KNR Constructions Limited

Annual Report 2025-26

Expanding Horizons.

Enabling Growth.

ACROSS THE PAGES

CORPORATE OVERVIEW

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FINANCIAL STATEMENTS

INVESTOR INFORMATION

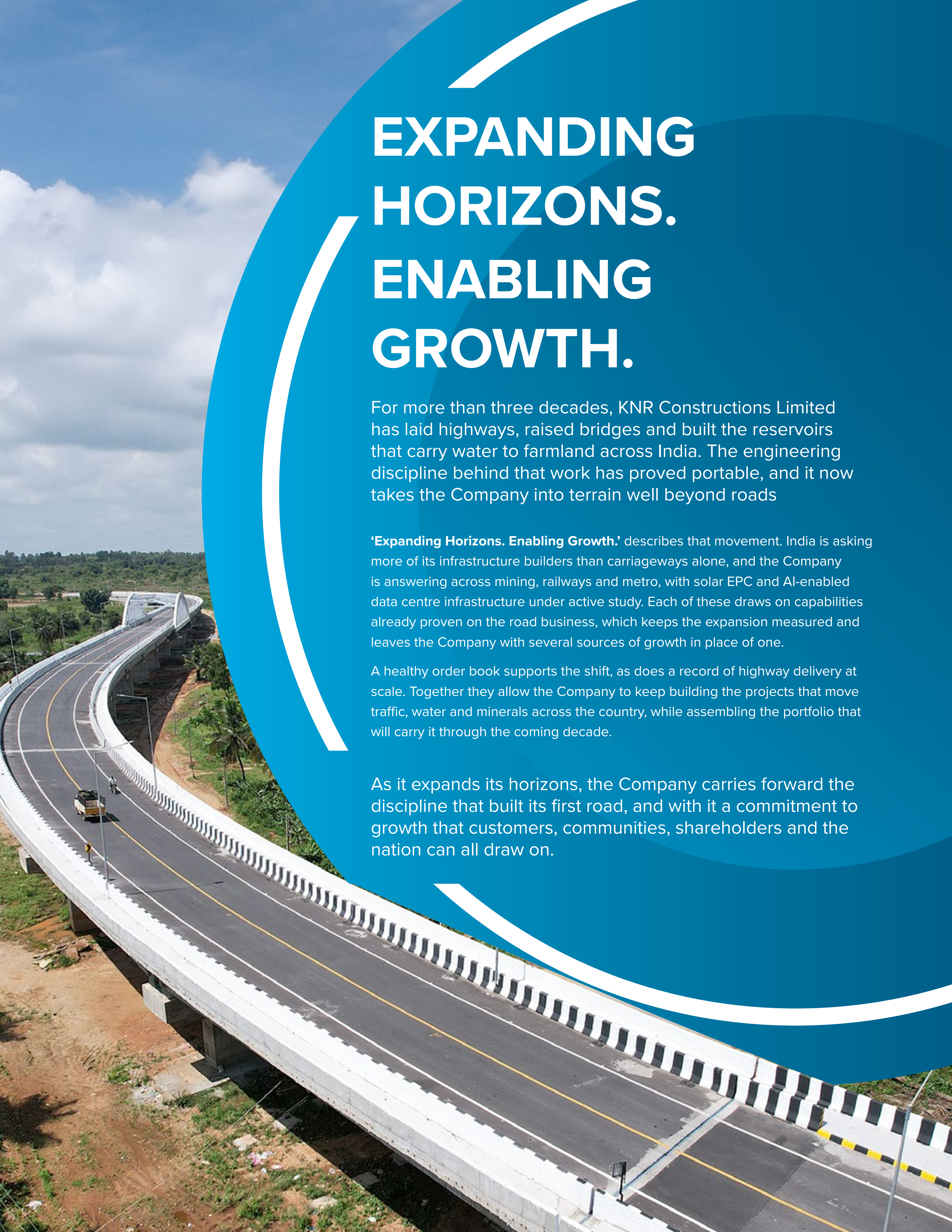
Market Capitalisation (as of March 31, 2026)	₹31,790.8 Mn
CIN	L74210TG1995PLC130199
BSE Code	532942
NSE Symbol	KNRCON
Dividend Declared	₹0.25 per equity share of ₹2 each
AGM Mode	Video Conferencing (VC)/ Other Audio-Visual Means (OAVM)
AGM Date	September 25, 2026

For more investor-related information, please visit: http://www.knrcl.com/investors.html

Scan this QR code to navigate investor-related information

Disclaimer

This document contains statements about the expected future events and financials of KNR Constructions Limited ('The Company') which are 'forward-looking'. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.



EXPANDING HORIZONS. ENABLING GROWTH.

For more than three decades, KNR Constructions Limited has laid highways, raised bridges and built the reservoirs that carry water to farmland across India. The engineering discipline behind that work has proved portable, and it now takes the Company into terrain well beyond roads

'Expanding Horizons. Enabling Growth.' describes that movement. India is asking more of its infrastructure builders than carriageways alone, and the Company is answering across mining, railways and metro, with solar EPC and AI-enabled data centre infrastructure under active study. Each of these draws on capabilities already proven on the road business, which keeps the expansion measured and leaves the Company with several sources of growth in place of one.

A healthy order book supports the shift, as does a record of highway delivery at scale. Together they allow the Company to keep building the projects that move traffic, water and minerals across the country, while assembling the portfolio that will carry it through the coming decade.

As it expands its horizons, the Company carries forward the discipline that built its first road, and with it a commitment to growth that customers, communities, shareholders and the nation can all draw on.

ABOUT US

EXPANDING BEYOND ROADS. BUILDING ACROSS SEGMENTS.

KNR Constructions Limited ('KNRCL', or 'The Company') is an infrastructure developer engaged in the construction of highways, irrigation systems, urban corridors and, more recently, commercial mining assets. Established in 1995 and operating across twelve states, the Company has extended its engineering capability from road execution into adjacent infrastructure segments, supported throughout by disciplined execution and prudent capital management. That capability now positions it to participate in India's next phase of infrastructure development.

The Company delivers complex infrastructure projects by pairing certainty of execution with financial discipline. A diversified portfolio, an experienced leadership team, in-house resources and long-standing relationships with government agencies allow it to pursue emerging opportunities while creating sustainable long-term value for stakeholders.

10,500+
Lane km executed across 12 states

₹86,725 Mn
Order book

30+ Years
Of execution excellence in infrastructure development

2,500+
Dedicated professionals driving engineering and operational excellence

Preferred Infrastructure Partner
To government agencies and public sector clients

Vision

To develop KNRCL as a Centre of Excellence in the field of Infrastructure services by striving continuously to provide eco-friendly solutions adopting state-of-the-art practices and commitment to quality through motivated human resources.

Mission

We would aim to add more business verticals to the organisation in the fields of construction of Elevated Metro Rail and Railway Projects.

Key Strengths

- Execution Excellence
- Resource Strength
- Operational Efficiency Strategic
- Diversification Pan-India Presence

BUSINESS STRATEGY

- Capitalise on opportunity of huge infrastructure development in the country
- Focus on securing EPC contracts from reputed clients and concessionaire
- Focus on projects involving higher degree of engineering skills
- Continuously explores growth opportunities by forming strategic Joint Ventures
- Execute all the projects on time or ahead of schedule

JOURNEY AND MILESTONES

GROWING THROUGH DECADES. BROADENING THE PORTFOLIO.

1995-2009
Building the Foundation

- Incorporated in 1995 and commenced Engineering, Procurement and Construction (EPC) operations
- Expanded into Build-Operate-Transfer (BOT) projects and urban water infrastructure
- Secured landmark BOT projects in Karnataka and Telangana
- Listed on the BSE and NSE in 2008
- Achieved Commercial Operation Date for Patel KNR Infrastructures BOT project in 2009

2010-2015
Scaling Execution Excellence

- Executed large-scale highway projects across Tamil Nadu and Kerala
- Completed the Bijapur-Hungund highway project 11 months ahead of schedule
- Crossed Standalone Revenue milestone of ₹10,000 Mn in 2012
- Strengthened core project execution across multiple states with steady operations

2016-2020
HAM Expansion and Value Creation

- Crossed ₹10,000 Mn in standalone net worth
- Expanded its presence through Hybrid Annuity Model (HAM) project wins
- Strengthened the project portfolio with large-scale infrastructure
- Initiated asset monetisation through stake divestments in operational assets
- Crossed ₹20,000 Mn in standalone revenue
- Divested 100% stake of KNR Walayar Tollways to Cube Highways in 2019

2021-2023
Portfolio Optimisation

- Crossed ₹20,000 Mn in standalone net worth
- Monetised further HAM assets to create value
- Transferred stakes in multiple special purpose vehicles to strengthen capital efficiency and financial flexibility
- Achieved Commercial Operation Date for Magadi-Somwarpet HAM project in 2023

2024-25
Diversification and Transformation

- Crossed standalone net worth of ₹30,000 Mn and turnover of ₹40,000 Mn
- Entered commercial mining with the Banhardih project, and diversified beyond traditional infrastructure segments
- Strengthened the foundation for the next phase of long-term growth

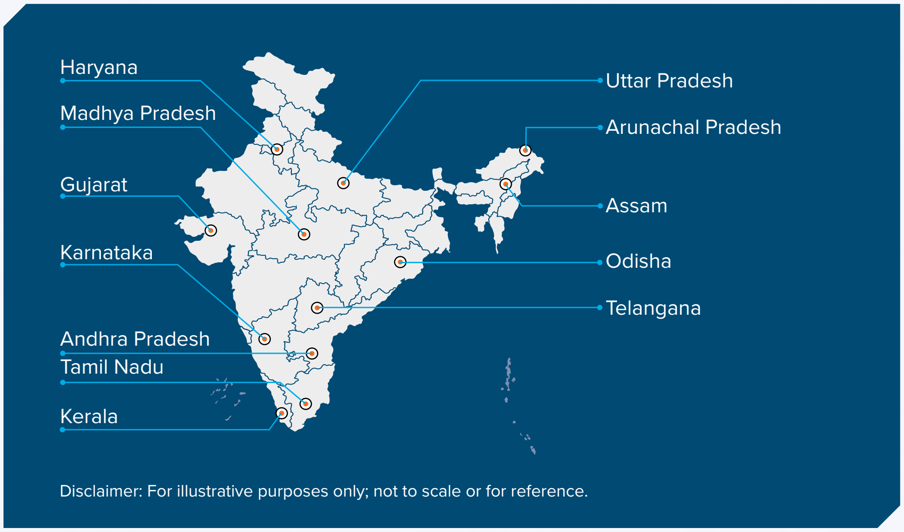
2026
Multi-Sector Infrastructure Leadership

- Built a diversified order book of ₹86,725 Mn as on March 31, 2026
- Established a presence across roads, irrigation and mining, reducing dependence on a single business segment
- Positioned the business to pursue opportunities across metro rail and railways, supported by proven execution capability and disciplined capital allocation
- Transferred KNR Palani and KNR Ramagiri SPVs to Indus Infra Trust

PRESENCE

EXTENDING FOOTPRINT. CONNECTING REGIONS.

The Company has executed 88 infrastructure projects across twelve states, spanning the highway corridors of Tamil Nadu and Karnataka, the irrigation systems of Telangana and Andhra Pradesh, and urban works in Kerala and Uttar Pradesh. Three decades of project delivery have built a footprint that reaches from the Assam plains to the southern peninsula, improving connectivity, supporting economic activity and strengthening regional development in the states where it operates.



Disclaimer: For illustrative purposes only; not to scale or for reference.

Pan-India Execution Project Footprint

State	No. of Projects	Project Value (₹ Mn)
Tamil Nadu	14	58,965.82
Andhra Pradesh	6	23,668.87
Telangana	28	20,648.60
Karnataka	16	34,289.33
Kerala	4	20,407.61
Madhya Pradesh	4	6,618.80
Uttar Pradesh	10	4,548.66
Assam	2	4,037.56
Arunachal Pradesh	1	3,468.00
Gujarat	1	2,550.00
Odisha	1	1,865.87
Haryana	1	118.14
Total - 12 States	88	1,81,187

Across
12 States

Projects Executed
88

Executed Project Value
₹1,81,187 Mn

INFRASTRUCTURE SOLUTIONS

ENGINEERING INFRASTRUCTURE. CONTRIBUTING TO INDIA'S GROWTH.

KNRCL builds national highways and expressways, reservoirs and lift irrigation schemes, elevated corridors and grade separators, and it now develops and excavates coal mines. Each of these draws on the same engineering base, disciplined execution and control over its own equipment and teams. Together they place the Company across four segments of Indian infrastructure, carrying traffic, water and minerals, and securing revenue visibility well beyond any single line of business.

Roads and Highways

Building India's Connectivity Backbone

Roads and highways remain the Company's core business, built over more than three decades of project delivery. The portfolio covers national highways, expressways, flyovers and state highways, executed under EPC, HAM and BOT mode across varied terrain. Engineering capability, disciplined execution and delivery to schedule continue to hold the Company's position in this segment.

Key Highlights

- Executed over 10,500 lane km across 12 states
- 8 HAM projects with a total bid cost of ₹96,188 Mn
- Received Provisional Certificate of Completion (PCOD) for Ramanattukara-Valanchery, Chittor - Thatchur (PKG 03) and Valanchery-Kappirikkad
- Completed the Oddanchatram-Madathukulam project

Irrigation and Water Management

Strengthening Water Security

The Company builds reservoirs, lift irrigation schemes, pump houses and urban water systems, an expertise developed over two decades of execution. These projects raise water availability for farmland and towns alike, improving agricultural productivity and supporting urban development.

Key Highlights

- Delivered the Konda Pochamma Sagar Reservoir with 50 thousand Mn cubic feet (TMC) storage capacity
- Executed 12 Mn cubic metres of earthwork in a record 500 days
- Executing a 4 × 90 MW pump house in Telangana
- Present in urban water infrastructure since 2006
- Delivered multiple reservoirs and lift irrigation projects across Telangana

Commercial Mining

A New Engine of Growth

Commercial mining takes the Company into a business adjacent to, but distinct from, its EPC infrastructure work. Drawing on the same engineering expertise and earthmoving scale, it has entered mine development and excavation services, widened the portfolio and extended revenue visibility.

Key Highlights

- The Company received a Letter of Acceptance from Patratu Vidyut Utpadan Nigam Limited (PVUNL), a joint venture between NTPC Limited and Jharkhand Bijli Vitran Nigam Limited (JBVNL), for the development and operation of the Banhardih Coal Mining Block in Jharkhand
- Project value of ₹48,006 Mn (KNRCL portion is 74%)
- Achieved Stage-I (F1) Forest Clearance
- Mining contributes approximately 30% of the executable order book
- Received a Letter of Acceptance (LoA) for a ₹33,662 Mn excluding GST coal mining and overburden removal project from Southeastern Coalfields Limited (SECL) at Kusmunda OCP, Chhattisgarh, to be executed in a joint venture with Sushee Infra & Mining Limited over eight years

Urban Infrastructure

Enhancing Urban Mobility

The Company builds elevated corridors, flyovers, grade separators and utility infrastructure for India's cities. These works ease movement through dense urban centres and strengthen civic infrastructure in rapidly urbanising regions.

Key Highlights

- Constructed the 7.87 km two-tier flyover in Salem
- Delivered the 2.85 km grade separator in Coimbatore
- Secured the four-lane elevated corridor along the East Coast Road, Tamil Nadu
- Executing pipeline and urban road infrastructure projects in Telangana
- Received Completion Certificate for construction of Elevated Highway along Avinashi Road in Coimbatore city from Goldwins to Uppilipalayam

Future Growth Opportunities

Expanding into Emerging Infrastructure Segments

The Company continues to evaluate adjacent infrastructure sectors where its existing engineering and execution capability transfers directly, diversifying the order book and supporting long-term growth.

Focus Areas

- Metro Rail Infrastructure
- Railway Infrastructure
- Solar EPC
- AI-enabled Data Centre Infrastructure

Ecosystem of Trusted Clients

Expanding into Emerging Infrastructure Segments

The Company continues to evaluate adjacent infrastructure sectors where its existing engineering and execution capability transfers directly, diversifying the order book and supporting long-term growth.

Central Government

- National Highways Authority of India (NHAI)
- Ministry of Road Transport and Highways (MoRTH)
- Engineers India Limited (Government of India Undertaking)
- NMDC Limited
- Patratu Vidyut Utpadan Nigam Limited (PVUNL)

State Governments and their Agencies

- Andhra Pradesh Road Development Corporation (APRDC)
- Uttar Pradesh State Highways Authority (UPSHA)
- Hyderabad Growth Corridor Limited (HGCL)
- Telangana Irrigation Department (Government of Telangana)
- Karnataka State Highway Improvement Project (KSHIP)
- Andhra Pradesh Irrigation Department (Government of Andhra Pradesh)
- Karnataka Road Development Corporation Limited (KRDCL)
- Public Works Department (Government of Arunachal Pradesh)
- Madhya Pradesh Road Development Corporation Limited (MPRDCL)
- Highways Department (Government of Tamil Nadu)
- Bruhat Bengaluru Mahanagara Palike (BBMP)
- Greater Hyderabad Municipal Corporation (GHMC)

Private Sector Clients

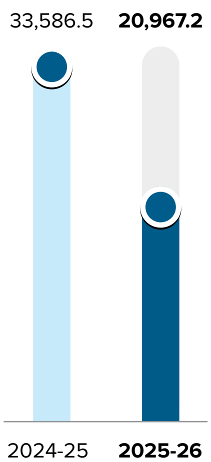
- GMR Projects Private Limited
- Oriental Structural Engineers Private Limited
- Sadbhav Engineering Limited

PERFORMANCE HIGHLIGHTS

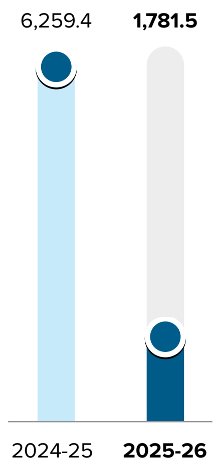
STRENGTHENING OPERATIONS. BUILDING SCALE.

The Company entered 2025-26 with a strong foundation and exited the year with commercial mining established as a new business. The Kerala HAM projects were nearing completion, with and further progress across its core operations. Revenue and margins moderated over the year, reflecting a slower awarding cycle across the roads sector and the completion of higher-margin irrigation work. What the Company built during the year, however, sits in the platform rather than in the profit and loss.

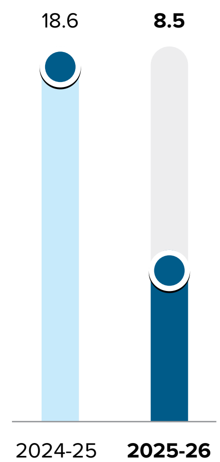
Total Revenue (₹ Mn)



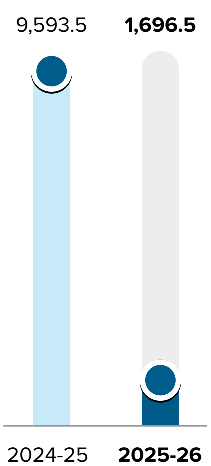
EBITDA (₹ Mn)



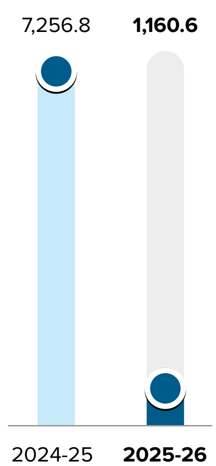
EBITDA Margin (%)



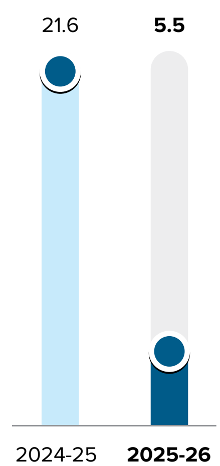
PBT (₹ Mn)



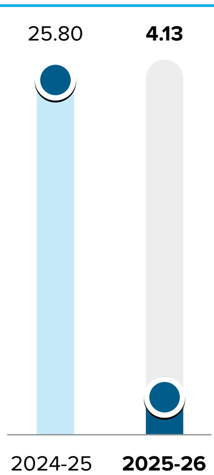
PAT (₹ Mn)



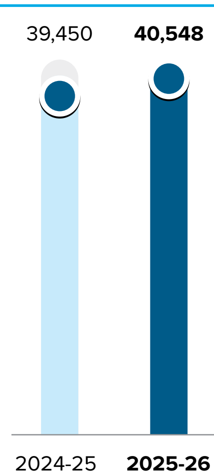
PAT Margin (%)



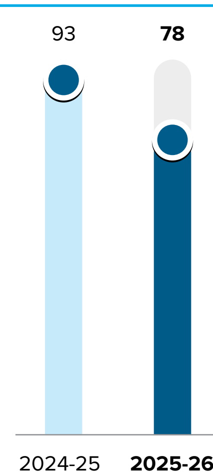
EPS (Basic) (₹)



Net Worth (₹ Mn)



Net Working Capital (Days)



ORDER BOOK HIGHLIGHTS

SECURING PIPELINE. EXTENDING VISIBILITY.

The Company's order book now spans road, irrigation, pipeline and mining projects across six states, a spread that no single segment or client can unsettle. Two Hybrid Annuity Model wins during the year, an elevated corridor in Tamil Nadu and a four-laning contract in Telangana, added materially to it. Disciplined bidding and selective acquisition have kept the pipeline sound, giving the Company revenue visibility well into its next phase of growth.

₹86,725 Mn	41%	80%	₹32,300 Mn
Order book	Mining contribution	State government projects	Recently secured HAM projects

KEY ROAD PROJECTS

Project Name	
Mysore to Kushalnagara (Pkg V) (HAM)	₹5,507 Mn
Mysore to Kushalnagara (Pkg IV) (HAM)	₹4,864 Mn
Khajaguda Junction and IIIT Junction (EPC)	₹4,591 Mn
Iconic Bridge across Mir Alam Tank, Hyderabad (EPC)	₹3,192 Mn
Marripudi to Somvarappadu (HAM)	₹1,529 Mn

Top 5 Road Projects
₹19,683 Mn

Other Road Projects
₹6,517 Mn

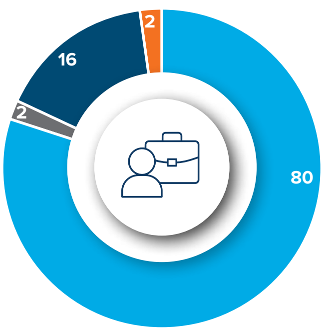
₹16,677 Mn
Irrigation Projects

₹8,324 Mn
Pipeline Projects

₹35,524 Mn
Mining Projects

Total Order Book (as on March 31, 2026)
₹86,725 Mn

Client-Wise (in %)

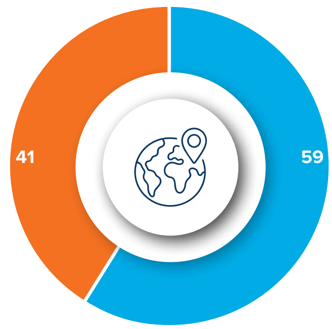


- State Government
- Central Government
- Captive HAM
- Others

Segment-Wise (in %)

- Roads (Others)
- Mining
- Irrigation
- Roads (HAM)
- Pipeline

Region-Wise (in %)



- South India
- East India

- Andhra Pradesh and Telangana
- Jharkhand
- Karnataka
- Kerala
- Tamil Nadu

Order-Book: State-Wise

1. **Balance Value**
   ₹37,036 Mn
   18 Projects

2. **Balance Value**
   ₹35,524 Mn
   1 Project

3. **Balance Value**
   ₹12,722 Mn
   6 Projects

4. **Balance Value**
   ₹1,287 Mn
   2 Projects

5. **Balance Value**
   ₹156 Mn
   2 Projects

Recently Secured Projects

Elevated Corridor along East Coast Road (ECR), Tamil Nadu

HAM

Value

₹16,800 Mn

Four-Laning of NH-167 (Gudebellur to Mahabubnagar), Telangana

HAM

Value

₹15,500 Mn

Disclaimer: This map is a generalised illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company or any of its Directors, officers or employees, cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind of connection with its accuracy or completeness.

MESSAGE FROM THE MANAGING DIRECTOR

BROADENING THE BASE. PREPARING FOR WHAT FOLLOWS.

> 2025-26 marked an important milestone in KNRCL's evolution as we strengthened our position as a diversified infrastructure company while building on more than three decades of engineering excellence, disciplined execution and prudent capital allocation.

Dear Shareholders,

In 2025-26, KNRCL received a Letter of Award (LOA) for a coal mining project in Jharkhand, laid pipeline across 2 districts in Telangana and advanced two Kerala highway projects to near completion. The Company did all of this in a year when fewer road projects came to tender than in any recent season, and our results reflect that shortfall. What the year also delivered was a business working across four segments instead of one, which is a more durable position than the revenue line alone conveys.

Over the past three decades, our approach has remained consistent. We have built the business through disciplined execution, prudent financial management and a long-term perspective. These principles continue to guide every decision, enabling us to hold our course through near-term market cycles while creating sustainable value for stakeholders.

India's Infrastructure Opportunity Remains Strong

India continues to treat infrastructure as a primary engine of economic growth. The Union Budget 2026-27 earmarked a record ₹12.22 Lakh Crores for capital expenditure, an 11.5% increase over the Revised Estimates for 2025-26. Sustained public capital expenditure, expanding multimodal connectivity, urbanisation and industrial development are opening opportunities across transportation, mining, water infrastructure and other specialised sectors. Road awards moved slowly through the year. Authorities are now clearing land and settling approvals before they tender, which delays the award but shortens the execution that follows. Order inflows across the industry moderated as a result, while work already awarded continued at pace. The Ministry of Road Transport and Highways also shortened the material price adjustment cycle during the year, which gives contractors better sight of their input costs. These developments reinforce our confidence that India's long-term infrastructure opportunity remains firmly intact.

[Source: Union Budget 2026-27 Analysis]

Strategic Diversification for Sustainable Growth

Roads and highways remain our core strength along with irrigation, and they will continue to be. Around that core, the year saw us extend into commercial mining and specialised infrastructure, opening several avenues of future growth.

Commercial mining is the largest of these. The Banhardih and Kusmunda coal blocks took us into a business with a longer contract life than road construction and a client base we had not previously bid to. We continue to evaluate opportunities across railway infrastructure, metro projects, Solar EPC and AI-enabled data centre infrastructure. Each of these needs earthwork, structures and heavy civil execution, which is what our teams do.

Our objective is to build a balanced portfolio that strengthens resilience, reduces dependence on a single infrastructure segment and creates sustainable long-term value.

Disciplined Capital Allocation

Disciplined capital allocation has been central to KNRCL's growth philosophy since inception. Our strategy continues to focus on developing high-quality infrastructure assets, creating value through efficient execution and recycling capital into the next phase of growth.

The proposed divestment of four operational HAM assets to Indus Infra Trust follows from this. Those four roads are built, operating and earning, and the capital in them is better deployed on the projects still to be built.

Supported by a healthy balance sheet and prudent financial management, KNRCL remains well positioned to invest in long-term growth while maintaining capital discipline.

Building a Responsible and Enduring Organisation

As our business expands, we remain equally committed to strengthening the foundations that support growth. Good governance, environmental responsibility, risk management and a culture built on integrity continue to guide our operations and decisions.

Our investment in people matters no less. Our engineers, operators and site teams are what stands between a contract and a completed road, and the over 2,500 of them are the reason our projects finish when we say they will.

Looking Ahead with Confidence

As we enter 2026-27, our priorities remain clear. We are targeting order inflows in the range of ₹8,000 Crores to ₹10,000 Crores for the year, across NHAI highway projects, irrigation, mining and state infrastructure work. We will continue to pursue high-quality opportunities across roads, mining and other emerging infrastructure sectors while maintaining our disciplined approach to bidding, capital allocation and execution.

India's infrastructure requirements continue to evolve, creating opportunities that extend well beyond traditional construction. With a diversified project portfolio, proven execution capability and prudent financial management, KNRCL is well positioned to contribute to the nation's development while delivering sustainable long-term value for all stakeholders.

Acknowledgement

I extend my sincere appreciation to our employees, whose dedication, expertise and commitment continue to define how KNRCL executes. I also thank our clients, shareholders, financial institutions, government authorities, joint venture partners and all our stakeholders for their continued trust and support.

We began taking construction contracts in 1968, and the discipline that mattered then is the one that matters now, which is to finish what has been started, on time and to specification. That is how this Company has grown for thirty years and it is how it will grow through the next thirty.

Warm regards,

K. Narasimha Reddy
Founder Promoter
and Managing Director

MESSAGE FROM THE EXECUTIVE DIRECTOR

EXECUTING WITH PURPOSE. GROWING WITH DISCIPLINE.

> 2025-26 marked a year of disciplined execution and strategic progress. KNRCL strengthened its executable order book to ₹86,725 Mn, advanced major HAM projects towards completion, secured significant new project wins and expanded its presence in commercial mining, reinforcing the foundations for long-term, diversified growth.

Dear Shareholders,

In a year when fewer projects came to tender, the work that mattered most was the work already in our hands. 2025-26 tested how well we execute, and that is the account I set before you.

The infrastructure sector experienced a measured pace of project awards during 2025-26 as authorities focused on project preparedness, land acquisition and execution readiness before tendering new projects. This moderated new order inflows across the industry, though execution activity remained healthy, which confirms the strength of India's long-term infrastructure investment cycle.

Against this backdrop, KNRCL remained focused on the areas within its control. Execution discipline, capital prudence and delivery to schedule continued to guide our actions through the year. Our financial strength remained an important enabler, with CRISIL reaffirming our AA rating for long-term bank facilities and A1+ rating for short-term facilities. Financial performance reflected the industry's near-term headwinds, but the operational milestones we reached during the year have strengthened the platform from which we grow.

Delivering with Operational Excellence

Execution has always been the cornerstone of KNRCL's business. Our integrated execution model, supported by experienced project teams, one of the industry's largest in-house equipment fleets and deep engineering capabilities, enables us to execute complex infrastructure projects with quality, efficiency and discipline.

During the year, we maintained steady execution momentum across our portfolio. Our HAM projects in Kerala progressed towards completion, to their operational stage, with the Ramanattukara-Valanchery and Valanchery-Kappirikkad stretches receiving their respective Provisional Completion Certificates (PCCs). The elevated highway along Avinashi Road in Coimbatore, running from Goldwins to Uppilipalayam, received its Certificate of Completion. Progress also continued across our projects in Andhra Pradesh and Karnataka, while the Oddanchatram to Madathukulam and Chittoor to Thatchur project reached completion.

We also secured two Hybrid Annuity Model projects as on the date of this report, namely the elevated corridor along the East Coast Road in Tamil Nadu and the four-lane of NH-167 in Telangana and also secured few flyovers works from Govt. of Telangana. These additions strengthened our long-term revenue visibility while reinforcing our standing in complex transportation infrastructure. Beyond roads, the Company continued to make progress in commercial mining. The Banhardih coal block received Stage-I forest clearance during the year. This is the clearance that permits site work to begin, and it moves our first mining project from award to execution. Further, as on the date of this report, the Company has also received Coal Mining Works at Kusmunda OCP in the state of Chhattisgarh.

Strengthening a Diversified Order Book

Diversification remained a priority through the year. As on March 31, 2026, the Company's order book stood at ₹86,725 Mn. Including recently secured projects, the executable order book rose to ₹1,52,340 Mn as on June 30, 2026, which gives us revenue visibility over the coming years.

The composition of the order book reflects how the business has changed. Roads and highways continue to form the foundation, with commercial mining now a substantial contributor alongside irrigation and pipeline work. This balance strengthens resilience, widens our addressable market and reduces dependence on any single infrastructure segment.

We continue to evaluate opportunities across metro rail, railway infrastructure, Solar EPC and AI-enabled data centre infrastructure, each of which calls on engineering expertise we already hold.

Financial Performance

Despite a challenging operating financial performance during the year reflected lower execution volumes across the industry and changes in project mix. On a standalone basis, revenue stood at ₹20,967 Mn, and EBITDA at ₹1,782 Mn, an EBITDA margin of 8.50%. Profit after tax (PAT) stood at ₹1,161 Mn.

On a consolidated basis, revenue stood at ₹26,980 Mn, EBITDA at ₹7,114 Mn and PAT at ₹4,369 Mn.

The moderation in profitability followed from lower project awards, the completion of higher-margin irrigation projects and the absence of arbitration income of the kind recognised in the previous year. Margins remained below our historical levels, and our focus over the medium term is on recovering them through disciplined bidding, operational efficiency and a stronger project mix.

Driving Capital Efficiency

Efficient capital allocation continues to be one of KNRCL's defining strengths. Working capital improved during the year, with net working capital down to 78 days from 93 days, the result of sustained attention to operational efficiency and cash flow management.

The proposed divestment of four operational HAM Special Purpose Vehicles to Indus Infra Trust is a further step in our asset recycling approach. Those four assets are built and operating, and releasing the capital held in them puts it back where it earns a construction margin. Supported by a debt-free standalone balance sheet and a consolidated net debt-to-equity ratio of 0.49x, the Company remains well positioned to pursue quality opportunities with financial discipline.

Enhancing Execution through Technology

Technology plays a growing part in execution quality and operational efficiency. During the year, we extended our use of Internet of Things (IoT)-enabled equipment monitoring, drone-based project surveillance and digital project management tools to sharpen planning, improve equipment utilisation and strengthen quality control across project sites.

These initiatives complement our engineering capabilities and support consistent project delivery while improving productivity across the Company.

People Who Make the Difference

Every milestone reached during the year reflects the dedication, technical expertise and commitment of our 2,500+ employees. They plan the work, run the equipment and hold the quality standards on site, and every completion recorded in this report was theirs before it was ours.

I sincerely thank our employees, clients, government authorities, financial institutions, joint venture partners and shareholders for their continued trust and support.

Looking Ahead

The long-term outlook for India's infrastructure sector remains encouraging. Continued public investment, expanding multimodal connectivity and growing opportunities across transportation, mining, urban infrastructure and digital infrastructure are expected to create sustained demand for high-quality engineering and construction capabilities. As we move into 2026-27, our priorities remain unchanged. We will continue to execute our existing order book with discipline, strengthen operational efficiency, improve capital productivity and pursue high-quality opportunities across our wider portfolio.

An executable order book of ₹1,52,340 Mn now sits in front of us, spread across four segments and seven states. Converting it into completed roads, reservoirs and mines, on schedule and to specification, is the whole of my brief for the coming year.

Warm regards,

K. Jalandhar Reddy
Promoter and Executive Director

EXECUTION CAPABILITIES

OWNED RESOURCES. INTEGRATED EXECUTION.

KNRCL owns and operates one of the largest construction equipment fleets in the industry, and it deploys that fleet with its own engineers, project managers and site teams. This self-reliance is what allows a highway in Kerala, a reservoir in Telangana and a coal block in Jharkhand to run to schedule at the same time. Three decades of practice have refined the model, and it now carries the Company into terrain and project types it has not worked before.

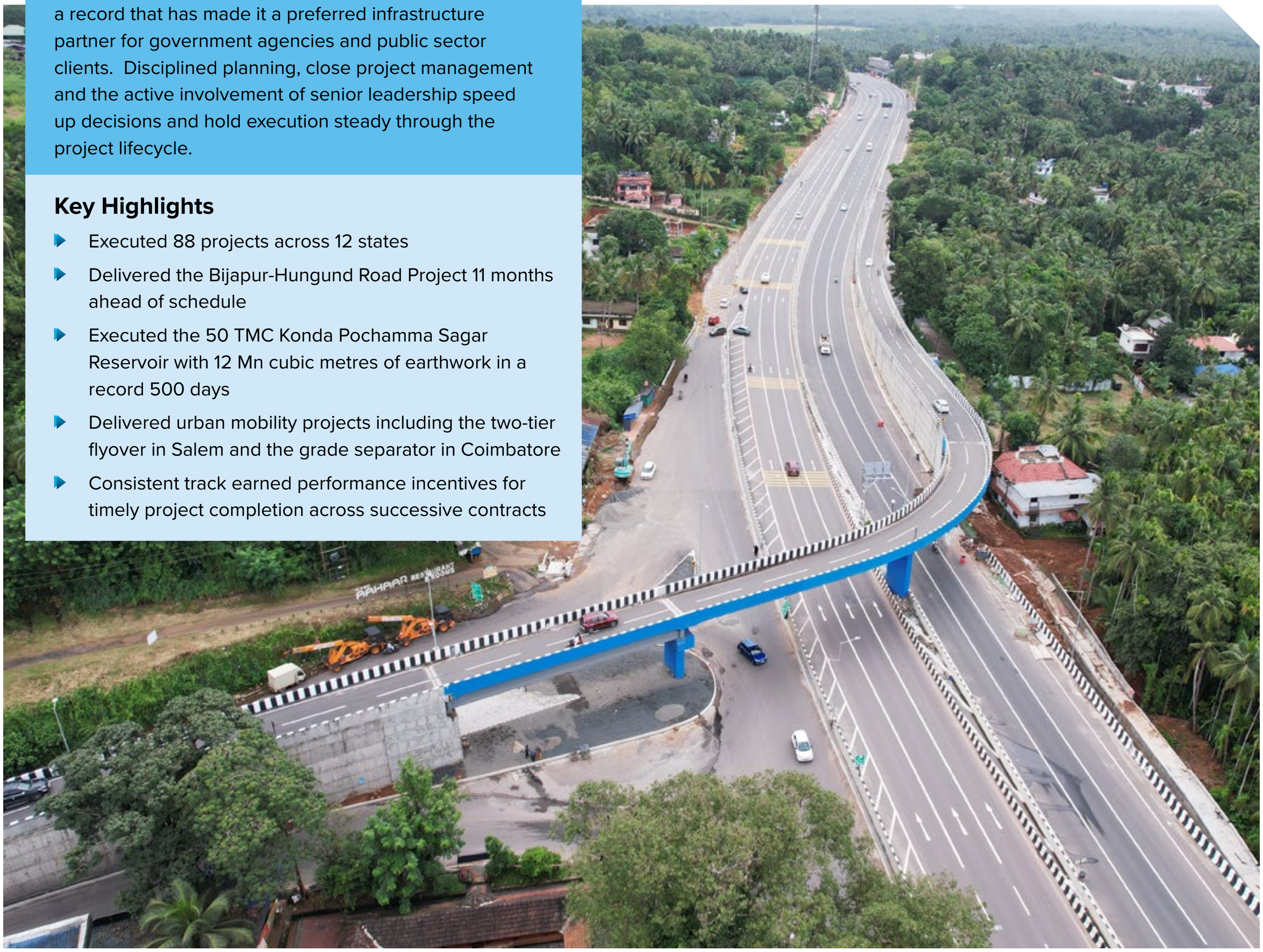
As KNRCL expands into new infrastructure segments, these capabilities continue to set it apart, allowing it to take on larger, more complex projects while maintaining quality, safety and cost discipline.

Execution Excellence

The Company delivers projects on or ahead of schedule, a record that has made it a preferred infrastructure partner for government agencies and public sector clients. Disciplined planning, close project management and the active involvement of senior leadership speed up decisions and hold execution steady through the project lifecycle.

Key Highlights

- Executed 88 projects across 12 states
- Delivered the Bijapur-Hungund Road Project 11 months ahead of schedule
- Executed the 50 TMC Konda Pochamma Sagar Reservoir with 12 Mn cubic metres of earthwork in a record 500 days
- Delivered urban mobility projects including the two-tier flyover in Salem and the grade separator in Coimbatore
- Consistent track earned performance incentives for timely project completion across successive contracts

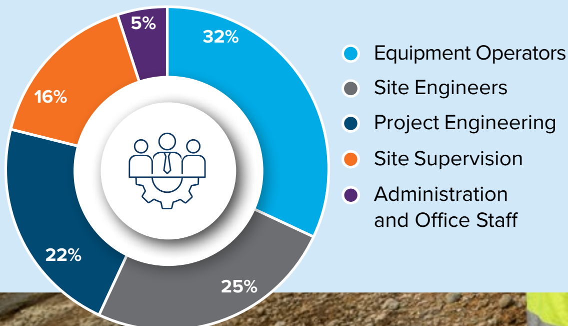


Leadership-Driven Project Management

Experienced leadership guides execution at KNRCL, with hands-on involvement throughout the project lifecycle. Senior management remains closely engaged from project planning and procurement to execution and commissioning, which speeds up decisions, anticipates risk and places resources where they are needed.

This approach draws on a multidisciplinary workforce of over 2,500 professionals, who bring engineering expertise, operational experience and technical capability to every stage of project execution.

Workforce Mix



Integrated Resource Capabilities

KNRCL runs a self-reliant execution model, supported by one of the industry's largest in-house construction equipment fleets. Owning and operating critical equipment gives the Company greater control over schedules, quality, productivity and costs, and reduces its dependence on external resources.

As on March 31, 2026, the Company's equipment fleet carried a gross block of ₹14,069 Mn, supporting simultaneous execution across multiple projects.

Key Infrastructure

240 TPH

D&G hot mix plant

250 TPH

Nawa crushing plant

Construction equipment fleet supporting highways, irrigation, urban infrastructure and mining projects

Together these capabilities sharpen execution efficiency, raise equipment utilisation and hold delivery steady across large-scale projects.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

BUILDING RESPONSIBLY. STRENGTHENING COMMUNITIES.

The infrastructure KNRCL builds carries its own environmental and social weight, from the water a reservoir stores to the road that reaches a village for the first time. The Company works to make that weight tell in the right direction, through resource-efficient construction, renewable energy at its operational assets, safe workplaces for its over 2,500 employees and community programmes in the districts where it operates. Disciplined leadership and a culture of accountability hold these commitments in place across the project lifecycle.

Environment

Environmental Stewardship

Environmental considerations sit within the Company's project planning and execution rather than alongside them. KNRCL follows resource-efficient construction practices and manages water responsibly across its infrastructure portfolio.

During the year, the Company continued to support water conservation through the major irrigation infrastructure, including the Konda Pochamma Sagar Reservoir and ongoing lift irrigation projects. Solar panels installed at toll plazas generate clean power for those assets, reducing environmental impact and operating cost together.

Focus Areas

- Responsible construction practices
- Water conservation and irrigation infrastructure
- Renewable energy at operational assets
- Resource efficiency across project execution

Social

Creating Shared Value

People carry KNRCL's execution record, and the Company invests accordingly. It builds employee capability, holds workplace safety as a first condition of site work and supports the communities around its projects, while the infrastructure itself improves connectivity and quality of life.

People

- 2,500+ employees supporting project execution across multiple infrastructure segments
- Experienced leadership driving technical excellence and knowledge sharing
- Continuous focus on workplace safety and employee wellbeing
- Collaborative work culture supported by active leadership involvement across project execution

Corporate Social Responsibility

Infrastructure creates lasting value only where it leaves the surrounding community stronger. Its CSR programmes improve access to education, healthcare and community infrastructure in the regions where the Company operates.

Focus Area	Key Initiatives	2025-26 Highlights
Education	Supporting educational infrastructure and student development	₹28.40 Mn
Healthcare	Supporting hospitals, medical equipment and healthcare services	₹17.35 Mn
Rural Infrastructure	Improving connectivity through community road development	₹67.02 Mn

Governance

Governing with Proximity.Leading with Integrity.

KNRCL is governed by a Board and leadership team who remain close to the work itself, involved in project execution, capital allocation and risk decisions rather than reviewing them from a distance. That proximity is what has kept ethical conduct, financial discipline and regulatory compliance intact through three decades of growth, and it is what allows decisions to be taken quickly without loosening accountability for them.

Governance Priorities

- Ethical business conduct
- Strong board oversight
- Disciplined capital allocation
- Robust risk management
- Regulatory compliance
- Transparent stakeholder engagement

Board of Directors and Key Leadership

Top Management

Shri K. Narasimha Reddy
(Founder Promoter and Managing Director)

Shri K. Narasimha Reddy brings more than 50 years of experience in the highways and infrastructure sector, having begun in 1968 with civil and mechanical construction contracts. He founded the Company in 1995 and has shaped its growth since, drawing on expertise in project planning, scheduling, cost optimisation, construction management and large-scale execution. He leads the Company's overall strategy and its expansion into new infrastructure segments.

Shri K. Jalandhar Reddy
(Promoter and Executive Director)

Shri K. Jalandhar Reddy brings more than 25 years of experience in the highways and infrastructure sector. He joined the Company as a Project Manager and was appointed Executive Director on April 1, 1997. He leads the tendering and bidding functions and oversees the execution of the Company's major infrastructure projects.

Professional Team

Shri T. L. Verma
(Sr. Vice President - Projects)

Shri T. L. Verma holds a Bachelor of Engineering (B.E.) from MITS, Gwalior (Madhya Pradesh). He brings more than 40 years of professional experience, including over two decades in the highways sector. He has been with the Company since 2006 and leads the execution of its highways, bridges and concrete road projects.

Shri K. Venkata Ram Rao
(General Manager – Finance & Accounts)

Shri K. Venkata Ram Rao is an Associate Member of the Institute of Chartered Accountants of India (ICAI) and the Institute of Company Secretaries of India (ICSI). He brings more than 20 years of experience in finance, accounting, taxation and corporate financial management. He leads the finance and accounts function, overseeing financial reporting, taxation, statutory compliance and the finalisation of corporate accounts.

Smt V. Haritha
(Company Secretary)

Smt V. Haritha is a member of the Institute of Company Secretaries of India (ICSI). She brings expertise in corporate governance, secretarial practices and regulatory compliance, and leads the secretarial and compliance functions, ensuring adherence to applicable corporate laws, statutory requirements and governance standards.

