 - Employee Benefits Expense

(Rs. in Lakhs)

| | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| Salaries, Wages and Other Benefits | 57.47 | 54.91 |
| Staff welfare Expenses | 1.41 | 1.16 |
| **Total** | **58.88** | **56.07** |

## 21 - Finance Costs

(Rs. in Lakhs)

| | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| Interest on Term Loans | 2,418.60 | 2,378.09 |
| Interest on Premium Payable | 201.82 | 165.94 |
| Un winding interest on NHAI Premium | 671.72 | 596.17 |
| Un winding interest on MMR | - | 357.14 |
| Un winding Processing Fee | 12.26 | 12.26 |
| Other Borrowing Charges | 18.58 | 19.02 |
| Modification Gain or loss | - | 2.03 |
| **Total** | **3,322.98** | **3,530.65** |

**KNR Muzaffarpur Holdings Private Limited**
**Notes forming part of the consolidated financial statements**

**22 - Other Expenses**

**(Rs. in Lakhs)**

| | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| Travelling & Conveyance (includes Boarding & Lodging Expenses) | 4.82 | 3.58 |
| Postage &Telegrams and Telephones | 0.01 | 0.05 |
| Security Charges | 44.79 | 48.22 |
| Advertisement and publicity | 1.25 | 1.25 |
| Legal & Professional Charges | 14.79 | 13.63 |
| Interest on TDS | 0.00 | 0.00 |
| Insurance | 66.70 | 67.82 |
| Rates and taxes excluding taxes of Income | 0.78 | 0.08 |
| Payments to the Auditor | 5.81 | 5.77 |
| Consultancy Expenses | 32.69 | 32.68 |
| Power & Fuel | 47.56 | 44.55 |
| Mess Expenses | 31.38 | 33.96 |
| Labour Expenses | 48.87 | 63.42 |
| Hire Charges | 0.57 | 0.35 |
| Repairs & Maintenance | 8.70 | 8.06 |
| AMC Charges | 26.54 | 34.13 |
| Donation | 0.17 | 0.05 |
| Rating Fee | 7.02 | - |
| Printing & Stationery | 2.28 | 3.41 |
| Provision for Impairment on Carriageway | 1,200.00 | - |
| Other Expenses | 10.77 | 252.34 |
| **Total** | **1,555.50** | **613.35** |

**23 - Other Comprehensive Income**

**(Rs. in Lakhs)**

| | | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|---|
| i) | Items that will not be reclassified to profit or loss | | |
| | Actuarial Gains & Losses | (0.38) | 0.47 |
| ii) | Items that will be reclassified to profit or loss | | |
| | **Total** | **(0.38)** | **0.47** |

**KNR Muzaffarpur Holdings Private Limited**

**Notes forming part of the consolidated financial statements**

## 24 Capital management

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

The Group's adjusted net debt to equity ratio at March 31, 2024 and March 31, 2023 was as follows

(Rs. in Lakhs)

| | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Debt from Banks | 21,814.50 | 25,527.57 |
| Less: cash and cash equivalents | 130.83 | 226.80 |
| **Adjusted net debt** | **21,683.67** | **25,300.77** |
| Total equity | (10,517.88) | (5,394.63) |
| **Adjusted equity** | **(10,517.88)** | **(5,394.63)** |
| | | |
| **Adjusted net debt to adjusted equity ratio** | **(2.06)** | **(4.69)** |

Note : Debt from Banks includes Interest accrued and due

## 25 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, 2024**

(Rs. in Lakhs)

| Particulars | Carrying amount | | | Fair Value | | | |
|---|---|---|---|---|---|---|---|
| | FVTPL | Amortised Cost | Total carrying amount | Level 1 | Level 2 | Level 3 | Total |
| **Financial assets** | | | | | | | |
| Investments | - | - | - | - | - | - | - |
| Cash and cash equivalents | - | 130.83 | 130.83 | - | - | - | - |
| Bank balances, other than above | - | 1,414.89 | 1,414.89 | 1,414.89 | - | - | 1,414.89 |
| Other financial assets | - | 861.89 | 861.89 | - | - | 861.89 | 861.89 |
| | - | 2,407.61 | 2,407.61 | 1,414.89 | - | 861.89 | 2,276.78 |
| **Financial liabilities** | | | | | | | |
| Secured Bank Loans | - | 21,814.50 | 21,814.50 | - | - | 21,814.50 | 21,814.50 |
| NHAI Premium Payable | - | 5,968.14 | 5,968.14 | - | - | 5,968.14 | 5,968.14 |
| Trade payables | - | 1,414.80 | 1,414.80 | - | - | 1,414.80 | 1,414.80 |
| Other financial liabilities | - | 7,649.84 | 7,649.84 | - | - | 7,649.84 | 7,649.84 |
| | - | 36,847.28 | 36,847.28 | - | - | 36,847.28 | 36,847.28 |