Management Discussion and Analysis

GLOBAL ECONOMY

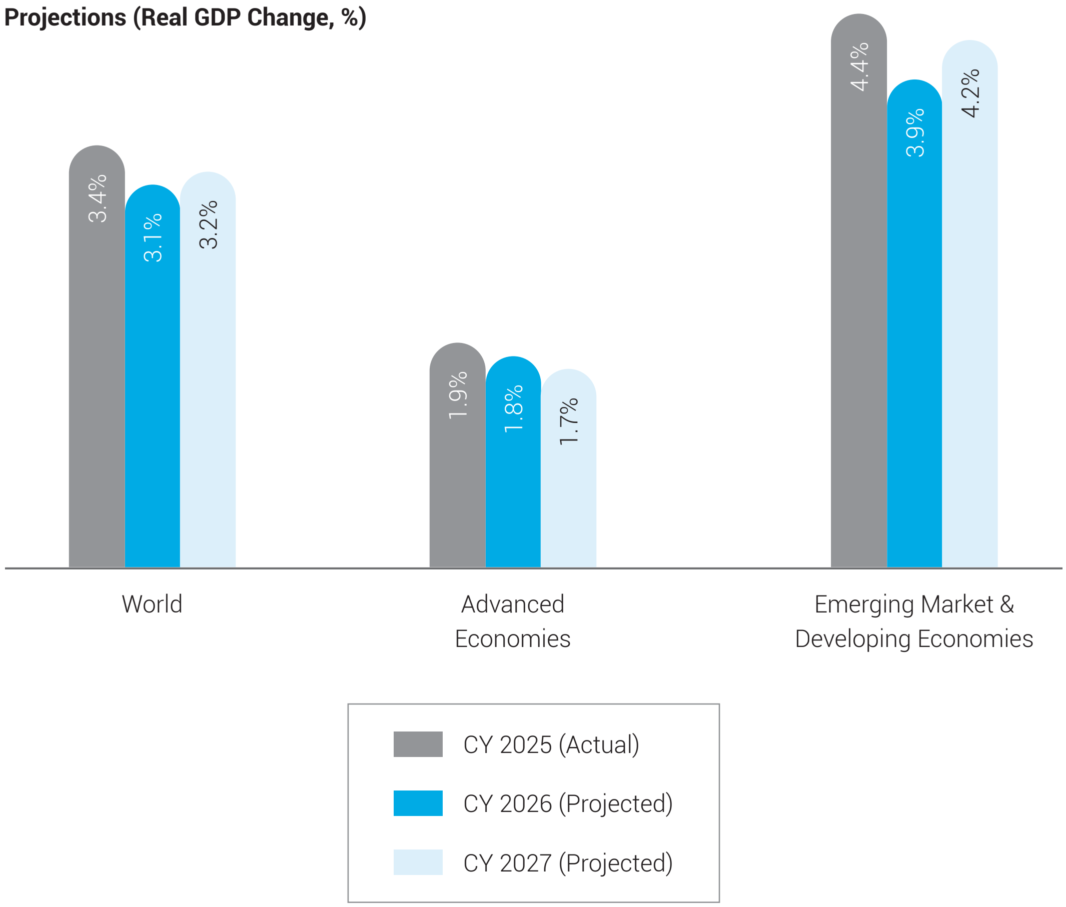
The global economy is navigating an increasingly uncertain and fragmented environment as the West Asia conflict intensifies, geopolitical risks and disrupts energy markets. Rising oil and commodity prices, supply-chain disruptions and persistent inflationary pressures have weakened business and investor confidence, moderating global growth expectations. However, technology-led investments, resilient domestic demand and supportive fiscal measures continue to provide stability across several major economies. Even so, persistent geopolitical tensions and trade fragmentation continue to weigh on the global outlook.

According to the World Economic Outlook (April 2026), global output grew by 3.4% in 2025. The International Monetary Fund (IMF) projects global GDP growth of 3.1% in CY 2026 and 3.2% in CY 2027, reflecting weaker momentum amid geopolitical tensions, trade fragmentation and higher energy costs.

Advanced economies are projected to grow by 1.8% in CY 2026 and 1.7% in CY 2027. Emerging market and developing economies are expected to expand by 3.9% and 4.2%, respectively. The United States is forecast to grow by 2.3% in CY 2026, slightly below earlier estimates due to softer domestic demand and evolving global trade conditions.

Persistent inflation and geopolitical uncertainty have prompted central banks to adopt a measured monetary policy approach. They continue balancing economic growth with price stability. Meanwhile, global financial markets remain sensitive to interest rate expectations, currency movements and capital flows. Investors increasingly favour economies demonstrating stronger macroeconomic resilience.

Global Growth Projections (Real GDP Change, %)



At the same time, businesses are diversifying sourcing and manufacturing through friend-shoring, reshoring and regionalisation to strengthen supply-chain resilience. While these strategies enhance long-term operational security, they also increase input costs and logistical complexity in the near term.

[Source: International Monetary Fund (IMF)- Global Economy in the Shadow of War and World Economic Outlook, April 2026]

Outlook

The global economic outlook remains closely tied to geopolitical developments, energy market stability and evolving trade policies. Easing geopolitical tensions and stabilising commodity prices could reduce inflation, improve supply-chain efficiency and create greater scope for monetary easing across major economies.

However, prolonged geopolitical uncertainty, elevated energy prices and deeper trade fragmentation could sustain inflationary pressures, delay policy rate reductions and moderate investment activity. Over the medium term, continued investment in digital technologies, advanced manufacturing and supply-chain diversification is expected to improve productivity and strengthen global economic resilience.

[Source: International Monetary Fund (IMF) - Global Economy in the Shadow of War and World Economic Outlook, April 2026]

INDIAN ECONOMY

India remained the world's fastest-growing major economy in 2025-26, driven by resilient domestic demand, sustained public infrastructure investment and continued private sector participation. Despite an uncertain global environment, the economy maintained strong growth momentum, underpinned by robust consumption, healthy investment activity and strong macroeconomic fundamentals.

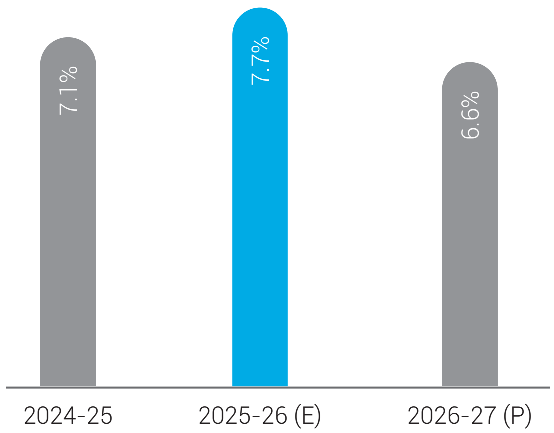
According to the Ministry of Statistics and Programme Implementation (MoSPI), real GDP grew by 7.7% in 2025-26. Meanwhile, nominal GDP rose to an estimated ₹ 346.36 Lakh Crores from ₹ 318.07 Lakh Crores in 2024-25, reflecting broad-based growth across manufacturing, construction and services.

Private consumption remained the primary growth driver, supported by rising incomes and stable employment. Investment activity also strengthened, aided by sustained government capital expenditure, infrastructure development and policy measures to enhance manufacturing competitiveness and expand the country's productive capacity.

Despite heightened global uncertainty and elevated commodity prices, inflation remained broadly contained. Continued policy support for manufacturing, digital infrastructure and industrial development further strengthened India's investment ecosystem, while prudent fiscal and monetary management preserved macroeconomic stability.

[Sources: Press Release Page | Press Information Bureau | ICRA, An Affiliate of Moody's | India To Become 3rd-Largest Economy With $7.3 Tn GDP By 2030 | Press Release Page | Press Information Bureau | Press Release Page | Press Information Bureau | Production Linked Incentive (PLI) Scheme | Current Affairs | Vision IAS | Press Release Page | Press Information Bureau | doc202665884801.pdf]

Real GDP Growth (%)



E: Estimated, P: Projected

[Source: Ministry of Statistics & Programme Implementation (MoSPI) | RBI Monetary Policy Statement, 2026]

Outlook

India's economic outlook remains positive, supported by resilient domestic demand, sustained infrastructure investment, improving manufacturing competitiveness and ongoing policy reforms. Government capital expenditure, rising private investment and expanding digital adoption are expected to strengthen productive capacity and sustain long-term economic growth.

Although global geopolitical tensions, commodity price volatility and external demand conditions continue to pose risks, India's macroeconomic fundamentals remain strong. A stable financial system and ongoing structural reforms are expected to sustain growth momentum. Together, these strengths will reinforce India's position among the world's fastest-growing major economies.

The Government's continued focus on transport infrastructure, multimodal logistics and public capital expenditure is expected to drive investment in the roads and highways sector. This is likely to create long-term opportunities for infrastructure developers and EPC companies.

[Sources: Press Release Page | Press Information Bureau | ICRA An Affiliate of Moody's | Press Release Page | Press Information Bureau]

INDUSTRY OVERVIEW

Infrastructure Sector

Infrastructure remains a key driver of India's economic growth, improving connectivity, strengthening logistics efficiency and supporting industrial development. Sustained public investment, policy reforms and rising private sector participation continue to accelerate infrastructure development across transport, urban infrastructure, water resources and energy, enhancing the country's long-term productive capacity.

Progress across multiple segments reflects this momentum. The National Waterways network has expanded from 20 to 32 operational waterways, while 99.6% of the Broad-Gauge railway network has been electrified. Greenfield airport development and asset monetisation through dedicated REITs further demonstrate India's commitment to building a more integrated, efficient and resilient infrastructure ecosystem.

[Source: Ministry of Railways, PIB June 2026| Ministry of Finance, Budget 2026-27]

Reinforcing this strategy, the Union Budget 2026-27 allocated a record ₹ 12.22 Lakh Crores towards capital expenditure. Continued financial support to state governments, alongside initiatives such as Infrastructure Risk Guarantee Fund, is expected to strengthen project financing, accelerate execution and encourage greater private sector participation.

[Source: Ministry of Finance, Budget 2026-27]

Major Infrastructure Schemes

- **Indian Railways Infrastructure Scheme:** ₹ 2.93 Lakh Crores capital expenditure programme to expand the network, enhance capacity and modernise railway infrastructure
- **National Highways Development Project:** ₹ 3.10 Lakh Crores investment to expand the National Highway network and develop economic corridors and expressways
- **Special Assistance to States for Capital Investment (SASCI):** ₹ 2.0 Lakh Crores of 50-year interest-free loans to states and Union Territories to accelerate capital expenditure and support infrastructure-led development.

  [Source: Indian Railways Accelerates Modernisation Drive, June 2026| The Economic Times, February 2026 | The Indian Express, July 2026]

Roads and Highways

India has the world's second-largest road network, spanning approximately 63.73 Lakh km as of March 2026, including 1,46,572 km of National Highways (NHs). This extensive network plays a vital role in supporting passenger mobility, freight movement, regional connectivity and economic development.

Over the past decade, India has witnessed robust growth and modernisation of highway infrastructure. The length of National Highways grew from 91,287 km in 2013-14 to 1,46,572 km by March 2026, a substantial increase of approximately 61%. During this 12-year period, over 55,000 km were added to the NH network, underscoring the government's sustained emphasis on strengthening road connectivity.

[Source: Ministry of Road Transport & Highways, June 2026| News 18, India built a 55,000 km highway, June 2026]

National highway construction activity moderated during 2025-26, reflecting a slowdown in execution momentum. As per the CARE Report, national highway construction activity declined during 2025-26 and is expected to moderate further in 2026-27. The pace of construction is estimated to have reduced to around 25 km per day in 2025-26 and is projected to decline further to 21-22 km per day in 2026-27, primarily due to subdued project awarding, execution challenges and heightened competitive intensity.

Government investment continues to underpin sector growth. The Union Budget 2026-27 allocated a record ₹ 12.22 Lakh Crores towards capital expenditure, while the Pradhan Mantri Gram Sadak Yojana (PMGSY) received ₹ 19,000 Crores. Under Bharatmala Pariyojana, 22,590 km of roads have been completed, while PMGSY has delivered around 4.11 Lakh km of rural roads between 2014 and 2026. These investments are improving connectivity, lowering logistics costs and strengthening economic integration.

[Source: Ministry of Road Transport and Highways, June 2026]

Looking ahead, India's roads and highways sector is poised for sustained growth, supported by continued public capital expenditure, expanding expressway networks and a strong policy focus on multimodal connectivity. Ongoing investments in national corridors, rural roads and logistics infrastructure are expected to improve freight efficiency, strengthen regional integration and create long-term opportunities for infrastructure developers.

Rank	State	National Highway Length (km)
1	Maharashtra	18,462
2	Uttar Pradesh	12,123
3	Rajasthan	10,733
4	Madhya Pradesh	9,263
5	Andhra Pradesh	8,683

[Source: India's top 10 states with longest National Highway network as of June 30, 2025]

Railways and Metro

Railways and metro infrastructure remain central to strengthening India's transport ecosystem by improving freight efficiency, passenger mobility and multimodal connectivity. Continued investment in network expansion, modernisation and urban transit is enhancing connectivity while supporting economic growth and sustainable urban development.

Indian Railways is advancing through network expansion, station redevelopment, Dedicated Freight Corridors and 99.6% electrification of its 69,873-route km broad-gauge network. The Union Budget 2026-27 has further strengthened this momentum through the announcement of seven High-Speed Rail corridors spanning nearly 4,000 km and the development of an integrated East Coast Industrial Corridor, reinforcing regional connectivity, logistics efficiency and industrial growth. These initiatives, alongside ongoing network modernisation, are expected to enhance freight movement, reduce travel time and support integrated economic development.

Meanwhile, India's metro rail network has expanded to 1,155 km across 26 cities, improving sustainable urban mobility, easing congestion and strengthening last-mile connectivity. Supported by continued network expansion, technology-driven modernisation and multimodal integration, India's rail and metro ecosystem is well positioned for sustained growth. These developments are expected to improve transport efficiency, strengthen connectivity and advance the country's long-term infrastructure ambitions.

[Source: Ministry of Railways, April 2026 | Press Release Page | Press Information Bureau]

Mining

India's mining sector strengthened during 2025-26, supported by policy reforms, digitalisation, and a strategic focus on mineral security. Regulatory reforms, technology adoption, and sustainability initiatives continue to improve operational efficiency, enhance transparency, and create a favourable environment for exploration, mine development, and commercial mining.

The Government launched the National Critical Mineral Mission (NCMM) with an outlay of ₹ 16,300 Crores to accelerate critical mineral development and strengthen domestic supply chains. The MMDR Amendment Act, 2025 introduced Exploration Licences for deep-seated minerals, expanded private sector participation, and strengthened the framework for scientific exploration and resource utilisation.

The sector's Gross Value Added (GVA) is estimated at ₹ 5.09 Lakh Crores during 2025-26, reflecting continued growth in mining activity. At the same time, digital initiatives such as the Mining Dashboard and drone-based lease monitoring, together with sustainability measures including the 7-star mine rating framework, are enhancing governance, operational transparency, and responsible resource management across the sector.

[Source: MINISTRY OF MINES - ANNUAL REPORT]

Irrigation

Irrigation remains vital to India's agricultural system, supporting food security, climate resilience, and stable farm incomes. Continued investment in infrastructure, system modernisation, and sustainable water management is improving water-use efficiency, strengthening agricultural resilience, and supporting income stability. Under the Pradhan Mantri Krishi Sinchayee Yojana (PMKSY), irrigation coverage has expanded from 49.3% to 55% of the gross cropped area between 2015-16 and 2020-21.

The Per Drop More Crop (PDMC) scheme, integrated with the Rashtriya Krishi Vikas Yojana (RKVY) in 2022-23, continues to encourage micro-irrigation and other water-saving technologies. Complementing these efforts, the Prime Minister Dhan-Dhaanya Krishi Yojana (PMDDKY), launched in 2025, targets 100 low-performing districts to strengthen irrigation infrastructure, promote crop diversification, and improve agricultural productivity through focused financial support.

[Source: Ministry of Agriculture and Farmers Welfare, June 2026]

Financial Assistance under Pradhan Mantri Krishi Sinchayee Yojana (PMKSY)

Beneficiary Category	Financial Assistance
Small and Marginal Farmers	Up to **55%** of the Benchmark/ Unit Cost
Other Farmers	Up to **45%** of the Benchmark/ Unit Cost

[Source: PMKSY, 2026]

Management Discussion and Analysis (Contd.)

Urban Water Infrastructure

Urban water infrastructure remains critical to expanding access to safe drinking water, sewerage and wastewater management across India's urban centres. Continued investments in water supply and sanitation are improving public health, strengthening urban resilience and supporting sustainable urbanisation.

Under AMRUT and AMRUT 2.0, with sanctioned projects worth ₹ 2.79 Lakh Crores, the Government has significantly expanded urban services. The initiatives have successfully provided around 2.53 Crores tap water connections across various cities. Furthermore, more than 7,943 urban infrastructure projects have been completed, strengthening integrated urban water management and improving service delivery. These efforts are also enhancing sewerage and septage management across centres.

As investments continue, urban water infrastructure is expected to expand access to essential civic services, deliver better environmental outcomes and support the long-term development of resilient, sustainable cities.

[Source: Cabinet approves the Atal Mission for Rejuvenation and Urban Transformation – AMRUT 2.0 till 2025-26 | Ministry of Housing and Urban Affairs, February 2026]

Modernisation and Digital Transformation

The modernisation of irrigation systems is driving the transition to a more technology-enabled and farmer-centric agricultural ecosystem. Under the Digital Agriculture Mission, significant progress has been made with the creation of over 7.63 Crores farmer IDs and the digitisation of 23.5 Crores crop plots, improving farm-level data availability, resource planning and service delivery. Further supporting this transformation, the release of 2,996 climate-resilient crop varieties is supporting precision agriculture, improving resource efficiency and strengthening climate resilience across the sector.

Looking ahead, continued investment in irrigation infrastructure, greater adoption of digital technologies and wider use of precision farming are expected to strengthen water security, improve agricultural productivity and enhance the long-term resilience of India's farming ecosystem.

[Source: Ministry of Agriculture and Farmers Welfare, June 2026]

COMPANY OVERVIEW

Established in 1995, KNR Constructions Limited ('KNRCL', 'KNRC' or 'The Company') is a leading infrastructure development company with proven expertise in Engineering, Procurement, and Construction (EPC). Over the years, the Company has built a strong reputation for engineering excellence, consistent project execution, and timely delivery across diverse infrastructure segments.

With deep capabilities in highways, bridges, irrigation systems, and urban water infrastructure, KNRCL has successfully delivered approximately 9,127 lane kilometres of road projects across 12 Indian states. Building on this strong foundation, the Company is strategically expanding its presence in mining, railways, and metro projects, supported by a robust order book of ₹ 86,725 Mn as of March 2026. Anchored by technical excellence, operational discipline, and prudent financial management, KNRCL remains well positioned to contribute to India's infrastructure transformation while delivering sustainable long-term value to its stakeholders.

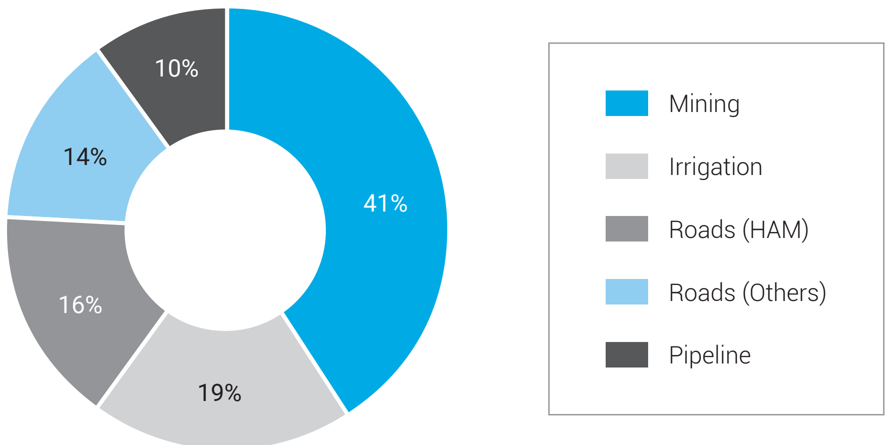
Order Book

As of March 31, 2026, KNR Constructions Limited's order book stood at ₹ 86,725 Mn, comprising a balanced mix of project types and funding sources. State Government projects account for around 39%, and Central Government constitutes 43% of the order book, reflecting the Company's strong institutional relationships. Captive Hybrid Annuity Model (HAM) projects contribute 16%, while Central Government and other projects each represent 2%.

Project	Order Value (₹ Mn)
Mysore to Kushalnagara (Pkg V) (HAM)	5,507
Mysore to Kushalnagara (Pkg IV) (HAM)	4,864
Khajaguda Junction & IIIT Junction (EPC)	4,591
Iconic Bridge across Mir Alam tank (EPC)	3,192
Marripudi to Somvarappadu Project (HAM)	1,529
Top 5 Road Projects	**19,683**
Other Road Projects	6,517
Irrigation Projects	16,677
Pipeline Projects	8,324
Mining Project	35,524
Total Order Book (as on March 31, 2026)	**86,725**

The order book is also well diversified across infrastructure segments. Mining projects account for 41%, followed by irrigation at 19%. Road (HAM) projects contribute 16%, other road projects 14%, and pipeline projects the remaining 10%. This balanced portfolio highlights KNRCL's expanding presence across multiple infrastructure domains.

Segment-wise Order Book



Further, as on June 30, 2026, the order book stood at ₹ 1,52,340 Mn including projects awarded during April to June 2026 and where LoAs have been issued to the Company.

All ongoing projects are located across South and East India. The Company's established operational base and deep regional presence support efficient execution, enabling seamless on-site coordination across its pan-India operations.

Financial Highlights

KNRCL focused on operational resilience and strategic diversification amid a calibrated infrastructure awarding environment. While consolidated revenue and margins contracted compared to the high base of the previous year, the Company significantly expanded its net worth to ₹ 49,718 Mn and maintained a healthy consolidated net debt-to-equity ratio of 0.49x.

2025-26 Consolidated Financial Highlights

Metric	2025-26	2024-25	Y-o-Y Change
Total Revenue	₹ 26,980.1 Mn	₹ 47,531.7 Mn	(43%)
EBITDA	₹ 7,113.5 Mn	₹ 16,253.7 Mn	(56%)
EBITDA Margin	26.4%	34.2%	(8%)
PBT	₹ 5,228.1 Mn	₹ 12,595.8 Mn	(58%)
PAT	₹ 4,368.6 Mn	₹ 10,018.7 Mn	(56%)
Net Worth	₹ 49,717.8 Mn	₹ 45,411.8 Mn	9%
Net Debt-to-Equity	0.49x	0.41x	20%

New Developments in 2025-26

Strategic Expansion

- Achieved significant milestones during 2025-26 through major project awards and strategic diversification into new sectors
- CRISIL revised the Company's credit ratings in February 2026, reaffirming the long-term bank facilities rating at CRISIL AA/Stable and the short-term rating at CRISIL A1+, while removing both ratings from 'Rating Watch with Developing Implications'
- KNRCL secured its first-ever mining project for the Banhardih Coal Mining Block from Patratu Vidyut Utpadan Nigam Ltd, valued at ₹ 48,005.7 Mn (of which KNRCL's portion is 74%) this strategic project recently obtained F1 forest clearance for the site, clearing the primary hurdle towards; full operational commencement.
- Secured a Letter of Award for a National Highways Authority of India (NHAI) Hybrid Annuity Mode (HAM) project in Telangana for the four-laning of NH-167 from Gudebellur to Mahabubnagar, valued at ₹ 17,340.0 Mn

Management Discussion and Analysis (Contd.)

followed by Incorporated KNR Manyamkonda Infra Private Limited as a subsidiary to manage the project

- Secured a ₹ 21,630.0 Mn Hybrid Annuity Mode (HAM) project from the Tamil Nadu State Highways Authority (TANSHA) for a four-lane elevated corridor along the East Coast Road, followed by the incorporation of KNR Mahabalipuram Infra Private Limited as a subsidiary to manage the project

Portfolio Expansion

- Advanced strategic diversification into the mining sector, with the Banhardih mine project receiving F1 forest clearance
- Expanding opportunities by pursuing railway projects, exploring large-scale solar EPC opportunities to leverage existing land banks, and advancing model MoUs for power-assured Agentic AI data centre development

Asset Monetisation and Operational Performance

- Executed Share Purchase Agreements to sell the Company's 100% stake in four HAM SPVs, KNR Palani, KNR Ramagiri, KNR Guruvayur and KNR Ramanattukara, to Indus Infra Trust for an expected total consideration of ₹ 15,432 Mn, with the disinvestment process expected to be completed by September 2026
- Completed the transfer of KNR Palani, yielding a consideration of ₹ 2,950.5 Mn, including ₹ 900.0 Mn of cash surplus upstreamed as EPC claim
- Completed the transfer of KNR Ramagiri, yielding a consideration of ₹ 2,274.4 Mn
- Maintained strong execution, received Provisional Certificates of Completion (PCC) for two major Kerala HAM projects, i.e., Ramanattukara to Valanchery and Valanchery to Kappirikkad effective July 2025; received order from Greater Hyderabad Municipal Corporation for Construction of multi-level flyovers/Grade separators at two junctions and widening and Development of road (Khajaguda Junction & IIIT Junction) Contract size: ₹ 4,591 Mn
- Received order from Musi Riverfront Development Corporation Limited for Construction of an Iconic bridge across Mir Alam Tank connecting Bengaluru National Highway at Shastripuram to Chintalmet under EPC Mode worth ₹ 3,192 Mn

SCOT (Strengths, Challenges, Opportunities, and Threats) Analysis

Strengths	Challenges	Opportunities	Threats
• **Extensive Track Record:** Decades of experience in the infrastructure sector with a reputation for high-quality execution • **Execution Efficiency:** Strong history of completing projects within or ahead of schedule, often resulting in performance incentives • **Internal Resource Control:** Extensive in-house ownership of a construction equipment fleet and a large, professional workforce • **Established Client Base:** Solid relationships with central authorities and various state governments	• **Payment Delays:** Difficulty in recovering dues from specific state-level irrigation projects, leading to cash flow delays • **Operational Roadblocks:** Delays caused by land acquisition hurdles and local public protests at project sites • **Profitability Pressure:** Intense bidding environments and high overhead costs impacting overall margins	• **Sector Diversification:** Moving into high-growth areas such as mining development, railways, and metro projects • **Technological Advancement:** Leveraging digital tools and technology to enhance project planning, execution efficiency, safety monitoring, and operational excellence • **Strategic Monetisation:** Divesting stakes in completed highway projects to boost liquidity and fund new ventures • **Renewable Energy Diversification:** Exploring opportunities in solar and other renewable energy infrastructure to expand the Company's project portfolio	• **Market Competition:** A highly competitive bidding landscape that forces lower pricing, impacting sustainable margins & growth • **Macroeconomic Volatility:** Global geopolitical tensions causing fluctuations in the costs of essential construction materials • **Regulatory Dependencies:** Vulnerability to delays in obtaining necessary environmental and forest clearances for new projects

Risk and Mitigation Plan

Risk	Description	Mitigation Plan
Payment Delays and Working Capital Stress	KNRCL continues to face significant outstanding receivables from state government entities, particularly in Telangana's irrigation sector. Delays in projects such as Kaleshwaram Package 4 have stalled debtor recoveries, increasing pressure on the Company's working capital.	• Maintaining rigorous follow-ups and extensive meetings with senior finance and irrigation officials to secure pending payments • Emphasising the strategic importance of irrigation projects, highlighting their role in ensuring urban water supply for major cities
Execution Roadblocks (Land and Clearances)	Project execution is often hindered by delays in land acquisition and statutory approvals, including environmental and forest clearances. For example, the mine projects require forest clearance and Gram Sabha approval, while certain road projects have encountered local protests restricting site access.	• Coordinating with authorities such as the NHAI to secure police protection and restore construction activities promptly. • Awaiting clarification from central departments on rehabilitation matters to facilitate successful community negotiations for mining projects.
Margin Compression and Competitive Bidding	Intense competition in the infrastructure sector has prompted aggressive bidding at lower prices to secure new orders. Consequently, the highly competitive environment has compressed EBITDA margins compared with historical levels.	• Diversifying the project portfolio into high-growth segments such as mining, railways and metro projects to reduce dependence on road EPC • Adopting new methodologies and operational practices to improve cost efficiency and enhance on-site productivity
Commodity Price Volatility	Global geopolitical tensions can trigger sharp increases in crude oil prices, driving up the cost of bitumen and other petroleum-based construction inputs. Such volatility creates uncertainty in project cost management and may affect overall profitability.	• Leveraging the revised MoRTH price adjustment mechanism, which shortens the adjustment cycle from three months to one month • Enabling faster pass-through of material and equipment cost fluctuations to improve project execution stability
Liquidity and Asset Concentration	Large infrastructure projects require substantial upfront equity investment, placing pressure on liquidity if capital is not recycled efficiently. Excess capital tied up in completed assets also limits the Company's ability to pursue new and diversified opportunities.	• Pursuing asset monetisation through the divestment of completed HAM project assets to infrastructure trusts • Reinvesting monetised proceeds into the expanding order book and new business verticals

Financial Overview

Revenues

On a standalone basis KNRCL reported a total income from operations of ₹ 20,967.2 Mn in 2025-26, compared to ₹ 33,586.5 Mn in the previous year.

Profits

EBITDA for the year stood at ₹ 1,781.5 Mn, as against ₹ 6,259.4 Mn in 2024-25. Reflecting the moderation in operating profit, the Company recorded a profit after tax of ₹ 1,160.6 Mn, compared to ₹ 7,256.8 Mn in the previous fiscal year.

Net Worth

The Company's net worth rose to ₹ 40,548.0 Mn in 2025-26 from ₹ 39,450.0 Mn in 2024-25, reflecting a steady increase. Earnings per Share stood at ₹ 4.13, compared to ₹ 25.80 in the previous year.

Financial Ratios

Details regarding the financial ratios are given separately in the result update highlights.

HUMAN RESOURCES

KNRCL remains committed to developing its workforce, equipping employees to adapt to evolving technologies, processes and industry practices. As of March 31, 2026, the Company had 2,500+ permanent employees, excluding contract workers and trainees.

INTERNAL FINANCIAL CONTROLS

KNRCL has established a robust internal financial control framework to promote efficient resource utilisation, ensure policy compliance and meet statutory requirements. Clearly defined approval and authorisation guidelines support these controls, reinforced by regular internal and external audits.

The Company has implemented a comprehensive internal audit framework covering key financial and operational processes across all business units. This framework strengthens the accuracy of financial reporting while driving continuous operational improvement. The Audit Committee periodically reviews the adequacy and effectiveness of the internal financial controls to ensure continued alignment with the Company's strategic objectives and regulatory requirements.

CAUTIONARY STATEMENT

This Management Discussion and Analysis contains forward-looking statements, which may include terms such as 'plans,' 'expects,' 'anticipates,' 'believes,' 'intends,' 'projects,' 'estimates,' and similar expressions, in accordance with applicable securities laws and regulations. These statements relate to the Company's future business outlook, strategic initiatives, product development, market positioning, financial performance, and expenditure plans.

Such statements are inherently subject to a range of risks and uncertainties that may cause actual results to differ materially from those expressed or implied. These include, but are not limited to, fluctuations in earnings, the ability to manage growth effectively, domestic and international competition, macroeconomic conditions in India and other key markets, challenges in attracting and retaining skilled professionals, delays or cost overruns in project execution, changes in government policies, regulatory developments, fiscal deficits, and prevailing interest rates and other financial costs.

Past performance is not necessarily indicative of future results. The Company undertakes no obligation to publicly revise or update any forward-looking statements in the event of any change in circumstances or expectations, unless required by applicable law.

Corporate Information

Board of Directors

Shri W R Reddy (DIN:03081486)	:	Chairman & Independent Director
Smt. G Chandra Rekha (DIN: 08464587)	:	Independent Director
Shri K Udaya Bhaskara Reddy (DIN:06926054)	:	Independent Director
Smt. K Yashoda (DIN: 05157487)	:	Non-Executive Director
Shri K Narsimha Reddy (DIN: 00382412)	:	Managing Director
Shri K Jalandhar Reddy (DIN: 00434911)	:	Executive Director & CFO

Company Secretary & Compliance Officer
Smt. Haritha Varanasi (ACS 34293)

Statutory Auditors
M/s K P Rao & Co.,
Chartered Accountants
Bangalore
(Firm Registration No. 003135S)

Cost Auditors
M/s Suneel & Associates
Cost Accountants
Nellore
(Firm Registration No.002296)

Secretarial Auditors
M/s VCSR & Associates
Company Secretaries
Hyderabad

Internal Auditors
M/s K P Rao Associates
Chartered Accountants
Hyderabad

Registered Office:
KNR House, 3rd & 4th Floors,
Plot No. 114, Phase I,
Kavuri Hills, Hyderabad,
Telangana-500033.
Ph: 040 – 40268760/61
Email: investors@knrcl.com
Website: www.knrcl.com
CIN: L74210TG1995PLC130199

Registrars and Share Transfer Agent
MUFG Intime India Private Limited
(Formerly Link Intime India Private Limited)
C-101, 247 Park, L B S Marg,
Vikhroli (W), Mumbai - 400083
Ph: 022 4918 6000
Fax: 022 4918 6060

Bankers:
State Bank of India
IDBI Bank
Axis Bank Limited
ICICI Bank Limited
Kotak Mahindra Bank Limited
HDFC Bank Limited
Federal Bank
RBL Bank Limited
Punjab National Bank
IndusInd Bank Limited

Notice

ORDINARY BUSINESS

1. To receive, consider and adopt

   (a) the audited Financial Statement of the Company for the financial year ended March 31, 2026 and the Report of the Board of Directors and Auditors thereon; and

   (b) the audited Consolidated Financial Statement of the Company for the financial year ended March 31, 2026 and the Report of Auditors thereon.

2. To declare final Dividend of ₹ 0.25 Per Equity share of ₹ 2.00 each for the financial year 2025-26.

3. To appoint a Director in place of Smt. K Yashoda (DIN:05157487), who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS

4. **Ratification of remuneration of the Cost Auditors for the financial year ending March 31, 2027.**

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

   "RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s Suneel and Associates., Cost Accountants, Nellore (Firm Registration No. 002296), appointed as Cost Auditors by the Board of Directors of the Company to conduct the audit of the cost records maintained by the Company for the financial year ending March 31, 2027, amounting to ₹ 3,00,000/- (Rupees Three Lakhs only) excluding taxes as may be applicable, in addition to reimbursement of all out of pocket expenses, be and is hereby ratified."

5. **To enter into material related party transactions with M/s KNRHC Baidyanath Banhardih Coal Mine Private Limited, subsidiary of M/s KNR Constructions Limited ("the Company")**

   To consider and if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution.

   "RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 ("the Act') read with Companies (Meetings and Powers of the Board) Rules, 2014 ("the Rules") and Regulation 23 read with Schedule XII of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and all other applicable laws and statutory provisions, if any, made thereunder, including any statutory modification(s) or re-enactment thereof for the time being in force) and the Company's policy on related party transactions, as amended, consent of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred as the Board which shall also include any Committee constituted by the Board from time to time to exercise its powers conferred by this resolution) to enter into and/or carry out contract(s)/arrangement(s)/transaction(s) as detailed in explanatory statement, with KNRHC Baidyanath Banhardih Coal Mine Private Limited, a subsidiary company of M/s KNR Constructions Limited ("the Company"), a related party of the Company, on such terms and conditions as may be agreed between the Company and KNRHC Baidyanath Banhardih Coal Mine Private Limited for an aggregate value not exceeding ₹ 3,552.43 Crores (excluding GST) subject to such contract(s)/arrangement(s)/transaction(s), for sale/supply of services, being carried out at arm's length and in the ordinary course of business."

   "RESOLVED FURTHER THAT the Board be and is hereby authorised to do and perform all such acts, deeds, matters and things, as may be necessary and expedient, including finalising the terms and conditions, methods and modes in respect thereof and finalising and executing necessary documents, including contract(s), agreement(s) and such other documents, files, applications and make necessary representations in respect thereof and seek approval from relevant authorities, including Governmental authorities in this regard and deal with any matters, take necessary steps as the Board may, in its absolute discretion deem necessary, desirable or expedient to give effect to this resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred, to any Director(s) or Company Secretary or any authorised representative(s) of the Company to do all such acts and take such steps as may be considered necessary or expedient, to give effect to the above resolution."

"RESOLVED FURTHER THAT all actions taken by the Board, or any person so authorised by the Board, in connection with any matter referred to or contemplated in the aforementioned resolution be and hereby approved, ratified and confirmed in all respects."

6. **To enter into material related party transaction(s) with M/s KNR-SIML (JV), related party of M/s KNR Constructions Limited ("the Company").**

To consider and if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution.

"**RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 ("the Act') read with Companies (Meetings and Powers of the Board) Rules, 2014 ("the Rules") and Regulation 23 read with Schedule XII of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and all other applicable laws and statutory provisions, if any, made thereunder, including any statutory modification(s) or re-enactment thereof for the time being in force) and the Company's policy on related party transactions, as amended, consent of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred as the Board which shall also include any Committee constituted by the Board from time to time to exercise its powers conferred by this resolution) to enter into and/or carry out contract(s)/arrangement(s)/transaction(s) as detailed in explanatory statement, with M/s KNR-SIML (JV), a related party of M/s KNR Constructions Limited ("the Company"), on such terms and conditions as may be agreed between the Company and KNR-SIML (JV) for an aggregate value not exceeding ₹ 3,311.71 Crores (excluding GST) (₹ 1,714.17 Crores (Excluding GST) further ₹ 1,597.54 Crores (Excluding GST) will be done on back to back basis from JV partner) subject to such contract(s)/arrangement(s)/transaction(s), for sale/supply of services, being carried out at arm's length and in the ordinary course of business."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do and perform all such acts, deeds, matters and things, as may be necessary and expedient, including finalising the terms and conditions, methods and modes in respect thereof and finalising and executing necessary documents, including contract(s), agreement(s) and such other documents, files, applications and make necessary representations in respect thereof and seek approval from relevant authorities, including Governmental authorities in this regard and deal with any matters, take necessary steps as the Board may, in its absolute discretion deem necessary, desirable or expedient to give effect to this resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred, to any Director(s) or Company Secretary or any authorised representative(s) of the Company to do all such acts and take such steps as may be considered necessary or expedient, to give effect to the above resolution."

"RESOLVED FURTHER THAT all actions taken by the Board, or any person so authorised by the Board, in connection with any matter referred to or contemplated in the aforementioned resolution be and hereby approved, ratified and confirmed in all respects."

By Order of the Board of Directors
For **KNR Constructions Limited**

Place: Hyderabad
Date: August 13, 2026

Haritha Varanasi
Company Secretary
(ACS 34293)

Registered Office:
KNR Constructions Limited
KNR House, 3rd and 4th Floors,
Plot No.114, Phase I, Kavuri Hills,
Hyderabad, Telangana- 500033.
Ph: 040 - 40268760
Email: investors@knrcl.com
Website: www.knrcl.com
CIN: L74210TG1995PLC130199

Notice (Contd.)

NOTES FOR MEMBERS:

1. The Ministry of Corporate Affairs (MCA) vide its General Circular Nos. 14/2020 dated April 08, 2020and 17/2020 dated April 13, 2020 read with other relevant circulars issued in this regard, the latest being General circular 09/2024 dated September 19, 2024 (collectively referred to as "MCA Circulars"). and the Securities Exchange Board of India ('SEBI'), vide its Circular dated May 12, 2020, January 15, 2021, May 13, 2022, January 05, 2023, October 06, 2023 and October 03, 2024, and other applicable circulars in this regard have permitted the holding of the Annual General Meeting (AGM) through video conferencing (VC) / other audio-visual means (OAVM), without the physical presence of the Members at a common venue. In view of the same, the 31st Annual General Meeting is being held through VC/OAVM on Friday, September 25, 2026 at 12.30 P.M. The deemed venue for the 31st AGM shall be the Registered Office of the Company.

2. Since this AGM is being proposed to be held pursuant to the said MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Attendance Slip and Proxy Form are not attached to this Notice.

3. As per the provisions of Clause 3.A. II of the General Circular No.20/2020 dated May 05, 2020, issued by the MCA, the matters of Special Business as appearing at item Nos. 5 to 8 of the accompanying Notice, are considered to be unavoidable by the Board and hence, form part of this Notice.

4. The Explanatory Statement as required under section 102 of the Companies Act, 2013, in respect of special business is annexed hereto.

5. In case you are holding the Company's shares in dematerialised form, please contact your depository participant and give suitable instructions to update your bank details in your demat account and to notify any changes with respect to their addresses, email id, ECS mandate etc.

6. In case you are holding Company's shares in physical form, please inform Company's RTA viz. M/s. MUFG Intime India Private Limited (RTA)., C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai – 400083 and update your bank account details by enclosing a photocopy of blank cancelled cheque of your bank account.

7. As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 01, 2019, Even the transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form with effect from January 24, 2022. In view of the same and to eliminate any risk associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialised form. M/s. Link Intime India Private Limited (RTA). C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai – 400083 are the Registrar & Share Transfer Agents (RTA) of the Company. All communications in respect of share transfers, dematerialisation and change in the address of the members may be communicated to the Company or RTA.

8. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to the RTA/Company.

9. Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the Company's email id investors@knrcl.com, a certified copy of the Board resolution, authorisation, etc., authorising their representative to attend the AGM through VC/OAVM and vote through e-voting on their behalf at the meeting.

10. Members who hold shares in physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest to avail the nomination facility. Members holding shares in dematerialised form may contact their respective depository participant(s) for recording nomination in respect of their shares.

11. The register of members and the Register of share transfers of the Company shall be closed from September 18, 2026 to September 25, 2026 (both days inclusive) and Record date has been fixed as September 15, 2026 for the purpose of payment of dividend for the financial year ended March 31, 2026. The final dividend, once approved by the members in the ensuing AGM, will be paid on or before October 20, 2026.

Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 01, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ Registrar and Transfer Agent (in case of shares held in physical mode) and with the Depository Participants (in case of shares held in Demat mode).

A Resident individual shareholder with PAN and who is not liable to pay income tax, can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by sending an email to investors@knrcl.com on or before September 14, 2026.

Shareholders are requested to note that in case their PAN is not registered, tax will be deducted at a higher rate of 20%. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to investors@knrcl.com The aforesaid declarations and documents need to be submitted by the shareholders on or before September 14, 2026.

With effect from April 01, 2024, Dividend to security holders (holding securities in physical form), shall be paid only through electronic mode. Such payment shall be made upon Folio being KYC compliant i.e. the PAN, choice of nomination, contact details and specimen signature are registered with the RTA/ Company. [SEBI Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024, read with SEBI Circular No. SEBI/HO/ MIRSD/POD-1/P/CIR/2024/81 dated June 10, 2024]

Note: To mitigate unintended challenges on account of freezing of folios, SEVI vide its Circular No. SEBI/HO/ MIRSD/POD-1/P/CIR/2023/181 dated November 17, 2023, has done away with the provision regarding freezing of folios not having PAN, KYC and Nomination details.

12. **Transfer of Unclaimed/Unpaid amounts to the Investor Education and Protection Fund (IEPF):**

Members are requested to note that dividends not encashed or remaining unclaimed for a period of 7 (seven) years from the date of transfer to the Company's Unpaid Dividend Account, shall be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Further, pursuant to the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') as amended from time to time, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs. In view of this members are requested to claim their dividend from the Company, within the stipulated timeline.

The Members/Claimants whose shares and/or unclaimed dividend have been transferred to IEPF may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF 5 which is available on www.iepf.gov.in and on the website of the Company www.knrcl.com along with requisite fee as decided by it from time to time.

Members who have not yet encashed the dividend warrants from the financial year ended March 31, 2018 onwards are requested to forward their claims to the Company's Registrar and Share Transfer Agents without any further delay. It is in Members' interest to claim any un-encashed dividends and for future, opt for Electronic Clearing Service, so that dividends paid by the Company are credited to the Members' account on time.

It may be noted that once the unclaimed dividend is transferred to IEPF as above, no claim shall rest with the Company in respect of such amount. It may also be noted that the unclaimed dividend amount which were lying with the Company upto and in respect of the year ended on March 31, 2018, have already been transferred to IEPF. The details of the unclaimed dividends are available on the Company's website at www.knrcl.com and on the website of Ministry of Corporate Affairs at www.iepf.gov.in . Members are requested to contact the Company's Registrar and Share Transfer Agent or the Company to claim the unclaimed/unpaid dividends.

13. Members seeking any information or clarification on the Financial statements are requested to send their queries to the Company, in writing, at least ten days before the date of the meeting. Replies will be provided in respect of such written queries at the meeting.

Notice (Contd.)

14. Pursuant to the directions/notifications of Securities and Exchange Board of India (SEBI) and Depositories, the demat account holders can operate their accounts if they had already provided Income Tax Permanent Account Number either at the time of opening of the account or at any time subsequently. In case they have not furnished the Income Tax Permanent Account Number to the Depository Participants, such demat account holders are requested to contact their DPs with a photocopy of the PAN Card (with original PAN Card for verification), so that the frozen demat accounts would be available for operation and further consequences of non-compliance with the aforesaid directives would be obviated. SEBI, vide Circular ref.no.MRD/Dop/Cir-05/2009 dated May 20, 2009 made it mandatory to have PAN particulars for registration of physical share transfer requests. Based on the directive contained in the said circulars, all share transfer requests are therefore to be accompanied with PAN details. Members holding shares in physical form can submit their PAN details to the Company/RTA.

15. The register of Directors and Key Managerial Personnel maintained under Section 170 of the Companies Act, 2013 and Register of Contracts and arrangements in which Directors are interested, maintained under Section 189 of the Act, will be electronically available for inspection by the members during the AGM.

    Members may also note that the Notice of the 31st Annual General Meeting is available on the Company's website, www.knrcl.com. All documents referred to in the accompanying Notice and the Statement pursuant to Section 102(1) of the Companies Act, 2013 shall be open for inspection in electronic mode by the Members by writing an e-mail to the Company Secretary at investors@knrcl.com.

    In compliance with the aforementioned MCA Circulars and SEBI Circulars Notice of the AGM along with Annual Report 2025-26 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depository Participants. Members may note that the Notice and the Annual Report 2025-26 will also be available on the Company's website at www.knrcl.com on the website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of CDSL www.evotingindia.com.

    To support 'Green Initiative', members who have not registered their email addresses are requested to register the same with the Company's Registrar and Share Transfer Agent/ their Depository Participants in respect of shares held in physical/electronic mode, respectively.

16. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

17. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to the Notice.

18. SEBI vide Circular Nos. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 dated July 31, 2023, and SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/135 dated August 04, 2023, read with Master Circular No. SEBI/ HO/ OIAE/OIAE_IAD-1/P/CIR/2023/145 dated July 31, 2023 (updated as on August 11, 2023), has established a common Online Dispute Resolution Portal ('ODR Portal') for resolution of disputes arising in the Indian Securities Market. Pursuant to abovementioned circulars, post exhausting the option to resolve their grievances with the RTA/Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal at https://smartodr.in/login.

19. Members seeking any information or clarification on the financial statements are requested to send their queries to the Company, in writing, at least one week before the date of the meeting. The same will be replied by the Company suitably.

20. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holding should be verified from time to time.

21. Additionally, in accordance with Regulation 36(1)(b) of the Listing Regulations, the Company is also sending a letter to members whose e-mail address is not registered with Company/ Depository Participant providing the exact web-link of Company's website from where the Annual Report for financial year 2025-26 can be accessed.

22. Additional information in respect of Directors seeking appointment/ re-appointment as required under Regulation 36 of SEBI (Listing Obligations and Disclosure

Requirements) Regulation, 2015 read with Secretarial Standards on General Meetings issued by the ICSI forms part of this Notice. Requisite consent/declaration has been received in this regard.

23. The Company has appointed Shri Vikas Sirohiya, Practicing Company Secretary (Membership No. A15116, C.P. No. 5246), a Partner of M/s P S Rao and Associates, Company Secretaries, Hyderabad as the Scrutiniser to conduct and scrutinise the voting process in a fair and transparent manner. The cut-off date for the purpose of e voting has been fixed as Friday, September 18, 2026.

E-VOTING

CDSL e-Voting System – For Remote e-voting and e-voting during AGM

1. Pursuant to MCA and SEBI Circulars the forthcoming AGM will be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020, the Company is providing facility of e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorised e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020 the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.knrcl.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL at www.evotingindia.com.

INTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

(i) The voting period (remote e-voting) begins on Tuesday, September 22, 2026 at 09.00 AM and ends on Thursday, September 24, 2026 at 05.00 PM. During this period shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date, September 18, 2026 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. However, the e-voting module shall be enabled for voting by the members during the AGM which shall continue till 15 minutes upon conclusion of the Meeting.

(ii) The Board of Directors has appointed Shri Vikas Sirohiya, Practicing Company Secretary (Membership No. A15116, C.P. No. 5246), a Partner of M/s P S Rao and Associates, Company Secretaries, Hyderabad to act as Scrutiniser to conduct and scrutinise the electronic voting process in connection with the ensuing Annual General Meeting in a fair and transparent manner. The members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereunder.

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(iii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iv) Pursuant to SEBI Circular SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders'/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants.** Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

(v) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL Depository**	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, , so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at cdsl website www.cdslindia.com and click on login & New System My easi Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

Individual Shareholders holding securities in demat mode with **NSDL Depository**	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 022- 4886 7000 and 022 - 2499 7000

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding in Demat form & physical shareholders.

1) The shareholders should log on to the e-voting website www.evotingindia.com.

2) Click on "Shareholders" module.

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3) Now enter your User ID

   a. For CDSL: 16 digits beneficiary ID

   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID

   c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

4) Next enter the Image Verification as displayed and Click on Login.

5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

	For Shareholders holding shares in Demat Form other than individual and Physical Form
PAN	Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction.

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ix) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(x) Click on the EVSN for the relevant Company, i.e., KNR Construction Limited on which you choose to vote

(xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvi) If a demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvii) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutiniser for verification

(xviii) **Additional Facility for Non – Individual Shareholders and Custodians –Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory, that a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutiniser to verify the same.
- Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorised signatory who are authorised to vote, to the Scrutiniser and to the Company at the email address investors@knrcl.com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutiniser to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at investors@knrcl.com . The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at investors@knrcl.com . These queries will be replied to by the Company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by a shareholder through the e-voting available during the AGM and if the same shareholder has not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/ MOBILE NOS. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested

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scanned copy of Aadhar Card) by email to **Company/RTA email id**.

2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)

3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

   If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911.

   All grievances connected with the facility for voting by electronic means may be addressed to Shri Rakesh Dalvi, AVP, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free No. 1800 21 09911

General Instructions:

i. The voting rights of Members shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on **September 18, 2026** the Cut- off date

ii. The Scrutiniser, after scrutinising the votes cast during the meeting and through remote e-voting will, not later than 48 hours from the conclusion of the Meeting, make a consolidated scrutiniser's report and submit the same to the Chairman. The results declared along with the consolidated scrutiniser's report shall be placed on the website of the Company, www.knrcl.com and on the website of www.cdslindia.com. The results shall simultaneously be communicated to the Stock Exchanges. Subject to the receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the meeting, i.e.,September 25, 2026.

iii. The voting result will be announced by the Chairman or any other person authorised by him within two days of conclusion of the AGM. A copy the same shall be submitted to BSE & NSE and also placed on the web site of the Company.

EXPLANATORY STATEMENT

[PURSUANT TO THE PROVISIONS OF SECTION 102 (2) OF THE COMPANIES ACT, 2013]

Item No. 4

The Board of Directors at its meeting held on May 29, 2026, upon the recommendation of the Audit Committee, has appointed M/s Suneel & Associates., Cost Accountants, Hyderabad (Firm Registration No. 002296), issued by the Institute of Cost Accountants of India, as the Cost Auditors of the Company for the financial year 2026-27 at a remuneration of ₹ 3 Lakhs excluding applicable taxes. Certificate issued by M/s Suneel & Associates., confirming their eligibility to be appointed as Cost Auditors of the Company will be available for inspection electronically by the members.

In accordance with Rule 14 of Companies (Audit and Auditors) Rules 2014, the remuneration payable to the Cost Auditors requires ratification by the members. Hence this resolution is proposed for consideration of the members.

None of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested, whether financial or otherwise in the Resolution as set out at Item no. 4.

Item No. 5

Background, details and benefits of the transaction

KNRHC Baidyanath Banhardih Coal Mine Private Limited (KBBCMPL) is a subsidiary company of M/s KNR Constructions Limited ("KNRCL" or "the Company") and consequently, a related party of KNRCL

M/s KNRHC Baidyanath Banhardih Coal Mine Private Limited is an SPV formed to undertake the work of executing the project Mine Developer cum Operator for Development and Operation of Banhardih Coal Mining Block in the State of Jharkhand, including operation and maintenance of the Mines, excavation and delivery of Coal and performance and fulfilment of all other obligations of the Mine Operator and matters incidental thereto or necessary for the performance of any or all of the obligations of the Mine Operator. KBBCMPL now intends to engage KNRCL as sub-contractor to carry out the work awarded to KBBCMPL. The value of the contract is ₹ 3552.43 crores (Excluding GST) and it being a material related party transaction, approval of the members is being sought.

Considering the manpower, skilled personnel and equipment KNRCL possesses, KBBCMPL has engaged KNRCL as Engineering, Procurement and Construction (EPC) contractor for execution of the aforementioned work.

The Audit Committee was provided with the relevant details of the proposed related party transaction including material terms. The Independent Directors in the Audit Committee after reviewing all the necessary information, granted approval for entering into related party transaction with KNRCL for an aggregate value upto ₹ 3552.43 crores (Excluding GST). The Audit Committee has noted that the said transaction will be in ordinary course of business of the Company and at arm's length basis.

The aforesaid transaction/arrangement of sub-contract significantly contributes to the EPC turnover of KNRCL for a period of 7 years from the date of commencement of the work. Hence, considering the benefits of the transaction, the Audit Committee, Board of Directors of the Company recommend the resolution as set out at item no. 5.

The Audit Committee has reviewed the certificate provided by Managing Director and Chief Financial Officer of the Company, as required under the RPT Industry Standards.

Details of the proposed RPTs between the Company and KBBCMPL, including the information required to be disclosed in the Explanatory Statement pursuant to the SEBI Master Circular dated January 30, 2026, read with SEBI circular dated June 26, 2025, are as follows:

Minimum Information required to be provided to the Audit Committee and shareholders for approval of RPTs and per the RPT industry standards

Part A – Minimum information of the proposed RPT, applicable to all RPTs.

A(1) Basic details of the related party

S. No.	Particulars of the information	Information provided by the management
1.	Name of the related party	KNRHC Baidyanath Banhardih Coal Mine Private Limited
2.	Country of incorporation of the related party	India
3.	Nature of business of the related party	Coal Mining

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A(2). Relationship and ownership of the related party

S. No.	Particulars of the information	Information provided by the management
1.	Relationship between the listed entity/subsidiary (in case of transaction involving the subsidiary) and the related party – including nature of its concern (financial or otherwise) and the following: • Shareholding of the listed entity/ subsidiary (in case of transaction involving the subsidiary), whether direct or indirect, in the related party. • Where the related party is a partnership firm or a sole proprietorship concern or a body corporate without share capital, then capital contribution, if any, made by the listed entity/ subsidiary (in case of transaction involving the subsidiary). • Shareholding of the related party, whether direct or indirect, in the listed entity/ subsidiary (in case of transaction involving the subsidiary). Explanation: Indirect shareholding shall mean shareholding held through any person, over which the listed entity/Subsidiary/ related party has control. -While calculating indirect shareholding, shareholding held by relatives shall also be considered.	KNR Constructions Limited is holding Company of KBBCMPL and KBBCMPL is subsidiary of the Company. KNRCL holds 74% of the shareholding in KBBCMPL KBBCMPL was incorporated as a private limited company and a deemed public company as it is subsidiary of public company.

A(3) Details of previous transactions with the related party

S. No.	Particulars of the information	Information provided by the management
1.	Total amount of all the transactions undertaken by the listed entity or subsidiary with the related party during the last financial year. Explanation: Details need to be disclosed separately for listed entity and its subsidiary.	Nil
2.	Total amount of all the transactions undertaken by the listed entity or subsidiary with the related party in the current financial year up to the quarter immediately preceding the quarter in which the approval is sought.	Nil
3.	Any default, if any, made by a related party concerning any obligation undertaken by it under a transaction or arrangement entered into with the listed entity or its subsidiary during the last financial year.	Nil

A(4) – Amount of proposed transaction(s)

S. No.	Particulars of the information	Information provided by the management
1.	Amount of the proposed transactions being placed for approval in the meeting of the Audit Committee/shareholder	₹ 3552.43 Crores (Excluding GST)
2.	Whether the proposed transactions taken together with the transactions undertaken with the related party during the current financial year would render the proposed transaction a material RPT?	Yes
3.	Value of the proposed transactions as a percentage of the listed entity's annual consolidated turnover for the immediately preceding financial year	155.37%

S. No.	Particulars of the information	Information provided by the management
4.	Value of the proposed transactions as a percentage of subsidiary's annual standalone turnover for the immediately preceding financial year (in case of a transaction involving the subsidiary and where the listed entity is not a party to the transaction)	0.00%
5.	Value of the proposed transactions as a percentage of the related party's annual consolidated turnover (if consolidated turnover is not available, calculation to be made on standalone turnover of related party) for the immediately preceding financial year, if available.	0.00%
6.	Financial performance of the related party for the immediately preceding financial year: ***Explanations:*** The above information is to be given on standalone basis. If standalone is not available, provide on consolidated basis	The Company was incorporated on August 04, 2025 as an SPV to execute the project and the operations are yet to be commenced as on date.

A(5) Basic details of the proposed transaction

S. No.	Particulars of the information	Information provided by the management
1.	Specific type of the proposed transaction (e.g. sale of goods/services, purchase of goods/services, giving loan, borrowing etc.)	Supply of services for execution of the project.
2.	Details of each type of the proposed transaction	Supply of services to undertake the work of Short Term Contract for Development and Operation of Banhardih Coal Mining Block in the State of Jharkhand
3.	Tenure of the proposed transaction (tenure in number of years or months to be specified)	7 Years
4.	Whether omnibus approval is being sought?	Yes
5.	Value of the proposed transaction during a financial year. If the proposed transaction will be executed over more than one financial year, provide estimated break-up financial year-wise.	1st year - ₹ 100 Crores Subsequent 6 years – ₹ 575.405 Crores per annum.
6.	Justification as to why the RPTs proposed to be entered into are in the interest of the listed entity	The said contract for execution of the project enables timely completion of the project as KNRCL is in possession of skilled labour, manpower and necessary equipment for the construction of the project. By entering into said EPC contract, it significantly facilitates to the EPC turnover of the Company.
7.	Details of the promoter(s)/ director(s) / key managerial personnel of the listed entity who have interest in the transaction, whether directly or indirectly. Explanation: Indirect interest shall mean interest held through any person over which an individual has control.	None of the Directors are interested financially or otherwise in the said related party transaction except that Shri K Narsimha Reddy and Shri K Jalandhar Reddy are Directors in the wholly owned subsidiary of the Company and Shri K Narsimha Reddy, Shri K Jalandhar Reddy and Smt K Yashoda holds one share each as nominee shareholders of the Company.
	a. Name of the director / KMP	Shri K Narsimha Reddy Shri K Jalandhar Reddy

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S. No.	Particulars of the information	Information provided by the management
	b. Shareholding of the director / KMP, whether direct or indirect, in the related party	Shri K Narsimha Reddy, Shri K Jalandhar Reddy and Smt K Yashoda holds one share each as nominee shareholders of the Company.
8.	A copy of the valuation or other external party report, if any, shall be placed before the Audit Committee.	Nil
9.	Other information relevant for decision making.	Nil

Information to be provided only if a specific type of RPT as mentioned below is proposed to be undertaken and is in addition to Part A

B(1).

Disclosure only in case of transactions relating to sale, purchase or supply of goods or services or any other similar business transaction and trade advances

S. No.	Particulars of the information	Information provided by the management
1.	Bidding or other process, if any, applied for choosing a party for sale, purchase or supply of goods or services.	KNRCL was the bidder for the aforementioned project and as per the Concession Agreement separate SPV need to be formed for development and operations the Project and KNRCL will execute the EPC Works on behalf of SPV. Hence, no further bidding or other process is required.
2.	Basis of determination of price.	The price is fixed by the employer and no change in the same.
3.	In case of Trade advance (of upto 365 days or such period for which such advances are extended as per normal trade practice) , if any, proposed to be extended to the related party in relation to the transaction, specify the following:	NIL
	a. Amount of Trade advance	
	b. Tenure	
	c. Whether same is self-liquidating?	

Information as required under Rule 15 of Companies (Meetings and Powers of the Board) Rules, 2014 is provided hereunder.

S. No.	Particulars	Details
1.	Name of the related party	KNRHC Baidyanath Banhardih Coal Mine Private Limited
2.	Name of the Director or Key Managerial Personnel who is related, if any.	Shri K Narsimha Reddy Shri K Jalandhar Reddy
3.	Nature of Relationship	Shri K Narsimha Reddy and Shri K Jalandhar Reddy are Directors of the Company. The related party company is a subsidiary of the Company and they are directors acting on behalf of the holding company, i.e, KNRCL. Other than the above, they are in no way financially or individually interested in the said material related party transaction.
4.	Nature, material terms, monetary value and particulars of the contract or arrangements	Nature of the Contract – Rendering of EPC services, supply of services. Material Terms - Supply of services to undertake the work of Short Term Contract for Development and Operation of Banhardih Coal Mining Block in the State of Jharkhand. The contract period is 7 years from the date of commencement of operations. Monetary value – The value of contract is ₹ 3552.43 Crores (excluding GST)

None of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested, whether financial or otherwise in the Resolution as set out at Item no. 5.

The Board, based on the recommendations of the Audit Committee, recommends the resolution as set out in item no. 5 for the approval of the members as Ordinary Resolution.

Item No. 6:

The Company along with Sushee Infra Mining Limited has formed JV namely KNR – SIML (JV) for the purpose of bidding of several mining works at Kusmunda, Chhattisgarh. KNRCL holds 51% of the share in the JV. The project was awarded to the JV by Southern East Coal Fields Limited. The Company intends to enter into Engineering Procurement and Construction (EPC) contract with the JV for execution of the mining works awarded to the JV. KNRCL being the lead partner in the KNR – SIML (JV), it is considered as a related party.

The value of the contract awarded to the JV is ₹ 3361.11 Crores (Excluding GST). The EPC contract is being entered into with the JV for an amount of ₹ 1,714.17 Crores (Excluding GST) further ₹ 1,597.54 Crores (Excluding GST) will be done on back to back basis from other JV Partner M/s Sushee Infra Mining Limited (SIML).

Considering the manpower, skilled personnel and equipment KNRCL possesses, JV has engaged KNRCL as Engineering, Procurement and Construction (EPC) contractor for execution of the aforementioned work.

The Audit Committee was provided with the relevant details of the proposed related party transaction including material terms. The Independent Directors in the Audit Committee after reviewing all the necessary information, granted approval for entering into related party transaction with KNRCL for an aggregate value upto ₹ 3,361.11 Crores. The Audit Committee has noted that the said transaction will be in ordinary course of business of the Company and at arm's length basis.

The aforesaid transaction/arrangement of sub-contract facilitates to the EPC turnover of KNRCL for a period of 8 years from the date of commencement of the work. Hence, considering the benefits of the transaction, the Audit Committee, Board of Directors of the Company recommend the resolution as set out at item no. 6.

The Audit Committee has reviewed the certificate provided by Managing Director and Chief Financial Officer of the Company, as required under the RPT Industry Standards.

Details of the proposed RPTs between the Company and JV, including the information required to be disclosed in the Explanatory Statement pursuant to the SEBI Master Circular dated January 30, 2026, read with SEBI circular dated June 26, 2025, are as follows:

Minimum Information required to be provided to the Audit Committee for approval (including ratification) of RPTs.

Part A– Minimum information of the proposed RPT, applicable to all RPTs.

A(1) Basic details of the related party

S. No.	Particulars of the information	Information provided by the management
1.	Name of the related party	KNR-SIML (JV)
2.	Country of incorporation of the related party	India
3.	Nature of business of the related party	JV is formed for the purpose of bidding for the mining project.

Notice (Contd.)

A(2). Relationship and ownership of the related party

S. No.	Particulars of the information	Information provided by the management
1.	Relationship between the listed entity/subsidiary (in case of transaction involving the subsidiary) and the related party – including nature of its concern (financial or otherwise) and the following: • Shareholding of the listed entity/ subsidiary (in case of transaction involving the subsidiary), whether direct or indirect, in the related party. • Where the related party is a partnership firm or a sole proprietorship concern or a body corporate without share capital, then capital contribution, if any, made by the listed entity/ subsidiary (in case of transaction involving the subsidiary). • Shareholding of the related party, whether direct or indirect, in the listed entity/ subsidiary (in case of transaction involving the subsidiary). Explanation: Indirect shareholding shall mean shareholding held through any person, over which the listed entity/Subsidiary/ related party has control. -While calculating indirect shareholding, shareholding held by relatives shall also be considered.	None of the Directors are interested financially or otherwise in the said related party transaction except that KNRCL holds 51% of share in the JV.

A(3) Details of previous transactions with the related party

S. No.	Particulars of the information	Information provided by the management
1.	Total amount of all the transactions undertaken by the listed entity or subsidiary with the related party during the last financial year. Explanation: Details need to be disclosed separately for listed entity and its subsidiary.	Nil
2.	Total amount of all the transactions undertaken by the listed entity or subsidiary with the related party in the current financial year up to the quarter immediately preceding the quarter in which the approval is sought.	Nil
3.	Any default, if any, made by a related party concerning any obligation undertaken by it under a transaction or arrangement entered into with the listed entity or its subsidiary during the last financial year.	Nil

A(4) – Amount of proposed transaction(s)

S. No.	Particulars of the information	Information provided by the management
1.	Amount of the proposed transactions being placed for approval in the meeting of the Audit Committee/shareholders.	₹ 1,714.17 Crores (Excluding GST) further ₹ 1,597.54 Crores (Excluding GST) will be done on back to back basis from JV partner
2.	Whether the proposed transactions taken together with the transactions undertaken with the related party during the current financial year would render the proposed transaction a material RPT?	Yes

S. No.	Particulars of the information	Information provided by the management
3.	Value of the proposed transactions as a percentage of the listed entity's annual consolidated turnover for the immediately preceding financial year	63.53%
4.	Value of the proposed transactions as a percentage of subsidiary's annual standalone turnover for the immediately preceding financial year (in case of a transaction involving the subsidiary and where the listed entity is not a party to the transaction)	0.00%
5.	Value of the proposed transactions as a percentage of the related party's annual consolidated turnover (if consolidated turnover is not available, calculation to be made on standalone turnover of related party) for the immediately preceding financial year, if available.	0.00%
6.	Financial performance of the related party for the immediately preceding financial year: ***Explanations:*** The above information is to be given on standalone basis. If standalone is not available, provide on consolidated basis	Nil

A(5) Basic details of the proposed transaction

S. No.	Particulars of the information	Information provided by the management
1.	Specific type of the proposed transaction (e.g. sale of goods/services, purchase of goods/services, giving loan, borrowing etc.)	Supply of services for execution of the project.
2.	Details of each type of the proposed transaction	Supply of services for execution of mining work awarded by Southern East Coal Fields Limited.
3.	Tenure of the proposed transaction (tenure in number of years or months to be specified)	8 Years
4.	Whether omnibus approval is being sought?	Yes
5.	Value of the proposed transaction during a financial year. If the proposed transaction will be executed over more than one financial year, provide estimated break-up financial year-wise.	1st year - ₹ 200 Crores Subsequent 7 years ₹ 216.31 Crores per annum.
6.	Justification as to why the RPTs proposed to be entered into are in the interest of the listed entity	The said contract for execution of the project enables timely completion of the project as KNRCL is in possession of skilled labour, manpower and necessary equipment for the construction of the project. By entering into said EPC contract, it facilitates to the EPC turnover of the Company.

Notice (Contd.)

S. No.	Particulars of the information		Information provided by the management
7.	Details of the promoter(s)/director(s)/key managerial personnel of the listed entity who have interest in the transaction, whether directly or indirectly. Explanation: Indirect interest shall mean interest held through any person over which an individual has control.		None
	a.	Name of the director/KMP	
	b.	Shareholding of the director/KMP, whether direct or indirect, in the related party	
8.	A copy of the valuation or other external party report, if any, shall be placed before the Audit Committee.		Nil
9.	Other information relevant for decision making.		Nil

Information to be provided only if a specific type of RPT as mentioned below is proposed to be undertaken and is in addition to Part A

B(1).

Disclosure only in case of transactions relating to sale, purchase or supply of goods or services or any other similar business transaction and trade advances

S. No.	Particulars of the information	Information provided by the management
1.	Bidding or other process, if any, applied for choosing a party for sale, purchase or supply of goods or services.	KNRCL is the JV partner and KNR SIML JV was the bidder of the project and was awarded to the JV. Hence no further bidding is required.
2.	Basis of determination of price.	The price is fixed by the employer i.e, Southern East Coal Fields Limited and there is no change in the pricing.
3.	In case of Trade advance (of upto 365 days or such period for which such advances are extended as per normal trade practice) , if any, proposed to be extended to the related party in relation to the transaction, specify the following:	Nil
	a. Amount of Trade advance	
	b. Tenure	
	c. Whether same is self-liquidating?	

Information as required under Rule 15 of Companies (Meetings and Powers of the Board) Rules, 2014 is provided hereunder.

S. No.	Particulars	Details
1	Name of the related party	KNR-SIML (JV)
2	Name of the Director or Key Managerial Personnel who is related, if any.	None
3.	Nature of Relationship	KNRCL is lead partner in the JV holding 51% of share.
4.	Nature, material terms, monetary value and particulars of the contract or arrangements	Nature of the Contract – Rendering of EPC services, supply of services. Material Terms - Supply of services to undertake the work of several mining job works in Kusumanda, State of Chhattisgarh. The contract period is 8 years from the date of commencement of operations. Monetary value – The value of contract is ₹ 1,714.17 Crores (Excluding GST) further ₹ 1,597.54 Crores (Excluding GST) will be done on back to back basis from JV partner i.e, SIML.

None of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested, whether financial or otherwise in the Resolution as set out at Item no. 6.

The Board, based on the recommendations of the Audit Committee, recommends the resolution as set out in item no. 6 for the approval of the members as Ordinary Resolution

By Order of the Board of Directors
For **KNR Constructions Limited**

Haritha Varanasi
Company Secretary
(ACS 34293)

Registered Office:
KNR Constructions Limited
KNR House, 3rd and 4th Floors,
Plot No.114, Phase I, Kavuri Hills,
Hyderabad, Telangana- 500033.
Ph: 040 - 40268760
Email: investors@knrcl.com
Website: www.knrcl.com
CIN: L74210TG1995PLC130199

Place: Hyderabad
Date: August 13, 2026

Directors' Report

Dear Members,

Your Directors are pleased to present the thirty first (31st) Annual Report and the Company's audited financial statement (Standalone and Consolidated) for the financial year ended March 31, 2026.

FINANCIAL RESULTS

The Company's financial performance, for the year ended March 31, 2026 is summarised below:

(₹ in Lakhs)

Particulars	Year ended March, 31 2026		Year Ended March 31, 2025	
	Standalone	Consolidated	Standalone	Consolidated
Total revenue (including other income)	**2,16,065.84**	**2,69,801.31**	**381,030.50**	**5,06,885.49**
Profit before interest, depreciation, exceptional items and tax	24,208.82	79,399.96	1,07,760.07	1,92,232.53
Less: Interest and financial charges	1,424.67	21,172.92	1,295.35	20,789.58
Less: Depreciation and amortisation	5,819.08	5,945.97	9,028.51	31,421.92
Profit before exceptional items and tax	**16,965.07**	**52,281.07**	**97,436.21**	**1,40,021.00**
Less: Exceptional Items – Expenses/(Income)	-	-	1,501.21	14,062.80
Profit before tax	**16,965.07**	**52,281.07**	**95,935.00**	**1,25,958.20**
Provision for tax (including Deferred Tax)	5,358.85	8,594.81	23,366.92	25,770.79
Profit after tax	**11,606.22**	**43,686.26**	**72,568.08**	**1,00,187.41**
Add: Other Comprehensive Income	76.58	76.58	68.77	68.77
Total Comprehensive Income for the period	11,682.80	43,762.84	72,636.85	1,00,256.18
Attribution to:				
Shareholders of the Company	11,606.22	43,686.26	72,568.08	1,00,187.41
Non-Controlling Interest		(21.35)		-
Balance of Profit/(Loss) for earlier years	3,75,877.05	3,36,011.59	304,012.26	3,36,011.59
Less: Dividend	703.09	703.09	703.09	703.09
Balance carried forward	**3,86,780.38**	**4,78,500.43**	**375,877.25**	**4,35,495.41**

COMPANY'S AFFAIRS AND FUTURE OUTLOOK

As on March 31, 2026 KNRCL holds an outstanding order book valued at 8,67,256.70 Lakhs, with ₹ 2,62,003.90 Lakhs attributed to the road sector, ₹ 2,50,010.60 Lakhs dedicated to the irrigation and pipeline projects and remaining ₹ 3,55,242.20 Lakhs attributed to mining projects. The current order book position remains stable and provides visibility of execution over around 1.5 years to 2years excluding mining project which is to be executed over a period of 6 years.

RESULTS OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS

The highlights of the Company's performance are as under:

On Standalone basis

- Revenue from operations for the 2025-26 is reported at ₹ 2,09,671.53 Lakhs.
- PBDIT (Excluding other income& Exceptional Item) decreased by 71.54% to ₹ 17,814.51 Lakhs
- Profit before tax Decreased by 82.32 % to ₹ 16,965.07 Lakhs
- Net profit Decreased by 84.01% to ₹ 11,606.22 Lakhs
- Net worth increased by 2.78% to ₹ 4,05,479.38 Lakhs

On consolidated basis

- Revenue from operations for the 2025-26 is reported at ₹ 2,69,801.31 Lakhs.

- Profit before tax (After exceptional items) decreased by 58.49% to ₹ 52,281.07 Lakhs
- Net profit Decreased by 56.40% to ₹ 43.686.26 Lakhs
- Net worth increased by 9.48% to ₹ 4,97,177.86 Lakhs

Reserves

The Company is not proposing to transfer any amount to the General Reserves of the Company out of the profits made during the year. The total Other Equity (including securities premium Reserves, General Reserves, Surplus in statement of profit and loss and other comprehensive income) as on March 31, 2026 is ₹ 3,99,854.68 Lakhs as against the Paid-up capital of ₹ 5,624.70 Lakhs

Performance of Subsidiaries

Pursuant to the provisions of Section 128 (3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014, a Report on the Financial performance of the Subsidiaries Companies during the Financial Year ended March 31, 2026 in form AOC-1 is annexed herewith as **Annexure I**.

Dividend

The Board of Directors have recommended a final dividend of ₹ 0.25/- per Equity Share for the financial year ended March 31, 2026 amounting to ₹ 703.09 Lakhs. The dividend shall be paid to the members whose names appear in the Register of Members as on September 15, 2026. In respect of shares held in the dematerialised form, it shall be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.

Pursuant to the Finance Act, 2020, dividend income is taxable in the hands of the shareholders w.e.f. April 01, 2020 and the Company is required to deduct tax at source (TDS) from dividend paid to the Members at prescribed rates as per the Income tax Act, 1961/ Income Tax Act, 2025.

The dividend payout for the year under review has been formulated in accordance with the Company's policy linked with long term performance, keeping in view the Company's need for capital for its growth plans and the intent to finance such plans through internal accruals to the maximum. The Dividend Distribution Policy of the Company is annexed herewith marked as **Annexure II** to this Report. The Dividend Distribution Policy is posted on the website of the Company and the web link is http://knrcl.com/images/policies/KNRCL-DIVIDEND-DISTRIBUTION-POLICY.pdf

There has been no change in the policy during the year.

CHANGE IN NATURE OF BUSINESS

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

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

During the year under review, till the date of this report, there were no material changes and commitments that may affect the financial position of the Company.

CAPITAL STRUCTURE

Authorised Capital:

The authorised share capital of the Company is ₹ 60,00,00,000/- (Sixty Crores Only) divided into 30,00,00,000 (Thirty Crores only) Equity shares of ₹ 2/- (Rupees Two only) each as on March 31, 2026.

During the year under review, there was no change in the authorised capital of the Company.

Paid-up capital:

As on March 31, 2026, the paid-up capital of the Company is ₹ 56,24,69,200/- (Rupees Fifty-Six Crores Twenty-Four Lakhs Sixty-Nine Thousand Two Hundred Only) divided into 28,12,34,600 (Twenty-Eight Crores Twelve Lakhs Thirty-Four Thousand Six Hundred only) Equity Shares of ₹ 2/- (Rupees Two) Each.

ISSUE OF SHARES:

During the year under review, the Company has not issued any securities (including convertible warrants) by way of Sweat Equity or Employee Stock Options or equity shares with differential voting rights or by any other way of allotment during the year under review.

CREDIT RATING:

As on the date of the report, CRISIL has made an outlook on Long term bank facilities as Crisil AA/Stable and the Short term bank facilities as A1+/Stable.

INVESTOR EDUCATION AND PROTECTION FUND

In terms of Section 125 of the Companies Act, 2013, during the year under review the below amounts were transferred to Investor Education and Protection Fund

Directors' Report (Contd.)

a) An amount of ₹ 59,828/- being unclaimed dividend for the financial year 2017-18 and

b) The Company had transferred 3529 equity shares pertaining to financial year 2017-18 as required under the provisions of Section 124(6) of the Companies Act, 2013 to IEPF Authority.

Members are requested to note that dividends not encashed or remaining unclaimed for a period of 7 (seven) years from the date of transfer to the Company's Unpaid Dividend Account, shall be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Further, pursuant to the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') as amended from time to time, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.

The Members/Claimants whose shares, unclaimed dividend have been transferred to IEPF may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF 5 which is available on www.iepf.gov.in along with requisite fee as decided by it from time to time.

Members who have not yet encashed the dividend warrants from the financial year ended March 31, 2018 onwards are requested to forward their claims to the Company's Registrar and Share Transfer Agents without any further delay. It is in Members' interest to claim any un-encashed dividends and for future, opt for Electronic Clearing Service, so that dividends paid by the Company are credited to the Members' account on time.

It may be noted that once the unclaimed dividend is transferred to IEPF as above, no claim shall rest with the Company in respect of such amount. It may also be noted that the unclaimed dividend amount which were lying with the Company upto the year ended on March 31, 2018, have already been transferred to IEPF. The details of the unclaimed dividends are available on the Company's website at www.knrcl.comand on the website of Ministry of Corporate Affairs at www.mca.gov.in. Members are requested to contact the Company's Registrar and Share Transfer Agent or the Company to claim the unclaimed/unpaid dividends.

Nodal Officer:

Pursuant to the provisions of Rule 7(2B) of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Second Amendment Rules, 2019, the Company has appointed Smt. Haritha Varanasi, Company Secretary of the Company as Nodal Officer of the Company.

DIRECTORS:

Non-Independent Directors

During the year under review, there are three non-independent Directors in the Board namely Shri K Narsimha Reddy, Managing Director, Shri K Jalandhar Reddy, Executive Director and Smt. K Yashoda, Non-Executive Director.

In accordance with the requirements of the Companies Act, 2013 Smt. K Yashoda, Non-Executive Director of the Company is liable to retire by rotation at the Annual General Meeting and, being eligible, offers herself for reappointment at the ensuing Annual General Meeting.

During the year under review, there were no directors resigned from the Board.

Brief resume of the Directors proposed to be reappointed, nature of their expertise in specific functional areas, names of the companies in which they hold directorships and relationships between directors inter-se, as stipulated under Regulation 36 of SEBI (LODR) Regulations, 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, is annexed to the notice of the Annual General Meeting.

The Board of Directors has complete access to the information within the Company. Independent Directors have the freedom to interact with the Company's management. Interactions happen during Board / Committee meetings, when MD / ED are asked to make presentations about performance of the Company to the Board. Apart from this, they also have independent interactions with the Statutory Auditors, the Internal Auditors and external advisors appointed from time to time. Further, Independent Directors meet without the presence of any management personnel and their meetings are conducted informally to enable them to discuss matters pertaining to the Company's affairs and put forth their combined views to the Board of Directors of the Company.

Independent Directors

The Company has received declarations from the independent directors of the Company to the effect that they meet the criteria of independence as laid under the provisions of Section 149 (6) of the Companies Act, 2013 and Regulation 16 (1) (b) read with Regulation 25 of SEBI (LODR) Regulations, 2015 in respect of the financial year ended March 31, 2026.

The Independent Directors have also confirmed that they are in compliance with the Code of Conduct as stipulated under Schedule IV of the Companies Act, 2013 and also of the Company.

In terms of Regulation 25 (8) of SEBI (LODR) Regulations, 2015 the Independent Directors have also confirmed that they are not aware of any circumstance or situation, which exists or which may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

During the year under report, the Independent Directors of the Company had no pecuniary relationship or transactions with the Company, except to the extent of sitting fees and reimbursement of expenses incurred by them for the purpose of attending the meetings of the Board and its committees.

Proficiency of Directors:

In compliance with Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014, all the Independent Directors of the Company have registered themselves with the Independent Directors Data Bank maintained by IICA. Smt. G Chandra Rekha and Shri K Udaya Bhaskara Reddy have appeared and qualified the proficiency test conducted by IICA and Shri W R Reddy is exempted from appearing the proficiency test.

Policy on Director's appointment and remuneration and Other Details:

The Nomination and Remuneration Committee has laid down the criteria for Directors' appointment and remuneration including criteria for determining qualification, positive attributes and independence of a Director. The following attributes/criteria for selection have been laid by the Board on the recommendation of the Committee:

- The candidate should possess the attributes such as leadership, professional stature, domain expertise or such other attributes which in the opinion of the Committee are in the interest of the Company;
- the candidate should be free from any disqualification as provided under Sections 164 and 167 of the Companies Act, 2013;
- the candidate should meet the conditions of being independent as stipulated under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in case of appointment as an independent director; and
- the candidate should possess appropriate educational qualification, skills, experience and knowledge in one or more fields of finance, law, management, technical operations, infrastructure, or such other areas or disciplines which are relevant for the Company's business.

Key Managerial Personnel:

Pursuant to the provisions of Section 203 of the Companies Act, 2013 the following are the Key Managerial Personnel of the Company:

- Shri K Narsimha Reddy - Managing Director
- Shri K Jalandhar Reddy - Whole-time Director & Chief Financial Officer
- Smt. Haritha Varanasi - Company Secretary

Remuneration policy

The Company has in place remuneration policy to ensure that the Key Managerial Personnel (KMP) and Senior Managerial Personnel (SMP) shall be competitive in order to ensure that the Company can attract and retain competent talent.

The remuneration policy of the Company shall ensure that:

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors/ KMPs and SMPs of the quality required to run the Company successfully.
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- Remuneration to directors, KMP and SMP involves a balance between fixed and variable pay reflecting short and long-term performance objectives and goals set by the Company.
- Remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.

The detailed remuneration policy of the Company can be accessed at the website of the Company through the below link:

http://knrcl.com/images/policies/Remuneration-Policy.pdf

Directors' Report (Contd.)

COMMITEES OF THE BOARD

The Company has duly constituted the following committees as per the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015

a) Audit Committee

b) Stakeholders Relationship Committee

c) Nomination and Remuneration Committee

d) Corporate Social Responsibility Committee

e) Risk Management Committee

Details of the Committees such as Composition, meetings held during the year under report are provided in Corporate Governance Report which forms integral part of the Annual Report.

MEETINGS OF THE BOARD AND COMMITTEES

Eight meetings of the Board of Directors were held during the year. The Board of Directors and Committees have duly met during the year under report and the minutes of the meetings are duly recorded. The details of the meetings of the Board and its Committees are provided in the Corporate Governance Report which forms integral part of this report.

RECOMMENDATIONS OF AUDIT COMMITTEE

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

BOARD DIVERSITY

The Company recognises that having a diverse Board enhances the quality of its performance. The Company continues to increase the diversity in the Board as and when required, as the Company believes that it is an essential element in supporting and attainment of its strategic objectives and its sustainable development. The Company has in place policy on Board Diversity and can be accessed at http://knrcl.com/images/policies/Board-Diversity-Policy.pdf.

BOARD EVALUATION

The Nomination and Remuneration Committee lays down the criteria for performance evaluation of Independent Directors, Board of Directors and Committees of the Board.

The parameters like attendance and participation of Directors in the meetings of the Board and its Committees thereof, contribution to strategic decision making, financial statements and business performance have been the basis criteria for performance evaluation.

The evaluation of Board as a whole and each individual director is performed after seeking all the inputs from the Directors.

The performance evaluation of executive Directors, Chairperson of the Board is done by the Independent Directors at their separate meeting.

For the year 2025-26, evaluation of Board as a whole, Non-executive and Independent Directors and Executive Directors of the Company has been duly carried out as per the policy laid by the Nomination and Remuneration Committee.

FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS

All Independent Directors are familiarised with the operations and functioning of the Company. The details of familiarisation programme are provided in Corporate Governance Report which forms part of the Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT

Management's Discussion and Analysis report for the year under review as stipulated under Regulation 34(2) (e) SEBI (LODR) Regulation, 2015 of the LODR Regulations 2015 is presented in a separate section forming part of the Annual report

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 134 (3) (c) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, Your Directors hereby confirm that:

(a) in the preparation of the annual accounts for the year ended March 31, 2026, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;

b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2026 and of the profit of the Company for the year ended on that date;

c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the Directors have prepared the annual accounts on a 'going concern' basis;

e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

IMPLEMENTATION OF CORPORATE ACTIONS, FAILURES IF ANY

During the year under review, no instances of failure to implement corporate actions were reported.

CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI. The report on Corporate Governance as stipulated under the SEBI(LODR) Regulations,2015, forms an integral part of this Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of corporate governance is attached to the report on Corporate Governance.

DISPATCH OF ANNUAL REPORTS

In compliance with the applicable provisions, we shall dispatch the Annual Report for the 2025-26 in electronic format to all the members whose e-mail addresses are registered and updated with our Registrar & Transfer Agents

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company is committed to enhance value creation in the society and community in which it operates. Through its conduct, services, and CSR initiatives it will strive to promote sustained growth in the surrounding environs.

The Corporate Social Responsibility Committee (CSR Committee) has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board. The CSR Policy of the Company is available on the website of the Company (http://knrcl.com/images/policies/knrcl_CSR.pdf).

The Annual Report on CSR activities carried out by the Company for the 2025-26 is annexed herewith as **"Annexure III"** to this report as required under the provisions of the Companies Act, 2013 and applicable rules thereunder.

The impact assessment reports on the CSR projects implemented by the Company namely construction of anganwadi schools at Wayanad, Kerala and construction of road from Varikole to Vemulapally, Telangana are available on the following link https://www.knrcl.com/csr.html

STATUTORY AUDITORS

M/s K P Rao & Co., Chartered Accountants, were re-appointed as Statutory Auditors of the Company at the 27th Annual General Meeting held on September 28, 2022 for a period of 5 years ie., upto conclusion of 32nd AGM to be held in the year 2027.

Further, the Statutory Auditor's report does not contain any qualifications, reservations, adverse remarks or disclaimers. The Statutory Auditors attended the AGM held on September 25, 2025.

Further the Notes on Financial Statements referred in the Auditors Report are self-explanatory and do not call for any further comments.

INTERNAL AUDITOR & CONTROLS

The Board of Directors at their meeting held on May 29, 2026, based on the recommendation of the Audit Committee, has re-appointed M/s. K. P. Rao Associates, Chartered Accountants, Hyderabad, as the Internal Auditors of your Company. The Internal Auditors are submitting their reports on quarterly basis. Internal Auditors findings are discussed and suitable corrective actions are taken as per the directions of Audit Committee on an on-going basis to improve efficiency in operations.

The Company's internal control systems are well established and commensurate with the nature of its business and the size and complexity of its operations. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations. The recommendations/suggestions of the internal auditors are discussed in the Audit Committee meetings periodically.

COST AUDITORS

In accordance with the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the Board of

Directors' Report (Contd.)

Directors, upon the recommendation of Audit Committee, at their meeting held on May 29, 2026 has appointed M/s. Suneel & Associates., Cost Accountants, Hyderabad, as the Cost Auditors of your Company to carry out the cost audit for the financial year 2025-26 at a remuneration of ₹ 3,00,000/-. The remuneration payable to the cost auditor is required to be placed before the members in the general meeting for their ratification. Accordingly, a resolution seeking members' ratification for the remuneration payable to M/s Suneel & Associates., Cost Accountants, is included in the Notice convening the Annual General Meeting. Your Company is maintaining cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013.

A Certificate from M/s. Suneel & Associates., Cost Accountants has been received to the effect that their appointment as Cost Auditor of your Company is in accordance with the limits specified under Section 141 of the Companies Act, 2013 and the Rules framed thereunder.

REPORTING OF FRAUDS

During the year under review, there was no instance of fraud, which required the Statutory Auditors to report to the Audit Committee and/or Board under Section 143(12) of the Companies Act, 2013 and the rules made thereunder.

SECRETARIAL AUDITOR

In accordance with Section 204 of the Companies Act, 2013 and Regulation 24A of SEBI (LODR) Regulations, 2015 M/s. VCSR & Associates, Company Secretaries, were appointed as secretarial auditors of the Company for a period of 5 years commencing from 2025-26 to conduct Secretarial Audit of the Company. The Secretarial Audit Report for the financial year ended March 31, 2026 is annexed herewith and marked as **Annexure IV** to this Report.

There were no qualifications reported in the Secretarial Audit Report.

SECRETARIAL STANDARDS

During the year under report, the Company has duly complied with all the applicable secretarial standards as issued by the Institute of Company Secretaries of India from time to time.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

A separate statement containing the salient features of the Financial statements of the subsidiaries and joint ventures of the Company is prepared in Form AOC-1 which forms part of the Consolidated financial statements.

During the year under review, there were no new subsidiaries of the Company.

The Policy for determining material subsidiaries as approved by the Board may be accessed on the Company's website:

http://knrcl.com/images/policies/Policy_on_MATERIAL_SUBSIDIARIES.pdf

MATERIAL SUBSIDIARIES

During the year 2025-26, as per the audited financial statements for the financial year ended March 31, 2025, the Company has identified one material unlisted subsidiaries for the financial year 2025-26:

1. **KNR Ramanattukara Infra Private Limited**

This subsidiary is considered material due to its significant impact on the Company's financial position or performance.

Pursuant to the provisions of Regulation 24A of SEBI Listing Regulations, 2015, the secretarial audit report of KNR Ramanattukara Infra Private Limited, is annexed herewith as **Annexure V.**

NAMES OF COMPANIES WHICH HAVE CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR

During the year under review, no companies were ceased to be the subsidiaries of the Company. However, KNR Palani Infra Private Limited, KNR Ramagiri Infra Private Limited were ceased to be subsidiaries of the Company w.e.f. May 29, 2026 and June 11, 2026 respectively.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013.

The Consolidated Financial Statements for the financial year ended March 31, 2026 forms part of the Annual Report.