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

**March 31, 2023**

(Rs. in Lakhs)

| Particulars | Carrying amount | | | Fair Value | | | |
|---|---|---|---|---|---|---|---|
| | FVTPL | Amortised Cost | Total carrying amount | Level 1 | Level 2 | Level 3 | Total |
| **Financial assets** | | | | | | | |
| Investments | | - | - | - | | | - |
| Cash and cash equivalents | - | 226.80 | 226.80 | - | - | - | - |
| Bank balances, other than above | | 1,344.77 | 1,344.77 | 1,344.77 | - | - | 1,344.77 |
| Other financial assets | - | 798.77 | 798.77 | - | - | 798.77 | 798.77 |
| | - | 2,370.34 | 2,370.34 | 1,344.77 | - | 798.77 | 2,143.54 |
| **Financial liabilities** | | | | | | | |
| Secured Bank Loans | - | 25,527.57 | 25,527.57 | - | - | 25,527.57 | 25,527.57 |
| NHAI Premium Payable | - | 5,296.42 | 5,296.42 | - | - | 5,296.42 | 5,296.42 |
| Trade payables | - | 1,310.42 | 1,310.42 | - | - | 1,310.42 | 1,310.42 |
| Other financial liabilities | - | 4,224.21 | 4,224.21 | - | - | 4,224.21 | 4,224.21 |
| | - | 36,358.62 | 36,358.62 | - | - | 36,358.62 | 36,358.62 |

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

**KNR Muzaffarpur Holdings Private Limited**

**Notes forming part of the consolidated financial statements**

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

**b) Liquidity risk**

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

**Exposure to liquidity risk**

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

**March 31, 2024**

(Rs. In Lakhs)

| | | Contractual Cash flows | | |
|---|---|---|---|---|
| | **Carrying Amount** | **Upto 1 Year** | **1 to 3 Years** | **More than 3 year** |
| **Non-derivative financial liabilities** | | | | |
| Secured Bank loans | 21,814.50 | 3,339.00 | 8,506.70 | 9,968.80 |
| NHAI Premium Payable | 5,968.14 | - | 359.00 | 5,609.14 |
| Trade payables | 1,414.80 | 1,414.80 | - | - |
| Other financial liabilities | 7,649.84 | 7,649.84 | - | - |
| | **36,847.28** | **12,403.64** | **8,865.70** | **15,577.94** |

**March 31, 2023**

(Rs. In Lakhs)

| | | Contractual Cash flows | | |
|---|---|---|---|---|
| | **Carrying Amount** | **Upto 1 Year** | **1 to 3 Years** | **More than 3 year** |
| **Non-derivative financial liabilities** | | | | |
| Secured Bank loans | 25,527.57 | 5,407.14 | 11,269.00 | 8,851.43 |
| NHAI Premium Payable | 5,296.42 | - | 359.00 | 4,937.42 |
| Trade payables | 1,310.42 | 1,310.42 | - | - |
| Other financial liabilities | 4,224.21 | 4,224.21 | - | - |
| | **36,358.62** | **10,941.77** | **11,628.00** | **13,788.85** |

**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

**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
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 cash flow 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 ,2024 | March 31 ,2023 |
|---|---|---|---|
| Borrowings outstanding | 12 | 18,475.50 | 22,585.87 |
| Borrowings Current maturities | 12 | 3,339.00 | 2,941.70 |

**Sensitivity analysis**

(Rs. In lakhs)

| Interest Rate Risk Analysis | Impact on profit/ loss after tax | |
|---|---|---|
| | FY 2023-24 | FY 2022-23 |
| Increase or decrease in Interest by 25bp | 59.18 | 65.46 |

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

**26 Service concession arrangement**

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

The Company has right to charge the users of the Asset as toll. Accordingly, the Company has recognised 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. 4,017.98 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.