Further, we undertake that the Annual Accounts of the subsidiary Companies and the related detailed information will be made available to the Company's shareholders and to the shareholders of the subsidiary companies seeking such information at any point of time. Further, the Annual Accounts of the subsidiary Companies shall also be kept for inspection by any shareholder at the Registered office of the Company and that of the subsidiary Companies.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of subsidiaries, are available on the website of the Company at www.knrcl.com

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: http://knrcl.com/images/policies/policy_on_materiality.pdf Your Directors draw attention of the members to Notes to the financial statement which sets out related party transactions and disclosures.

The Company has not entered into any contracts/ arrangements with related parties referred to under Section 188(1) of the Companies Act, 2013, not at arms-length basis during the year. The details of the related party transactions are provided herewith as **Annexure VI** in **Form AOC-2**.

Disclosure under Regulation 34(3) read with Schedule V of the Listing Regulations

Related Party disclosure as per Schedule V of the Listing Regulations

(₹ In Lakhs)

S No	In the accounts of	Particulars	Amount at the year ended 2025-26	Maximum outstanding amount during the year 2025-26
1.	KNR Constructions Limited (Holding Company)	**(i) Loans/Advances to subsidiaries**		
		KNR Agrotech & Beverages Pvt. Ltd.,	171.51	171.51
		KNR Energy Ltd.,	1,016.00	1,016.00
		KNRC Holdings and Investments Pvt. Ltd.,	989.88	989.88
		KNR Infrastructure Projects Pvt. Ltd.,	11.82	11.82
		KNR Somwarpet Infra Project Pvt. Ltd.,	0.06	1.07
		KNR Palani Infra Pvt. Ltd.,	7.16	7.16
		KNR Guruvayur Infra Pvt. Ltd.,	178.66	824.73
		KNR Ramanattukara Infra Pvt. Ltd.,	20.57	933.82
		KNR Ramagiri Infra Pvt. Ltd.,	0.04	2,659.43
		KNR Kaveri Infra Pvt. Ltd.,	486.00	486.00
		KNR Ramateertham Infra Pvt. Ltd.,	0.54	160.28
		KNR Sriranganatha Infra Pvt. Ltd.,	533.06	533.06
		KNRHC Baidyanath Banhardih Coal Mine Pvt. Ltd.,	78.83	78.83
		KNR Mahabalipuram Infra Pvt. Ltd.,	3.70	3.70
		Benedire Infrastructures and Developers LLP	95.82	95.82
		Manjeri City Infrastructures And Developers LLP	1,156.00	1,156.00
		(ii) Loans/advances to associates		
		a) Patel KNR Infrastructures Limited	1.39	1.39
		b) Patel KNR Heavy Infrastructures Ltd.,	6.30	68.76
		(iii) Loans/advances to firms/Companies in which Directors are interested	Nil	Nil
2.	KNR Constructions Limited (Holding Company)	Investment by the Loanee in the shares of parent company/ subsidiary company when the Company has made a loan or advance	NA	NA

Directors' Report (Contd.)

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The particulars relating to Conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo as required under f Section 134(3)(m) of the Act read with Rule 8 of the

Companies (Accounts) Rules, 2014 are as follows:

a) Conservation of Energy

The Company has taken suitable measures for conservation of energy to the extent possible. However, the core activity of the Company is civil construction which is not an energy intensive sector where energy consumption is at intensive level.

b) Technology absorption, Adoption and Innovation

There is no information to be furnished regarding Technology Absorption as your Company has not undertaken any research and development activity in any manufacturing activity nor any specific technology is obtained from any external sources, which needs to be absorbed or adopted.

Innovation is a culture in the Company to achieve cost efficiency in the construction activity to be more and more competitive in the prevailing environment that cannot be quantified.

a) The Company has not imported any technology during the last 5 years.

Foreign Exchange Earnings and Outgo

(₹ In Lakhs)

Particulars	2025-26	2024-25
1) Foreign Exchange Inwards	Nil	Nil
2) Foreign Exchange Outgo	Nil	Nil

DEPOSITS

Your Company has not accepted any deposits covered by the provisions of Section 73 of the Companies Act, 2013 and the Rules framed there under.

VIGIL MECHANISM

The Company has a Vigil mechanism and Whistle blower policy in terms of the SEBI (LODR)Regulations, 2015 and the Companies Act, 2013 under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. Protected disclosures can be made by a whistle blower through a dedicated e-mail, or a letter to the Chairman of the Audit Committee. The Policy on vigil mechanism and whistle blower policy may be accessed on the Company's website at the link: http://www.knrcl.com/images/knrcl_whistleblower.pdf

CODE OF CONDUCT FOR THE PREVENTION OF INSIDER TRADING

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulation, 2015 and amended Regulations 2018. The Insider Trading Policy of the Company lays down guidelines and procedures to be followed, and disclosures to be made while dealing with shares of the Company, as well as the consequences of violation. The policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company securities.

The Insider Trading Policy of the Company covering code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct for the prevention of insider trading, is available on our website (http://knrcl.com/images/policies/knrcl_8insider.pdf)

CODE OF CONDUCT

A declaration regarding compliance with the code of conduct signed by the Company's Managing Director is published in the Corporate Governance Report which forms part of the annual report.

PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED

Particulars of Loans, Guarantees and Investments made during the Financial Year ended March 31, 2026, covered under the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014, form part of the Standalone Financial Statements.

ANNUAL RETURN

As required under the provisions of Section 92 of the Companies Act, 2013, copy of Annual Return of the Company for the year ended March 31, 2026 is made available on the website of the Company and the same can be accessed through the following link.

http://knrcl.com/annualreports.html

Risk Management

Your Company has constituted a Risk Management Committee and formulated a policy on Risk Management in accordance with the Companies Act, 2013 and Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to frame, implement and monitor the risk management plan for your Company. The Committee is responsible for monitoring and reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The Risk Management Policy of your Company is posted on the website of your Company which may be accessed at http://knrcl.com/images/policies/Risk-Management-Policy.pdf

MATERIAL ORDERS PASSED BY COURTS/REGULATORS/ TRIBUNALS

There were no material or significant orders passed by the regulators/courts/tribunals that would impact the going concern status of the Company and its future operations.

CORPORATE INSOLVENCY RESOLUTION PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016.

No corporate insolvency resolution processes were initiated against the Company under the Insolvency and Bankruptcy Code, 2016, during the year under review.

DETAILS OF DIFFERENCE BETWEEN THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH REASONS THEREOF

Not applicable as there were no instances of one-time settlement with the Banks or financial institutions.

INSURANCE

All the movable properties and assets of the Company are adequately insured for the year under report.

PARTICULARS OF EMPLOYEES

Information pertaining to remuneration as required u/s 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

i. The percentage of increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2025-26, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2025-26 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

S. No.	Name of Director/KMP and Designation	Remuneration of Director/ KMP for financial year 2025-26 (₹ in Lakhs)	Remuneration of Director/ KMP for financial year 2024-25 (₹ in Lakhs)	% Increase /Decrease in Remuneration in the Financial Year 2025-26	Ratio of remuneration of each Director/ to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1	Shri. K Narsimha Reddy (Managing Director)	1443.55	1365.00	5.71%	523	Profit before Tax and exceptional items decreased by 82.32 % and Profit after Tax and Comprehensive Income decreased by 84.01 % in 2025-26
2	Shri. K Jalandhar Reddy (Executive Director and CFO)	1023.90	969.90	3.00%	362	
3.	Smt. Haritha Varanasi (Company Secretary)	15.44	14.77	4.79%	6	

Directors' Report (Contd.)

Further details of top ten employees in terms of remuneration drawn during the financial year ended March 31, 2026 as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and as amended are:

Sl. no.	Name of the Employee & Designation	Age (years)	Qualification	*Gross Remuneration in ₹	Experience (years)	Date of Commencement of Employment	Previous Employment	% of holding in the Company
1	Shri K.Narasimha Reddy Managing Director	77	B.A	14,43,55,921	58	11.07.1995		30.40 %
2	Shri K.Jalandhar Reddy Executive Director & CFO	54	B.E Computers	10,23,90,000	29	11.07.1995		13.25 %
3	Shri K Sankar Reddy Sr Vice President	54	B.Tech Civil	1,00,57,400	29	01.10.1999	Rani Constructions	
4	Shri Venu Gopal Reddy V Director Projects	48	B.E	78,00,000	25	21.08.2000		0.06 %
5	Shri T L Verma Sr.Vice President	69	B.E. Civil	75,90,000	46	12.07.2011	LANCO	
6	Shri T Bhaskar Rao Sr.Vice President	58	M.Tech Civil	66,98,580	39	06.08.2018	GVR Infra Projects	
7	Shri D.Tirupathi Reddy Chief General Manager-Projects	63	B.Tech Civil	40,02,000	30	01.02.1999	KMC Constructions Ltd	
8	Shri.Deepak Kumar Chief Project Manager	59	B.Tech Civil	35,90,000	24	01.11.2004	PBIL-Apex Consortium Limited	
9	Shri T R Rajendra Kumar Sr.General Manager	52	B.Tech Electrical	34,63,523	30	01.05.2010	Mahathi Technical Consultancy	
10	Shri A B Purnachandra rao Associate Vice president	70	B.Tech, MBA	34,50,000	51	01.09.2020	Bharat Heavy Electricals Limited (BHEL)	

- None of the above employees were relative of any Directors except in the case of Sri K Jalandhar Reddy and Sri K Narsimha Reddy, Sri K Jalandhar Reddy is the son of Sri K Narsimha Reddy.
- All appointments are / were contractual in accordance with terms and conditions as per Company rules.

* Gross Remuneration includes perquisites and contribution to Provident fund by the employer.

ii) The median remuneration of employees of the Company during the financial year was ₹ 2.76 Lakhs;

iii) In the financial year, there was no Increase in the median remuneration of employees;

iv) There were 2,542 employees on the rolls of Company as on March 31, 2026

v) Relationship between average increase in remuneration and company performance: The Profit before tax and exceptional items for the financial year ended March 31, 2026 decreased by 82.32 % accordingly there is no increase in median remuneration %.

vi) Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:

The total remuneration of Key Managerial Personnel was ₹ 2,482.89 Lakhs whereas the Profit before tax and after exceptional item was ₹ 16,965.07 Lakhs in 2025-26 .

vii) a) Variations in the market capitalisation of the Company: The market capitalisation as on March 31, 2026 at NSE was ₹ 3,17,908 Lakhs (₹ 6,43,886.61 Lakhs as on March 31, 2025)

b) Price Earnings ratio of the Company at NSE was 29.97 as at March 31, 2026 and 8.87 as at March 31, 2025;

viii) Average percentage decrease made in the salaries of employees other than the managerial personnel in the financial year 2025-26 was 17.44% as well as there is an increase in the managerial remuneration for the same financial year was 4.59%

ix) The key parameters for any variable component of remuneration availed by the executive directors: Financial performance of the Company

x) The Details of the employee who was in receipt of remuneration in the 2025-26 which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company: Not Applicable

xi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORK PLACE:

We strongly support the rights of all our employees to work in harassment – free environment. We have adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act") and the Rules made thereunder. The policy aims to provide protection to Employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where Employees feel secure.

Further, we have in place a committee under the name and style "Internal Complaints Committee" in compliance of POSH Act, which looks into various matters concerning harassment, if any, against women at workplace, addresses concerns and complaints of sexual harassment and recommends appropriate action. Details of composition etc., of the said committee are provided in the section on Corporate Governance. We further confirm that during the year under review, there were no cases filed pursuant to the said Act.

Complaints at the beginning of the year	0
Complaints received during the year	0
Complaints disposed of during the year	0
Complaints at the end of the year	0

COMPLIANCE WITH THE PROVISIONS RELATING TO THE MATERNITY BENEFITS ACT, 1961

Your Company complies with the provisions of the Maternity Benefits Act, 1961, extending all statutory benefits to eligible women employees, including paid maternity leave, continuity of salary and service during the leave period and post maternity support such as flexible return-to work option etc, as applicable. Your Company remains committed to fostering an inclusive and supportive work environment that upholds the rights and welfare of its women employees in accordance with applicable laws.

BUSINESS RESPONSIBILITY AND SUSTAINABLE REPORT (BRSR)

Your Company being among the top 1000 listed entities based on market capitalisation, is required to present the Business Responsibility and Sustainability Report as required under the Regulation 34(2) (f) of SEBI (LODR) Regulations, 2015. The BRSR of the Company for the year ended March

31, 2026 forms part of this report and annexed herewith as **Annexure VII.**

General

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.

INDUSTRIAL RELATIONS

Your Directors are happy to report that the Industrial Relations have been extremely cordial at all levels throughout the year.

Your Directors record their appreciation for sincere efforts, support and co-operation of all employees being extended from time to time to accelerate the growth of the Company.

Appreciation and Acknowledgements

Your Directors wish to place on record their gratitude to the Company's shareholders, customers, vendors and bankers for their continued support to KNRCL's growth initiatives. Your Directors also wish to place on record, their appreciation of the contribution made by employees at all levels, who through their competence, sincerity, hard work, solidarity and dedicated support, have enabled your Company to make rapid strides in its business initiatives. Your Director's also thank the Central and State Governments and their various agencies, particularly, the National Highway Authority of India and other Governmental agencies for extending their support during the year, and look forward to their continued support.

For and on behalf of the Board of Directors
of **KNR Constructions Limited**

K Narsimha Reddy
Managing Director
DIN: 00382412

K Jalandhar Reddy
Executive Director& CFO
DIN: 00434911

Place: Hyderabad
Date: August 13, 2026

Annexure I

FORM AOC-1

Part "A" : Subsidiaries

(₹ In Lakhs)

Name of the subsidiary	Reporting period	Exchange rate as on the last date of the financial year	Share Capital	Other Equity	Total Assets	Total Liabilities	Investments	Total Income	Profit/ (Loss) before taxation	Provision for taxation	Profit/ (Loss) after taxation	Proposed Dividend	% of shareholding
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
KNR Agrotech & Beverages Pvt. Ltd.,	March 31, 2026	₹	1.00	659.16	832.23	172.08	-	10.00	(0.57)	-	(0.57)	-	100%
KNR Infrastructure Projects Pvt. Ltd.,	March 31, 2026	₹	1.00	(8.54)	4.45	11.99	-	-	(0.21)	-	(0.21)	-	100%
KNR Energy Ltd.,	March 31, 2026	₹	5.00	419.10	1,440.22	1,016.12	-	-	(7.80)	-	(7.80)	-	100%
KNRC Holdings and Investments Pvt. Ltd., (standalone)	March 31, 2026	₹	1.00	6,397.12	8,342.14	1,944.02	6,008.16	46.41	24.25	6.33	17.92	-	100%
KNRC Holdings and Investments Pvt. Ltd., (consol)	March 31, 2026	₹	1.00	6,258.22	8,203.79	1,944.57	6,748.75	25.97	2.96	6.33	(3.36)		100%
KNR Somwarpet Infra Project Pvt. Ltd.,	March 31, 2026	₹	3,052.50	17,845.57	56,202.35	35,304.28	4,533.39	15,872.22	1,486.44	334.31	1,152.13	-	100%
*KNR Palani Infra Pvt. Ltd.,	March 31, 2026	₹	4,023.00	20,311.01	49,365.04	25,031.03	10,463.74	9,930.96	5,901.87	1,339.23	4,562.64	-	100%
KNR Guruvayur Infra Pvt. Ltd.,	March 31, 2026	₹	10,457.50	28,980.06	1,10,959.71	71,522.15	-	24,394.66	9,659.63	344.00	9,315.63	-	100%
KNR Ramanattukura Infra Pvt. Ltd.,	March 31, 2026	₹	11,250.00	31,772.10	1,26,802.62	83,780.52	-	25,952.54	10,125.54	368.55	9,756.99	-	100%
*KNR Ramagiri Infra Pvt. Ltd.,	March 31, 2026	₹	4,807.50	11,305.09	47,636.54	31,523.95	-	17,183.35	5,033.63	843.30	4,190.33	-	100%
KNR Kaveri Infra Pvt. Ltd.,	March 31, 2026	₹	10.00	65.02	5,147.86	5,072.84	-	9,134.64	65.02	-	65.02	-	100%
KNR Sriranganatha Infra Pvt. Ltd.,	March 31, 2026	₹	10.00	203.37	3,321.77	3,108.40	-	7,982.23	203.37	-	203.37	-	100%
KNR Ramatheertham Infra Pvt. Ltd.,	March 31, 2026	₹	4,375.00	2,687.87	29,703.84	22,640.97	-	25,337.79	1,310.00	-	1,310.00	-	100%

Annexure I (Contd.)

(₹ In Lakhs)

Name of the subsidiary	Reporting period	Exchange rate as on the last date of the financial year	Share Capital	Other Equity	Total Assets	Total Liabilities	Investments	Total Income	Profit/ (Loss) before taxation	Provision for taxation	Profit/ (Loss) after taxation	Proposed Dividend	% of shareholding
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Mesmeric Software Solutions Pvt. Ltd.,	March 31, 2026	₹	1.00	81.88	107.73	24.85	-	-	(0.21)	-	(0.21)	-	100%
Nag Talent Ventures & Infotech Pvt. Ltd.,	March 31, 2026	₹	1.00	237.14	292.82	54.67	-	-	(0.21)	-	(0.21)	-	100%
Gradient Estates Pvt. Ltd.,	March 31, 2026	₹	1.00	620.54	774.13	152.59	-	-	(10.49)	-	(10.49)	-	100%
Asara Construction & Projects Pvt. Ltd.,	March 31, 2026	₹	1.00	932.46	1,683.03	749.57	-	-	(10.37)	-	(10.37)	-	100%
KNR Mahabalipuram Infra Pvt Ltd	March 31, 2026	₹	10.00		14.21	4.21			-	-	-	-	100%
KNRHC Baidyanath Banhardih Coal Mine Pvt Ltd	March 31, 2026	₹	1.00	(82.10)	11.38	92.48			(82.10)		(82.10)		74%
Manjeri City Infrastructures and Developers LLP	March 31, 2026	₹	-	2,975.83	4,134.04	1,158.21	-	-	(123.78)	0.24	(124.02)	-	100%
Benedire Infrastructures and Developers LLP	March 31, 2026	₹	-	392.79	488.81	96.02	-	-	(0.76)	-	(0.76)	-	100%

* Ceased to be Subsidiaries with effect from May 29, 2026 and June 11, 2026 respectively.

Annexure I (Contd.)

Part "B" : Joint Ventures

(₹ In Lakhs)

Name of Associates / Joint Ventures	Latest audited Balance Sheet date	Shares of Associates / Joint Ventures held by the Company on the year end			Description of how there is significant influence	Reason why the Joint venture is not consolidated	Net worth attributable to shareholding as per latest audited Balance Sheet	Profit/(Loss) for the year	
		i) Number	ii) Amount of Investment in Joint Venture	iii) Extend of Holding %				i) Considered in consolidation	ii) Not considered in Consolidation
	(1)	(2)			(3)	(4)	(5)	(6)	
I - Associates									
Patel KNR Infrastructures Ltd.,	March 31, 2026	1,15,28,800	1,152.88	40%	SPV Agreement	Consolidated	2,591.77	861.12	-
Patel KNR Heavy Infrastructures Ltd.,	March 31, 2026	95,29,500	952.95	40%	SPV Agreement	Consolidated	3,858.38	(720.97)	-
II - Joint Ventures									
SEL-KNR-JV *	March 31, 2026	N.A	1,532.39	49%	Joint Venture Agreement	Consolidated	1,532.39	-	-

* As per the Unaudited financial statements.

Annexure II

DIVIDEND DISTRIBUTION POLICY

This Policy will regulate the process of dividend declaration and its pay-out by KNR Constructions Limited ("the Company") in accordance with the provisions of Act, 2013 read with the applicable Rules framed there under, as may be in force for the time being (" Companies Act ") and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the amendments made there to [" SEBI (LODR) "] and / or other applicable Legislations, Rules and Regulations as may be inforce at the relevant time.

OBJECTIVE

The objective of this policy is to ensure a regular dividend income for the shareholders and long term capital appreciation for all stakeholders of the Company. The Company would ensure to strike the right balance between the quantum of dividend paid and amount of profits retained in the business for various purposes. The Board of Directors will refer to the policy while declaring/recommending dividends on behalf of the Company. Through this policy, the Company would endeavour to maintain a consistent approach to dividend pay -out plans.

The Company shall put in necessary efforts to ensure that apart from Dividend the other benefits such as Scrip Dividend (Bonus Issue) Buy Back of Shares, Stock Split etc., are extended to the shareholders' subject to compliance of the applicable regulations both stipulated under the Companies Act, 2013, SEBI Regulations and other applicable enactments / regulations.

The Company believes that it operates in an Industry/ Environment where Working Capital requirements are high.

CATEGORY OF DIVIDENDS

The Companies Act provides for two forms of Dividend- Final & Interim. The Board of Directors shall have the power to recommend final dividend to the shareholders for their approval in the general meeting of the Company. The Board of Directors shall have the absolute power to declare interim dividend during the financial year, as and when they consider it fit.

The Board may, at its sole discretion, declare / recommend a Special Dividend under certain circumstances such as extraordinary profits from sale of any major asset(s) or any special occasion or significant event.

FACTORS TO BE CONSIDERED WHILE RECOMMENDING / DECLARING DIVIDEND

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among the shareholders and amount of profit to be retained in business. The Board of Directors will endeavour to take a decision with an objective to enhance shareholders' wealth and market value of the shares.

The Dividend pay-out decision of any company depends upon certain internal and external factors -

Internal Factors: -

The Board will take into account various internal factors while recommending / declaring Dividend, which inter alia will include-

i) Profits earned during the year;

ii) Present & future Capital requirements of the existing businesses;

iii) Expansion/ Modernisation of existing businesses;

iv) Additional investments in subsidiaries/associates of the Company;

v) Fresh investments into external businesses;

vi) Business Acquisitions (if any);

vii) Any other factor as deemed fit by the Board.

External Factors: -

Apart from the various internal factors aforementioned the Board will take into account the various external factors while recommending / declaring dividend which inter alia include the following-

- State of Economy - in case of uncertain or recessionary economic and business conditions, Board will endeavour to retain larger part of profits to build up reserves to absorb future shocks.
- Capital Markets- when the markets are favourable, dividend pay-out can be liberal.

However, in case of unfavourable market conditions, Board may resort to a conservative dividend pay-out in order to conserve cash outflows.

- Statutory Restrictions - The Board will keep in mind the restrictions imposed under the applicable legislations and the covenants stipulated by Lenders, if any with regard to recommendation and /or declaration of dividend.

DIVIDEND RANGE

The Company stands committed to deliver sustainable value to all its stakeholders. The Company will strive to distribute an optimal and appropriate level of the profits earned by it in its business and investing activity, with the shareholders, in the form of dividend. As explained in the earlier part of this Policy, determining the dividend pay-out is dependent upon several factors, both internal to a business and external to it.

Annexure III

FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT FOR THE FINANCIAL YEAR 2025-26

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY:

The main objective of the CSR policy of the Company is to operate business in a sustainable manner respecting the environment and society at large. It also aims to take up directly or indirectly, programmes that would benefit the communities in and around the work places which will enhance the quality of life and economic well-being of the local residents.

2. COMPOSITION OF CSR COMMITTEE

S. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Shri Wdaru Rampulla Reddy	Chairman (Non-Executive Independent Director	5	5
2	Shri Kalakota Udaya Bhaskar Reddy	Member (Non-Executive Independent Director)	5	5
5.	Shri K Jalandhar Reddy	Member (Executive Director)	5	5

3. WEB LINK OF COMPOSITION OF CSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY:

http://knrcl.com/committees.html

http://knrcl.com/images/policies/knrcl_CSR.pdf

4. ROVIDE THE EXECUTIVE SUMMARY ALONG WITH WEB-LINK(S) OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8, IF APPLICABLE.:

The Company has been conducting internal assessments for the CSR Projects undertaken. As per the statutory requirement, Impact assessment for the CSR project undertaken by the Company for construction of anganwadi schools in Wayanad, Kerala and Construction of road from Varikole to Vemulapally was carried out by Deeksha – Centre for Learning and Action-, a registered non-profit society. A detailed report is available on the website and can be accessed by the following link https://www.knrcl.com/csr.html

5. DETAILS OF THE AMOUNT AVAILABLE FOR SET-OFF IN PURSUANCE OF SUB-RULE (3) OF RULE 7 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY) RULES, 2014 AND AMOUNT REQUIRED FOR SET-OFF FOR THE FINANCIAL YEAR, IF ANY: Not Applicable

6. AVERAGE NET PROFIT OF THE COMPANY AS PER SECTION 135 (5) OF THE COMPANIES ACT, 2013: ₹ 736,53,95,079.64/-

7. (a) Two percent of average net profit of the Company as per section 135(5) ₹ 14,73,07,902/-

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. Nil

(c) Amount required to be set off for the financial year, if any: Nil

(d) Total CSR Obligation for the financial year (7a+7b-7c): ₹ 14,73,07,902 /-

Annexure III (Contd.)

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

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 3,04,43,818/-	₹ 11,68,64,084/-	April 28, 2026	Nil	Nil	Nil

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration number
1	Renovation of ZPHS school, Tatipamula	II	No	Telangana	Suryapet	3 years	₹ 5,00,83,084/-	Nil	₹ 5,00,83,084/-	Yes	NA	NA
2	Construction of School	II	No	Uttar Pradesh	Varanasi	3 years	₹ 2,06,00,000/-	₹ 20,00,000/-	₹ 1,86,00,000/-	Yes	NA	NA
3	Widening of BT road from Gannaram PWD road to Zilla Parishad in Rayaparthy (M)	X	No	Telangana	Warangal	3 years	₹ 2,45,00,000/-	Nil	₹ 2,45,00,000 /-	Yes	NA	NA
4	Renovation of Govt primary school, Gannaram	II	No	Telangana	Warangal	3 years	₹ 1,26,81,000	Nil	₹ 1,26,81,000/-	Yes	NA	NA
5	Establishment of water purification plants	I	No	Telangana	Warangal	3 years	₹ 1,10,00,000	Nil	₹ 1,10,00,000/-	Yes	Rotary Club of Hyderabad Elite and Sainikpuri Rotary Charitable Trust	CSR00050294
	Total						**₹ 11,88,64,084**	**₹ 20,00,000/-**	**₹ 11,68,64,084/-**			

Annexure III (Contd.)

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration number.
1.	Contribution towards providing free education	II	No	Telangana	Warangal, Hyderabad and various other districts	N.A	₹ 3,00,00,048/-	₹ 3,00,00,048 /-	Nil	Yes	N.A	NA
2.	Contribution towards free medical treatment	I	No	Telangana	Various districts	NA	₹ 3,34,520/-	₹ 3,34,520/-	Nil	Yes	NA	NA
							Total	**₹ 3,03,34,568/-**				

(d) Amount spent in administrative overheads Nil

(e) Amount spent on impact assessment, if applicable –1,09,250/-

(f) Total amount spent in the financial year (8b+8c+8d+8e) – ₹ 3,04,43,818 /-

(g) Excess amount for set off, if any

Sl. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per section 135(5)	₹ 14,73,07,902 /-
(ii)	Total amount spent for the Financial Year	₹ 3,04,43,818/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

Annexure III (Contd.)

9) (a) Details of unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1	2024-25	₹ 8,38,56,408/-	₹ 5,83,66,455	Prime Minister's National Relief Fund	1,05,833	March 16, 2026	₹ 2,53,84,120
1	2023-24	₹ 3,64,38,279/-	₹ 1,71,61,417.85	Prime Minister's National Relief Fund	46,46,805	₹ 44,57,707 - March 16, 2026 ₹ 1,89,098 - May 08, 2026	Nil
2.	2022-23	₹ 2,14,51,511/-	₹ 14,29,965.15	Nil	Nil	Nil	Nil
	TOTAL	**₹ 14,17,46,198/-**	**₹ 7,69,57,838**		**₹ 47,52,638**		**₹ 2,53,84,120**

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	**Project ID**	**Name of the Project**	**Financial Year in which the project was commenced**	**Project duration**	**Total amount allocated for the project (in ₹)**	**Amount spent on the project in the reporting Financial Year (in ₹)**	**Cumulative amount spent at the end of reporting Financial Year (in ₹)**	**Status of the project- Completed /Ongoing**
1.	FY31.03.2021_1	Improvements to Damanapeta to Ramavaram (Via Doddiguda village) from km 0/0 to 8/0 in Warangal Rural District.	2019-20	2 years	₹ 10,00,00,000/-	Nil	₹ 9,45,97,680/-	Completed
2.	FY 31.03.2022_1	Installation of Himast Street Lights	2021-22	2 years	₹ 84,89,490	Nil	₹ 87,30,920/-	Completed
3.	FY 31.03.2022_2	Mobile Fabrication cancer screening bus	2021-22	2 years	₹ 90,00,000	Nil	₹ 95,62,003/-	Completed
4.	FY 31.03.2023_1	Construction of Anganwadi School	2022-23	2 years	₹ 3,09,75,000	Nil	₹ 2,65,17,293	Completed
5	FY 31.03.2023_2	Development of road from Varikole to Vemulapally	2022-23	2 years	₹ 3,30,00,000	₹ 1,08,35,686	₹ 3,28,10,902	Completed
6	FY31.03.2024_3	Development and laying of internal cc roads in Dammannapet	2023-24	3years	₹ 4,22,00,000	₹ 2,68,90,663	₹ 3,79,98,955/-	On-going
7	FY31.03.2025_1	Construction of CC road	2024-25	3 years	₹ 50,50,000	₹ 29,14,564	₹ 49,44,167	Completed
8	FY31.03.2025_2	Free Eye Surgeries	2024-25	3 years	₹ 5,00,00,000	₹ 1,65,00,000	₹ 3,35,00,000	On-going
9	FY 31.03.2025_3	Construction of CC road in Bandauthpur	2024-25	3 years	₹ 2,45,00,000	₹ 1,98,16,925	₹ 1,98,16,925	On-going
	TOTAL				**₹ 30,32,14,490/-**	**₹7,69,57,838 /-**	**₹ 26,84,78,845/-**	

Annexure III (Contd.)

1. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR Spent in the financial year
   (a) Date of creation or acquisition of the capital asset(s): Nil
   (b) Amount of CSR spent for creation or acquisition of capital asset: Nil
   (c) Details of the entity or public authority or beneficiary under whose name: Nil
   such capital asset is registered, their address etc.
   (d) Provide details of the capital asset(s) created or acquired (including complete: Nil
   address and location of the capital asset).
2. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per section 135(5). – N.A

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

Sd/-
Dr. W R Reddy
Chairman – CSR Committee
(DIN: 00956445)

Place: Hyderabad
Date- August 13, 2026

Annexure IV

FORM.NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2026

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

To
The Members,
M/s. **KNR CONSTRUCTIONS LIMITED,**
Hyderabad.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions of the Acts, Rules and Regulations as mentioned below and the adherence to good corporate practices by M/s. KNR CONSTRUCTIONS LIMITED (herein called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2026 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. KNR CONSTRUCTIONS LIMITED ('the Company') for the financial year ended on March 31, 2026 according to the provisions of:

I. The Companies Act, 2013 (the Act) and the rules made thereunder as applicable;

II. The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

III. The Depositories Act, 1956 and the Regulations and the Bye-laws framed thereunder;

IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;

V. The following Regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI ACT'):

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013and dealing with client;

c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and 2018;Not applicable to the Company During the audit period

e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

f. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; Not applicable to the Company During the audit period

g. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not applicable to the Company during the audit period

h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not applicable to the Company during the audit period

i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2009; Not applicable to the Company during the audit period

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

(i) Secretarial Standards issued by the Institute of Company Secretaries of India(ICSI) applicable w.e.f. July 01, 2015.

(ii) The Listing Agreements entered by the Company with National Stock Exchange of India and BSE Limited.

The Company has identified the following Industry specific laws that are applicable to them:

1. The Building and other Construction Workers(Regulation of Employment and Conditions of Service) Act, 1996
2. Inter-State Migrant Workmen (Regulation of Employment & Conditions of Service) Act, 1979

We report that during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notices are given to all directors to schedule the Board meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions are carried through and as informed by the Company, there were no dissenting views of members of the Board at any Board / Committee meeting held during the financial year.

We further report that we rely on the statutory auditors and other professionals for the compliance by the Company of the applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts.

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

We further report that during the period under audit, there were nospecific events/actions, having a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc, referred to above.

For **VCSR & Associates**
Company Secretaries

(Ch.Veeranjaneyulu)
Partner
M No.F6121, CP No. 6392
Peer Review Cer. No. 6686/2025
UDIN: F006121H001096793

Place: Hyderabad
Date: August 13, 2026

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

(Annexure)

To
The Members,
M/s. **KNR CONSTRUCTIONS LIMITED,**
Hyderabad.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, were followed to provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **VCSR & Associates**
Company Secretaries

(Ch.Veeranjaneyulu)
Partner
M No.F6121, CP No. 6392
Peer Review Cer. No. 6686/2025
UDIN: F006121H001096793

Place: Hyderabad
Date: August 13, 2026

Annexure V

Form No. MR-3

SECRETARIAL AUDIT REPORT

(FOR THE FINANCIAL YEAR ENDED MARCH 31, 2026)

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
KNR RAMANATTUKARA INFRA PRIVATE LIMITED
Plot No 114, Phase I, Kavuri Hills, Beside SBI Nri Branch,
Hyderabad, Telangana, India, 500084

CIN: U45203TG2021PTC150950

Authorised Capital: ₹ 112,50,00,000
Paid-up Capital: ₹ 112,50,00,000

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KNR RAMANATTUKARA INFRA PRIVATE LIMITED** (hereinafter called **'the Company'**). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2026 ('Audit Period'), complied with the statutory provisions listed hereunder and also that the Company has proper Board - processes and compliance - mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2026, according to the provisions of:

I. The Companies Act, 2013 ("the Act") and the Rules made thereunder;

II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder - Not applicable;

III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; Pursuant to Rule 9A(11) of Companies (Prospectus and Allotment of Securities) Rules, 2014, Issue of securities in dematerialised form and facilitation of dematerialisation of all its existing securities by unlisted public companies is not applicable. However, the Company has held all the shares in dematerialised.

IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing; Not Applicable

V. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'); Not Applicable to the Company, as it is unlisted.

VI. Other laws applicable specifically to the Company, namely:

a) The Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996

b) Inter-State Migrant Workmen (Regulation of Employment & Conditions of Service) Act, 1979

c) Building and other Construction Workers' Welfare Cess Act, 1996;

d) Contract Labour (Regulation and Abolition) Act, 1970 and the Rules thereunder

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India.

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

Annexure V (Contd.)

Though the Company is deemed to be a public company pursuant to proviso to section 2(71) of Companies Act, 2013, the Company continues to be a private limited by its Articles. Accordingly, the Company has not increased the number of Members.

I further report that the compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of account have not been reviewed in this audit since the same have been subject to the review by the statutory financial auditors, tax auditors and other designated professionals.

I further report that:

Adequate notices were given to all directors to schedule the Board Meetings, and other committee meetings along with the agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

Though the Company is deemed to be a public company pursuant to proviso to section 2(71) of Companies Act, 2013, the Company continues to be a private limited in its Articles. Accordingly, the Company has not increased the number of Members.

For **Vijendra & Co.,**
Company Secretaries

Palavalasa Vijendra
Proprietor
Practicing Company Secretary
M.No: A60004 CP No: 22570
Peer Review Certificate No: 4642/2023
UDIN: A060004H001067549

Date: August 10, 2026
Place: Hyderabad

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

'Annexure A'

To,
The Members,
KNR RAMANATTUKARA INFRA PRIVATE LIMITED
Plot No 114, Phase I, Kavuri Hills, Beside SBI Nri Branch,
Hyderabad, Telangana, India, 500084

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.
7. We have conducted online verification and examination of records, as facilitated by the Company for the purpose of issuing this report.

For **Vijendra & Co.,**
Company Secretaries

Palavalasa Vijendra
Proprietor
Practicing Company Secretary
M.No: A60004 CP No: 22570
Peer Review Certificate No: 4642/2023
UDIN: A060004H001067549

Date: August 10, 2026
Place: Hyderabad

Annexure VI

FORM AOC-2

[Pursuant to Clause (h) of Sub-section (3) of Section 134 of the Companies Act, 2013 and
Rule 8(2) of Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms-length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arms-length: NIL

2. Details of material contracts or arrangements or transactions at arms-length basis:

(Amount in ₹)

Name of related party	Nature of relationship	Duration of contract	Salient features	Dates of approval by the Board	Amount paid	Amount paid in advance, if any
K Jalandhar Reddy	Promoter & Executive Director	Continuous	Land taken on lease	September 30, 2008	17,28,816	Nil
K Jalandhar Reddy	Promoter & Executive Director	Continuous	Guest house taken on lease	November 14, 2023	2,54,232	Nil
K Yashoda	Promoter & Non-Executive Director	Continuous	Land taken on lease	February 14, 2022	21,89,484	Nil
V Venu Gopal Reddy	Senior Management personnel and related to promoters	Continuous	Flat taken on lease	November 12, 2025	2,60,820	Nil

Note: Amount paid is for the FY 2025-26.

3. Details of contracts or arrangements or transactions not in the ordinary course of business

S. No	Particulars	Details
1.	Name(s) of the related party & nature of relationship	NIL
2.	Nature of contracts/arrangements/transactions	NIL
3.	Duration of the contract/arrangement/transaction	NIL
4.	Salient terms of the contract/arrangement/transaction including the value	NIL
5.	Justification of entering into such contract or arrangement of transaction	NIL
6.	Date of approval by the Board	NIL
7.	Amount paid as advances, if any	NIL
8	Date on which the special resolution was passed in General meeting as required under first proviso to Section 188	NIL

For and on behalf of the Board of
KNR Constructions Limited

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

Sd/-
K Jalandhar Reddy
Executive Director
(DIN: 00434911)

Place: Hyderabad
Date: August 13, 2026

Annexure VII

Business Responsibility & Sustainability Report

(Business Responsibility and Sustainability Reporting (BRSR) is the practice of companies disclosing information about their environmental, social, and governance (ESG) performance. It goes beyond financial reporting to provide stakeholders with a comprehensive view of a company's non-financial impacts and contributions to sustainable development. BRSR covers topics such as environmental impact, social responsibility, and governance practices, aiming to promote transparency and accountability.)

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

Sr. No.	Particulars	2025-26
1	Corporate Identity Number (CIN) of the Listed Entity	L74210TG1995PLC130199
2	Name of the Listed Entity	KNR Constructions Limited
3	Year of incorporation	11-07-1995
4	Registered office address	Plot No. 113 & 114, KNR House, 3rd and 4th Floor, Kavuri Hills, Phase I, Hyderabad, Telangana-500033
5	Corporate address	Plot No. 113 & 114, KNR House, 3rd and 4th Floor, Kavuri Hills, Phase I, Hyderabad, Telangana-500033
6	E-mail	investors@knrcl.com
7	Telephone	040-40268761
8	Website	www.knrcl.com
9	Financial year for which reporting is being done	April 01, 2025 - March 31, 2026
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited and National Stock Exchange of India Limited
11	Paid-up Capital	₹ 56,24,69,200/-
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Haritha Varanasi, Company Secretary 040-40268761 cs@knrcl.com
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	Standalone Basis
14	Name of assurance provider	NA
15	Type of assurance obtained	NA

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Construction and Engineering	Construction and Engineering	100%

17. Products/Services sold by the entity (*accounting for 90% of the entity's Turnover*):

Sr. No.	Product/Service	NIC Code	% of total Turnover Contributed
1	Construction and Engineering	421001	100%

Business Responsibility & Sustainability Report (Contd.)

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	0	32	32
International	0	0	0

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	7*
International (No. of Countries)	0

*The Company operates across multiple states in India through its project execution activities.

b. What is the contribution of exports as a percentage of the total turnover of the entity?

0.00%

c. A brief on types of customers

We serve a distinguished clientele that includes the National Highways Authority of India, the Government of Telangana, the Irrigation Department, State Transport Corporations, the Ministry of Road Transport and Highways, and the Greater Hyderabad Municipal Corporation.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
	EMPLOYEES					
1	Permanent (D)	2,542	2,533	99.65%	9	0.35%
2	Other than Permanent (E)	0	0	0.00%	0	0.00%
3	**Total employees (D + E)**	2,542	2,533	99.65%	9	0.35%
	WORKERS					
4	Permanent (F)	598	580	96.99%	18	3.01%
5	Other than Permanent (G)	0	0	0.00%	0	0.00%
6	Total workers (F + G)	598	580	96.99%	18	3.01%

b. Differently abled Employees and workers:

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
	DIFFERENTLY ABLED EMPLOYEES					
1	Permanent (D)	2	2	100%	0	0.00%
2	Other than Permanent (E)	0	0	0.00%	0	0.00%
3	**Total differently abled employees (D + E)**	2	2	100%	0	0.00%

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
	DIFFERENTLY ABLED WORKERS					
4	Permanent (F)	0	0	0.00%	0	0.00%
5	Other than Permanent (E)	0	0	0.00%	0	0.00%
6	**Total differently abled workers (F + G)**	0	0	0.00%	0	0.00%

21. Participation/Inclusion/Representation of women

Particular	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	6	2	33.33%
Key Management Personnel	3	1	33.33%

22. Turnover rate for permanent employees and workers

Particular	2025-26 (Turnover rate in current FY)			2024-25 (Turnover rate in previous FY)			2023-24 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	9.87%	43.48%	10.01%	0.54%	8.33%	0.57%	1.34%	0.00%	1.34%
Permanent Workers	105.31%	0.00%	104.54%	46.50%	0.00%	46.50%	12.93%	0.00%	12.93%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

1. (a) Names of holding/subsidiary/associate companies/joint ventures

Sr. No.	Name of the holding/subsidiary/ associate companies/joint ventures (A)	Indicate whether holding/subsidiary/ Associate/Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business responsibility initiatives of the listed entity? (Yes/No)
1	KNR Agrotech and Beverages Private Limited	Subsidiary	100%	No
2	KNR Infrastructure Projects Private Limited	Subsidiary	100%	No
3	KNR Energy Limited	Subsidiary	100%	No
4	KNRC Holdings and Investments Private Limited	Subsidiary	100%	No
5	KNR Somwarpet Infraproject Private Limited	Subsidiary	100%	No
6	KNR Palani Infra Private Limited*	Subsidiary	100%	No
7	KNR Ramanattukara Infra Private Limited	Subsidiary	100%	No
8	KNR Guruvayur Infra Private Limited	Subsidiary	100%	No
9	KNR Ramagiri Infra Private Limited*	Subsidiary	100%	No
10	KNR Kaveri Infra Private Limited	Subsidiary	100%	No
11	KNR Sriranganatha Infra Private Limited	Subsidiary	100%	No
12	KNR Ramatheertham Infra Private Limited	Subsidiary	100%	No
13	KNRHC Baidyanath Banhardih Coal Mine Private Limited	Subsidiary	74%	No

Business Responsibility & Sustainability Report (Contd.)

Sr. No.	Name of the holding/subsidiary/ associate companies/joint ventures (A)	Indicate whether holding/subsidiary/ Associate/Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business responsibility initiatives of the listed entity? (Yes/No)
14	KNR Mahabalipuram Infra Private Limited	Subsidiary	100%	No
15	Patel KNR Heavy Infrastructures Limited	Associate	40%	No
16	Patel KNR Infrastructures Limited	Associate	40%	No
17	SEL-KNR-JV	Joint Venture	49%	No

*As of the date of this report, the subsidiary has ceased to be a wholly owned subsidiary of the Company.

VI. CSR Details

23. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)

Yes

a. Turnover (in ₹)

20,96,71,53,368

b. Net worth (in ₹)

40,54,79,37,726

VII. Transparency and Disclosures Compliances

24. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	*Grievance Redressal Mechanism in Place (Yes/No) **	2025-26 Current Financial Year			2024-25 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0	NA	0	0	NA
Investors (other than shareholders)		0	0	NA	0	0	NA
Shareholders	Yes	0	0	NA	0	0	NA
Employees and workers	Yes	0	0	NA	0	0	NA
Customers	Yes	0	0	NA	0	0	NA
Value Chain Partners	Yes	0	0	NA	0	0	NA
Other (please specify)	-	-	-	-	-	-	-

*** Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)**

Stakeholder group from whom complaint is received	Web Link for Grievance Policy
Communities	http://knrcl.com/images/policies/Grievance-Redressal-Policy.pdf
Investors (other than shareholders)	
Shareholders	
Employees and workers	
Customers	
Value Chain Partners	
Other (please specify)	-

1. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Emissions & Effluents	Risk & Opportunity	The construction sector is inherently energy-intensive, contributing significantly to both direct and indirect GHG emissions. Without adequate control, these emissions can lead to legal complications and environmental risks.	The Company mitigates environmental impacts through the use of efficient exhaust systems in machinery and vehicles, periodic performance evaluations, sprinkler systems along aggregate conveyors, and regular monitoring of emissions.	Negative
2	Energy Management	Opportunity	Construction and real estate operations are highly dependent on electricity and other natural resources. Efficient management of energy use is essential for reducing operational costs and environmental impact.	The Company is also planning to reduce dependency on conventional energy resources and reduce carbon footprint by adopting renewal energy sources.	Positive
3	Sustainable construction and Procurement	Opportunity	The environmental efficiency of real estate assets is under increasing scrutiny. Companies are expected to comply with environmental regulations and improve sustainability credentials to stay competitive.	The Company has established sustainable procurement policy mandating essential environmental and ethical standards and to comply with all the applicable regulations, reduction in greenhouse gases, observe all pertinent regulations regarding business conduct.	Positive

Business Responsibility & Sustainability Report (Contd.)

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4	Climate Change	Risk	Climate change introduces physical and transition risks, including floods, extreme weather, regulatory pressures, and energy shifts, which can disrupt construction timelines and affect infrastructure integrity.	Operational planning incorporates climate resilience by considering climate variability. The Company is actively implementing measures to enhance energy efficiency, minimize waste and reduce emissions. Further, flood management systems, climate-resilient construction materials, and customised mix designs are adopted to enhance project resilience.	Negative
5	Water and Wastewater Management	Risk	Water is essential across construction phases. Overuse or improper discharge can deplete or pollute local water sources, triggering cost increases and legal repercussions.	The Company monitors the quality of nearby water bodies, optimises water consumption through sprinkler systems, and promotes the use of recycled water for curing and landscaping activities.	Negative
6	Waste Management	Opportunity	Adopting circular economy practices such as reuse, recycle, and refurbish can lower material costs, reduce waste, and prepare the business for evolving regulations.	NA	Positive
7	Biodiversity Protection & Conservation	Risk	Infrastructure development can disrupt natural ecosystems. Monitoring before and after projects is essential to reduce environmental impacts and maintain compliance.	Projects are undertaken only after obtaining the necessary statutory approvals. Environmental compliance is maintained through regular monitoring, implementation of control measures, site barricading, plantation initiatives, compensatory afforestation, and transplantation wherever feasible.	Negative
8	Circular Economy	Opportunity	Transitioning to circular economy principles promotes sustainable consumption, resource efficiency, and long-term cost savings.	NA	Positive
9	Employee Wellbeing and Development	Risk	Employee satisfaction supports retention, while high attrition increases costs and risks and may affect the Company's reputation.	The Company identifies employee development needs, provides role-specific training, supports career progression, promotes employee-friendly policies, and encourages mentoring and capability-building initiatives.	Negative

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
10	Diversity and Inclusion	Opportunity	High levels of diversity and inclusion enhance organisational culture, promote innovation, and strengthen brand reputation.	NA	Positive
11	Customer Satisfaction	Opportunity	Customer satisfaction is a direct indicator of business performance and impacts future contracts and client relationships.	NA	Positive
12	Product Quality	Risk	Poor construction quality can result in legal liability, rework costs, reputational damage, and safety risks due to changing climatic conditions.	KNRCL maintains robust quality assurance and quality control practices across its projects, including roads, canal systems, and reservoir bunds. Successful completion of the Defect Liability Period and asset monetisation reflect its commitment to quality.	Negative
13	Human Rights and Labour Management	Risk	A large, decentralised workforce requires robust systems to ensure fair labour practices, worker safety, and compliance with human rights regulations.	The Company ensures compliance with applicable labour regulations by providing a safe working environment, onsite accommodation, fair wages, and dedicated personnel to support workforce management at project sites.	Negative
14	Community Engagement	Risk	Construction can bring development as well as disruption. Lack of community involvement may lead to resistance, delays, or project cancellations.	The Company maintains regular engagement with local communities through designated representatives and undertakes CSR initiatives such as road development, improved water access, and support for self-help groups.	Negative
15	Compliance and Business Ethics	Risk	Ethics-related violations such as fraud or corruption can lead to investigations, penalties, and reputational loss. Strong governance systems are essential.	The Company follows established internal financial controls and regulatory requirements, with oversight from the Audit Committee through periodic review of financial reporting.	Negative
16	Corporate Governance	Risk	Investors assess companies on governance practices, which influence accountability, transparency, and long-term value creation.	The Board regularly reviews governance matters, while internal audit mechanisms facilitate ongoing monitoring and continuous improvement of governance practices.	Negative

Business Responsibility & Sustainability Report (Contd.)

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
17	Data Privacy and Security	Risk	Handling sensitive data involves risks of breaches, regulatory action, and reputational damage. Securing data is essential to protect stakeholders and business integrity.	The Company safeguards information through role-based access controls, restricted data access, and strict protocols governing the sharing of information with third parties.	Negative

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Sr. No	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Policy and management processes									
1. a	Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No/NA)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b	Has the policy been approved by the Board? (Yes/No/NA)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c	Web Link of the Policies, if available	http://knrcl.com/images/policies/BRSR-policy.pdf								
2	Whether the entity has translated the policy into procedures. (Yes/No/NA)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Do the enlisted policies extend to your value chain partners? (Yes/No/NA)	No	No	No	No	No	No	No	No	No
4	Name of the national and international codes/ certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	-	-	ISO 45001:2018	-	-	ISO 14001:2015	-	-	ISO 9001:2015
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company remains committed to integrating sustainability considerations into its operations and continuously improving its environmental and social performance. In line with this commitment, the Company has identified the following key focus areas: a) Increase the use of renewable energy across operations to reduce greenhouse gas emissions. b) Promote optimal recycling and reuse of bitumen and construction waste to improve resource efficiency and support circular economy practices. c) Strengthen employee capability through enhanced training and development programmes focused on technical skills, safety practices, and equipment operations.								
6	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The Company has made progress towards its identified commitments during the year. In particular, the commitment relating to the recycling and reuse of bitumen and construction waste has been achieved, with recycled materials being utilized in road construction activities. Further details are provided in the relevant disclosures of this report								

Governance, leadership and oversight

7 Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

Dear Stakeholders,

As the director responsible for the Business Responsibility Report, I am pleased to present an overview of our ESG initiatives to our esteemed shareholders. Our commitment to Environmental, Social, and Governance (ESG) principles forms the foundation of our business philosophy. Environment: We have implemented effective exhaust mechanisms for machinery and vehicles, with regular checks to ensure optimal performance. Sprinklers on conveyors help reduce air emissions from aggregate crushers, supported by consistent emissions monitoring. Our electricity consumption is managed through captive sources like generators. We are also exploring ways to include renewable energy in place of conventional energy We optimise waste materials from structures and pavements, using them in diversion roads and construction layers. Our focus on waste reduction, reusing, and efficient water use underscores our commitment to environmental sustainability. Social: Our social initiatives include identifying and training individuals for project deployment, fostering career progression opportunities, and maintaining high employee retention through supportive policies and welfare activities. Our mentoring programmes contribute to staff retention and consistent performance. Governance: Governance is a cornerstone of our operations. Frequent Board meetings ensure accountability, transparency, ethical decision-making, and adherence to business ethics. Internal audits reinforce our commitment to sound governance practises, enhancing shareholder and investor confidence. In conclusion, our ESG initiatives encompass environmental sustainability, social empowerment, and robust governance practises. We are dedicated to addressing challenges, meeting targets, and fostering responsible growth, guided by our commitment to creating lasting value for all stakeholders. We appreciate your ongoing support and confidence in our organisation. Together, we are poised to build a brighter and more sustainable future.

Sincerely,

K Jalandhar Reddy

Executive Director

DIN No.: 00434911

8 Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).

Shri K Jalandhar Reddy, Executive Director

9 Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes/No/NA).

Yes

If Yes please provide details

Shri K Jalandhar Reddy, Executive Director

10 Details of Review of NGRBCs by the Company

Subject for Review	**Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee**								
	P1	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**
a. Performance against above policies and follow up action	Director								
b. Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	Director								

Business Responsibility & Sustainability Report (Contd.)

Subject for Review	Frequency (Annually/Half yearly/Quarterly/Any other-please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
a. Performance against above policies and follow up action	Annually								
b. Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	Annually								

		P1	P2	P3	P4	P5	P6	P7	P8	P9
11	Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No).	No	No	Yes	No	No	Yes	No	No	Yes
	If yes, provide name of the agency.	-	-	Global Standards	-	-	Global Standards	-	-	Global Standards

12	**If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:**	**P1**	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**
	The entity does not consider the Principles material to its business (Yes/No)	NA								
	The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
	The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
	It is planned to be done in the next financial year (Yes/No)									
	Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

(This principle focuses on the importance of ethical conduct and transparency in business operations. Companies should follow ethical business practices and adhere to high standards of integrity. They should also be transparent about their activities, operations, and financial reporting, as well as be accountable for their actions)

Essential Indicators

1. **Percentage coverage by training and awareness programmes on any of the principles during the financial year.**

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	3	Regulatory amendments	100%
Key Managerial Personnel	3	Regulatory amendments	100%
Employees other than BOD and KMPs	7	SAP Training, Saral Training, Safety Measures, GSR, Clear Tax, HR Policies	100%
Workers	6	Safety measures, Tool & Equipment Safety, First Aid Training	100%

2. **Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format**

Monetary					
Particular	**NGRBC Principle**	**Name of the regulatory/ enforcement agencies/ judicial institutions**	**Amount (In ₹) (For Monetary Cases only)**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
Penalty/Fine	NA				
Settlement					
Compounding fee					

Non-Monetary				
Particular	**NGRBC Principle**	**Name of the regulatory/ enforcement agencies/judicial institutions**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
Imprisonment	NA			
Punishment*	Principle 1 – Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable	National Highways Authority of India (NHAI)	NHAI issued a show cause notice to KNR Ramanattukara Infra Private Limited (subsidiary of the Company) and KNR Constructions Limited in relation to the failure of the main carriageway, service road and associated structures in a project stretch.	Yes

* The disclosure relates to a Show Cause Notice issued by NHAI and the associated temporary suspension/debarment proceedings. Accordingly, the matter has been classified under "Punishment" under non-monetary actions. The proceedings were subsequently resolved through a Settlement Agreement with NHAI.

3. **Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.**

Case Details	**Name of the regulatory/ enforcement agencies/ judicial institutions**
Pursuant to the show cause notice initiated by NHAI, KNR Ramanattukara Infra Private Limited entered into a Settlement Agreement with NHAI. Under the settlement, the subsidiary agreed to construct a 377 m viaduct at its own cost and not participate in NHAI bids up to November 30, 2025. Based on the settlement terms, NHAI agreed to drop all penalty and debarment proceedings against the subsidiary and its promoters.	National Highways Authority of India (NHAI)

4. **Does the entity have anti-corruption or anti-bribery policy? (Yes/No)**

Yes

If Yes, provide details in brief

KNRCL has implemented an Anti-Bribery Policy to prevent and eliminate all forms of bribery and corruption. The policy applies to all individuals associated with the Company, including its subsidiaries and affiliates, who are expected to adhere to its principles and comply with the requirements set forth therein.

Business Responsibility & Sustainability Report (Contd.)

If Yes, Provide a web link to the policy, if available -Web link anti-corruption or anti bribery policy is place

http://knrcl.com/images/policies/Anti_bribery_policy.pdf

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:**

Particular	2025-26	2024-25
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. **Details of complaints with regard to conflict of interest:**

Case Details	2025-26		2024-25	
	Number	Remark	Number	Remark
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	NA	0	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	NA	0	NA

7. **Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/ law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.**

No such instances

8. **Number of days of accounts payables in the following format:**

Particular	2025-26	2024-25
Number of days of accounts payables	60	40*

*Previous year figure has been restated to align with the revised methodology adopted in the current year.

9. **Open-ness of business**

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	2025-26	2024-25
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	0%	0%
	b. Number of trading houses where purchases are made from	0	0
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	0%	0%
Concentration of Sales	a. Sales to dealers/distributors as % of total sales	0%	0%
	b. Number of dealers/distributors to whom sales are made	0	0
	c. Sales to top 10 dealers/distributors as % of total sales to dealers/distributors	0%	0%
Share of RPTs in	a. Purchases (Purchases with related parties/Total Purchases)	0%	0%
	b. Sales (Sales to related parties/Total Sales)	30.95%	44.66%
	c. Loans & advances (Loans & advances given to related parties/Total loans & advances)	56.95%	69.82%
	d. Investments	100%	100%

Leadership Indicators

2. Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No)

Yes

If Yes, provide details of the same.

The Company's Code of Conduct requires all Directors to avoid situations that may result in an actual or potential conflict with the interests of the Company. Directors are also required to provide annual confirmation of their compliance with the Code of Conduct.

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe.

(This principle highlights the importance of sustainable and safe production practices. Companies should strive to minimise the environmental impact of their activities and ensure that their products and services are safe for consumers and the environment.)

Essential Indicator

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Sr. No.	Particular	2025-26	2024-25	Details of improvements in environmental and social impacts
1	R&D	0%	0%	NA
2	Capex	0%	0%	NA

2 a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes

b. If yes, what percentage of inputs were sourced sustainably?

51%*

*The reported percentage is based on procurement from suppliers that are required to comply with the Company's Sustainable Procurement Policy, which mandates adherence to defined environmental and ethical standards and responsible business conduct practices.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for

(a)	Plastics (including packaging)	NA*
(b)	E-waste	
(c)	Hazardous waste	
(d)	other waste	

*Given the nature of the Company's operations, this disclosure is not applicable.

4. a Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No)

No*

b If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards?

NA

c If not, provide steps taken to address the same

NA

*Given the nature of the Company's operations, this disclosure is not applicable.

Business Responsibility & Sustainability Report (Contd.)

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains.

(This principle emphasises the importance of employee well-being. Companies should provide safe and healthy working conditions, fair wages, and opportunities for career development to all employees in their value chains, including suppliers, contractors, and temporary workers.)

Essential Indicators

1 a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	2,533	65	2.57%	2,533	100%	NA	NA	2,533	100%	0	0%
Female	9	9	100%	9	100%	9	100%	NA	NA	0	0%
Total	2,542	74	2.91%	2,542	100%	9	100%	2,533	100%	0	0%
Other than permanent employees*											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

*The Company does not engage ‘Other than permanent employees’.

1. b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	580	3	0.52%	580	100%	NA	NA	580	100%	0	0%
Female	18	4	22.22%	18	100%	18	100%	NA	NA	0	0%
Total	598	7	1.17%	598	100%	18	100%	580	100%	0	0%
Other than permanent workers*											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

*The Company does not engage ‘Other than permanent workers’.

1. c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format

	2025-26	2024-25
Cost incurred on well- being measures as a % of total revenue of the Company	0.01%	0.02%

2. **Details of retirement benefits, for Current FY and Previous Financial Year.**

Benefits	2025-26			2024-25		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	29.23%	10.37%	Yes	35.47%	21.60%	Yes
Gratuity	100%	100%	Yes	100.00%	0.00%	Yes
ESI	21.91%	100%	Yes	100.00%	61.55%	Yes
Others – please specify	-	-	-	-	-	-

3. **Accessibility of workplaces**

Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes

If not, whether any steps are being taken by the entity in this regard.

NA

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016?**

Yes

If so, provide a web-link to the policy.

http://knrcl.com/images/policies/Human-Rights

5. **Return to work and Retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention Rate	Return to work rate	Retention Rate
Male	100%	98%	100%	95%
Female	100%	100%	0%	0%
Total	100%	99%	100%	95%

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

Category	Yes/No	If Yes, then give details of the mechanism in brief
Permanent Workers	Yes	Employees and workers may raise concerns or grievances with the respective Project Managers at their project sites. Such concerns are escalated to the Project Director for investigation and resolution within 30 days. The status of all grievances is regularly reported to the Managing Director or Executive Director to ensure timely resolution and appropriate oversight.
Other than Permanent Workers	No*	NA
Permanent Employees	Yes	Employees and workers may raise concerns or grievances with the respective Project Managers at their project sites. Such concerns are escalated to the Project Director for investigation and resolution within 30 days. The status of all grievances is regularly reported to the Managing Director or Executive Director to ensure timely resolution and appropriate oversight.
Other than Permanent Employees	No*	NA

*The Company does not engage 'Other than permanent employees' or 'Other than permanent workers'.

Business Responsibility & Sustainability Report (Contd.)

7. **Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

Category	2025-26			2024-25		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/ workers in respective category (C.)	No. of employees/ workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent employees	2,542	0	0.00%	2,752	0	0.00%
Male	2,533	0	0.00%	2,738	0	0.00%
Female	9	0	0.00%	14.00	0	0.00%
Total Permanent Workers	598	0	0.00%	1,870	0	0.00%
Male	580	0	0.00%	1,870	0	0.00%
Female	18	0	0.00%	0	0	0.00%

8. **Details of training given to employees and workers:**

Category	2025-26					2024-25				
	Total (A)	On Health and Safety Measures		On Skill Upgradation		Total (D)	On Health and Safety Measures		On Skill Upgradation	
		Number (B)	% (B/A)	Number (C)	% (C/A)		Number (E)	% (E/D)	Number (F)	% (C/D)
Employees										
Male	2,533	2,533	100.00%	1,500	59.22%	2,738	2,738	100.00%	840	30.68%
Female	9	9	100.00%	6	66.67%	14	12	85.71%	5	35.71%
Total	2,542	2,542	100.00%	1,506	59.24%	2,752	2,750	99.93%	845	30.70%
Workers										
Male	580	580	100.00%	450	77.59%	1,870	1,870	100.00%	1,277	68.29%
Female	18	15	83.33%	10	55.56%	0	0	0.00%	0	0.00%
Total	598	595	99.50%	460	76.92%	1,870	1,870	100.00%	1,277	68.29%

9. **Details of performance and career development reviews of employees and worker:**

Category	2025-26			2024-25		
	Total (A)	No. (B)	% (B/A)	Total (D)	No. (E)	% (E/D)
Employees						
Male	2,533	1,500	59.22%	2,738	2,730	99.71%
Female	9	5	55.56%	14	12	85.71%
Total	2,542	1,505	59.21%	2,752	2,742	99.64%
Workers						
Male	580	580	100%	1,870	1375	73.53%
Female	18	15	83.33%	0	0	0.00%
Total	598	595	99.50%	1,870	1,375	73.53%

10. Health and safety management system

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No)

Yes

If Yes, the Coverage such systems?

KNRCL places the highest priority on the health, safety, and well-being of its employees and other stakeholders. The Company's Health, Safety, and Environment (HSE) Policy provides the framework for effectively managing critical HSE aspects across its operations. To reinforce this commitment, KNRCL has implemented a Health, Safety, and Environment Management System certified to ISO 45001:2018.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Company assesses occupational health and safety risks across all ongoing, new, and modified operations, processes, products, and services, while also considering applicable regulatory changes. Risk assessments cover both routine and non-routine activities and are conducted on a quarterly basis, including reviews of incidents and near misses, where applicable. Identified hazards are prioritised for elimination or mitigation in accordance with the hierarchy of controls, following which residual risks are reassessed to ensure the effectiveness of the implemented measures.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks? (Yes/No)

Yes

d. Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)

Yes

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category*	2025-26	2024-25
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High-consequence work-related injury or ill health (excluding fatalities)	Employees	0	0
	Workers	0	0

*Including in the contract workforce

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

The Company is committed to fostering a safety-first culture by promoting individual accountability across its operations. Personnel deployed at project sites receive regular training to identify, assess, and manage risks associated with their activities. Periodic site inspections and health and safety awareness programmes are conducted to strengthen safety practices. The Company's safety management framework includes work permit systems, structured training, Lockout/Tagout (LOTO) procedures, operational controls, monitoring mechanisms, audits, and periodic assessments. Any identified gaps, deviations, observations, or lessons learned are addressed through appropriate corrective and preventive actions, with progress tracked to ensure timely closure. In addition, the Company has implemented a Workmen Compensation Accident (WCA) Policy for workers deployed at project sites.

13. Number of Complaints on the following made by employees and workers:

Particulars	2025-26			2024-25		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	NA	0	0	NA
Health & Safety	0	0	NA	0	0	NA

14. Assessment for the year:

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

No safety-related incidents were reported during the financial year under review. The Company continues to monitor and assess safety performance across all project sites and implements necessary measures to further strengthen health and safety standards.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of*

(A) Employees (Y/N)

Yes

(B) Workers (Y/N)

Yes

*The Company provides workmen's compensation insurance for workers and group personal accident insurance for employees, which include compensation benefits in the event of death, subject to the terms of the respective policies.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders.

(This principle highlights the importance of stakeholder engagement. Companies should consider the interests and perspectives of all stakeholders, including shareholders, employees, customers, suppliers, and the communities in which they operate. They should also be responsive to stakeholder concerns and feedback.)

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

Stakeholder identification forms an integral part of the Company's approach to achieving its business objectives. The Company follows a structured process to identify and engage with key stakeholder groups, including investors, vendors, customers, employees, lenders, and local communities. This process involves assessing the Company's operations and understanding the potential impact of its activities on these stakeholders. By considering stakeholder expectations and concerns, the Company seeks to proactively address risks, strengthen relationships, and support informed decision-making, thereby contributing to sustainable business performance and long-term value creation.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other- Please Specify)	Frequency of engagement (Annually, Half-yearly, Quarterly, others- Please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investors	No	Email, Newspaper, Website, Investor calls	Quarterly	Share updates on the Company's financial performance, operational progress, business developments, and strategic initiatives, and address investor queries.
Vendors	No	Meetings	Vendors of capital equipment – on a regular basis; Vendors of materials – as and when required	Discuss procurement of capital equipment and materials, project requirements, delivery schedules, quality expectations, and other supply-related matters.
Customers	No	Meetings	On regular basis	Discuss project progress, execution timelines, quality and safety requirements, contractual obligations, and address project-related concerns.
Employees	No	Meetings	As and when required	Address HR-related matters such as trainings, feedback, reviews, performance appraisals, HR connects, etc
Lenders	No	Meetings	As and when required	Facilitate financial assistance through concessionaire meetings
Community	No	Community Meetings	As and when required	Drive CSR projects, interact with local community for concerns and issues if any

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PRINCIPLE 5 Businesses should respect and promote human rights.

(This principle focuses on the importance of human rights. Companies should respect and promote human rights, including the rights to freedom of expression, association, and privacy. They should also prevent and address human rights violations in their operations and value chains.)

Essential Indicators

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format**

Benefits	2025-26			2024-25		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	2,542	2,542	100%	2,752	2,752	100%
Other than permanent	0	0	0.00%	0	0	0.00%
Total Employees	2,542	2,542	100%	2,752	2,752	100%
Workers						
Permanent	598	598	100%	1,870	1,870	100%
Other than permanent	0	0	0.00%	0	0	0.00%
Total Workers	598	598	100%	1,870	1,870	100%

2. **Details of minimum wages paid to employees and workers**

Category	2025-26					2024-25				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	2,533	454	17.92%	2,079	82.08%	2,738	350	12.78%	2,388	87.22%
Female	9	0	0.00%	9	100.00%	14	2	14.29%	12	85.71%
Total	2,542	454	17.86%	2,088	82.14%	2,752	352	12.79%	2,400	87.21%
Other than Permanent										
Male	0	0	0.00%	0	0	0.00%	0	0	0.00%	0
Female	0	0	0.00%	0	0	0.00%	0	0	0.00%	0
Total	0	0	0.00%	0	0	0.00%	0	0	0.00%	0

Category	2025-26					2024-25				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Workers										
Permanent										
Male	580	184	31.72%	396	68.28%	1,870	312	16.68%	1,558	83.32%
Female	18	12	66.67%	6	33.33%	0	0	0%	0	0%
Total	598	196	32.78%	402	67.22%	1,870	312	16.68%	1,558	83.32%
Other than Permanent										
Male	0	0	0.00%	0	0	0.00%	0	0	0.00%	0
Female	0	0	0.00%	0	0	0.00%	0	0	0.00%	0
Total	0	0	0.00%	0	0	0.00%	0	0	0.00%	0

3. Details of remuneration/salary/wages

a. Median remuneration/wages:

Particular	Male		Female	
	Number	Median remuneration/salary/ wages of respective category	Number	Median remuneration/salary/ wages of respective category
Board of Directors (BOD)*	2	12,33,45,000	0	0
Key Managerial Personnel**	2	12,33,45,000	1	15,47,580
Employees other than BOD and KMP***	2,533	2,95,200	9	5,46,948
Workers	580	1,80,000	18	1,53,000

*Only the remuneration of the Executive Directors has been considered for calculating the median remuneration of the Board of Directors.

**The Executive Directors are the Company's Key Managerial Personnel (KMP); accordingly, the remuneration reported is the same.

***For the purpose of this disclosure, the Managing Director (MD) and Executive Directors (EDs) have been excluded from the male category, while the Company Secretary (CS) has been excluded from the female category.

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

Particulars	2025-26	2024-25
Gross wages paid to females as % of total wages	0.56%	0.31%

4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

No

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company addresses employee grievances in accordance with its established policies and procedures, ensuring that all HR-related concerns are handled with sensitivity, priority, and timely resolution.

6. Number of Complaints on the following made by employees and workers:

Particulars	2025-26			2024-25		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	NA	0	0	NA
Discrimination at workplace	0	0	NA	0	0	NA
Child Labour	0	0	NA	0	0	NA
Forced Labour/Involuntary Labour	0	0	NA	0	0	NA
Wages	0	0	NA	0	0	NA
Other human rights related issues	0	0	NA	0	0	NA

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

Particulars	2025-26	2024-25
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees/workers	0%	0%
Complaints on POSH upheld	0	0

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company has established a structured grievance redressal mechanism to address complaints related to discrimination and harassment. The process ensures confidentiality throughout the investigation, protects the identity of the complainant, and provides safeguards against any form of retaliation.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No/NA)

Yes

10. Assessments for the year:

Name of the Assessment	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	-

11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 10 above.

The Company regularly monitors its project sites to ensure the absence of child labour, forced labour, workplace discrimination, sexual harassment, and unequal pay practices. Any instances identified or reported are promptly investigated, and appropriate corrective actions are taken in accordance with the Company's policies and applicable laws.

Leadership Indicators

1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.

No human rights grievances or complaints were received during the reporting period, reflecting the Company's continued commitment to maintaining a respectful and inclusive workplace. While no modifications to business processes were required, the Company remains committed to promptly addressing any concerns that may arise and will strengthen its processes, wherever necessary, to uphold human rights standards.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016? (Yes/No)

Yes

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment.

(This principle emphasises the importance of environmental stewardship. Companies should minimise their impact on the environment, conserve natural resources, and promote environmental sustainability. They should also take steps to restore and rehabilitate degraded ecosystems.)

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	2025-26 (in Giga Joules)	2024-25 (in Giga Joules)
From renewable sources		
Total electricity consumption (A)	0	3.11
Total fuel consumption (B)	0	0
Energy consumption through other sources (C.)	0	0
Total energy consumed from renewable sources (A+B+C)	**0**	**3.11**
From non-renewable sources		
Total electricity consumption (D)	20,393.31	37,538.35
Total fuel consumption (E)	7,03,227.11	23,84,709.53
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	**7,23,620.50**	**24,22,247.88**
Total energy consumed (A+B+C+D+E+F)	**7,23,620.50**	**24,22,251**
Energy intensity per rupee of turnover [Total energy consumed (in GJ)/Revenue from operations (in rupees)]	0.0000345121	0.0000721198***
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) [Total energy consumed (in GJ)/Revenue from operations in rupees adjusted for PPP]	0.0007019761	0.0014899950***
Energy intensity in terms of physical output [Total energy consumed (in GJ)/<mention the physical output details>]	NA	NA
Energy intensity (optional) – the relevant metric may be selected by the entity	230.45	NA
Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency?		No
If yes, name of the external agency.	NA	

* The revenue from operations has been adjusted for Purchasing Power Parity (PPP) using the latest PPP conversion factor published by the International Monetary Fund (IMF) for India for the year 2026, which is 20.34 and for the year 2025, which is 20.66.

** Energy intensity based on physical output is not disclosed, as the Company undertakes diverse infrastructure projects (e.g., highways, bridges, irrigation and canal projects) where output units vary significantly and lack standardization.

*** The intensity figures reported for FY 2024–25 have been updated based on the revised revenue figures.

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2. **Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Yes/No)**

No

If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

NA

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter	2025-26	2024-25
Water withdrawal by source (in kilolitres)		
(i) Surface water	1,35,700	2,57,600
(ii) Groundwater	1,40,460	38,30,299
(iii) Third party water	78,050	10,81,605
(iv) Seawater/desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**3,54,210**	**51,69,504**
Total volume of water consumption (in kilolitres)	**3,52,386***	**51,69,504**
Water intensity per rupee of turnover [Total water consumption (in KL)/Revenue from operations (in rupees)]	0.0000168066	0.0001539162***
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP [Total water consumption (in KL)/Revenue from operations in rupees adjusted for PPP]	0.0003418457	0.0031799078***
Water intensity in terms of physical output [Total water consumption (in KL)/physical output]	NA	NA
Water intensity (optional) – the relevant metric may be selected by the entity	112.22	NA
Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Yes/No)		**No**
If yes, name of the external agency.	**NA**	

*Water consumption during the reporting year is lower compared to the previous year, primarily due to a significant number of projects reaching the completion stage, resulting in reduced construction-related water requirements.

**Water intensity based on physical output is not disclosed, as the Company undertakes diverse infrastructure projects (e.g., highways, bridges, irrigation and canal projects) where output units vary significantly and lack standardization.

*** The intensity figures reported for FY 2024–25 have been updated based on the revised revenue figures.

4. Provide the following details related to water discharged:

Parameter	2025-26	2024-25
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
No treatment	0	0
With treatment – please specify level of treatment	0	0
(ii) To Groundwater		
No treatment	0	0
With treatment – please specify level of treatment	0	0
(iii) To Seawater		
No treatment	0	0
With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties		
No treatment	1,824	0
With treatment – please specify level of treatment	0	0
(v) Others		
No treatment	0	0
With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	**1,824**	**0**
Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)		**No**
If yes, name of the external agency.	**NA**	

*Water withdrawal at Head office location is discharged into community sewage.

5. Has the entity implemented a mechanism for Zero Liquid Discharge?

No

If yes, provide details of its coverage and implementation.

NA

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	2025-26	2024-25
NOx	mg/Nm³	12.476	13.025
SOx	mg/Nm³	16.391	11.225
Particulate matter (PM)	mg/Nm³	55.05	-
Persistent organic pollutants (POP)*	-	-	-
Volatile organic compounds (VOC)*	-	-	-
Hazardous air pollutants (HAP)*	-	-	-
Others – please specify	-	-	-
Particulate Matter – PM10 (<10µm)	mg/Nm³	-	64.265
Particulate Matter – PM2.5 (<2.5µm)	mg/Nm³	-	33.16
Carbon Monoxide (CO)	mg/Nm³	-	1.09
Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)			**Yes**
If yes, name of the external agency.		**Sri Krishna Aqua Engineering works**	

*Not applicable as company's activities do not involve these emissions.

7. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	2025-26 *	2024-25
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	54,447.01	1,83,389.74
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	4,022.03	7,580.66
Total Scope 1 and Scope 2 emissions per rupee of turnover [Total Scope 1 and Scope 2 GHG emissions (in $MTCO_2e$)/ Revenue from operations (in rupees)]		0.0000027886	0.0000056859**
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) [Total Scope 1 and Scope 2 GHG emissions (in $MTCO_2e$)/Revenue from operations in rupees adjusted for PPP]		0.0000567202	0.0001174713**
Total Scope 1 and Scope 2 emission intensity in terms of physical output*** [Total Scope 1 and Scope 2 GHG emissions (in $MTCO_2e$)/<mention the physical output details>		NA	NA
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		18.62	NA
Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)			No
If yes, name of the external agency.		NA	

*Source of emission factors used - EPA's GHG Emission Factors Hub, CEA's CDM - CO2 Baseline Database User Guide Version 21 has been used for the purpose of GHG Emissions calculations.

**The intensity figures reported for FY 2024–25 have been updated based on the revised revenue figures.

***Total Scope 1 and 2 emission intensity based on physical output is not disclosed, as the Company undertakes diverse infrastructure projects (e.g., highways, bridges, irrigation and canal projects) where output units vary significantly and lack standardization.

8. **Does the entity have any project related to reducing Green House Gas emission? (Yes/No)**

Yes

If Yes, then provide details.

All construction vehicles, equipment, and machinery are regularly maintained to comply with the emission standards prescribed by the State Pollution Control Board. Tree plantation has also been carried out along the project highway to enhance the surrounding green cover.

9. **Provide details related to waste management by the entity, in the following format:**

Parameter	2025-26	2024-25
Total Waste generated (in metric tonnes)		
Plastic waste (A)	14.00	11.00
E-waste (B)	0	0
Bio-medical waste (C)	0	0
Construction and demolition waste (D)	350.00	11,100.00
Battery waste (E)	0	0.13
Radioactive waste (F)	0	0
Other Hazardous waste(G) - BT scarification	2,500.00	0
Other Non-hazardous waste generated (H)	0	0
Total (A+B + C + D + E + F + G + H)	**2,864.00**	**11,111.13**

Parameter	2025-26	2024-25
Waste intensity per rupee of turnover [Total waste generated (in MT)/Revenue from operations (in rupees)]	0.0000001366	0.0000003308**
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) Total waste generated (in MT)/Revenue from operations in rupees adjusted for PPP	0.0000027783	0.0000068348**
Waste intensity in terms of physical output*** Total waste generated (in MT)/physical output	NA	NA
Waste intensity (optional) – the relevant metric may be selected by the entity	0.91	NA

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Category of waste	2025-26	2024-25
(i) Recycled	0	0
(ii) Re-used	2,850	11,100
(iii) Other recovery operations	0	0
Total	**2,850**	**11,100**

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

Category of waste	2025-26	2024-25
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	14.00	11.13
Total	**14.00**	**11.13**
Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)		No
If yes, name of the external agency.	NA	

*Waste generation during the current year was lower than the previous year, mainly attributable to the completion of several projects, leading to a reduction in construction and project-related waste generation

**The intensity figures reported for FY 2024–25 have been updated based on the revised revenue figures.

***Waste intensity based on physical output is not disclosed, as the Company undertakes diverse infrastructure projects (e.g., highways, bridges, irrigation and canal projects) where output units vary significantly and lack standardization.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company follows appropriate waste management practices, including the use of authorised landfill facilities and engagement of approved third-party agencies for the collection, treatment, and disposal of waste, wherever applicable. Given the nature of its construction activities, the Company does not generate significant quantities of toxic chemicals. The Company continues to evaluate and strengthen its waste management procedures to ensure responsible disposal practices and minimise adverse environmental impacts.

Business Responsibility & Sustainability Report (Contd.)

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/ clearances are required, please specify details in the following format:

Sr. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N)	If no, the reasons thereof and corrective action taken, if any.
NA*				

*The Company does not operate in ecologically sensitive areas.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
NA*					

*The Company has not undertaken any such assessment during the financial year.

13. Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N/NA).

Yes

If not, provide details of all such non-compliances, in the following format:

Specify the law/regulation/ guidelines which was not complied with	Provide details of the non- compliance	Any fines/penalties/action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
NA			

Leadership Indicators

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	2025-26	2024-25*
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	13210.46**	-
Total Scope 3 emissions per rupee of turnover [Total Scope 3 emissions (in MTC°2e)/Revenue from operations (in rupees)]		0.0000006301	-
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		4.21	-
Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)			No
If yes, name of the external agency.		NA	

* The Company has started measuring Scope 3 emissions from FY 2025-26.

**Scope 3 emissions include emissions from the following categories. :

Category – 3 – Fuels and Energy-related Activities (Not Included in Scope 1 & Scope 2)

Category – 5 – Waste Generated in Operations

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

(This principle highlights the importance of responsible advocacy. Companies should engage in policy advocacy in a responsible and transparent manner, and avoid engaging in activities that could undermine the public interest or the democratic process.)

Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/associations.**

   1

   b. **List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to.**

Sr. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/associations (State/National/International)
1	National Highway Builders Federation	National

2. **Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of authority	Brief of the case	Corrective action taken
	NA*	

*There were no such instances.

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development.

(This principle emphasises the importance of promoting inclusive and equitable economic development. Companies should create economic opportunities for all, including disadvantaged and marginalised groups. They should also contribute to the development of local communities and support social and economic empowerment.)

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
			NA*		

*The Company has not undertaken any such assessment during the financial year.

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

Sr. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
				NA*		

*The Company has not undertaken any projects requiring Rehabilitation and Resettlement (R&R) activities during the financial year.

3. **Describe the mechanisms to receive and redress grievances of the community.**

   Stakeholders may raise concerns or grievances directly with the respective Project Managers at project sites. Such concerns are escalated to the Project Director, who is responsible for investigating and resolving them within 30 days. The status and resolution of all grievances are subsequently communicated to the Managing Director or Executive Director to ensure appropriate oversight and timely closure.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

Particular	2025-26	2024-25
Directly sourced from MSMEs/small producers	2.00%	1.46%
Directly from within India	100%	100%

5. **Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost**

Particular	2025-26	2024-25
Rural	28.26%	26.00%
Semi-urban	37.93%	43.00%
Urban	20.51%	22.00%
Metropolitan	13.29%	9.00%

(Place to be categorised as per RBI Classification System - rural/semi-urban/urban/metropolitan)

Leadership Indicators

6. **Details of beneficiaries of CSR Projects:**

Sr. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
1	Construction of BT Road from Dammannapet to Bandauthpur	Not ascertainable	Not ascertainable
2	Contribution towards Eye surgeries in collaboration with Rajiv Gandhi Charitable Trust	2,021	100%
3	Renovation of ZPHS School, Tatipamula	Not ascertainable	Not ascertainable
4	Construction of school in Varanasi	Not ascertainable	Not ascertainable

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner.

(This principle highlights the importance of responsible consumer engagement. Companies should provide safe, high-quality products and services, and ensure that they are marketed and sold ethically and responsibly. They should also be transparent about their products and services, and provide consumers with the information they need to make informed choices.)

Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

   The Company operates in the construction and engineering sector, with a primary focus on highway infrastructure projects, and does not manufacture or sell consumer products. Accordingly, customer concerns or grievances are generally related to project execution, construction quality, and project timelines. Stakeholders may submit their concerns through email or written correspondence, which are forwarded to the respective Project Heads for timely resolution. Customers may also raise their concerns by writing to info@knrcl.com.

2. **Turnover of products and/services as a percentage of turnover from all products/service that carry information about**

Particular	As a percentage to total turnover
Environmental and social parameters relevant to the product	NA*
Safe and responsible usage	
Recycling and/or safe disposal	

*This is not applicable, as our operations do not encompass manufacturing activities.

3. Number of consumer complaints in respect of the following:

Particular	2025-26		Remark	2024-25		Remark
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	NA	0	0	NA
Advertising	0	0	NA	0	0	NA
Cyber-security	0	0	NA	0	0	NA
Delivery of essential services	0	0	NA	0	0	NA
Restrictive Trade Practices	0	0	NA	0	0	NA
Unfair Trade Practices	0	0	NA	0	0	NA
Other	0	0	NA	0	0	NA

4. Details of instances of product recalls on account of safety issues:*

Particular	Number	Reason for recall
Voluntary recalls	0	NA
Forced recalls	0	NA

*This is not applicable, as our operations do not encompass manufacturing activities

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No)

Yes

If available, provide a web link of the policy

http://knrcl.com/images/policies/Information-Security-Management-Policy.pdf

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.

No such instances

7. Provide the following information relating to data breaches

a. Number of instances of data breaches along-with impact

0

b. Percentage of data breaches involving personally identifiable information of customers

0%

c. Impact, if any, of the data breaches

No such instances

Leadership Indicator

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

KNR Constructions Limited (KNRCL) is a construction and engineering company in India, primarily engaged in the construction and development of roads, irrigation projects and mining. The details can be accessed in the following link:

https://www.knrcl.com/projects.html

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services

KNRCL has in place approach to promote road safety across all the projects. The Company has warning, cautionary and informative signs to guide the users. Necessary steps are being taken to manage traffic flow and ensure the safety of commuters and workers.

Report on Corporate Governance

The Directors present the Company's Report on Corporate Governance pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations 2015).

1. COMPANY'S PHILOSOPHY

KNR Constructions Limited ("KNRCL") is committed to implement sound corporate governance practices with a view to bring transparency, accountability and equity in all facets of its operations and maximising shareholders value. KNRCL is committed to achieve the good standards of Corporate Governance on continuous basis by laying emphasis on ethical corporate citizenship and establishment of good corporate culture which aims at true Corporate Governance.

To succeed, we believe, it requires high standards of corporate behaviour towards everyone we work with, the community we touch and the environment on which we have an impact. This is our road to consistent, competitive and responsible growth and creating long term value for our members, our people and our business partners. The above principles have been the guiding force for whatever we do and shall continue to be so in the years to come.

The Board of Directors plays a crucial role in overseeing how the management serves the short and long-term interest of members and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board. We keep our governance practices under review and benchmark ourselves to best practices across the globe.

2. BOARD OF DIRECTORS:

(a) Composition and category of directors:

The Board of your company has an optimum mix of executive and non-executive Directors with half of the board comprising of Independent Directors. As on date of this report, the Board consists of 6 directors - comprising 2 Executive directors, 3 Independent directors, and 1 non-executive director. Further, out of the said 6 Directors 3 of them are promoter Directors of the Company. The composition of the Board represents an optimal mix of professionalism, knowledge, experience and enables the board to discharge its responsibilities and provide effective leadership to the business.

The Company obtains from each director - on an annual basis - details of the board and board committee positions he/she occupies in other companies and changes, if any, regarding their directorship. In addition, the independent directors provide an annual confirmation that they meet criteria of independence as defined under section 149(6) of the Companies Act, 2013.

The Board composition is in conformity with the provisions of Companies Act, 2013 read with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Nomination and Remuneration Committee periodically evaluates the criteria with respect to qualifications, independence, remuneration, performance etc., of directors.

(b) The details of the Board of directors including their attendance at the meetings of Board and committees, shareholders, directorships/chairmanships/memberships on the Boards /Committees of other Companies and names of the listed entities where the person is a director and the category of directorship as required under Regulation No.34 read with Schedule V of the Listing Regulations are as below:

Name of the Director	Category	No. of Board Meetings		Attendance at the last AGM (September 25, 2025)	No. of Directorships in other Companies		Chairmanships/ Memberships in Committees of other Public Companies		Name of other listed entities where he/she is a director and the category of directorship
		Entitled	Attended		Private	Public	Membership	Chairmanship	
Shri Kamidi Narsimha Reddy	Promoter/ Executive Director	8	8	Yes	1	10	0	0	0
Shri Kamidi Jalandhar Reddy	Promoter/ Executive Director	8	8	Yes	3	8	0	1	0

Name of the Director	Category	No. of Board Meetings		Attendance at the last AGM (September 25, 2025)	No. of Directorships in other Companies		Chairmanships/ Memberships in Committees of other Public Companies		Name of other listed entities where he/she is a director and the category of directorship
		Entitled	Attended		Private	Public	Membership	Chairmanship	
Smt. Kamidi Yashoda	Promoter/ Non-Executive Director	8	6	Yes	4	9	0	0	0
Smt Gottipulla Chandra Rekha	Independent/ Non- Executive Director	8	8	Yes	0	3	1	2	0
Dr. Wdaru Rampulla Reddy	Independent/ Non-Executive Director	8	7	No	3	1	3	0	0
Shri Kalakota Udaya Bhaskara Reddy	Independent/ Non-Executive Director	8	8	Yes	1	0	0	0	0

The directorships in public companies of Mr. Kamidi Narsimha Reddy, Mr. Kamidi Jalandhar Reddy and Mrs. Kamidi Yashoda includes directorships in wholly owned subsidiaries/subsidiaries, that are considered as deemed public companies

The Directorships held by Directors in other Companies, as mentioned above do not include Directorships in Foreign Companies., Companies Registered under Section 8 of the Companies Act, 2013.

None of the Directors on the Board is a member on more than 10 Committees and Chairman of more than 5 Committees across all the listed entities in which they are directors. None of the Directors holds office in more than 10 public companies and seven listed entities. None of the Directors serves as Independent Director in more than seven listed entities.

In accordance with Regulation 26 of the SEBI (LODR) Regulations, none of the Directors are members in more than 10 committees or act as chairperson of more than 5 committees (the committees being, Audit Committee and Stakeholders' Relationship Committee) across all public limited companies in which he/she is a Director.

Conduct of Board Proceedings

The day-to-day business is conducted by the executives of the Company under the directions of Managing Director and Executive Directors and the supervision of the Board. The Board holds periodical meetings every year to review and discuss the performance of the Company, its future plans, strategies and other pertinent issues relating to the Company.

The Board performs the following specific functions in addition to the oversight of the business and the management.

- Review, monitor and approve major financial and business strategies and corporate actions
- Assess critical risk facings the Company and review options for their mitigation
- Ensure that processes are in place for maintaining the integrity of
    - o the Company;
    - o the financial statements;
    - o compliance with laws;
    - o relationship with customers, suppliers and other stakeholders;
- Delegation of appropriate authority to the committees/executive directors/senior executives of the Company for effective management of operations

Report on Corporate Governance (Contd.)

Barring emergency instances, the notice of Board meetings is given well in advance to all the directors. The agenda of the Board meeting is set by the Company Secretary in consultation with the Managing Director of the Company. The agenda is circulated a week prior to the date of the meeting that includes an Action Taken Report detailing the implementation of the decisions taken at the previous Board Meeting, business to be discussed at the meeting, statutory compliance status etc.

In case of urgency, the Company obtains prior approval from the Directors to call, convene, and hold Board meetings at shorter notice.

Governance Policies

At KNRCL, we strive to conduct our business and strengthen our relationships in a manner that is dignified, distinctive and responsible. We adhere to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. Therefore, we have adopted various codes and policies to carry out our duties in an ethical manner. Some of these codes and policies are:

- Code of Conduct
- Code of Conduct for Prohibition of Insider Trading
- Whistle Blower Policy
- Code of Conduct for Board of Directors and Officers of Senior Management
- Corporate Social Responsibility Policy
- Sexual Harassment Policy

(c) Number of meetings of the Board of directors held and dates on which held:

The Board met 8 times during the financial year 2025-26 on the following dates, with a gap not exceeding one hundred and twenty days between any two meetings:

May 29, 2025	August 11, 2025	September 25, 2025	November 12, 2025	December 08, 2025	January 05, 2026	February 05, 2026	March 30, 2026

Familiarisation programs for Board Members

The Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarise with the Company's procedures and practices.

Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved. During the Board Meetings, discussions on operational and functional matters provide insights on the business carried out by the Company and the environment in which the Company operates. Further, information on material changes in the regulatory framework and other statutory requirements and the level of impact on the Company's operations are provided to the Directors. The details of familiarisation programme can be viewed from our company's website www.knrcl.com

Meetings of Independent Directors

The Company's Independent Directors meet at least once in every financial year without the presence of Executive Directors or management personnel. Such meetings are conducted formally to enable Independent Directors to discuss matters pertaining to the Company's affairs and put forth their views. The Independent Directors take appropriate steps to present their views to the Managing Director.

One such meeting of Independent Directors was held during the year on March 30, 2026 without the presence of Executive Directors and management personnel, inter-alia, to discuss:

i. Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;

ii. Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors; and

iii. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The details of the attendance of the Independent Directors in the meeting are as below.

Name	No. of meetings held during the year 2025-26	
	Held	Attended
Smt Gottipulla Chandra Rekha	1	1
Dr Wdaru Rampulla Reddy	1	1
Shri Kalakota Udaya Bhaskara Reddy	1	1

Details of Directors

Brief resume of all the Directors of the Company are furnished hereunder:

Dr. Wdaru Rampulla Reddy, non-executive Independent Director and Chairman of the Company, had a career spanning around 33 years in the Indian Administrative Service, where he had held several senior positions in the central and state governments.

He served as Director General, National Institute of Rural Development and Panchayat Raj. He had also served in various positions such as Additional Chief Secretary, Principal Secretary, Special Secretary in Taxes Department, Government of Kerala,

He has also served for Government of India as Joint Secretary for Ministry of Agriculture, Director – Department of Personnel and Training.

In addition, he has also served as Deputy Secretary/Joint Secretary – Irrigation and Command Area Development Department, Project Director- District Rural Development Agency for Government of Andhra Pradesh (prior to separation).

Further, he has also served as Sub-Collector, District Collector, Government of Kerala, Managing Director for Kerala Water Authority, Managing Director for Kerala Milk Marketing Federation and Milk Development Commission for the Government of Kerala.

During his service, he has significantly contributed in the areas of rural development, planning and development of watershed areas for sustainable livelihood of the people in rain fed areas, planning, execution of irrigation projects, integrated tribal development, promoting water conservation, revitalising the co-operative movement in dairy sector of Kerala and turning around the business of Kerala Co-operative Milk Federation, Promoting productivity of Livestock through artificial insemination in Kerala state, Revival of NIRDPR and launched numerous programmes for sustainable rural development in India.

He headed the PSUs of Kerala viz., Kerala State Financial Enterprises, Kerala State Forest Development Corporation as Chairman. He also worked as Director on the Board of GSTIN, a PSU of Government of India.

He has also represented the Government of India at various international platforms like United Nations at UN Convention against Corruption during the year 2003-04, Member of delegation to India Brazil South Africa multilateral co-operation, head of the delegation of bilateral discussions with Brazil, Argentine, USA, Canada etc.,

Currently, he is serving as

a) Board of Directors in APMAS, an NGO working in women empowerment and enterprise development in agriculture and allied sectors.

b) Board of Director in SEEDS, a social sector enterprise working for rural upliftment

c) Member of executive Committee of Indian Panchayat Foundation, a Society working with strengthening of the Local Governments in the country.

d) Set up an institution of excellence for agribusiness sector, and works as Guest professor in Food and Agri Business School (FABS), Sagar Group of Institutions, Hyderabad.

He is currently serving as chairman of the Company and Chairman of Corporate Social Responsibility Committee.

He holds 2100 equity shares in the Company as on March 31, 2026.

Shri Kamidi Narsimha Reddy aged 77 years, is the Founder Promoter and the Managing Director of the Company. He holds a Bachelor's degree in Arts from Kakatiya University. He has over 50 years of experience in the roads and infrastructure sector, and has been the driving force behind the Company's establishment and growth, and Company has grown to the current size and scale under his able leadership. He started his career in 1968 as sub-contractor for other construction companies. In 1979, he formed a partnership in the name and style of M/s Kamidi Narsimha Reddy & Company, which was engaged in the business of undertaking civil and mechanical contracts. Shri Reddy has extensive knowledge and experience in project planning, scheduling, cost controls, and quality surveying in addition to overall construction project management. Shri Reddy oversees the implementation of all the projects and has formulated the corporate vision of the Company.

Shri Kamidi Narsimha Reddy is holding 8,54,84,926 Equity Shares in the Company as on March 31, 2026.

Shri Kamidi Jalandhar Reddy, aged 54 years, is the Promoter and Executive Director of KNR Constructions Limited. He is the son of the Company's founder Promoter and Managing Director, Shri Kamidi Narsimha Reddy. He holds a Bachelor's Degree in Computer Engineering from Bangalore University. He has over 25 years of experience in the roads and infrastructure sector. He started his career with KNR Constructions as a project manager and was elevated as Executive Director from the year 1997. He heads the tendering and bidding activities of the Company, as also is in charge of the projects execution.

Shri Jalandhar Reddy is holding 3,72,59,210 Equity Shares in the Company as on March 31, 2026.

Smt. Kamidi Yashoda, aged 74 years, is the Promoter and Non-Executive Director of KNR Constructions Limited. She is the wife of the Company's founder Promoter and Managing Director, Shri Kamidi Narsimha Reddy. She has been non-executive Director of the Company since 2014 and chairperson of Stakeholders Relationship Committee.

She is holding 80,15,010 Equity Shares in the Company as on March 31, 2026

Smt. Gottipulla Chandra Rekha, aged 48 years, Non-Executive and Independent Director of the Company. She is a B. Com, Graduate and has worked as billing and coding specialist and administrator in health sector.

Smt Gottipulla Chandra Rekha joined the Board of Directors of the Company with effect from May 30, 2019 and she is currently member of Nomination and remuneration committee, Stakeholders Relationship Committee and Risk Management Committee.

Smt Gottipulla Chandra Rekha does not hold any Equity Shares in the Company as on March 31, 2026

Shri Kalakota Udaya Bhaskara Reddy has a vast experience of around 40 years in banking sector. He had held various senior positions in Indian Bank viz., Deputy General Manager, Deputy Zonal Manager, General Manager, Zonal Manager and Chief Risk Officer at various locations in several departments like Treasury, Inspection and Control, MSMEs, International Division, Administration, Business Development and Profit Monitoring.

He was also associated with Syndicate Bank as Assistant Manager and Manager.

His area of expertise includes risk management, formulating risk management policies and their implementation, credit monitoring and underwriting, treasury management, International banking and business development.

He served as Nominee Director in IndBank Merchant Banking Services Limited and IndBank Housing Limited.

Currently he is serving as a Director in SYFX Treasury Foundation.

He is chairman of Audit Committee, Nomination and Remuneration Committee and member of Risk Management Committee and Corporate Social Responsibility Committee.

He doesn't hold any shares of the Company as on March 31, 2026.

Disclosure of Relationship between the Directors inter-se:

<table>
<tr><th>Name of the Director</th><th>Name of Director to whom Related to</th><th>Relationship</th></tr>
<tr><td rowspan="2">Shri Kamidi Narsimha Reddy</td><td>Smt Kamidi Yashoda</td><td>Husband</td></tr>
<tr><td>Shri Kamidi Jalandhar Reddy</td><td>Father</td></tr>
<tr><td rowspan="2">Smt Kamidi Yashoda</td><td>Shri Kamidi Narsimha Reddy</td><td>Wife</td></tr>
<tr><td>Shri Kamidi Jalandhar Reddy</td><td>Mother</td></tr>
<tr><td rowspan="2">Shri Kamidi Jalandhar Reddy</td><td>Shri Kamidi Narsimha Reddy</td><td rowspan="2">Son</td></tr>
<tr><td>Smt Kamidi Yashoda</td></tr>
<tr><td>Smt. Gottipulla Chandra Rekha</td><td>None</td><td>None</td></tr>
<tr><td>Dr Wdaru Rampulla Reddy</td><td>None</td><td>None</td></tr>
<tr><td>Shri Kalakota Udaya Bhaskara Reddy</td><td>None</td><td>None</td></tr>
</table>

Chart/Matrix setting out the skills/expertise/ competence of the Board of Directors

S.no	Skills/expertise/ competence required	Names of Directors who possess the skills/ expertise/competence
1.	Commercial and Industrial	Shri Kamidi Narsimha Reddy Shri Kamidi Jalandhar Reddy
2.	Regulatory	Shri Kamidi Narsimha Reddy Shri Kamidi Jalandhar Reddy Dr W R Reddy
3.	Finance and Accounts	Shri Kamidi Narsimha Reddy Shri Kamidi Jalandhar Reddy Shri Kalakota Udaya Bhaskara Reddy
4.	Legal and General Management	Shri Kamidi Narsimha Reddy Shri Kamidi Jalandhar Reddy Smt Kamidi Yashoda (General Management) Dr. Wdaru Rampulla Reddy
5.	Industrial health and safety	Smt. Gottipulla Chandra Rekha

The current composition of your Company's Board includes directors with core industry experience and has all the key skills and experience mentioned above.

Detailed reasons for the resignation of independent director who resigns before the expiry of his/her tenure along with a confirmation by such director that there are no other material reasons other than those provided: During the 2025-26, no resignation to the office of Independent Director has taken place.

Committees of the Board

There are Five Board Committees – the Audit Committee, the Nomination & Remuneration Committee, the Stakeholders Relationship Committee, Corporate Social Responsibility Committee and the Risk Management Committee. The Committees are formed and duly constituted in line with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The terms of reference of the Board Committees are determined by the Board from time to time, other than the Independent Directors Committee, the terms of reference of which have been adopted as prescribed under law. Meetings of each Board Committee are convened by the respective Committee Chairman. Matters requiring the Board's attention / approval, as emanating from the Board Committee meetings, are placed before the Board with clearance of the Committee Chairman. The role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below.

3. AUDIT COMMITTEE

The Company has in place an audit committee as per the provisions section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulations, 2015.

Composition, Name of the Members and Chairman

The Audit Committee comprises of Two Non-Executive and Independent Directors and One Executive Director.

Name	Designation	Category
Shri Kalakota Udaya Bhaskara Reddy	Chairman	Non-Executive and Independent Director
Shri (Dr) W R Reddy	Member	Non-Executive and Independent Director
Shri Kamidi Jalandhar Reddy	Member	Executive and Non-Independent Director

The Company Secretary acts as the Secretary to the Audit Committee.

The Minutes of the meetings of the Audit Committee are circulated to all the members of the Board along with the Agenda.

Terms of reference of the Committee are as follows:

- Review the un-audited quarterly results and Annual accounts of the Company
- Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct and credible.
- Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment of any other services
- Reviewing with the management, the annual financial statements before submission to the Board focusing primarily on:
  - (i) Any changes in accounting policies and practices
  - (ii) Major accounting entries based on exercise of judgment by the management

Report on Corporate Governance (Contd.)

(iii) Qualifications in draft audit reports

(iv) Significant adjustments arising out of the audit

(v) The going concern assumption

(vi) Compliance with accounting standards

- Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval
- Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
- Discussion with internal auditors any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspicion of fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the board
- Discussion with external auditors before the audit commences, on the nature and scope of audit and also post- audit to ascertain any areas of concern
- Reviewing the Company's financial and risk management policies
- To look into and review the reasons for substantial defaults, if any, in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

Meetings and Attendance during the year:

During the financial year ended on March 31, 2026, the Audit Committee met 4 times May 29, 2025, August 11, 2025, November 12, 2025, February 05, 2026 with a gap of not more than one hundred and twenty days between any two meetings.

Sl. No.	Name of the Director	Meetings entitled to attend	Attended
1	Shri Kamidi Jalandhar Reddy	4	4
2	Shri (Dr) W R Reddy	4	4
3	Shri Kalakota Udaya Bhaskara Reddy	4	4

4. NOMINATION AND REMUNERATION COMMITTEE

The Company has in place a Nomination and Remuneration committee in line with the provisions of section 178 of the companies Act, 2013. The Nomination and Remuneration Committee has been constituted to formulate and recommend to the Board all elements of the remuneration package of the Managing Director and Executive Directors, including performance / achievement bonus and perquisites payable to the whole time directors.

Composition, Name of the Members and Chairman

This Committee comprises of three members and all are Non-Executive with majority being Independent Directors:

Name	Designation	Category
Shri Kalakota Udaya Bhaskar Reddy	Chairman	Non-Executive and Independent Director
Smt. Gottipulla Chandra Rekha	Member	Non-Executive and Independent Director
Shri (Dr) Wdaru Rampulla Reddy	Member	Non-Executive and Independent Director

The Company Secretary acts as the Secretary to the Nomination and Remuneration Committee.

The Minutes of the meetings of the Nomination and Remuneration Committee are circulated to all the members of the Board along with the Agenda.

The terms of reference of the Nomination and Remuneration Committee are as follows:

- The Remuneration Committee recommends to the board the compensation terms of the executive directors

- Framing and implementing on behalf of the Board and the shareholders, a credible and transparent policy on remuneration of executive directors including ESOP, Pension Rights and any compensation payment
- Considering approving and recommending to the Board the changes in designation and increase in salary of the executive directors
- Ensuring the remuneration policy is good enough to attract, retain and motivate directors
- Bringing about objectivity in fixing the remuneration package while striking a balance between the interest of the Company and the shareholders
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the Remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

Meetings and Attendance during the year.

During the financial year ended on March 31, 2026, the Nomination and Remuneration Committee met 2 times on August 11, 2025 and September 25, 2025.

Sl. No.	Name of the Director	Meetings entitled to attend	Attended
1	Smt. Gottipulla Chandra Rekha	2	2
2	Shri(Dr) W R Reddy	2	1
3	Shri Kalakota Udaya Bhaskar Reddy	2	2

Remuneration of Directors

a) all pecuniary relationship or transactions of the non-executive directors vis-à-vis the Company:

The Company neither has any pecuniary relationship nor has entered into any transaction(s) with any of its non-executive directors except the sitting fees for attending the Board / committee meeting and reimbursement of expenses in that regard.

b) Criteria of making payments to non-executive directors:

The remuneration policy describing the criteria of making payment to non-executive directors is available at http://knrcl/images/policies/criteria-of-making-payments-to-Non-Executive-Directors.pdf

c) Disclosures with respect to remuneration Information that is mandatorily to be disclosed in the annual report as per the provisions of Sec 197 of the Companies Act, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Directors report.

Further, information as required under Regulation 34 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 is hereunder:

Report on Corporate Governance (Contd.)

All elements of remuneration package of individual directors summarised under major groups, such as salary, benefits, bonuses, stock options, pension etc for the 2025-26:

(₹ In Lakhs)

Sl. No	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Shri Kamidi Narsimha Reddy (Managing Director)	Shri Kamidi Jalandhar Reddy Executive Director & CFO)	
1	Gross salary			
a	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7,80,00,000	5,40,00,000	13,20,00,000
b	Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	24,90,000	24,90,000
c	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil
	-as % of profit	Nil	Nil	Nil
	-others	Nil	Nil	Nil
5	Others (Variable Pay)	6,63,00,000	4,59,00,000	11,22,00,000
	Total	**14,43,00,000**	**10,23,90,000**	**24,66,90,000**

- The Board in consultation with its Nomination and Remuneration Committee adopts generally accepted criteria for determining remuneration to its Director's.
- There are no performance linked incentives or bonus to any of its directors other than the variable pay as approved by the members of the Company recommended by the Board and Nomination and Remuneration Committee.
- Moreover, no service contracts were entered into by the Company, hence, notice period and severance fees are not applicable.
- Stock option details, if any including issue at a discount as well as the period over which accrued and over which exercisable: The Company has not issued any stock options

Sitting Fees paid to the Non-Executive Directors during 2025-26:

(Amount in ₹)

Name	Position	Sitting Fee	Other Fees	Total
INDEPENDENT DIRECTORS/NON EXECUTIVE DIRECTORS				
Smt. Kamidi Yashoda	Non-Executive Non-Independent Director	5,00,000	-	5,00,000
Smt. Gottipulla Chandra Rekha	Non-executive Independent Director	9,00,000	-	9,00,000
Dr. Wdaru Rampulla Reddy	Non-executive Independent Director	18,50,000	--	18,50,000
Shri Kalakota Udaya Bhaskara Reddy	Non-executive Independent Director	20,50,000	--	20,50,000

Shares held by the Non-Executive Directors as on March 31, 2026 are as under.

Name of the Non-Executive Directors	No. of shares held as on the date
Smt. Kamidi Yashoda	80,15,010
Smt. Gottipulla Chandra Rekha	Nil
Dr. Wdaru Rampulla Reddy	2100
Shri Kalakota Udaya Bhaskara Reddy	Nil

Performance Evaluation criteria for independent director.

Independent Directors are evaluated based on below mentioned criteria:

(i) their general understanding of the Company's business dynamics

(ii) global business and social perspective

(iii) professional ethics, integrity and values

(iv) willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively

The Nomination and Remuneration Committee laid down criteria for performance evaluation of all the Directors on the Board and recommended the same for evaluating the performance of each and every Director.

Board evaluates the performance of Independent Directors annually based on their participation at the Board and Committee meetings conducted during the year and the Nomination and Remuneration Committee recommends the appointment/re-appointment of the Independent Directors by assessing the role played by them in all the meetings they attended.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Board has constituted Stakeholders' Relationship Committee in accordance with the provisions of Section 178 of the Companies Act, 2013 read with Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Composition, Name of the Members and Chairman

This Committee comprises of three members, with 1 Non-Executive Independent director, 1 Non-Executive Director and one Executive Director.

This Committee comprises of the following members

Name	Designation	Category
Smt. Kamidi Yashoda	Chairperson	Non-Executive and Non-Independent Director
Shri Kamidi Jalandhar Reddy	Member	Executive and Non-Independent Director
Smt. Gottipulla Chandra Rekha	Member	Non-Executive and Independent Director

The terms of reference of the Stakeholders Relationship Committee are as follows:

To allot the equity shares of the Company, and to supervise and ensure:

(i) Efficient transfer of shares; including review of cases for refusal of transfer/transmission of shares and debentures;

(ii) Redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc;

(iii) Issue of duplicate/split/consolidated share certificates;

(iv) Review of cases for refusal of transfer/transmission of shares and debentures;

(v) Reference to statutory and regulatory authorities regarding investor grievances;

(vi) And to otherwise ensure proper and timely attendance and redressal of investor queries and grievances.

Shareholders complaints Status:

Opening	Nil
Received During the Period	Nil
Resolved During the Period	Nil
Pending	Nil

Name of non-executive director heading the committee:

Smt. Kamidi Yashoda (Non-Executive and Non-Independent Director)

Name and designation of Compliance Officer

Smt. Haritha Varanasi, Company Secretary
KNR Constructions Limited
KNR House, Plot No. 114, Phase I,
Kavuri Hills, Hyderabad – 500033
Contact No. + 91 40 4026 8761/62
E-mail - investors@knrcl
Fax - +91 40 4026 8760

Meeting and Attendance during the year.

During the financial year ended on March 31, 2026, the Stakeholders Relationship Committee met once on November 20, 2025.

Sl. No.	Name of the Director	Meeting entitled to attend	Attended
1	Smt. Kamidi Yashoda	1	1
2	Shri Kamidi Jalandhar Reddy	1	1
3	Smt. Gottipulla Chandra Rekha	1	1

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company has in place a Corporate Social Responsibility Committee, constituted in accordance with Section 135 of the Companies Act, 2013, comprising of members in compliance of the said act. The Committee performs its duties and discharges its responsibilities as per its terms of reference and directions if any, given by the Board from time to time. The Corporate Social Responsibility Committee was entrusted with the responsibility of overseeing Environment, Social and Governance (ESG) related issues along with the responsibilities as per Section 135(3) of the Companies Act, 2013.

Composition, Name of the Members and Chairman

This Committee comprises of three members, with 2 Non-Executive Independent Director and one Executive Director.

This Committee comprises of the following members

Name	Designation	Category
Shri (Dr) W R Reddy	Chairman	Non-Executive & Independent Director
Shri Kamidi Jalandhar Reddy	Member	Executive Director
Shri Kalakota Udaya Bhaskar Reddy	Member	Non-Executive & Independent Director

The terms of reference of the Corporate Social Responsibility Committee are as under:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013;
- Recommend the amount of expenditure to be incurred on the activities referred to in clause (i) above; and
- Monitor the Corporate Social Responsibility Policy of the Company from time to time.

Meeting and Attendance during the year.

During the financial year ended on March 31, 2026, the Corporate Social Responsibility Committee met 5 times on May 29, 2025, August 11, 2025, November 11, 2025, February 05, 2025 and March 30, 2026.

Sl. No.	Name of the Director	Meeting entitled to attend	Attended
1	Shri Kamidi Jalandhar Reddy	5	5
2	Shri (Dr) W R Reddy	5	5
3	Shri Kalakota Udaya Bhaskar Reddy	5	5

7. RISK MANAGEMENT COMMITTEE

The Company has in place a Risk Management Committee constituted in accordance with the Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 comprising of members in compliance of the said regulations. The Committee performs its duties and discharges its responsibilities as per its terms of reference and directions if any, given by the Board from time to time.

Composition, Name of the Members and Chairman

This Committee comprises of six members, with 3 Non-Executive Independent Directors, 1 Executive Director, 1 Sr. Vice-President (Technical) and General Manager (F&A)

This Committee comprises of the following members

Name	Designation	Category
Shri Kamidi Jalandhar Reddy	Chairman	Executive Director
Shri (Dr) W R Reddy	Member	Non-Executive & Independent Director
Shri Kalakota Udaya Bhaskar Reddy	Member	Non-Executive & Independent Director
Smt Gottipulla Chandra Rekha	Member	Non-Executive & Independent Director
Shri T Bhaskar Rao	Member	Sr. Vice-President(Technical)
Shri K Venkataram Rao	Member	General Manager (F&A)

The terms of reference of the Risk Management Committee are as follows:

The Committee shall

a) Approve and periodically review the risk management policies of the Company's operations.

b) Review significant reports from regulatory agencies relating to risk management and compliance issues, and management's responses.

c) Policies and procedures establishing risk management governance, risk management procedures and risk control infrastructure for operations

d) Review significant risk exposures and steps, including policies and procedures, that management has taken to identify, measure, monitor, control, limit and report such exposures including, without limitation, credit, market, fiduciary, liquidity, reputational, operational fraud, strategic, technology (data security, information, business continuity risk etc) and risks associated with incentive compensation plans;

e) Evaluate risk exposure and tolerance;

f) Review and evaluate the corporation's practices with respect to risk assessment and risk management;

g) Review reports and significant findings of risk and compliance and internal Audit Department with respect to the risk management and compliance activities of the corporation, together with the management's responses and follow-up to these reports;

h) To evaluate various risks of the business and to draw out risk management plan for the Company;

i) To take steps to identify and mitigate Information technology and cyber security risks that the Company is or may be exposed to on regular basis;

j) To inform Board on the effectiveness of the risk management framework and process of risk management.

Meeting and Attendance during the year:

During the financial year ended on March 31, 2026, the Risk Management Committee met 2 times on July 31, 2025 and February 23, 2026.

Sl. No.	Name of the Director	Meeting entitled to attend	Attended
1	Shri Kamidi Jalandhar Reddy	2	2
2	Smt Gottipulla Chandra Rekha	2	2
3	Shri (Dr) W R Reddy	2	2
4	Shri Kalakota Udaya Bhaskar Reddy	2	2
5	Shri T Bhaskar Rao	2	2
6	Shri K Venkataram Rao	2	2

8. SENIOR MANAGEMENT:

Particulars of the Senior management including the changes therein since the close of the previous financial year.

Sl.No	Employee Name	Department	Designation	Date of Joining
1	V.Venugopal Reddy	Engineering	Director Projects	1-Apr-03
2	Maj T.L Varma	Engineering	Sr.Vice President	3-Jan-11
3	T.Bhaskar Rao	Engineering	Sr.Vice President - Tech	6-Aug-18
4	E.Srinivasa Rao	Engineering	Vice President - Tech	1-Dec-12
5	Shri.K.Shankar Reddy	Engineering	Sr.Vice President	1-Jun-14
6	C Muralidhar Reddy	Engineering	Vice President	1-Apr-12

Sl.No	Employee Name	Department	Designation	Date of Joining
		Appointed during the year		
		NIL		

Report on Corporate Governance (Contd.)

Resigned during the year			
S.No	**Name**	**Designation**	**Date of Resignation**
NIL			

9. GENERAL BODY MEETINGS:

a. The details of date, location and time of the last three Annual General Meetings held are as under:

Financial Year	Date and Time	Venue	Special Resolutions passed at the AGMs by the Shareholders
2022-23 (28th AGM)	Thursday, September 28, 2023 03.30 PM	Through video conferencing/ other audio visual means	NIL
2023-24 (29th AGM)	Thursday, September 26, 2024 11.00 AM	Through video conferencing/ other audio visual means	NIL
2024-25 (30th AGM)	Thursday, September 25, 2025 11.00 AM	Through video conferencing/ other audio visual means	1. Re-appointment of Shri K Narsimha Reddy to the office of Managing Director 2. Re-appointment of Shri K Jalandhar Reddy to the office of Executive Director

There was no Extra-Ordinary General Meeting held during the year under review.

b. Postal Ballot:

During the year under review, no postal ballot was conducted by the Company.

No special resolution is currently proposed to be conducted through postal ballot.

10. MEANS OF COMMUNICATION

Quarterly results:

The Company's quarterly results are published in Financial Express, Nava Telangana- Telugu and are displayed on website www.knrcl.

News releases, presentations, among others:

Official news releases and official media releases are sent to Stock Exchanges.

Presentations to institutional investors/analysts:

Detailed presentations are made to institutional investors and financial analysts on the Company's unaudited quarterly as well as audited annual financial results through earnings call. The transcripts of the earnings call are also uploaded on the Company's website www.knrcl

Website:

The Company's website www.knrcl contains a separate dedicated section 'Investor Relations' where shareholders' information is available. The Company's Annual Report is also available in a user-friendly and downloadable form.

Annual Report:

The Annual Report containing, inter alia, Audited Standalone Financial Statement, Consolidated Financial Statement, Directors' Report, Auditors' Report, Corporate Governance Report and other important information is circulated to members and others entitled thereto.

Management Discussion and Analysis (MDA) Report

The report on MDA forms part of the Annual Report.

Disclosures to Stock Exchanges:

The Company informs BSE and NSE all price sensitive matters or such other matters which in its opinion are material and of relevance to the members.

NSE Electronic Application Processing System (NEAPS):

The NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NEAPS.

BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):

BSE's Listing Centre is a web-based application designed by BSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

SCORES

A centralised web based complaints redress system 'SCORES' which serves as a centralised database of all complaints received, enables uploading of Action Taken Reports by the concerned companies and online viewing by the investors of actions taken on complaints and its current status.

Online Dispute Resolution Portal ('ODR Portal')

A mechanism to streamline and strengthen the existing dispute resolution in the Indian Securities Market, SEBI vide Circular No. SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/195 dated July 31, 2023 (updated as on December 20, 2023), introduced the ODR Portal. This mechanism enhanced the degree of regulatory supervision by SEBI over disputes between aggrieved parties and the ODR order is binding on both the parties to the dispute.

Pursuant to above-mentioned circulars, the aggrieved party can initiate the mechanism through the ODR portal, after exercising the primary options to resolve the issue directly with the Company and through the SCORES platform.

Dedicated e-mail ID for investors grievances redressal:

Investors@knrcl

11. GENERAL SHAREHOLDERS' INFORMATION

a)	**Annual General Meeting**	:	31st Annual General Meeting September 25, 2026
	Time	:	12.30 PM
	Venue	:	Through video Conference or other Audio/Visual means
b)	**Financial Year**	:	April 01, 2025 to March 31, 2026
c)	**Book closure dates**	:	September 18, 2026 to September 25, 2026 (Both days inclusive)
d)	**Dividend Payment date**	:	The Credit/dispatch of final dividend between October 15, 2026 to October 20, 2026

e) **Financial Calendar for the year 2026-27**

Financial Reporting for the first quarter ended June 30, 2026	on or before August 14, 2026
Financial Reporting for the second quarter/half-year ended September 30, 2026	on or before November 14, 2026
Financial Reporting for the third quarter/nine months ended December 31, 2026	on or before February 14, 2027
Financial Reporting for the fourth quarter/year ended March 31, 2027	on or before May 30, 2027

f) Listing on Stock Exchanges

Name and Address of the Stock Exchange
BSE Limited (BSE)
1st Floor, New Trading Ring,
Rotunda Building, P J Towers,
Dalal Street, Fort,
Mumbai – 400001
Tel: +91 22 2272 1233/34
Fax:+91 22 2272 2037/39/41/61

National Stock Exchange of India Limited (NSE)
Exchange Plaza, Floor 5, Plot #C/1,
Bandra Kurla Complex,
Bandra (E), Mumbai - 400051
Tel: +91 22 2659 8235/8236
Fax: +91 22 2659 8237/38

The listing fees payable to BSE and NSE for the year 2026-27 have been paid in full.

g) Script Code/Symbol

a. Stock Exchanges

Bombay Stock Exchange Limited : 532942

National Stock Exchange of India Limited : KNRCON

b. Demat ISIN Number in NSDL and CDSL for the equity shares : **INE634I01029**

The annual custodian fee for the financial year 2026-27 have been paid to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

c. Corporate Identity Number (CIN)

The CIN allotted by the Ministry of Corporate Affairs, Government of India is **L74210TG1995PLC130199**, and the Company is registered within the jurisdictions of the Registrar of Companies, Telangana.

h) Market Price Data:

Month	BSE Limited (BSE)		National Stock Exchange of India Limited (NSE)	
	High Price	Low Price	High Price	Low Price
April 2025	247.65	189.05	247.80	192.55
May 2025	241.75	200.00	241.60	205.00
June 2025	245.00	206.05	245.00	206.51
July 2025	227.95	210.00	228.00	209.00
August 2025	215.6	190.01	215.89	190.00
September 2025	219.45	190.80	220.00	190.95
October 2025	202.00	180.50	204.60	180.40
November 2025	184.15	160.00	184.29	159.80
December 2025	185.90	108.55	186.00	141.50
January 2026	164.90	130.25	165.00	130.28
February 2026	160.80	131.20	161.00	131.20
March 2026	130.05	108.55	129.99	108.65

i) The trading of our securities was never suspended at any point of time during the 2025-26.

j) **Registrar & Share Transfer Agents:**

(for shares held in both Physical and Demat mode)

MUFG Intime India Private Limited

(Formely Link Intime India Pvt Ltd)

C-101, 247 Park,

LBS Marg, Vikhroli (West),

Mumbai – 400083

Phone: 022 4918 6000

Fax: 022 4918 6060

k) **Share Transfer System:**

The Physical share transfers are processed and the share certificates are returned to the shareholders within a maximum period of one month from the date of receipt, subject to the documents being valid and complete in all respects.

Any transferee who wishes to demat the shares may approach a Depository participant along with a duly filled Demat Request Form, who shall, on the basis of the Share Certificate, generate a demat request and send the same to the Registrar and Shares Transfer Agents (RTA). On receipt, the Depository Registrar confirms the request.

All requests for Dematerialisation of shares are processed and the confirmation is given to the respective Depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within 21 days of receipt.

l) **Distribution of shareholding as on March 31, 2026**

Range		**No. of Shareholders**		**No of shares held**	
From	**To**	**Number**	**% of total**	**Number**	**% of total**
1	500	212750	94.7716	15315902	5.4460
501	1000	6457	2.8763	4972001	1.7679
1001	2000	2867	1.2771	4270050	1.5183
2001	3000	862	0.384	2212556	0.7867
3001	4000	378	0.1684	1353224	0.4812
4001	5000	298	0.1327	1412846	0.5024
5001	10000	439	0.1956	3264883	1.1609
10001	And above	436	0.1942	248433138	88.3366
Total		**224487**	**100.00**	**28,12,34,600**	**100.00**

Report on Corporate Governance (Contd.)

m) Pattern of Shareholding as on March 31, 2026

S.No	Category	Total_Shares	Total_Percent
1	Promoters & Promoter Group	13,72,59,146	48.81%
2	Mutual Funds	5,30,00,154	18.85%
3	Banks	400	0.00%
4	Insurance Companies	12,61,512	0.45%
5	NBFCs Registered with RBI	204	0.00%
6	Alternate Investment Funds	49,513	0.02%
7	Foreign Portfolio Investors Category I	1,73,43,928	6.17%
8	Foreign Portfolio Investors Category II	3,59,659	0.13%
9	Investor Education and Protection Fund	43,136	0.02%
10	Public	6,25,01,708	22.22%
11	Non-Resident Indians	25,60,435	0.91%
12	Bodies Corporate	29,65,042	1.05%
13	Clearing Members	7,32,972	0.26%
14	HUF	19,15,045	0.68%
15	Limited Liability Partnerships	12,41,006	0.44%
16	Trusts	740	0.00%
	TOTAL :	**28,12,34,600**	**100**

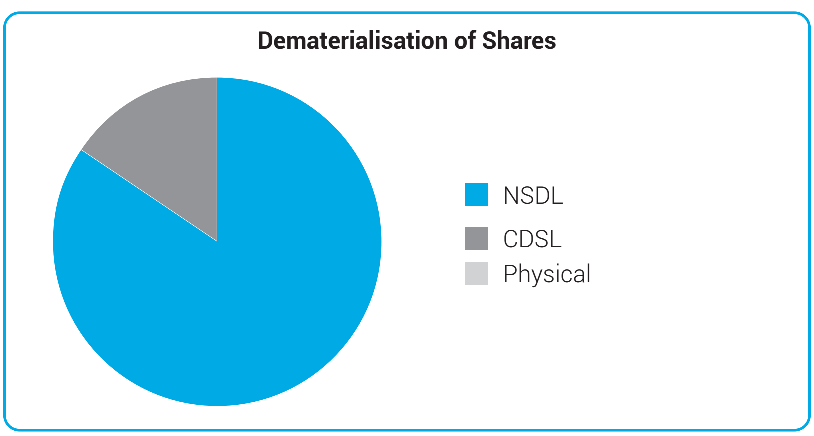
n) Dematerialisation of Shares & Liquidity

The Company's shares are available for dematerialisation on both the Depositories viz., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL)

Dematerialisation of Shares and Liquidity as on March 31, 2026

As on March 31, 2026 a total of 28,12,31,193 Equity Shares were dematerialised representing 99.999 % of the total paid up equity share capital of the Company.

	No. of Shares	% of Total
NSDL	237914805	84.59
CDSL	43316388	15.41
Physical	3407	Negligible
Total	**28,12,34,600**	**100.00**



o) There are no outstanding global depository receipts or American depository receipts or warrants or any convertible instruments during the year under report.

p) Details of Commodity price risk or foreign exchange risk and hedging activities

The Company is into business of construction and engineering and doesn't consume large quantities of commodities in its activities. Hence, the Company is not materially exposed to commodity price risk nor does the Company do any commodity hedging.

q) Address for Correspondence:

(Query on the Annual Report shall reach 7 days before the AGM)

Company Secretary
KNR Constructions Limited
"KNR House", 3rd Floor,
Plot No. 114, Phase I, Kavuri Hills,
Hyderabad – 5000033
Andhra Pradesh, India
Ph: + 91 - 40 - 40268759/61/62
Fax: + 91 - 40 - 40268760

Registrar & Share Transfer Agents:
(for shares held in both Physical and Demat mode)

MUFG Intime India Private Limited (Formerly Link Intime India Private Limited)
(Unit: KNR Constructions Limited)
C-101, 247 Park,
LBS Marg, Vikhroli (West),
Mumbai – 400083
Phone: 022 4918 6000 Fax: 022 4918 6060

r) Plant locations

The Company doesn't have any plant locations.

s) list of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilisation of funds, whether in India or abroad

The Company does not have any debt instruments or fixed deposit programme or any scheme or proposal involving mobilisation of funds.

12. DISCLOSURES

a. Related Party Transactions

During the year ended March 31, 2026 there were no materially significant related party transactions, which could have potential conflict with the Company's interests at large. Statement in summary form of transactions with related parties is placed before the audit committee for review. All related party transactions are negotiated on an arms length basis, and are intended to further the Company's interests. The Company has in place policy on dealing with related party transactions and the same can be accessed through http://knrcl/images/policies/policy_on_materiality.pdf . In compliance with the Indian Accounting Standard 24, transactions with related parties are disclosed in the notes to accounts.

b. Details of non-compliance etc

The Company is in compliance with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets. No penalties or strictures were imposed on the Company by the Stock Exchanges or SEBI during the year under report, except those were reported in the Secretarial Audit Report which forms part of the report.

c. The Company has complied with all the mandatory requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has also adopted the discretionary requirements as specified in part E of Schedule II of the Regulations and the same may be referred at point no.14 hereunder

d. The Policy on Material Subsidiaries as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as approved by the Board is available on the website of the Company and may be accessed through the link,_ http://knrcl/images/policies/Policy_on_MATERIAL_SUBSIDIARIES.pdf

e. Recommendations by the Committees

During the year under report, all the recommendations by the Committees were considered and implemented by the Board and there were no instances where the Board had not accepted any recommendation of any committee of the Board which is mandatorily required.

f. The Company complies with the requirement of placing minimum information before the Board of Directors as contained in Part A of Schedule II of SEBI (LODR) Regulations, 2015.

g. Disclosure of Accounting Treatment

During the preparation of financial statements for the financial year 2025-26, the Company has followed the applicable accounting standards as prescribed by the Ministry of Corporate Affairs and the Institute of Chartered Accountants of India.

h. Dividend Distribution Policy

The Company has in place dividend distribution policy as required in terms of the provisions of SEBI (LODR) (Second Amendment) Regulations, 2016 and the same is placed on the website of the Company

(http://knrcl/images/policies/KNRCL-DIVIDEND-DISTRIBUTION-POLICY.pdf)

i. Board Disclosures

1. Risk Management

Currently, the Company's risk management approach comprises of the following:

- Governance of Risk
- Identification of Risk
- Assessment and control of Risk

The risks are being identified by a detailed study. Senior Management are analyzing and working in mitigating them through co-ordination among the various departments. Insurance coverage and personal accident coverage for lives of all employees are also being taken.

Your company puts in place the risk management framework, which helps to identify various risks cutting across its business lines. The risks are identified and are discussed by the representatives from various functions.

The Company also has a Risk Management Committee which monitors and reviews risk management plan on regular basis.

Presentation to the Board of Directors and the Audit Committee is made on risk management. The Board and the Audit Committee provides oversight and review the risk management policy periodically.

2. Internal Control System

Your company has in place adequate systems of internal control commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorised use or losses, executing transactions with proper authorisation and ensuring compliance of internal policies. The Company has a well-defined delegation of power and defined limits for approving revenue as well as capital expenditure. Processes for formulating and reviewing annual and long term business plans have been laid down to ensure adequacy of the control system, adherence to the management instructions and legal compliances.

j. Code of Conduct

The Board has laid down a Code of Conduct covering the ethical requirements to be complied with covering all the Board Members and Senior Management Personnel of the Company. An affirmation of compliance with the code is received from them on an annual basis

k. Code for prevention of Insider Trading:

The Company has adopted a code of conduct for prevention of insider trading pursuant to provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015. The code can be accessed from the website of the Company (http://knrcl/images/policies/knrcl_8insider.pdf). All the Directors, Senior Management personnel and other employees who have access to the unpublished price sensitive information of the Company are governed by this code. There were no instances of non-compliance of the code of conduct.

l. Whistle Blower Policy/Vigil Mechanism: The Company encourages open door policy where every employee has access to the Head of the Business/ Department, employees are free to report existing/ probable violation of laws, regulations or unethical conduct in the organisation. No personnel have been denied access to the Audit Committee.

m. Subsidiary Companies

The details of subsidiary companies and associate companies are provided in Form AOC-1 which forms part of the Annual Report. The Audit Committee/ Board of Directors reviews regularly the financial statements of the subsidiary companies. The Board also reviews all significant transactions and arrangements, if any, entered into by the subsidiaries.

n. Directors & Officers Insurance policy

The Company has undertaken and covered all the Company's Directors and Officers liability with a suitable insurance policy covering risks and the quantum as determined by the Board.

o. Details of utilisation of funds

During the year under report, the Company has not raised funds through public issues or preferential allotments. Hence, reporting under this item is not applicable.

p. No Disqualification Certificate from Company Secretary in Practice

Certificate from Practicing Company Secretary, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as director of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other statutory authority as stipulated under Regulation 34 of the Listing Regulations, is attached to this report.

q. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Your Company has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. The policy aims to provide protection to Employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where Employees feel secure. The Company has also constituted an Internal Committee, known as Anti Sexual Harassment Committee to address the concerns and complaints of sexual harassment and to recommend appropriate action. Your Company has not received any complaint on sexual harassment during the year.

r. Disclosure by the listed entity and its subsidiaries of Loans and advances in the nature of loans to firms/ companies in which directors are interested by name and amount'

The details of the loans and advances in the nature of loans to firms/companies in which directors are interested are provided in the directors' report.

s. Details of material subsidiaries of the listed entity:

During the year 2025-26, the Company has One material subsidiary namely KNR Ramanattukara Infra Private Limited as defined under the provisions of Regulation 24A of SEBI Listing Regulations, 2015.

13. NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT, WITH REASONS THEREOF:

All the corporate governance requirements are complied with during the 2025-26.

Report on Corporate Governance (Contd.)

14. ADOPTION OF DISCRETIONARY REQUIREMENTS SPECIFIED IN PART E OF SCHEDULE II OF SEBI (LODR) REGULATIONS, 2015.

1.	The Board	Maintenance of Office to the Non-Executive Chairperson at the Company's expense: The Non-Executive Chairperson being resident of the same city as of the Company, visits the Company's Registered Office / stores as and when deemed necessary. Hence, no separate office as such is required to be maintained.
2.	Shareholders rights	All the quarterly financial results are placed on the Company's Website: www.knrcl.com, apart from publishing the same in the Newspapers along with BSE and NSE
3.	Modified opinion(s) on Audit Report	The Company's financial statements are with unmodified opinion
4	Separate Posts of Chairman and the Managing Director or the CEO	The Office of i) Chairman & ii) Managing Director are held by different persons. The Company does not have any CEO.
5.	Reporting of internal auditor	The Internal Auditor reports to the Chairman of the Audit Committee.

15. DISCLOSURES OF COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND CLAUSES (B) TO (I) OF SUB-REGULATION (2) OF REGULATION 46 OF THE LISTING REGULATIONS ARE AS FOLLOWS

Regulation	Particulars of regulations	Compliance status (Yes/No)
17	Board of directors	Yes
18	Audit committee	Yes
19	Nomination and Remuneration committee (refer Note)	Yes
20	Stakeholders Relationship committee	Yes
21	Risk Management committee	Yes
22	Vigil mechanism	Yes
23	Related party transactions	Yes
24	Corporate Governance requirements with respect to Subsidiary of listed entity	Yes
25	Obligations with respect to Independent directors	Yes
26	Obligations with respect to employees including senior management, key managerial personnel, directors and promoters	Yes
27	Other Corporate Governance requirements	Yes
46(2) (b) to (i)	Website	Yes

16. TOTAL FEES FOR ALL SERVICES PAID BY THE LISTED ENTITY AND ITS SUBSIDIARIES, ON A CONSOLIDATED BASIS, TO THE STATUTORY AUDITORS.

The Company's subsidiaries have not made any payment to the statutory auditors of the Company. The fees paid by the Company to its Statutory auditors are stated in the Audited financial statements of the Company which forms part of the Annual Report.

17. UNCLAIMED DIVIDEND

Section 124 of the Companies Act, 2013, mandates that companies shall transfer dividend that has been unclaimed for a period of seven years from the unpaid dividend account to the investors education and protection fund (IEPF). In accordance with the following schedule, the dividend for the years mentioned as follows, if unclaimed within a period of seven years, will be transferred to the IEPF:

Year	Type of Dividend	Dividend Per Share (in ₹)	Date of Declaration	Due date for transfer	Amount in *
2019	Final	0.40	30.09.2019	30.10.2026	53,173.20
2020	Interim	0.50	10.03.2020	10.04.2027	1,80,435.00
2021	Final	0.25	29.09.2021	29.10.2028	1,38,708.74
2022	Final	0.25	29.09.2022	29.10.2029	55,372.25
2023	Final	0.25	28.09.2023	28.10.2030	1,11,428.25
2024	Final	0.25	26.09.2024	26.10.2031	48,297.99
2025	Final	0.25	25.09.2025	25.10.2032	74,688.00

* as on March 31, 2026

18. DISCLOSURES WITH RESPECT TO SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT

a)	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	**No. of shares: 9450** **No. of shareholders: 13**
b)	Number of shareholders who approached the listed entity for transfer of shares from suspense account during the year	**Nil**
c)	Number of shareholders to whom shares were transferred from suspense account during the year	**Nil**
d)	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	**No. of shares 9450** **No of shareholders 13**
e)	That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.	**Voting rights in respect of shares lying in the suspense account shall be frozen till the rightful owner of such shares claims the shares.**

19. DISCLOSURE OF CERTAIN TYPES OF AGREEMENTS BINDING LISTED ENTITIES (Information disclosed under clause 5A of paragraph A of Part A of Schedule III of these regulations):

Not Applicable

20. CERTIFICATE ON CORPORATE GOVERNANCE:

The Company has obtained certificate from M/s VCSR & Associates., Practicing Company Secretaries regarding compliance with the provisions relating to Corporate Governance laid down in Part E of schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said certificate is annexed herewith and will be sent to the stock exchanges, along with the Annual Reports to be filed by the Company.

21. CEO AND CFO CERTIFICATION

The MD and CFO have certified to the Board with regard to the financial statements and other matters as required under regulation 17(8), read with Part-B of schedule II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For KNR Constructions Limited
Kamidi Narsimha Reddy
Managing Director
(DIN:00382412)

Place: Hyderabad
Date: August 13, 2026.