## KNR Muzaffarpur Holdings Private Limited
## Notes forming part of the consolidated financial statements

**27 Contingent Liability and Commitments** **(Rs. in lakhs)**

| | | As at | |
|---|---|---|---|
| | | **March 31, 2024** | **March 31, 2023** |
| **i)** | **Contingent Liabilities** | Nil | Nil |
| **ii)** | **Commitments** | | |
| | a) Estimated amount of contracts remaining to be executed on capital account and not provided for | Nil | Nil |
| | **Total** | Nil | Nil |

**28 Disclosure pursuant to Ind AS 33 "Earnings Per Share(EPS)"** **(Rs. in lakhs)**

| | **Year ended March 31, 2024** | **Year ended March 31, 2023** |
|---|---|---|
| i. Profit (loss) attributable to equity shareholders(basic) | (5,122.88) | (4,315.89) |
| ii. Weighted average number of equity shares (basic) | 0.10 | 0.10 |
| **Basic EPS** | **(51,228.76)** | **(0.43)** |
| i. Profit (loss) attributable to equity shareholders(diluted) | (5,122.88) | (4,315.89) |
| ii. Weighted average number of equity shares (diluted) | 0.10 | 0.10 |
| **Diluted EPS** | **(51,228.76)** | **(0.43)** |

**29 Employee Benefits**

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

**ii) 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** | **2023-24** | **2022-23** |
|---|---|---|
| Present value of the obligation at the end of the period | 6.48 | 4.99 |
| Fair value of plan assets at end of period | - | - |
| Net liability/(asset) recognized in Balance Sheet and related analysis | 6.48 | 4.99 |
| Funded Status | 6.48 | 4.99 |

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

**(Rs. In Lakhs)**

| **Particulars** | **2023-24** | **2022-23** |
|---|---|---|
| Interest cost | 0.35 | 0.29 |
| Current service cost | 0.77 | 0.79 |
| Expected return on plan asset | - | - |
| Premium Expenses | - | - |
| Expenses to be recognized in the statement of profit and loss accounts | 1.12 | 1.08 |

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

**(Rs. In Lakhs)**

| **Particulars** | **2023-24** | **2022-23** |
|---|---|---|
| Due to Change in financial assumptions | 0.11 | (0.19) |
| Due to demographic adjustments | | - |
| Due to experience adjustments | 0.27 | (0.27) |
| Amounts to be recognized in the Other Comprehensive Income | 0.38 | (0.46) |

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

**(Rs. In Lakhs)**

| **Particulars** | **2023-24** | **2022-23** |
|---|---|---|
| Present value of the obligation at the beginning of the period | 4.99 | 4.37 |
| Interest cost | 0.35 | 0.29 |
| Current service cost | 0.77 | 0.79 |
| Benefits paid (if any) | Nil | Nil |
| Actuarial (gain)/loss | 0.38 | (0.46) |
| Present value of the obligation at the end of the period | 6.49 | 4.99 |

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

**A - Names of related parties and nature of relationship**

| Sl.No. | Particulars | Country | Holding as at | |
|---|---|---|---|---|
| | | | March 31, 2024 | March 31, 2023 |
| I) | **Subsidiaries** | | | |
| | KNR Muzaffarpur-Barauni Tollway Pvt. Ltd., | India | 51% | 51% |
| II) | **Holding Company** | | | |
| | KNRC Holdings and Investments Pvt. Ltd., | | | |
| III) | **Ultimate Holding Company** | | | |
| | KNR Constructions Limited | | | |
| IV) | **Key Management Personnel (KMP)** | | | |
| | **Name of the person** | **Designation** | | |
| 1 | Sri K. Jalandhar Reddy | Director | | |
| 2 | Sri K. Venu Gopal Reddy | Director | | |

**B - List of transaction with related parties during the year**

(Rs. in Lakhs)

| S. No. | Name of the related party | Nature of transactions | 31 March 2024 | 31 March 2023 |
|---|---|---|---|---|
| 1 | KNR Constructions Limited | Advance received | 0.44 | 0.61 |
| | | Expenses Payable | 3075.80 | 772.28 |
| | | Routine Maintenance expenses | 584.92 | 549.99 |
| | | Instrument entirely equity in Nature | - | - |

**KNR Muzaffarpur Holdings Private Limited**
**Notes forming part of the consolidated financial statements**

**C - Outstanding balance with related parties are as follows:**

(Rs. in Lakhs)

| S. No. | Name of the related party | Nature of transactions | 31 March 2024 | 31 March 2023 |
|---|---|---|---|---|
| 1 | KNR Constructions Limited | Unsecured advance | 15.08 | 14.65 |
| | | Instrument entirely equity in Nature | 5276.50 | 5,276.50 |
| | | Expenses Payable | 6355.56 | 3279.76 |
| | | Bills payable | 1392.25 | 1014.4 |
| 2 | KNRC Holdings and Investments Pvt. Ltd., | Share Capital | 1.00 | 1.00 |
| | | Instrument entirely equity in Nature | 3629.10 | 3,629.10 |
| | | Unsecured advance | 5.00 | 5.00 |

**Terms and conditions of transactions with related parties**

All Related Party Transactions entered during the year were in ordinary course of the business and are on arm's length basis.