Declaration on Compliance by the Board members and Senior Management Personnel with the Company's Code of Conduct

This is to confirm that the Company has adopted a code of conduct for the members of the Board and the Senior Management Personnel. We confirm that the members of the Board and senior Management Personnel have complied with the Code of conduct in respect of the financial year ended March 31, 2026.

For **KNR Constructions Limited**

Sd/-
Kamidi Narsimha Reddy
Managing Director
(DIN:00382412)

Sd/-
Kamidi Jalandhar Reddy
Executive Director
(DIN: 00434911)

Place: Hyderabad
Date: August 13, 2026

PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
KNR Constructions Limited

1. We have examined the compliance of the conditions of Corporate Governance by KNR Constructions Limited ('the Company') for the year ended on March 31, 2026 for the purpose of certifying compliance of conditions of Corporate Governance as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub- regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

2. The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. This certificate is neither an assurance as to the further viability of the Company nor of the effectiveness with which the management has conducted the affairs of the Company.

3. On the basis of the examination of the records produced, explanations and information furnished, we certify that the Company has generally complied with the mandatory conditions of the Corporate Governance as stipulated in para C of Schedule V read with Regulation 34 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4. This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

For **VCSR & Associates**
Company Secretaries

Ch.Veeranjaneyulu
Partner
M. No:F6121, C.P.No: 6392
UDIN: F006121H001096861
Peer Review No:6686/2025

Place: Hyderabad
Date: August 13, 2026

CEO and CFO Compliance Certificate

In relation to the Audited Financial Accounts of the Company as at March 31, 2026, we hereby certify that

a. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:

   i. hese statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or volatile of the Company's code of conduct.

c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.

d. We have indicated to the auditors and the Audit committee that

   i. There are no significant changes in internal control over financial reporting during the year;

   ii. There are no significant changes in accounting policies during the year; and

   iii. There are no instances of significant fraud of which we have become aware.

For **KNR Constructions Limited**

K. Narsimha Reddy	**Kamidi Jalandhar Reddy**
Managing Director	Executive Director & CFO
(DIN: 00382412)	(DIN: 00434911)

Place: Hyderabad
Date: August 13, 2026

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members,
M/s. KNR Constructions Limited,
Hyderabad.

We, M/s. VCSR & Associates, Company Secretaries have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. KNR Constructions Limited having (CIN: L74210TG1995PLC130199)and having registered office at KNR House, 3rd & 4th Floors, Plot No. 114 Phase - I, Kavuri Hills, Hyderabad,Telangana- 500033 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2026 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	Name of the Director	DIN	Designation
1.	*Kamidi Narsimha Reddy	00382412	Managing Director
2.	**Jalandhar Reddy Kamidi	00434911	Wholetime Director
3.	Yashoda Kamidi	05157487	Director
4.	Gottipulla Chandra Rekha	08464587	Independent Director
5.	Wdaru Rampulla Reddy	03081486	Independent Director
6.	Kalakota Udaya Bhaskara Reddy	06926054	Independent Director

During the Period Under Review:

* Shri Kamidi Narsimha Reddy was re-appointed as Managing Director of the Company for a further term of 5 years commencing from April 01, 2026.

** ShriJalandhar Reddy Kamidi was re-appointed as Executive Director of the Company for a further term of 5 years commencing from April 01, 2026.

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **VCSR & Associates**
Company Secretaries

Ch Veeranjaneyulu
Partner
CP No. 6392, M No. F6121
Peer Review Cer. No. 6686/2025
UDIN: F006121H001096859

Place: Hyderabad
Date: August 13, 2026

Independent Auditor's Report

To
The Members of
KNR Constructions Limited

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying Standalone Financial Statements of **KNR CONSTRUCTIONS LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 2026, 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 ended on that date and notes to the financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as the "Standalone Financial Statements") which includes 17 joint operations accounted on proportionate basis.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of joint operations and management certified accounts in respect of seventeen joint operations referred to in the Other Matters paragraph below the aforesaid Standalone 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 prescribed under Section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

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

EMPHASIS OF MATTER

We draw attention to Note 55 of the standalone financial statements, regarding the dues aggregating to Rs. 1,36,331.90 Lakhs relating to the Kaleswaram Package 4 were considered as good for recovery by the management, based on the contractual terms of the respective agreement with the customer and internal assessments by the management. We were informed by the management that it is fully confident of recovery of such dues. Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the year ended 31st march 2026. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

A	**Revenue Recognition of long-term contracts**
Key audit matter Description	The Company has significant revenue from construction contracts and long-term operating and maintenance agreements. These long-term contracts are often complex customized solutions and meet the definition of a contract as per Ind AS 115. Revenue related to these construction contracts is recognized using the percentage of completion method, where progress is determined by comparing actual costs incurred to date, with the total estimated costs of the project. Revenue recognition for construction contracts includes management judgment in the form of estimates, which are subject to management experience and expectations of future events. The most important judgment relates to the estimated total costs of the project. Revenue recognition of long-term contracts is a key audit matter in the audit due to the high level of management judgement involved in the project estimates. **(Refer note no. 42)**

How the Key Audit Matters was addressed in our audit	Our revenue testing included both testing of the company's controls, as well as substantive audit procedures targeted at selected major long-term projects. Our substantive testing focused on estimates applied by management in the accounting. Our procedures included, among others things, the following: Ensured that the revenue recognition method applied was appropriate based on the terms of the arrangement; Agreed the total project revenue estimates to sales agreements, including amendments as appropriate; We obtained an understanding of the processes and tested relevant controls, which impact the revenue recognition; We assessed the reliability of management's estimates by comparing the actual results of delivered projects to previous estimates;
B	**Litigation and Claims:**
Key audit matter Description	Considering the nature of the Company's operations, it can be exposed to a number of litigations and claims. The recognition and measurement of provisions, contingent liabilities and contingent assets as well as making the necessary disclosures in respect of litigation and claims requires significant judgment by the management in assessing the outcome of each legal case which is based on management's discussion with legal advisors. Due to the significance of the litigations and claims and the difficulty in assessing and measuring the resulting outcome, this is considered as a key audit matter. **(Refer note no. 37(i))**
How the Key Audit Matters was addressed in our audit	Our audit procedures included the following: evaluating the Company's policies, procedures and controls in relation to litigation, claims and provision assessments; independent enquiries to understand the background of each case, legal position and the material risks that may impact the Company's standalone Ind AS financial statements; and assessing reasonableness of judgment made by management, determining the adequacy of the level of provisioning or disclosure in the standalone Ind AS financial statements.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report, including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the Standalone Financial Statements and our Auditor's Report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, including Other Comprehensive Income, Changes in Equity and Cash Flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under Section 133 of the Act.

Independent Auditor's Report (Contd.)

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management and Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors is also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Standalone 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 Standalone 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 Standalone 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Standalone 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 Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of the Company and its joint operations to express an opinion on the standalone financial statements. For the other joint operations included in the standalone financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone 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 Standalone 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 financial controls 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

a) The standalone financial statements include the audited financial statements of 12 Joint operations, whose financial statements reflect total assets (before consolidation adjustments) of Rs. 92,152.84 Lakhs as at 31 March 2026, total income (before consolidation adjustments) of Rs. 43,899.96 Lakhs, total net profit/(loss) after tax (before consolidation adjustments) of Rs. 58.69 Lakhs, total comprehensive income/(loss) (before consolidation adjustments) of Rs. 58.69 Lakhs for year ended 31st March, 2026 and net cash flow/(outflow) Rs. (206.62) Lakhs for year ended 31st March 2026, as considered in the standalone financial statement, which have been audited by their respective independent auditors. The independent auditors' reports on financial statements of these entities have been furnished to us by the management and our opinion on the standalone financial statements, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors.

   Our opinion on the standalone financial statements is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

b) The standalone financial statements include the unaudited financial statements of 5 Joint operations whose financial statements reflect total assets of Rs. 1,628.77 Lakhs (before consolidation adjustments) as at 31st March 2026 and total income of Rs. 2,285.43 lakhs (before consolidation adjustments), total net profit/(loss) after tax of Rs. 67.92 (before consolidation adjustments) and total comprehensive income/(loss) (before consolidation adjustments) of Rs. 67.92 lakhs for the year ended 31st March 2026 and net cash flow/(outflow) Rs. Nil lakhs for year ended 31st March 2026, as considered in the standalone financial statements, which have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the statement, in so far as it relates to the amounts and disclosures included in respect of these entity, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Board of Directors, this financial information is not material to the Company.

   Our opinion on the standalone financial statements is not modified in respect of the above matter with respect to our reliance on the financial statements certified by the Board of Directors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

A. 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 Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the said Order.

B. As required by Section 143(3) of the Act, based on our audit we report that:

   a. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

Independent Auditor's Report (Contd.)

c. The Balance Sheet, the Statement of Profit and Loss, including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 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 with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2".

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, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

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, as amended, in our opinion and to the best of our information and according to the explanations given to us:

    i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements-Refer to Note 37 to the Standalone Financial Statements.

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

    iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

    iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in note no. 62 no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

    (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in note no. 62 no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

    (c) Based on the audit procedures that have been 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) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

    v. a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

    b) As stated in note no. 15 to the standalone financial statements the Board of

Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act, to the extent it applies to declared of dividend.

vi. Based on our examination which included test checks, performed by us on the Company have used accounting software for maintaining their respective books of account for the financial year ended March 31, 2026 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software.

Further, during the course of our audit and on the basis of test checking of selected samples, 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.

K.P.Rao & Co.,
Chartered Accountants
(Firm Regn. No.003135S)

H N Anil
Partner
Membership No. 225120
UDIN: 26225120ENUOST2271

Place: Bangalore
Date: 29th May 2026.

Annexure '1' to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of KNR Constructions Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i. In respect of the Company's property, plant and equipment, right-of-use assets, intangible assets and investment property:

(a) A The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and investment property.

B The Company has maintained proper records showing full particulars of intangible assets.

(b) Property, Plant and Equipment (including those covered under non-current assets held for sale), investment property were physically verified by the management according to a phased programme designed to cover all items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of Property, plant and equipment and investment property have been physically verified by Management during the year. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the title deeds of the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) disclosed in the Note no. 69 to standalone Ind AS financial statements held by the Company are in the name of the Company except for the following assets.

Relevant line item in the Balance Sheet	Description of Property	Gross Carrying Value (Amount in Rs.)	Title Deeds held in the name of	Whether title deed holder promoter, director or their relative of promoter /director or employee of promoter /director	Property held since which date	Reason for not being held in the name of the company
Investment Property	Land	3,885,189	Sri K. Narsimha Reddy	Promoter and Managing Director	20-Apr-05	Due to regulatory restrictions in the respective state
Investment Property	Land	1,654,935	Sri K. Narsimha Reddy	Promoter and Managing Director	31-Mar-10	
Property, Plant and Equipment	Land	536,555	Sri K. Narsimha Reddy	Promoter and Managing Director	20-Oct-16	
Property, Plant and Equipment	Land	4,715,240	Sri K. Narsimha Reddy	Promoter and Managing Director	24-Oct-16	
Property, Plant and Equipment	Land	757,385	Sri K. Narsimha Reddy	Promoter and Managing Director	20-Oct-16	
Investment Property	Land	1,334,965	Sri K. Narsimha Reddy	Promoter and Managing Director	17-May-17	
Investment Property	Land	1,334,965	Sri K. Narsimha Reddy	Promoter and Managing Director	17-May-17	
Property, Plant and Equipment	Land	10,706,074	Sri K. Narsimha Reddy	Promoter and Managing Director	30-Apr-21	
Property, Plant and Equipment	Land	13,763,347	Sri K. Narsimha Reddy	Promoter and Managing Director	30-Apr-21	
Property, Plant and Equipment	Land	12,772,920	Sri K. Narsimha Reddy	Promoter and Managing Director	24-Jun-21	
Property, Plant and Equipment	Land	9,199,260	Sri K. Narsimha Reddy	Promoter and Managing Director	24-Jun-21	
Property, Plant and Equipment	Land	2,454,010	Sri K. Narsimha Reddy	Promoter and Managing Director	26-Jul-21	
Property, Plant and Equipment	Land	427,245	Sri K. Narsimha Reddy	Promoter and Managing Director	26-Jul-21	
Property, Plant and Equipment	Land	2,133,835	Sri K. Narsimha Reddy	Promoter and Managing Director	26-Jul-21	
Investment Property	Land	1,207,741	Sri. K Jalandhar Reddy	Promoter and Executive Director	15-Feb-10	
Property, Plant and Equipment	Land	578,221	Sri. K Jalandhar Reddy	Promoter and Executive Director	15-Feb-10	
Investment Property	Land	1,103,051	Sri. K Jalandhar Reddy	Promoter and Executive Director	24-Feb-10	
Investment Property	Land	1,463,538	Sri. K Jalandhar Reddy	Promoter and Executive Director	8-Mar-10	

Annexure '1' to the Independent Auditor's Report (Contd.)

Relevant line item in the Balance Sheet	Description of Property	Gross Carrying Value (Amount in Rs.)	Title Deeds held in the name of	Whether title deed holder promoter, director or their relative of promoter /director or employee of promoter /director	Property held since which date	Reason for not being held in the name of the company
Investment Property	Land	509,102	Sri. K Jalandhar Reddy	Promoter and Executive Director	23-Mar-10	Due to regulatory restrictions in the respective state
Investment Property	Land	1,724,915	Sri. K Jalandhar Reddy	Promoter and Executive Director	23-Mar-10	
Investment Property	Land	1,531,111	Sri. K Jalandhar Reddy	Promoter and Executive Director	24-Mar-10	
Investment Property	Land	2,488,053	Sri. K Jalandhar Reddy	Promoter and Executive Director	26-Mar-10	
Investment Property	Land	534,316	Sri. K Jalandhar Reddy	Promoter and Executive Director	31-Mar-10	
Investment Property	Land	712,255	Sri. K Jalandhar Reddy	Promoter and Executive Director	31-Mar-10	
Investment Property	Land	788,464	Sri. K Jalandhar Reddy	Promoter and Executive Director	9-Apr-10	
Investment Property	Land	864,415	Sri. K Jalandhar Reddy	Promoter and Executive Director	19-Apr-10	
Investment Property	Land	485,450	Sri. K Jalandhar Reddy	Promoter and Executive Director	26-May-10	
Investment Property	Land	1,120,850	Sri. K Jalandhar Reddy	Promoter and Executive Director		
Investment Property	Land	438,505	Sri. K Jalandhar Reddy	Promoter and Executive Director	3-Jan-11	
Investment Property	Land	699,290	Sri. K Jalandhar Reddy	Promoter and Executive Director	3-Mar-11	
Investment Property	Land	333,456	Sri. K Jalandhar Reddy	Promoter and Executive Director	5-Mar-11	
Property , Plant and Equipment	Land	5,552,450	Sri. K Jalandhar Reddy	Promoter and Executive Director	30-Apr-21	
Property , Plant and Equipment	Land	15,177,110	Sri. K Jalandhar Reddy	Promoter and Executive Director	30-Apr-21	
Property , Plant and Equipment	Land	2,180,868	Sri. K Jalandhar Reddy	Promoter and Executive Director	30-Apr-21	
Property , Plant and Equipment	Land	6,757,682	Sri. K Jalandhar Reddy	Promoter and Executive Director	30-Apr-21	
Property , Plant and Equipment	Land	12,691,905	Sri. K Jalandhar Reddy	Promoter and Executive Director	24-Jun-21	
Property , Plant and Equipment	Land	5,174,005	Sri. K Jalandhar Reddy	Promoter and Executive Director	27-Jun-22	
Property , Plant and Equipment	Land	822,895	Sri. K Jalandhar Reddy	Promoter and Executive Director	27-Jun-22	
Investment Property	Land	1,085,446	Sri. V. Venu Gopal Reddy	Employee & Director in Subsidiaries	7-Aug-10	
Investment Property	Land	1,174,860	Sri. V. Venu Gopal Reddy	Employee & Director in Subsidiaries	14-Sep-10	
Investment Property	Land	859,220	Sri. V. Venu Gopal Reddy	Employee & Director in Subsidiaries	28-Sep-10	
Investment Property	Land	547,602	Sri. V. Venu Gopal Reddy	Employee & Director in Subsidiaries	27-Dec-10	
Property , Plant and Equipment	Land	327,925	Sri. V. Venu Gopal Reddy	Employee & Director in Subsidiaries	18-Mar-11	
Investment Property	Land	299,310	Sri. V. Venu Gopal Reddy	Employee & Director in Subsidiaries	29-Mar-11	
Investment Property	Land	138,063	Sri. V. Venu Gopal Reddy	Employee & Director in Subsidiaries	14-Jun-11	
Investment Property	Land	143,457	Sri. V. Venu Gopal Reddy	Employee & Director in Subsidiaries	14-Jun-11	
Investment Property	Land	512,940	Sri. V. Venu Gopal Reddy	Employee & Director in Subsidiaries	30-Apr-12	
Property , Plant and Equipment	Land	1,038,580	Sri. V. Venu Gopal Reddy	Employee & Director in Subsidiaries	1-Dec-16	
Investment Property	Land	32,359,314	Sri. K. Jalandhar Reddy & Smt. K. Smitha Reddy	Promoter and Executive Director	31-Mar-13	
Investment Property	Land	536,987	Sri. J. Anudeep	Employee	19-Jun-17	
Investment Property	Land	536,988	Sri. J. Anudeep	Employee	19-Jun-17	

Annexure '1' to the Independent Auditor's Report (Contd.)

Relevant line item in the Balance Sheet	Description of Property	Gross Carrying Value (Amount in Rs.)	Title Deeds held in the name of	Whether title deed holder promoter, director or their relative of promoter /director or employee of promoter /director	Property held since which date	Reason for not being held in the name of the company
Property , Plant and Equipment	Land	1,391,075	Sri. J. Anudeep	Employee	17-Oct-17	Due to regulatory restrictions in the respective state
Property , Plant and Equipment	Land	859,610	Sri. J. Anudeep	Employee	25-May-18	
Property , Plant and Equipment	Land	748,625	Sri. J. Anudeep	Employee	17-Sep-18	
Property , Plant and Equipment	Land	1,068,575	Sri. J. Anudeep	Employee	17-Sep-18	
Property , Plant and Equipment	Land	2,139,080	Sri. J. Anudeep	Employee	17-Nov-18	
Property , Plant and Equipment	Land	1,284,645	Sri. J. Anudeep	Employee	28-Dec-18	
Property , Plant and Equipment	Land	215,915	Sri. J. Anudeep	Employee	16-Mar-19	
Property , Plant and Equipment	Land	1,605,311	Sri. J. Anudeep	Employee	9-Apr-19	
Property , Plant and Equipment	Land	1,285,561	Sri. J. Anudeep	Employee	9-Apr-19	
Property , Plant and Equipment	Land	900,135	Sri. J. Anudeep	Employee	3-Aug-19	
Property , Plant and Equipment	Land	900,135	Sri. J. Anudeep	Employee	3-Aug-19	
Property , Plant and Equipment	Land	110,145	Sri. J. Anudeep	Employee	8-Jul-19	
Property , Plant and Equipment	Land	963,510	Sri. J. Anudeep	Employee	4-Sep-19	
Property , Plant and Equipment	Land	855,520	Sri. J. Anudeep	Employee	7-Feb-20	
Property , Plant and Equipment	Land	1,067,300	Sri. J. Anudeep	Employee	29-Sep-20	
Property , Plant and Equipment	Land	1,068,100	Sri. J. Anudeep	Employee	29-Sep-20	
Property , Plant and Equipment	Land	641,370	Sri. J. Anudeep	Employee	19-Apr-21	
Property , Plant and Equipment	Land	1,284,710	Smt. K. Yashoda	Promoter and Non-Executive Director	24-Jan-19	

Reason for not being held in the name of the company: Due to regulatory restrictions in the respective state. The Company has taken undertaking from respective parties for having no interest in the lands.

(d) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. In respect of inventories:

a. According to the information and explanations given to us, inventories have been physically verified at regular intervals by the Management during the year. Discrepancies of 10% or more in aggregate for each class of inventories were not noticed in respect of such verification. In our opinion, the frequency and procedure of such verification is reasonable and adequate in relation to the size of company and nature of its business. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

Annexure '1' to the Independent Auditor's Report (Contd.)

b. According to the information and explanations given to us, the company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. The quarterly returns filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.

iii. According to the information and explanations given to us, the company has during the year granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties in respect of which:

a. The company has provided loans and advances in the nature of loans, or stood guarantee, or provided security to any other entity are given below:

A. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances and guarantees or security to subsidiaries, joint ventures and associates were Rs. 1,348.64 Lakhs and Rs. 4757.34 Lakhs respectively.

B. The Company has not provided any loans or any advances in the nature of loans to any other entity other than subsidiaries, joint ventures and associates. The Company has also not provided any security to any other entity other than subsidiaries, joint ventures and associates.

Following is the summary of the loans and advances in the nature of the loans provided by the Company:

(Rs. Lakhs)

	Guarantees	Security	Loans	Advances in the nature of loans
Aggregate amount granted / provided during				
the year:				
Subsidiaries / Joint Ventures / Associates	--	--	--	1,348.64
Others				
Balance outstanding as at balance sheet date in respect of above cases				
Subsidiaries / Joint Ventures / Associates	--	--	--	4,757.34
Others	--	--	--	--

b. The Company has granted loans aggregating Rs. 1,348.64 during the year, with a balance outstanding of Rs. 4,757.340 as at the balance sheet date. In the absence of documentation evidencing the terms and conditions of the grant of such loans, we are unable to comment on whether the terms and conditions of the grant of such loans are prejudicial to the Company's interest.

c. In respect of loans and advances in the nature of loans granted by the company, the schedule of repayment of principal and payment of interest has not been stipulated. Accordingly, we are unable to comment on the reporting on regularity of the repayments.

d. In respect of loans and advances in nature of loans granted by the Company to its subsidiaries, joint operations and associates as informed by the management have been given on "On Account" basis. In the absence of documentation evidencing the terms and conditions and their impact on the interest of the Company cannot be ascertained. Hence the unable to comment on the regularity of payment of principal and interest does not arise.

e. No loan granted by the company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.

f. All the loans and advances in nature of loan granted by the Company to it's subsidiaries are without specifying any terms or period of repayment. Total loans or advances in the nature of loans granted during the year aggregate to Rs. 1,348.64 Lakhs and balance outstanding aggregate to Rs. 4,757.34 Lakhs. Amount of loans granted to, Promoters or to related parties as defined in clause (76) of Section 2 to the Companies Act, 2013, during the year or outstanding as at the balance sheet date: Rs. Nil

Annexure '1' to the Independent Auditor's Report (Contd.)

Particulars	All Parties	Promoters	Related Parties
Aggregate amount of loans/ advances in nature of loans			
- Repayable on demand (A)	-	-	-
- Agreement does not specify any terms or period of repayment (B)	4,757.34	-	4,757.34
Total (A+B)	**4,757.34**	**-**	**4,757.34**
Percentage of loans/ advances in nature of loans to the total loans	100%	-	100%

iv. According to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, in respect of loans, investments, guarantees and security made during the year, as applicable.

v. In our opinion and according to the information and explanation given to us, the Company has not accepted deposits to which directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 were applicable. Accordingly, reporting under clause (v) of paragraph 3 of the Order is not applicable.

vi. The maintenance of cost records has been specified by the Central Government under section 148(1). We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate and complete.

vii. According to the information and explanations given to us, in respect of records of statutory dues:

a. The Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Services Tax, Duty of Customs, Duty of Excise, Sales tax, Service tax, Value added tax, Cess and other statutory dues applicable to it with the appropriate authorities. There were no arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable.

b. Details of statutory dues referred to in subclause (a) above which have not been deposited as on March 31, 2026 on account of any dispute are given below:

Name of the Statue	Nature of the Dues	Rs. In lakhs	Period to which the amount relates	Forum where dispute is pending	Remarks
Income Tax Act, 1961	Income Tax	5,707.37	FY 2006-07	Honorable High Court of Telangana	Net of Rs. 1,495.27 lakhs paid
Income Tax Act, 1961	Income Tax	1,822.09	FY 2006-07	Commissioner of Income Tax (Appeals)-12, Hyderabad	
Income Tax Act, 1961	Income Tax	457.85	FY 2017-18	Income Tax Appellate Tribunal, Hyderabad	
Income Tax Act, 1961	Income Tax	889.17	FY 2018-19	Income Tax Appellate Tribunal, Hyderabad	
Income Tax Act, 1961	Income Tax	Nil	FY 2019-20	Income Tax Appellate Tribunal, Hyderabad	
Income Tax Act, 1961	Income Tax	1,438.23	FY 2020-21	Commissioner of Income Tax (Appeals)-12, Hyderabad	Net of Rs. 420.17 lakhs paid
Income Tax Act, 1961	Income Tax	748.35	FY 2020-21	Commissioner of Income Tax (Appeals)-12, Hyderabad	Net of Rs. 187.09 lakhs paid

Annexure '1' to the Independent Auditor's Report (Contd.)

Name of the Statue	Nature of the Dues	Rs. In lakhs	Period to which the amount relates	Forum where dispute is pending	Remarks
Income Tax Act, 1961	Income Tax	1392.12	FY 2021-22	Writ filed before Honorable High Court of Telangana	
Income Tax Act, 1961	Income Tax	183.90	FY 2022-23	Assistant Commissioner of Income Tax, CC-(2), Hyderabad	
Income Tax Act, 1961	Income Tax	0.54	FY 2023-24	Assistant Commissioner of Income Tax, CC-(2), Hyderabad	
Income Tax Act, 1961	Income Tax	163.79	FY 2024-25	Assistant Commissioner of Income Tax, CC-(2), Hyderabad	
Andhra Pradesh Value Added Tax Act, 2005	VAT	Nil	FY 2010-11	Value Added Tax Appellate Tribunal Telangana	Paid under protest Rs. 51.82 lakhs
APVAT/TVAT Act, 2005	VAT	1.94	FY 2014-15	Honorable Supreme Court of India	Net of Rs. 0.27 lakhs paid
Andhra Pradesh Value Added Tax Act, 2005	VAT	29.09	FY 2015-16	Honorable Supreme Court of India	
Telangana Tax on Entry of Goods into Local Areas Act, 2001	Entry Tax	80.38	FY 2017-18	Honorable High Court of Telangana.	
Telangana Tax on Entry of Goods into Local Areas Act, 2001	Entry Tax	183.45	FY 2014-15 to 15-16	Honorable High Court of Telangana.	Net of Rs. 61.15 lakhs paid
GST Telangana	GST	1,049.37	FY 01-04-16 to 30-06-17	GST Appellate Tribunal Telangana	Net of Rs. 55.22 lakhs paid
GST Telangana	GST	2,202.70	FY 01-04-17 to 30-06-18	GST Appellate Tribunal Telangana.	Net of Rs. 578.51 lakhs paid
GST Telangana	GST	128.19	FY 2017-18	Commissioner of Appeals-Hyderabad	Net of Rs. 14.24 lakhs paid
GST Andhra Pradesh	GST	521.05	FY 2019-20	Joint Commissioner (Appeals) Guntur	Net of Rs. 20.07 lakhs paid
GST Andhra Pradesh	GST	11.10	FY 2020-21	Joint Commissioner (Appeals) Guntur	
GST Karnataka	GST	32.44	FY 2018-19 to 19-20	GST Appellate Tribunal Karnataka	Net of Rs. 3.61 lakhs paid
GST Karnataka	GST	445.51	FY 2017-18	GST Appellate Tribunal Karnataka	Net of Rs. 49.50 lakhs paid. Appeal to be filed
Madhya Pradesh Value Added Tax Act, 2002	Entry Tax	40.68	FY 2013-14	VAT Appellate Tribunal, Bhopal	Net of Rs. 2.15 lakhs paid

Annexure '1' to the Independent Auditor's Report (Contd.)

Name of the Statue	Nature of the Dues	Rs. In lakhs	Period to which the amount relates	Forum where dispute is pending	Remarks
GST Madhya Pradesh	GST	5.63	FY 2020-21	Appellate Commissioner, Bhopal	Net of Rs. 0.62 lakhs paid
GST Tamil Nadu	GST	462.49	FY 2016-17 to 17-18	GST Appellate Tribunal Tamil Nadu	Net of Rs. 157.92 lakhs paid
GST Tamil Nadu	GST	106.56	FY 2016-17	Honorable High Court of Tamil Nadu	
GST Tamil Nadu	GST	556.32	FY 2017-18	GST Appellate Tribunal Tamil Nadu	Net of Rs. 18.89 lakhs paid
Appeal to be filed.					
GST Tamil Nadu	GST	409.40	FY 2018-19	Appellate Commissioner, Salem	Net of Rs. 20.54 lakhs paid
GST Tamil Nadu	GST	50.14	FY 2019-20	Appellate Commissioner, Salem	Net of Rs. 2.81 lakhs paid
GST Tamil Nadu	GST	530.39	FY 2018-19	Honorable High Court of Tamil Nadu	
GST Tamil Nadu	GST	798.18	FY 2019-20	Honorable High Court of Tamil Nadu	
GST Tamil Nadu	GST	959.11	FY 2020-21	Honorable High Court of Tamil Nadu	
GST Tamil Nadu	GST	912.73	FY 2021-22	Honorable High Court of Tamil Nadu	
Odisha Sales Tax and VAT laws	Entry Tax	28.87	FY 2009-10 to 11-12	Honorable Odisha High Court	Net of Rs. 5.00 lakhs paid
Odisha Sales Tax and VAT laws	Entry Tax	22.00	FY 2012-13 to 14-15	Sales Tax Tribunal, Cuttack, Odisha	Net of Rs. 2.50 lakhs paid
Odisha Sales Tax and VAT laws	VAT	166.85	FY 2012-13 to 14-15	Sales Tax Tribunal, Cuttack, Odisha	Net of Rs. 11.96 lakhs paid
Odisha Sales Tax and VAT laws	CST	6.03	FY 2012-13 to 14-15	Sales Tax Tribunal, Cuttack, Odisha	Net of Rs. 0.50 lakhs paid
CGST Act, 2017 and Kerala SGST Act, 2017	GST	7.04	FY 2017-18	GST Appellate Tribunal Kerala	Net of Rs. 0.71 lakhs paid. Appeal to be filed
Finance Act, 1994	Service Tax	584.29	01-04-16 to 30-06-17	Customs, Excise and Service Tax Appellate Tribunal, Hyderabad	Net of Rs. 22.76 lakhs paid
Customs Act, 1962	Customs	1,509.52	FY 2004-09	Honorable High Court at Telangana	Net of Rs. 25.00 lakhs paid

viii. According to the information and explanations given to us, there are no transaction which are not recorded in the books of account which have been surrendered or disclosed as income during the year in Income-tax Assessment under the Income Tax Act, 1961. Accordingly, the requirement to report as stated under clause 3(viii) of the Order is not applicable to the Company.

Annexure '1' to the Independent Auditor's Report (Contd.)

ix. According to the information and explanations given to us

  a. The company has not defaulted in repayment of dues to banks, financial institutions and debenture holders.

  b. The company is not a declared willful defaulter by any bank or financial institution or other lender.

  c. Term loans were applied for the purpose for which the loans were obtained.

  d. No funds raised on short-term basis have been used for long-term purposes by the company.

  e. The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

  f. The company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures, or associate companies.

x. (a) The Company did not raise any money by way of initial public or further public offer (including debt instruments) during the year. Accordingly, paragraph 3 (ix)(a) of the Order is not applicable.

  (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially, or optionally convertible) during the year. Accordingly, paragraph 3 (ix)(b) of the Order is not applicable.

xi. a. Based on our examination of the books and records of the Company and according to the information and explanations given to us, we report that no material fraud by the Company or on the Company has been noticed or reported during the year in the course of our audit.

  b. During the year no report under Section 143(12) of the Act, has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

  c. As represented to us by the Management, there are no whistle-blower complaints received by the company during the year.

xii. The company is not a Nidhi Company and therefore the provisions of Para 3(xii) of the Companies (Auditors Report), 2020 are not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and the details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. a. In our opinion, the company has an adequate internal audit system commensurate with the size and nature of its business;

  b. We have considered the reports of the Internal Auditors for the period under audit.

xv. During the year the Company has not entered into any non-cash transactions with any of its directors or directors of its subsidiary companies, associate companies or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. a. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

  b. The company has not conducted any Non-Banking Financing or Housing Finance activities during the year.

  c. The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the provisions of Para 3(xvi)(c) are not applicable to the company.

  d. There are no Core Investment Companies as part of the Group. Accordingly, the provisions of Para 3(xvi)(d) is not applicable to the company.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly clause (xviii) is not applicable.

xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company

Annexure '1' to the Independent Auditor's Report (Contd.)

is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. a. In respect of the ongoing projects, amount remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant ongoing project, has been transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said Act; This matter has been disclosed in note no.31.1 to the financial statements.

K.P.Rao & Co.,
Chartered Accountants
(Firm Regn. No.003135S)

H N Anil
Partner
Membership No. 225120
UDIN: 26225120ENUOST2271

Place: Bangalore
Date: 29th May 2026.

Annexure '2' to the Independent Auditor's Report

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of KNR Constructions Limited of even date)

Report on the Internal Financial Controls with reference to Standalone Financial Statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

OPINION

We have audited the internal financial controls with reference to Standalone Financial Statements of **KNR CONSTRUCTIONS LIMITED** (the "Company") as of March 31, 2026 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, adequate internal financial controls with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2026, based on the criteria for internal financial control with reference to Standalone Financial Statements 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 ICAI.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's Management is responsible for establishing and maintaining internal financial controls with reference to Standalone Financial Statements 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 (the "ICAI"). 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 Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Standalone Financial Statements. 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 with reference to Standalone Financial Statements were 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 with reference to Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 with reference to Standalone Financial Statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

A Company's internal financial control with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to Standalone Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company;

Annexure '2' to the Independent Auditor's Report (Contd.)

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 financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

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 with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial control with reference to Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OTHER MATTERS

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to standalone financial statements insofar as it relates to 12 joint operation which is a company incorporated in India, is based on the corresponding report of the other auditor of such joint operation of the Company.

Our opinion is not modified in respect of this matter.

K.P.Rao & Co.,
Chartered Accountants
(Firm Regn. No.003135S)

H N Anil
Partner
Membership No. 225120
UDIN: 26225120ENUOST2271

Place: Bangalore
Date: 29th May 2026.

Standalone Balance Sheet
as at March 31, 2026

(₹ in Lakhs)

Particulars	Note	As at March 31, 2026	As at March 31, 2025
I ASSETS			
1) Non-current assets			
a) Property, plant and equipment	3	23,320.04	29,987.80
b) Capital work-in-progress	3.1	12.14	41.20
c) Right of use asset		920.82	263.65
d) Investment property	3.2	6,634.71	6,634.71
e) Other Intangible assets	3.3	3.16	4.24
f) Financial Assets			
i) Investments	4	8,485.43	39,012.69
ii) Other Investments	4	22,934.24	39,605.45
iii) Trade receivables	5	3,460.05	3,126.35
iv) Loans	6	388.39	367.04
g) Deferred tax assets (Net)	8	11,506.13	12,757.75
h) Non Current Tax Assets (Net)	9	4,457.51	3,079.65
i) Other non-current assets	10	13,388.03	11,432.23
Total Non-current assets		**95,510.65**	**1,46,312.76**
2) Current assets			
a) Inventories	11	13,265.78	16,026.02
b) Financial assets			
i) Trade receivables	5	87,148.25	1,24,495.85
ii) Cash and cash equivalents	12	7,069.99	8,116.66
iii) Bank balances, other than (ii) above	13	4,010.06	6,244.16
iv) Loans	6	293.62	158.62
v) Other financials assets	7	1,79,554.43	1,44,079.39
c) Current tax assets (Net)	9	129.67	-
d) Other current assets	14	25,885.80	19,495.84
Total Current assets		**3,17,357.60**	**3,18,616.54**
3) Assets classified as held for sale	4	**55,540.71**	**45.90**
TOTAL ASSETS		**4,68,408.96**	**4,64,975.20**
II EQUITY AND LIABILITIES			
Equity			
a) Equity Share capital	15	5,624.70	5,624.70
b) Other equity	16	3,99,854.68	3,88,874.97
Total equity		**4,05,479.38**	**3,94,499.67**
Liabilities			
1) Non-current liabilities			
a) Financial liabilities			
i) Lease liability		665.22	284.25
b) Provisions	20	595.79	681.90
c) Other non-current liabilities	21	255.48	262.98
Total non-current liabilities		**1,516.49**	**1,229.13**
2) Current liabilities			
a) Financial liabilities			
i) Borrowings	17	-	-
ii) Trade Payables	19		
Dues to Micro & Small Enterprises		303.67	164.29
Due to other than Micro & Small Enterprises		27,994.24	28,219.03
iii) Other financial liabilities	18	26,619.66	31,276.23
b) Provisions	20	221.82	154.12
c) Other current liabilities	22	6,273.70	8,881.31
d) Current Tax liability (Net)	23	-	551.42
Total current liabilities		**61,413.09**	**69,246.40**
TOTAL EQUITY AND LIABILITIES		**4,68,408.96**	**4,64,975.20**
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 K. P. Rao & Co.,
Chartered Accountants
(Firm Regn. No.003135S)

H N Anil
Partner
Membership No: 225120
UDIN: 26225120ENUOST2271

Place : Hyderabad
Date : 29-May-2026

For and on behalf of the Board

K.Narsimha Reddy
Managing Director
DIN: 00382412

K. Jalandhar Reddy
Executive Director & CFO
DIN: 00434911

V.Haritha
Company Secretary

Standalone Statement of Profit and Loss

for the year ended March 31, 2026

(₹ in Lakhs)

	Particulars	Note	Year ended March 31, 2026	Year ended March 31, 2025
I	Revenue from Operations	24	2,09,671.53	3,35,864.93
II	Other income	25	6,394.31	45,165.57
III	**Total Income (I + II)**		**2,16,065.84**	**3,81,030.50**
IV	**Expenses**			
	Cost of materials consumed	26	76,405.08	1,46,643.94
	Construction expenses	27	89,552.59	99,826.45
	Employee benefits expense	28	15,120.70	17,691.50
	Finance costs	29	1,424.67	1,295.35
	Depreciation and amortization expense	30	5,819.08	9,028.51
	Other expenses	31	10,778.65	9,108.54
	Total expenses (IV)		**1,99,100.77**	**2,83,594.29**
V	**Profit before exceptional items and tax (III - IV)**		**16,965.07**	**97,436.21**
VI	Exceptional items - Expenses/(Income)	32	-	1,501.21
VII	**Profit/(Loss) before tax (V - VI)**		**16,965.07**	**95,935.00**
VIII	**Tax expense**	**33**		
	1) Current tax		4,115.85	22,158.58
	2) Adjustment of tax relating to earlier periods		17.12	584.24
	3) Deferred tax		1,225.88	624.10
			5,358.85	**23,366.92**
IX	**Profit/(Loss) for the year (VII - VIII)**		**11,606.22**	**72,568.08**
	Profit/(Loss) from discontinued operations		-	-
	Tax expenses of discontinued operations		-	-
	Profit/Los) from Discontinued operations (after tax)		-	-
	Profit/(Loss) for the period (IX +XII)		**11,606.22**	**72,568.08**
X	**Other comprehensive income / (loss)**	**34**		
	a) Items that will not be reclassified to profit or loss			
	Remeasurements of the defined benefit plans		102.33	91.90
	Deferred Tax on above items		(25.75)	(23.13)
	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)**		**11,682.80**	**72,636.85**
XII	**Earnings per equity share : (In ₹)**			
	1) Basic		4.13	25.80
	2) Diluted		4.13	25.80
	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 K. P. Rao & Co.,
Chartered Accountants
(Firm Regn. No.003135S)

H N Anil
Partner
Membership No: 225120
UDIN: 26225120ENUOST2271

Place : Hyderabad
Date : 29-May-2026

For and on behalf of the Board

K.Narsimha Reddy
Managing Director
DIN: 00382412

K. Jalandhar Reddy
Executive Director & CFO
DIN: 00434911

V.Haritha
Company Secretary

Standalone Statement of Changes in Equity
for the year ended March 31, 2026

A. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	Number of Shares	Amount
Balance as at April 1, 2024	28,12,34,600	5,624.70
Add/(Less) Changes in equity share capital during the year	-	-
Balance as at March 31, 2025	**28,12,34,600**	**5,624.70**
Add/(Less) Changes in equity share capital during the year	-	-
Balance as at March 31, 2026	**28,12,34,600**	**5,624.70**

B. OTHER EQUITY

(₹ in Lakhs)

Particulars	Reserves and Surplus				Other items of Other Comprehensive Income	Money received against share warrants	Total
	Securities Premium Reserve	General Reserve	Exchange difference on transaction & translation	Surplus in the statement of profit and loss			
Balance as at 1st, April, 2024	**9,786.96**	**2,849.00**	**-**	**3,04,012.26**	**292.99**	**-**	**3,16,941.21**
Profit for the year	-	-	-	72,568.08	-	-	**72,568.08**
Other Comprehensive Income/ loss for the year (Net of Taxes)	-	-	-	-	68.77	-	**68.77**
Payment of Dividend	-	-	-	(703.09)	-	-	**(703.09)**
Balance as at March 31, 2025	**9,786.96**	**2,849.00**	**-**	**3,75,877.25**	**361.76**	**-**	**3,88,874.97**
Balance as at 1st, April, 2025	9,786.96	2,849.00	-	3,75,877.25	361.76	-	**3,88,874.97**
Profit for the year	-	-	-	11,606.22	-	-	**11,606.22**
Other Comprehensive Income/ loss for the year (Net of Taxes)	-	-	-	-	76.58	-	**76.58**
Payment of Dividend	-	-	-	(703.09)	-	-	**(703.09)**
Balance as at March 31, 2026	**9,786.96**	**2,849.00**	**-**	**3,86,780.38**	**438.34**	**-**	**3,99,854.68**

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

For K. P. Rao & Co.,
Chartered Accountants
(Firm Regn. No.003135S)

H N Anil
Partner
Membership No: 225120
UDIN: 26225120ENUOST2271

Place : Hyderabad
Date : 29-May-2026

For and on behalf of the Board

K.Narsimha Reddy
Managing Director
DIN: 00382412

K. Jalandhar Reddy
Executive Director & CFO
DIN: 00434911

V.Haritha
Company Secretary

Standalone Cash Flow Statement
for the year ended March 31, 2026

(₹ in Lakhs)

	Particulars	Year ended March 31, 2026	Year ended March 31, 2025
A)	**Cash flow from Operating Activities**		
	Profit before tax	**16,965.07**	**95,935.00**
	Adjustments for:		
	Depreciation and Amortisation Expense	5,819.08	9,028.51
	Loss/(Profit) on sale of Property, Plant and Equipment, Investment Property(Net)	(1,089.64)	(77.20)
	Liabilities no longer required written back	(770.85)	(237.36)
	Provision for doubtful advances written back	-	(4,679.23)
	Provision for Impairment on Investments written back	-	(5,450.00)
	Bad Debts / Advances written Off	1,144.13	757.40
	(Gain) / Loss on Mutual Funds	(23.98)	(259.02)
	Un winding Interest on Fair Value of Financial Instruments	(359.31)	(395.61)
	Exceptional Item	-	1,501.21
	Allowance for expected credit loss on Trade Receivables	2,738.49	705.21
	Un winding Interest on Lease liability	21.14	35.32
	Interest on mobilisation advance	-	106.53
	Finance cost	1,403.53	1,154.00
	Interest Income	(2,411.50)	(29,184.06)
	Operating profit before working capital changes	**23,436.16**	**68,940.70**
	Changes in working capital:		
	(Increase)/Decrease in Trade and Other Receivables and prepayments	(9,989.17)	(49,219.19)
	(Increase)/Decrease in Inventories	2,760.24	6,046.04
	Increase/(Decrease) in Trade and other Payables	(5,916.38)	(30,471.57)
	Cash generated/ (used) from Operations	**10,290.85**	**(4,704.02)**
	Income Taxes (paid) / Refund	(6,019.94)	(21,665.64)
	Net Cash flows from / (used in) Operating Activities- (A)	**4,270.91**	**(26,369.66)**
B)	**Cash flow from Investing Activities**		
	Proceeds from sale of property, plant and equipment	2,800.68	223.90
	Payments for property, plant and equipment and Capital Work-in-Progress	(584.84)	(2,033.36)
	Interest Received	1,140.30	29,198.35
	(Increase)/Decrease in Fixed Deposits	2,234.10	(4,436.36)
	Loans/Advances to Subsidiaries/Associates and others	(130.74)	31.38
	Investments in Subsidiaries, Associates and Others	(8,272.36)	(6,757.15)
	TDS on Interest Received	(171.98)	(1,524.72)
	Net Cash flows from / (used in) Investing Activities- (B)	**(2,984.84)**	**14,702.04**

Standalone Cash Flow Statement
for the year ended March 31, 2026 (Contd.)

(₹ in Lakhs)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
C) Cash flow from Financing Activities		
Proceeds from borrowings	40,000.00	26,500.00
Repayment of borrowings	(40,000.00)	(26,500.00)
Finance cost paid	(1,629.65)	(1,165.27)
Dividend Paid	(703.09)	(703.09)
Net Cash Flows from / (used in) Financing Activities- (C)	**(2,332.74)**	**(1,868.36)**
Net increase/(decrease) in cash and cash equivalents - (A+B+C)	**(1,046.67)**	**(13,535.98)**
Cash & Cash Equivalents at the beginning of the year	8,116.66	21,652.64
Cash &Cash Equivalents at end of the year (Refer note)	**7,069.99**	**8,116.66**
Note:		
1 Cash & Cash equivalents		
Cash on hand	15.24	21.74
Bank Balance including Deposits and Cheques on Hand - Current Account	7,054.75	8,094.92
Total Cash & Cash equivalents	**7,069.99**	**8,116.66**

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.