**31 Disclosure mandated by Schedule III by way of additional information**

(Rs. in Lakhs)

| Name of the entity in the Group | Net Assets, i.e., (total assets minus total liabilities) | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | Amount in Lakhs | As % of consolidated profit or loss | Amount in Lakhs | As % of consolidated other comprehensive income | Amount in Lakhs | As % of total comprehensive income | Amount in Lakhs |
| **Consolidated** | 100.00% | (10,517.88) | 100.00% | (5,122.88) | 100.00% | (0.38) | 100.00% | (5,123.25) |
| Parent | (47.32%) | 4,977.56 | 43.37% | (2,221.35) | 0.00% | - | 43.35% | (2,221.35) |
| **Subsidiary companies** | | | | | | | | |
| KNR Muzaffarpur Barauni Tollway Pvt. Ltd., | 65.42% | (6,881.10) | 7.64% | (391.34) | 100.00% | (0.38) | 7.65% | (391.72) |
| **Non-controlling interest in all subsidiaries** | 81.90% | (8,614.34) | 48.99% | (2,510.19) | 0.00% | - | 49.00% | (2,510.19) |
| **Total** | 100.00% | (10,517.88) | 100.00% | (5,122.88) | 100.00% | (0.38) | 100.00% | (5,123.26) |

**32 Subsidiaries considered for consolidation**

**A - Names of related parties and nature of relationship**

| Sl.No. | | Country | Holding as at | |
|---|---|---|---|---|
| | | | March 31, 2024 | March 31, 2023 |
| | **Subsidiaries** | | | |
| 1 | KNR Muzaffarpur-Barauni Tollway Pvt. Ltd., | India | 51% | 51% |

## 33 Segment Information

The Group's operations predominantly consist of construction / project activities. Hence there are no reportable segments under Ind AS 108. During the year under report, substantial part of the Group's business has been carried out in India. The conditions prevailing in India being uniform, no separate geographical disclosures are considered necessary.

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

(Rs. in Lakhs)

| Particulars | Long Term Borrowings | Instrument entirely equity in Nature | Deferred Payment Liability | Interest on Term Loan |
|---|---|---|---|---|
| **Opening Balance** | **25,527.57** | **9,755.60** | **5,296.42** | **0.00** |
| Interest Accrued during the year | - | | - | 2,437.18 |
| **Cash flows** | | | | - |
| Received | - | - | - | - |
| Repayment | (3,725.33) | | - | - |
| Interest paid | | | | (2,437.18) |
| **Non-Cash items** | | | | |
| Unwinding Interest | | | 671.72 | - |
| Impact of EIR | | | - | - |
| Modification Gain or Loss | 12.26 | | - | - |
| **Closing Balance** | **21,814.50** | **9,755.60** | **5,968.14** | **0.00** |

**35 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.

**36** The Group has no Loans or Advances in the nature of Loans to specified persons that are Repayable on Demand or without specifying any terms or period of repayment.

**37** No proceedings have been initiated or pending against the Group for holding any Benami Property under the Benami Transactions (Prohibitions) Act, 1988 and the rules made thereunder.

**38** The Group has not been declared as willful defaulter by any bank or financial institution or other lender during the year.

**39** The Group had no transactions with Companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 during the year.

**40** The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act read with Companies (Restriction on number of layers) Rules, 2017 during the year.

**41** The Group does not have any transaction not recorded in the books of accounts that has been surrendered or disclosed as Income during the year in the tax assessments under the Income Tax Act, 1961.

**42** The Group has not traded or invested in Crypto currency or Virtual currency during the financial year.

**43** **Approval of Financial Statements**
The financial statements were approved for issue by the Board of Directors on May 27,2024

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

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

SUKUMAR BABU & Co. Chartered Accountants HYDERABAD

**C. Sukumar Babu**
Partner
Membership No. 024293
UDIN: 24024293BKCPVW4745
Place: Hyderabad
Date: 27.05.2024

**For and on behalf of the Board**

K Jalandhar Reddy

**K. Jalandhar Reddy**
Director
DIN: 00434911

**V. Venu Gopal Reddy**
Director
DIN: 08089571