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

For K. P. Rao & Co.,
Chartered Accountants
(Firm Regn. No.003135S)

H N Anil
Partner
Membership No: 225120
UDIN: 26225120ENUOST2271

Place : Hyderabad
Date : 29-May-2026

For and on behalf of the Board

K.Narsimha Reddy
Managing Director
DIN: 00382412

K. Jalandhar Reddy
Executive Director & CFO
DIN: 00434911

V.Haritha
Company Secretary

Notes Forming Part of the Standalone Financial Statements

for the year ended March 31, 2026

1 REPORTING ENTITY INFORMATION:

KNR Constructions Limited ('the Company') is a company domiciled in India with its registered office at 'KNR House' 3rd & 4th Floor, Plot No: 114, Phase-I, Kavuri Hills, Hyderabad – 500 033. The Company has been incorporated in 1995 under the provisions of Indian Companies Act. The shares of the Company are listed on the both the stock exchanges (BSE & NSE) India in 2008 pursuant to the Public offer of Equity Shares. The Company is engaged in the business of infrastructure sector, primarily in the construction of roads, bridges, flyovers and irrigation projects.

2 MATERIAL ACCOUNTING POLICIES:

2.1 Statement of Compliance

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

2.2 Functional and presentation currency

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

2.3 Basis of Preparation & Presentation

These 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.

2.4 Interest in Joint Operations

A Joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a Company undertakes its activities under joint operations, of the Company as a joint operator recognizes in relation to its interest in a joint operation:

1. Its assets, including its share of any assets held jointly,
2. Its liabilities, including its share of any liabilities incurred jointly,
3. Its revenue from the sale of its share arising from the joint operation,
4. It share of the revenue from the joint operations, and
5. Its expenses, including its share of any expenses incurred jointly

2.5 Operating cycle for Current and non-current classification

All the assets and liabilities have been classified as current or non-current, wherever applicable, as per the operating cycle of the Company as per Schedule III to the Act. Operating cycle for the business activities of the Company covers the duration of the project/ contract/ service including the defect liability period, wherever applicable, and extends up to the realization of receivables (including retention monies) within the credit period normally applicable to the respective project.

2.6 Fair Value Measurement

The company measures certain financial instruments, such as derivatives 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 inputs).

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

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

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 Company.

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.

The following asset category has useful life different from the life specified in Schedule II of the Companies Act, 2013 based on the management's assessment

Sl. No.	Description	Useful life given as per Companies Act 2013	Company's estimated useful life
1.	**Buildings**		
	RCC structure	60 years	60 years
	Temporary structure	3 Years	3 Years
2.	**Plant and Machinery**		
	Concreting, crushing, piling equipment's and road making equipment's	12 Years	7 Years */3 Years**
	Heavy Lift equipment's		
	- Cranes < 100 tons	15 Years	7 Years */3 Years**
	- Earth-moving equipment's	9 Years	7 Years */3 Years**
	Construction Accessories	12 Years	7 Years */3 Years**
	Others including Material Handling / Pipeline / Welding Equipment's	12 Years	7 Years */3 Years**
3.	**Furniture and fittings**	10 Years	10 Years

Notes Forming Part of the Standalone Financial Statements (Contd.)

Sl. No.	Description	Useful life given as per Companies Act 2013	Company's estimated useful life
4.	**Motor Vehicles**		
	Motor cycles, Scooters and other mopeds	10 Years	10 Years
	Motor buses, motor lorries, motor cars and motor taxies	8 Years	8 Years
5.	**Office equipment's**	5 Years	5 Years
6.	**Computers and data processing units**		
	Servers and networks	6 Years	6 Years
	End user devices, such as, desktops, laptop etc.,	3 Years	3 Years
7.	**Laboratory equipment's**	10 years	7 years *

* The Company estimated life of the asset as 7 years.

** The Company estimated life of the asset as 3 years as the assets have been used for more number of times / shifts as compared to the other ones.

Where cost of a part of the asset ("asset component") is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately and such asset component is depreciated over its separate useful life.

Gains or losses arising from the retirement or disposal of property, plant and equipment are determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset and are recognised in the income statement on the date of retirement or disposal.

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 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 de recognition of the property is included in profit or loss in the period in which the property is derecognized.

2.10 Intangible assets

Intangible assets are stated at original cost net of tax/ duty credits availed, if any, less accumulated amortization and cumulative impairment. Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Pre-operative expenses including administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalized as a part of the cost of the intangible assets. Intangible assets are amortized over their useful life.

Asset	Useful life
Computer Software	3 Years

2.11 Investment in Subsidiaries, Associates, Joint Ventures and Mutual Funds

On initial recognition, these investments are recognised at fair value plus any directly attributable transaction cost. Subsequently, they are measured at cost.

Investments in mutual funds are carried at fair value through profit and loss.

Investments are classified as 'held for sale' when all of the following criteria's are met:

(i) decision has been made to sell,

(ii) the assets are available for immediate sale in its present condition,

(iii) the assets are being actively marketed and

(iv) Sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such investments classified as held for sale are measured at the lower of its carrying value and fair value less impairment.

Investments in joint operations are recognised at cost with adjustment to respective share of profit/loss.

2.12 Inventories

Raw Materials, construction materials and stores & spares are valued at weighted average cost or net realizable value whichever is less. Cost includes all charges in bringing the materials to the place of usage, excluding refundable duties and taxes.

2.13 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 that are potentially favourable 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 Company changes its business model for managing financial assets.

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

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

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 Company 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 Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

Notes Forming Part of the Standalone Financial Statements (Contd.)

Financial liabilities

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

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

iii. Impairment

Impairment of financial instruments

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

- Financial assets that are measured at amortized cost
- Trade receivables

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

Impairment of non-financial assets

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

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

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

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

2.14 Cash and cash equivalents

Cash and cash equivalents includes Cash in hand, bank balances and cheques on hand, 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.

2.15 Other Bank balances

Other bank balances include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation.

2.16 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses borrowing rate. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease, the Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

2.17 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.

2.18 Contingent liability, Contingent Assets and Commitments

i) 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.

ii) Contingent assets are disclosed where an inflow of economic benefits is probable.

iii) 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.

Notes Forming Part of the Standalone Financial Statements (Contd.)

2.19 Revenue recognition

Accounting for Construction contracts

The Company constructs infrastructure projects on behalf of clients. Delivering the project as per the contractual terms is the only performance obligation that has been identified. Under the terms of the contracts, the company will perform its obligations on time to time as per the timing schedule indicated in the contract with the asset having no alternative use to the entity and the company having an enforceable right to receive payment for the work done. Hence, Revenue is therefore recognized over time on a cost to cost method, i.e. based on the proportion of contract costs incurred for the work performed to date relative to the estimated total contract costs. The management considers that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under Ind AS 115.

Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

As per the contract, when there is a right to consideration in exchange for goods or services that have been transferred to a customer when that right is conditioned on something other than the passage of time, a contract asset is recognised to the extent of the consideration due.

Similarly, when there is an obligation to transfer goods or services to a customer for which the entity has received consideration from the customer, a contract liability is recognised to the extent of the obligation.

Accounting for Claims

Claims are accounted as income in the period of receipt of arbitration award and acceptance by client. Interest awarded, being in the nature of additional compensation under the terms of the contract, is accounted as other Income on receipt of arbitration award and acceptance by client.

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.

Dividend income: Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the company, and the amount of the dividend can be measured reliably.

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 company and the amount of income can be measured reliably.

2.20 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 Company's defined benefit plans. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method.

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.

Notes Forming Part of the Standalone Financial Statements (Contd.)

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 Company recognizes related restructuring costs or termination benefits.

2.21 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 realise 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 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 realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

2.22 Foreign currencies

a) The Functional Currency of the Company is Indian Rupees (INR), and these financial statements are presented in Indian rupees (Lakhs).

b) Foreign Currency transactions are recorded on initial recognition in the reporting currency, using the exchange rate on the date of the transaction.

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

Notes Forming Part of the Standalone Financial Statements (Contd.)

2.23 Cash Flow Statement

The 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.

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

2.24 Dividend to equity shareholders

Dividend to equity shareholders is recognised as a liability and deducted from shareholders equity, in period in which the dividends are approved by the equity shareholders in general meeting.

2.25 Earnings per share

a) Basic Earnings per share

Basic earnings per share are calculated by dividing:

- the profit attributable to owners of the company
- 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.

2.26 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.

2.27 Exceptional Items

Exceptional Items represents the nature of transactions which are not in recurring nature during the ordinary course of business but lead to increase / decrease in profit / loss for the year.

2.28 Key accounting estimates and judgements

The preparation of these financial statements in conformity with Ind AS requires the management to make estimates and assumptions considered in the reported amounts of assets, liabilities (including contingent liabilities), income and expenses. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize. Estimates include the property plant and equipment, inventory; future obligations in respect of retirement benefit plans, provisions, fair value measurement and taxes etc.

a) Revenue Recognition

The Company follows the percentage completion method, based on the proportion that contract cost incurred as on reporting date to the total estimated contract cost including escalations/variations, this method is followed when reasonably dependable estimates of costs applicable to various elements of the contract can be made. Key factors that are reviewed in estimating the future costs to complete include estimates of future labor costs and productivity efficiencies. Because the financial reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, recognized revenue and profit are subject to revisions as the contract progresses to completion. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable.

b) Property, plant and equipment

The company 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.

c) 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 judgements and assumptions.

d) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term including anticipated renewals and the applicable discount rate

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option.

In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate.

e) Provision for employee benefits

The Company 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.

f) Income Taxes

Significant judgments are required in determining the provision for income taxes, including the amount expected to be paid/ recovered for uncertain tax positions.

g) Estimation of net realisable value of inventories

In estimating the net realisable value of Inventories the Company makes an estimate of future selling prices and costs necessary to make the sale.

h) Impairment of trade receivables and advances

Significant estimates are required in ascertaining the provision to be made for impairment of trade receivables and advances.

2.29 Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2026, MCA has notified the following amendments to the existing standards applicable to the Company.

i. Ind AS 1 – Presentation of Financial Statements

ii. Ind AS 7 – Statement of Cash flows

iii. Ind AS 21 – The effects of changes in foreign currency exchange rates

iv. Ind AS 107 – Financials Instruments

The Company believes that the aforementioned amendments will not materially impact the financial statements of the Company

Notes Forming Part of the Standalone Financial Statements (Contd.)

3 PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Tangible Assets		
Land - Free Hold *	7,556.39	8,933.10
Buildings	1,252.47	1,365.49
Plant and Equipment	13,388.35	18,272.66
Furniture and Fixtures	129.87	148.44
Vehicles	911.78	1,161.00
Office equipment	52.53	72.90
Computers & Accessories	28.65	34.21
	23,320.04	**29,987.80**

Note: Refer note 17.1 for details of assets pledged.

(₹ in Lakhs)

Particulars	Tangible Assets							
	Land - Free Hold	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Computers & Accessories	Total
Cost or Deemed Cost :								
As at April 01, 2025	8,933.10	4,088.36	1,43,797.30	504.62	4,136.24	350.62	238.16	**1,62,048.40**
Additions	3.21	30.49	295.22	18.46	224.46	11.86	13.05	**596.75**
Disposals/Adjustments	(1,379.92)	(33.33)	(3,405.89)	-	(286.24)	-	-	**(5,105.38)**
As at March 31, 2026	**7,556.39**	**4,085.52**	**1,40,686.63**	**523.08**	**4,074.46**	**362.48**	**251.21**	**1,57,539.77**
Accumulated Depreciation								
As at April 01, 2025	-	2,722.87	1,25,524.64	356.18	2,975.24	277.72	203.95	**1,32,060.60**
Charge for the period	-	119.86	4,984.12	37.03	361.62	32.23	18.61	**5,553.47**
Disposals/Adjustments	-	(9.68)	(3,210.48)	-	(174.18)	-	-	**(3,394.34)**
As at March 31, 2026	**-**	**2,833.05**	**1,27,298.28**	**393.21**	**3,162.68**	**309.95**	**222.56**	**1,34,219.73**
Net Carrying Amount								
As at March 31, 2026	**7,556.39**	**1,252.47**	**13,388.35**	**129.87**	**911.78**	**52.53**	**28.65**	**23,320.04**
As at March 31, 2025	8,933.10	1,365.49	18,272.66	148.44	1,161.00	72.90	34.21	**29,987.80**

(₹ in Lakhs)

Particulars	Tangible Assets							
	Land - Free Hold	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Computers & Accessories	Total
Cost or Deemed Cost :								
As at April 01, 2024	8,915.15	4,070.59	1,44,684.35	460.93	3,868.69	324.05	208.88	**1,62,532.64**
Additions	17.95	159.05	1,592.36	44.21	376.42	26.57	27.53	**2,244.09**
Disposals/Adjustments	-	(141.28)	(2,479.41)	(0.52)	(108.87)	-	1.75	**(2,728.33)**
As at March 31, 2025	**8,933.10**	**4,088.36**	**1,43,797.30**	**504.62**	**4,136.24**	**350.62**	**238.16**	**1,62,048.40**
Accumulated Depreciation								
As at April 01, 2024	-	2,669.25	1,19,934.48	317.22	2,611.99	227.90	174.75	**1,25,935.59**
Charge for the period	-	187.84	7,943.50	39.45	458.61	49.82	29.20	**8,708.42**
Disposals/Adjustments	-	(134.22)	(2,353.34)	(0.49)	(95.36)	-	-	**(2,583.41)**
As at March 31, 2025	**-**	**2,722.87**	**1,25,524.64**	**356.18**	**2,975.24**	**277.72**	**203.95**	**1,32,060.60**
Net Carrying Amount								
As at March 31, 2025	**8,933.10**	**1,365.49**	**18,272.66**	**148.44**	**1,161.00**	**72.90**	**34.21**	**29,987.80**
As at March 31, 2024	8,915.15	1,401.34	24,749.87	143.71	1,256.70	96.15	34.13	**36,597.05**

3.1 Capital work-in-progress

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Cost :		
Opening As at	41.20	218.43
Add: Additions	49.45	86.35
Less: Adjustments	78.51	263.58
As at	**12.14**	**41.20**

The capital work-in-progress ageing schedule as follows:

Ageing of Capital work-in-progress

(₹ in Lakhs)

Particulars	As at March 31, 2026					As at March 31, 2025				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1.52	2.14	2.91	5.56	**12.14**	32.73	2.91	5.56	-	**41.20**
Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-
Total capital work-in-progress	**1.52**	**2.14**	**2.91**	**5.56**	**12.14**	**32.73**	**2.91**	**5.56**	**-**	**41.20**

As on the date of balance sheet, there is no capital work-in-progress project(s) whose completion is overdue or has exceeded the cost, based on the approved plan.

3.2 Investment Property

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Investment Property *	6,634.71	6,634.71
	6,634.71	**6,634.71**

*Land and investment property includes ₹ 1,885.66 lakhs (P.Y ₹ 1,885.66 lakhs) held in the name of Directors, relatives of Directors for and on behalf of the Company and refer note 69 for the details of the immovable property not held in the name of the Company.

Note: Refer note 17.1 for details of assets pledged.

As at March 31, 2026 (₹ in Lakhs)

Particulars	Amount
Cost / Deemed Cost	
As at April 01, 2025	6,634.71
Additions	-
Disposals / Adjustments	-
As at March 31, 2026	**6,634.71**
Accumulated Depreciation	
As at April 01, 2025	-
Charge for the period	-
Disposals / Adjustments	-
As at March 31, 2026	**-**
Net Carrying Amount As at March 31, 2026	**6,634.71**
As at March 31, 2025	**6,634.71**

As at March 31, 2025 (₹ in Lakhs)

Particulars	Amount
Cost / Deemed Cost	
As at April 01, 2024	6,634.71
Additions	-
Disposals / Adjustments	-
As at March 31, 2025	**6,634.71**
Accumulated Depreciation	
As at April 01, 2024	-
Charge for the period	-
Disposals / Adjustments	-
As at March 31, 2025	**-**
Net Carrying Amount As at March 31, 2025	**6,634.71**
As at March 31, 2024	6,634.71

Notes Forming Part of the Standalone Financial Statements (Contd.)

3.2 Investment Property (Contd.)

Fair Value of Investment Property

Details and fair value of the investment property as on March 31, 2026 and March 31, 2025 is given below

(₹ in Lakhs)

Particulars	Fair value Hierarchy	As at March 31, 2026	As at March 31, 2025
Investment Property	Level 3	15,732.05	15,732.05
		15,732.05	**15,732.05**

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

3.3 Other Intangible assets

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Computer Software	3.16	4.24
Total	**3.16**	**4.24**

As at March 31, 2026 (₹ in Lakhs)

Particulars	Computer software	Total
Cost / Deemed Cost		
As at April 01, 2025	56.18	**56.18**
Additions	-	**-**
Disposals / Adjustments	-	**-**
As at March 31, 2026	**56.18**	**56.18**
Accumulated Depreciation		
As at April 01, 2025	51.94	**51.94**
Charge for the period	1.08	**1.08**
Disposals	-	**-**
As at March 31, 2026	**53.02**	**53.02**
Net Carrying Amount		
As at March 31, 2026	**3.16**	**3.16**
As at March 31, 2025	**4.24**	**4.24**

As at March 31, 2025 (₹ in Lakhs)

Particulars	Computer software	Total
Cost / Deemed Cost		
As at April 01, 2024	55.20	**55.20**
Additions	3.14	**3.14**
Disposals / Adjustments	(2.16)	**(2.16)**
As at March 31, 2025	**56.18**	**56.18**
Accumulated Depreciation		
As at April 01, 2024	50.82	**50.82**
Charge for the period	1.50	**1.50**
Disposals	(0.38)	**(0.38)**
As at March 31, 2025	**51.94**	**51.94**
Net Carrying Amount		
As at March 31, 2025	**4.24**	**4.24**
As at March 31, 2024	**4.38**	**4.38**

4. INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Non-Current		
Trade - Unquoted		
a) Equity instruments of subsidiaries (At cost):		
KNR Agrotech & Beverages Private Limited	1.00	1.00
10,000 (PY 10,000) equity shares of ₹ 10/- each, fully paid		
KNR Infrastructure Projects Private Limited	1.00	1.00
10,000 (PY 10,000) equity shares of ₹ 10/- each, fully paid		
KNR Energy Limited	5.00	5.00
50,000 (PY 50,000) equity shares of ₹ 10/- each, fully paid		
KNRC Holdings & Investments Private Limited	1.00	1.00
10,000 (PY 10,000) equity shares of ₹ 10/- each, fully paid		
KNR Somwarpet Infraproject Private Limited (Refer note 4.1)	3,052.50	3,052.50
3,05,250 (PY 3,05,250) equity shares of ₹ 1,000/- each, fully paid		
KNR Palani Infra Private Limited (Refer note 4.2)	-	4,023.00
4,02,300 (PY 4,02,300) equity shares of ₹ 1,000/- each, fully paid		
KNR Guruvayur Infra Private Limited (Refer note 4.3)	-	10,457.50
10,45,750 (PY 10,45,750) equity shares of ₹ 1,000/- each, fully paid		
KNR Ramanattukara Infra Private Limited (Refer note 4.4)	-	11,250.00
11,25,000 (PY 11,25,000) equity shares of ₹ 1,000/- each, fully paid		
KNR Ramagiri Infra Private Limited (Refer note 4.5)	-	4,807.50
4,80,750 (PY 4,80,750) equity shares of ₹ 1,000/- each, fully paid		
KNR Sriranganatha Infra Private Limited (Refer note 4.6)	10.00	10.00
1,000 (PY 1,000) equity shares of ₹ 1,000/- each, fully paid		
KNR Kaveri Infra Private Limited (Refer note 4.7)	10.00	10.00
1,000 (PY 1,000) equity shares of ₹ 1,000/- each, fully paid		
KNR Ramateertham Infra Private Limited (Refer note 4.8)	4,375.00	4,375.00
4,37,500 (PY 4,37,500) equity shares of ₹ 1,000/- each, fully paid		
KNRHC Baidyanath Banhardih Coal Mine Private Limited	0.74	-
7,400 (PY Nil) equity shares of ₹ 10/- each, fully paid		
KNR Mahabalipuram Infra Pvt Ltd	10.00	-
1,000 (PY Nil) equity shares of ₹ 1000/- each, fully paid		
	7,466.24	**37,993.50**

Notes Forming Part of the Standalone Financial Statements (Contd.)

4 INVESTMENTS (CONTD.)

(₹ in Lakhs)

	Particulars	As at March 31, 2026	As at March 31, 2025
b)	**Equity instruments of associates (At Cost):**		
	Patel KNR Infrastructures Limited	1,152.88	1,152.88
	1,15,28,839 (PY 1,15,28,839) equity shares of ₹ 10/- each, fully paid		
	Patel KNR Heavy Infrastructures Limited	952.95	952.95
	95,29,500 (PY 95,29,500) equity shares of ₹ 10/- each, fully paid		
	Total Un quoted Investments in Associates	**2,105.83**	**2,105.83**
	Less : Impairment Made	(1,086.64)	(1,086.64)
	Net Un quoted Investments in Associates	**1,019.19**	**1,019.19**
	Total equity Investments (a+b)	**8,485.43**	**39,012.69**
c)	**Other Investment In Subsidiaries & Associates (Quasi Debt)**		
	Subsidiaries		
	KNR Agrotech & Beverages Private Limited	590.13	590.13
	KNR Energy Limited	425.24	425.24
	KNRC Holdings and Investments Private Limited	5,994.12	5,994.12
	KNR Somwarpet Infraproject Private Limited	9,272.89	9,272.89
	KNR Palani Infra Private Limited	-	2,417.21
	KNR Guruvayur Infra Private Limited	-	6,512.00
	KNR Ramanattukara Infra Private Limited	-	5,576.00
	KNR Ramagiri Infra Private Limited	-	3,329.00
	KNR Ramateertham Infra Pvt.Ltd	1,163.00	-
	Associates		
	Patel KNR Heavy Infrastructures Limited	1,793.69	1,793.69
	Total Other Investment In Subsidiaries & Associates (Quasi Debt)	**19,239.07**	**35,910.28**
d)	**Other Investment In LLPs**		
	Manjeri City Infrastructures and Developers LLP	3,290.17	3,290.17
	Benedire Infrastructures and Developers LLP	405.00	405.00
	Total	**3,695.17**	**3,695.17**
	Total other investments (c+d)	**22,934.24**	**39,605.45**
	Total non-current investments (a+b+c+d)	**31,419.67**	**78,618.14**

4 INVESTMENTS (CONTD.)

(₹ in Lakhs)

Particulars		As at March 31, 2026	As at March 31, 2025
Current			
Trade - Unquoted - Held for Sale			
e)	**Equity instruments of subsidiaries (At cost):**		
	KNR Muzaffarpur Barauni Tollway Private Limited		
	Nil (PY 4,59,000) equity shares of ₹ 10/- each, fully paid	-	45.90
	KNR Palani Infra Private Limited (Refer note 4.2)	4,023.00	-
	4,02,300 (PY 4,02,300) equity shares of ₹ 1,000/- each, fully paid		
	KNR Guruvayur Infra Private Limited (Refer note 4.3)	10,457.50	-
	10,45,750 (PY 10,45,750) equity shares of ₹ 1,000/- each, fully paid		
	KNR Ramanattukara Infra Private Limited (Refer note 4.4)	11,250.00	-
	11,25,000 (PY 11,25,000) equity shares of ₹ 1,000/- each, fully paid		
	KNR Ramagiri Infra Private Limited (Refer note 4.5)	4,807.50	-
	4,80,750 (PY 4,80,750) equity shares of ₹ 1,000/- each, fully paid		
	Total equity Investments held for sale (e)	**30,538.00**	**45.90**
f)	**Other Investment In Subsidiaries (Quasi Debt)**		
	KNR Palani Infra Private Limited	2,417.21	-
	KNR Guruvayur Infra Private Limited	8,874.50	-
	KNR Ramanattukara Infra Private Limited	10,382.00	-
	KNR Ramagiri Infra Private Limited	3,329.00	-
	Total Other Investment In Subsidiaries held for sale (Quasi Debt) (f)	**25,002.71**	**-**
	Total Investments held for sale (e+f)	**55,540.71**	**45.90**

(₹ in Lakhs)

Particulars		As at March 31, 2026	As at March 31, 2025
Total Investments			
i)	Aggregate amount of Unquoted equity investments in Subsidiaries - Non Current (a)	7,466.24	37,993.50
ii)	Aggregate amount of Unquoted equity investments in Associates - Non Current (b)	2,105.83	2,105.83
iii)	Aggregate amount of impairment in value of investments - Non Current (b)	(1,086.64)	(1,086.64)
iv)	Aggregate amount of amortised cost of unquoted investments - Non Current (c)	19,239.07	35,910.28
v)	Aggregate amount of unquoted investments in LLP - Non Current (d)	3,695.17	3,695.17
vi)	Aggregate amount of Unquoted equity investments held for sale (e)	30,538.00	45.90
vii)	Aggregate amount of amortised cost of unquoted investments held for sale (f)	25,002.71	-
		86,960.38	**78,664.04**

4.1 91,575 Shares (P.Y. 91,575) equity share have been pledged and 64,103 shares (P.Y. 64,103) are given under non disposable undertaking with Catalyst Trusteeship Limited for the term loan availed by KNR Somwarpet Infra Project Private Limited

4.2 2,05,173 Shares (P.Y. 2,05,173) equity share have been pledged with Axis Trustee services Limited for the term loan availed by KNR Palani Infra Private Limited

Notes Forming Part of the Standalone Financial Statements (Contd.)

4 INVESTMENTS (CONTD.)

4.3 5,33,333 Shares (P.Y. 5,33,333) equity share have been pledged with SBI Cap Trustee services Limited for the term loan availed by KNR Guruvayur Infra Private Limited

4.4 5,73,750 Shares (P.Y. 5,73,750) equity share have been pledged and 5,50,762 shares (P.Y. 5,50,762 shares) are given under non disposable undertaking with Catalyst Trustee services Limited for the term loan availed by KNR Ramanattukara Infra Private Limited

4.5 2,45,183 Shares (P.Y. 2,45,183) equity share have been pledged and 2,35,077 shares (P.Y. 2,35,077 shares) are given under non disposable undertaking with Axis Trustee services Limited for the term loan availed by KNR Ramagiri Infra Private Limited

4.6 510 Shares (P.Y. 510) equity share have been pledged with Axis Trustee services Limited for the term loan availed by KNR Sriranganatha Infra Private Limited

4.7 510 Shares (P.Y. 510) equity share have been pledged with Catalyst Trustee services Limited for the term loan availed by KNR Kaveri Infra Private Limited

4.8 2,23,125 Shares (P.Y. 510) equity share have been pledged with SBI Cap Trustee services Limited for the term loan availed by KNR Ramatheertham Infra Private Limited

5. TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current		
Unsecured, considered good		
Trade Receivables (Arbitration Award Claims from JV's)	806.00	806.00
Trade Receivables (Arbitration Award Claims from Others)	2,654.05	2,320.35
Total Non-Current Trade Receivables	**3,460.05**	**3,126.35**
Current		
Unsecured, considered good		
Trade Receivables from Related Party (Refer note: 45)	9,581.49	34,287.75
Trade Receivables from others	81,010.46	90,913.31
Less: Allowance for expected credit loss	(3,443.70)	(705.21)
Unsecured, considered doubtful		
Trade Receivables	18.15	18.15
Less: Provision for doubtful Trade Receivables	(18.15)	(18.15)
Total Current Trade Receivables	**87,148.25**	**1,24,495.85**
Total	**90,608.30**	**1,27,622.20**

5 TRADE RECEIVABLES (CONTD.)

5.1 Ageing Trade Receivables

(₹ in Lakhs)

Particulars	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
As on March 31, 2026						
Undisputed Trade Receivables - Considered Good	21,924.24	91.33	5,905.51	61,300.93	4,829.99	**94,052.00**
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	18.15	**18.15**
Undisputed Trade Receivables – credit impaired	-	-	-	-	(18.15)	**(18.15)**
Disputed Trade receivables - Considered good	-	-	-	-	-	**-**
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	**-**
Disputed Trade Receivables – credit impaired	-	-	-	-	-	**-**
Less: Allowance for expected credit loss	9.60	-	59.06	2,892.04	483.00	**3,443.70**
Total	**21,914.64**	**91.33**	**5,846.45**	**58,408.89**	**4,346.99**	**90,608.30**
As on March 31, 2025						
Undisputed Trade Receivables - Considered Good	65,907.62	5.01	60,940.99	1,307.79	166.00	**1,28,327.41**
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	18.15	**18.15**
Undisputed Trade Receivables – credit impaired	-	-	-	-	(18.15)	**(18.15)**
Disputed Trade receivables - Considered good	-	-	-	-	-	**-**
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	**-**
Disputed Trade Receivables – credit impaired	-	-	-	-	-	**-**
Less: Allowance for expected credit loss	51.64	0.02	578.15	65.39	10.01	**705.21**
Total	**65,855.98**	**4.99**	**60,362.84**	**1,242.40**	**155.99**	**1,27,622.20**

6. LOANS

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current		
Unsecured, considered good:		
Loans to related parties (Refer note : 6.1, 6.2)		
- Subsidiaries	388.39	367.04
Total Non-Current Loans	**388.39**	**367.04**

Notes Forming Part of the Standalone Financial Statements (Contd.)

6 LOANS (CONTD.)

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Current		
Unsecured, considered good:		
Loans to		
- Joint Venture Partners & SPVs	293.62	158.62
Total Current Loans	**293.62**	**158.62**
Total	**682.01**	**525.66**

6.1 - Loans due by subsidiaries have common directors.

- Intercorporate loans to related parties carried at fair value (Amortized cost) as per Ind AS

6.2 - All the above loans are interest bearing

7. OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Current		
Unsecured, considered good:		
Advances to related parties (Refer note: 45)	4,368.95	6,180.15
Retention Deposits & Withheld	34,345.41	34,608.30
Unbilled Revenue / Contract Asset	1,33,934.91	96,880.01
Interest receivable	1,306.83	35.63
Security Deposits	2,497.50	3,297.41
Other Receivables	1,698.46	1,675.52
Receivable from Others	1,402.37	1,402.37
Unsecured, considered doubtful:		
Receivable from Others	1,405.28	1,405.28
Less: Provision for doubtful Receivable	(1,405.28)	(1,405.28)
Security Deposits	85.82	85.82
Less: Provision for doubtful Security Deposits	(85.82)	(85.82)
Other Receivables	-	10.54
Less: Provision for doubtful Others	-	(10.54)
Retention Deposits	14.91	14.91
Less: Provision for Retention Deposits	(14.91)	(14.91)
Total Current Other Financial Assets	**1,79,554.43**	**1,44,079.39**
Total	**1,79,554.43**	**1,44,079.39**

8. DEFERRED TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred tax assets	11,506.13	12,757.75
Deferred tax liability	-	-
	11,506.13	**12,757.75**

8.1 Components of deferred income tax assets and liabilities arising on account of temporary differences are:

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred tax asset		
Expenditure disallowed under Income Tax Act, 1961	338.06	327.12
Provision for doubtful advances and receivables	1,428.43	918.65
Deferred tax on fair value of investment of properties	1,137.17	2,119.31
Property, plant and equipment	8,476.72	9,292.68
	11,380.38	**12,657.76**
Deferred tax liability		
On OCI (Gratuity)	125.75	99.99
	125.75	**99.99**
Total	**11,506.13**	**12,757.75**

9. TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current		
Advance Tax	4,457.51	3,079.65
Total Non-current Tax Asset	**4,457.51**	**3,079.65**
Current		
Advance Tax	4,228.18	-
Less: Provision for Income Tax	(4,098.51)	-
Total Current Tax Asset	**129.67**	**-**
Total	**4,587.18**	**3,079.65**

Notes Forming Part of the Standalone Financial Statements (Contd.)

10. OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Un-secured Considered good		
Capital advances	166.61	149.46
Security Deposits	1,959.43	1,877.34
Dues from Statutory authorities	11,261.99	9,405.43
Unsecured, considered doubtful:		
Capital advances	9.71	9.71
Less: Provision for bad debts	(9.71)	(9.71)
Total	**13,388.03**	**11,432.23**

11. INVENTORIES

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Raw materials	7,249.77	8,740.70
Goods-in transit	163.46	-
	7,413.23	**8,740.70**
Stores and spares	5,466.45	7,285.32
Goods-in transit	386.10	-
	5,852.55	**7,285.32**
Total	**13,265.78**	**16,026.02**

11.1 The above inventories are valued at weighted average cost or net realisable value whichever is less.

12. CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Balances with banks:		
In current accounts	7,054.75	8,094.92
Cash on hand	15.24	21.74
Total	**7,069.99**	**8,116.66**

13. OTHER BANK BALANCES

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Margin Money & Other Deposits (Refer Note: 13.1)	4,003.34	6,238.16
Un-claimed Dividend	6.72	6.00
Total	**4,010.06**	**6,244.16**

13.1 Margin Money Deposits have been lodged with Banks against Guarantees / Letters of credit issued by them.

Notes Forming Part of the Standalone Financial Statements (Contd.)

14. OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Un-secured Considered good		
Advances to Sub-contractors	20,868.62	13,038.26
Advances to Suppliers (Other than capital advances)	4,078.39	3,824.69
Staff Imprest & Salary Advances	381.98	469.48
Prepaid expenses	510.36	622.66
Receivables from Others	46.45	1,540.75
Considered doubtful		
Advances to Sub-contractors	-	59.11
Provision for Advance to Sub Contractors	-	(59.11)
	25,885.80	**19,495.84**

15. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at March 31, 2026		As at March 31, 2025	
	No.of Shares	Amount	No.of Shares	Amount
Authorised Share capital				
Equity Shares of ₹ 2/- each	30,00,00,000	6,000.00	30,00,00,000	6,000.00
Issued, subscribed & fully paid share capital				
Equity Shares of ₹ 2/- each	28,12,34,600	5,624.70	28,12,34,600	5,624.70
Total	**28,12,34,600**	**5,624.70**	**28,12,34,600**	**5,624.70**

15.1 Reconciliation of the number of shares outstanding at the beginning and at the end of the year is set out below

(₹ in Lakhs)

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	Amount	No.of Shares	Amount
Number of Equity Shares at the beginning of the year	28,12,34,600	5,624.70	28,12,34,600	5,624.70
Add: Number of Shares Issued	-	-	-	-
Add: Bonus shares issued	-	-	-	-
Less: Number of Shares Bought Back	-	-	-	-
Number of Equity Shares at the end of the year	28,12,34,600	5,624.70	28,12,34,600	5,624.70

Notes Forming Part of the Standalone Financial Statements (Contd.)

15 EQUITY SHARE CAPITAL (CONTD.)

Terms/ Rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of ₹ 2/- . Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

The Board of Directors has proposed in their meeting held on May 29, 2026 dividend of ₹ 0.25/- per fully paid equity share of ₹ 2/- each.

During the year ended March 31, 2026, the Company paid the final dividend of ₹ 0.25/- per equity share for the year ended March 31, 2025 amounting to ₹ 703.09 crore.

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

15.2 The details of shareholder holding more than 5% shares as at March 31, 2026 and March 31, 2025:

(₹ in Lakhs)

Name of the shareholder	As at March 31, 2026		As at March 31, 2025	
	No.of Shares	% holding	No.of Shares	% holding
Kamidi Narsimha Reddy	8,54,84,926	30.40	8,54,84,926	30.40
Kamidi Jalandhar Reddy	3,72,59,210	13.25	3,72,59,210	13.25
HDFC Midcap opportunities fund	1,05,83,872	3.76	2,30,52,174	8.20

15.3 For the period of five years immediately preceding reporting period

i) Shares allotted as fully paid-up pursuant to contract(s) without payment being received in cash. - Nil

ii) Aggregate Number and class of shares allotted as fully paid up by way of bonus shares.

Particulars	No. of shares	₹ In lakhs
Equity share of ₹ 2/- each *	14,06,17,300	2,812.35

iii) Shares which were bought back in any of the years. - Nil

iv) Calls unpaid by any director or officer of the company during the year. - Nil

* During the FY 2020-21 the Company has issued Bonus Shares in the ratio of 1:1 on February 05, 2021.

15.4 Shareholding of Promoters / Promoter group:

(₹ in Lakhs)

Promoter / Promoter group Name	As at March 31, 2026			As at March 31, 2025		
	No. of Shares	% Of Total Shares	% Change during the year	No. of Shares	% Of Total Shares	% Change during the year*
Kamidi Narsimha Reddy	8,54,84,926	30.40%	-	8,54,84,926	30.40%	-6.49%
Kamidi Jalandhar Reddy	3,72,59,210	13.25%	-	3,72,59,210	13.25%	-1.32%
Kamidi Yashoda	80,15,010	2.85%	-	80,15,010	2.85%	0.00%
Mereddy Rajesh Reddy	65,00,000	2.31%	-	65,00,000	2.31%	0.00%

Notes Forming Part of the Standalone Financial Statements (Contd.)

16. OTHER EQUITY

(₹ in Lakhs)

	Particulars	As at March 31, 2026	As at March 31, 2025
a)	Securities premium reserve	9,786.96	9,786.96
b)	General reserve	2,849.00	2,849.00
c)	Surplus in the statement of profit and loss		
	Balance at the beginning of the period	3,75,877.25	3,04,012.26
	Add: Profit/(Loss) for the period	11,606.22	72,568.08
	Less: Dividend paid	(703.09)	(703.09)
		3,86,780.38	**3,75,877.25**
d)	Other Comprehensive Income - Gratuity	438.34	361.76
	Total (a+b+c+d)	**3,99,854.68**	**3,88,874.97**

17. BORROWINGS

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current	-	-
Total non-current borrowings	-	-
Current	**-**	**-**
Loans repayable on Demand		
Secured loans		
From banks (Refer note 17.1 & 17.2)		
Working capital demand loans	-	-
Cash credits	-	-
Total current borrowings	**-**	**-**
Total	**-**	**-**

17.1 Working Capital Facilities: Cash Credit facilities from consortium of banks are secured by:

a. Hypothecation of all chargable current assets on pari passu basis with other participating banks

b. First pari passu charge on equitable mortgage of certain land & buildings

c. Hypothecation of certain movable fixed assets of the Company, which are not encumbered/charged to the term lenders

d. First pari passu charge on fixed deposit of ₹ 3,303.00 Lakhs made with SBI

e. Personal guarantee of Director

17.2 The interest rate for working capital demand loan and cash credit facilities varies from 7.90% to 9.80% per annum

17.3 The quarterly returns of current assets filed by the Company with banks are in agreement with the books of account

17.4 Un-secured Loans

The company availed un-secured loan from directors, which are repayable on demand and carries interest at SBI 1 year MCLR and the interest rate will be changed according to the changes in SBI MCLR from time to time.

Notes Forming Part of the Standalone Financial Statements (Contd.)

18. OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Current		
Interest accrued but not due on Mobilisation Advance	824.27	1,050.39
Unclaimed dividend	6.69	6.08
Retention Deposits and with held amounts	19,056.82	17,081.95
Security Deposits	217.46	221.93
Outstanding Expenses	6,514.42	3,045.25
Unearned Revenue / Contract Liability	-	9,870.63
Total current other financial liabilities	**26,619.66**	**31,276.23**
Total	**26,619.66**	**31,276.23**

18.1 During the year, an un-paid dividend amount of ₹ 59,828/- for relating to F.Y 2017-18 has been transferred to Investor Education and Protection Fund. The balance un-paid dividend is not due for transfer to the Investor Education and Protection Fund as at Balance Sheet date.

19. TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Current		
Trade payables (refer note 19.1)		
Dues to Micro & Small Enterprises (Refer note 19.2)	303.67	164.29
Dues to creditors other than Micro & Small Enterprises	15,422.48	18,027.12
Bills Payable (Sub-contractors/Labour/Service)	12,571.76	10,191.91
Total current trade payables	**28,297.91**	**28,383.32**
Total	**28,297.91**	**28,383.32**

19.1 Ageing for trade payables from the due date of payment

(₹ in Lakhs)

Particulars	Less than one year	1-2 years	2-3 years	More than 3 years	Total
As on March 31, 2026					
Undisputed dues of micro enterprises and small enterprises	303.67	-	-	-	**303.67**
Undisputed dues of creditors other than micro enterprises and small enterprises	20,378.12	3,398.57	235.54	3,982.02	**27,994.24**
Disputed dues of micro enterprises and small enterprises	-	-	-	-	**-**
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	**-**
Total	**20,681.79**	**3,398.57**	**235.54**	**3,982.02**	**28,297.91**

Notes Forming Part of the Standalone Financial Statements (Contd.)

19 TRADE PAYABLES (CONTD.)

(₹ in Lakhs)

Particulars	Less than one year	1-2 years	2-3 years	More than 3 years	Total
As on March 31, 2025					
Undisputed dues of micro enterprises and small enterprises	164.29	-	-	-	**164.29**
Undisputed dues of creditors other than micro enterprises and small enterprises	22,526.41	974.31	1,098.19	3,620.12	**28,219.03**
Disputed dues of micro enterprises and small enterprises	-	-	-	-	**-**
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	**-**
Total	**22,690.70**	**974.31**	**1,098.19**	**3,620.12**	**28,383.32**

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

a)	Principal amount remaining unpaid	303.67	164.29
b)	Interest due thereon	-	-
c)	Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
d)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
e)	Interest accrued and remaining unpaid at the end of accounting year	-	-
f)	"Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises"	-	-

20. PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current		
Provision for employee benefits		
- Gratuity (Refer note: 40)	595.79	681.90
Total non -current provisions	**595.79**	**681.90**
Current		
Provision for employee benefits		
- Gratuity (Refer note: 40)	221.82	154.12
Total current provisions	**221.82**	**154.12**
Total	**817.61**	**836.02**

Notes Forming Part of the Standalone Financial Statements (Contd.)

21. OTHER NON-CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Security Deposits	255.48	262.98
Total	**255.48**	**262.98**

22. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Mobilisation Advance/ Advance received from clients - Related Parties (Refer note:45)	2,777.11	5,972.32
Security deposits	826.23	826.23
Dues to statutory authorities	2,508.96	1,942.50
Others	161.40	140.26
Total	**6,273.70**	**8,881.31**

23. CURRENT TAX LIABILITY (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Current		
Provision for Income Tax	-	22,257.23
Less: Advance tax paid	-	(21,705.81)
Total Current Tax Liability	**-**	**551.42**
Total	**-**	**551.42**

24 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Income from Contracts	2,02,667.82	3,17,628.78
Other Operating Income	7,003.71	18,236.15
Total	**2,09,671.53**	**3,35,864.93**

Notes Forming Part of the Standalone Financial Statements (Contd.)

25 OTHER INCOME

(₹ in Lakhs)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Interest Income	2,411.50	29,184.06
Un winding interest on fair value of Financial Assets	359.31	395.61
Dividend Income on Associates	-	1,448.92
Other non-operating income		
Profit on Sale of Asset	1,105.52	365.26
Discount received from suppliers	967.19	1,494.10
Liabilities no longer required written back	770.85	237.36
Insurance claim received	458.09	167.85
Profit on Sale of Mutual Funds	23.98	259.02
Provision for Doubtful advances/debtors Written back	-	4,679.23
Provision for Impairment on Investments written back	-	5,450.00
Miscellaneous Income	297.87	1,484.16
Total	**6,394.31**	**45,165.57**

26 COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Construction Materials, Stores & Spares		
Opening Stock	16,026.02	22,072.06
Add: Net Purchases	73,644.84	1,40,597.90
	89,670.86	**1,62,669.96**
Less: Closing Stock	13,265.78	16,026.02
Total Consumption	**76,405.08**	**1,46,643.94**

27 CONSTRUCTION EXPENSES

(₹ in Lakhs)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Sub-contract Expenses	28,566.52	11,272.51
Spreading & Assortment Exp.	47,019.48	66,119.48
Power and Fuel	1,121.55	1,268.53
Seigniorage charges / Royalty	4,395.57	4,201.24
Transport Charges	2,626.72	7,965.68
Hire Charges	808.67	2,427.62
Watch & Ward	243.13	479.01
Other Recoveries by Clients	114.70	251.15
Repairs to Others	1,259.32	508.83
Repairs to Machinery	337.66	766.91
Repairs to Vehicles	598.35	737.95
Other Construction expenses	2,460.92	3,827.54
Total	**89,552.59**	**99,826.45**

Notes Forming Part of the Standalone Financial Statements (Contd.)

28 EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Salaries, Wages and Other Benefits	14,640.17	17,164.25
Contribution to Provident and Other Funds	301.24	333.55
Staff welfare Expenses	179.29	193.70
Total	**15,120.70**	**17,691.50**

29 FINANCE COSTS

(₹ in Lakhs)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Interest Expense on		
Working Capital Demand Loans and Cash Credit	467.12	378.33
Term Loans	325.00	50.94
Loan from Directors	-	47.19
Interest on Mobilisation Advance	-	106.53
Un winding Interest on Lease liability	21.14	35.32
Interest on Income Tax	-	94.42
Others	1.48	18.47
	814.74	**731.20**
Other Borrowing Costs		
Processing Charges	234.13	148.06
BG / LC Charges	306.53	281.61
Bank and Other Financial Charges	69.27	134.48
Total	**1,424.67**	**1,295.35**

30 DEPRECIATION AND AMORTIZATION EXPENSE

(₹ in Lakhs)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Depreciation & Amortization	5,554.55	8,709.92
Depreciation & Amortization - ROU	264.53	318.59
Total	**5,819.08**	**9,028.51**

31 OTHER EXPENSES

(₹ in Lakhs)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Travelling & Conveyance	363.91	383.67
Postage &Telegrams and Telephones	52.94	58.58
Business promotion expenses	10.24	9.97
Advertisement and publicity	14.87	11.35
Legal, Professional & Consultancy Charges	947.21	1,629.80
Insurance	1,057.49	1,164.54
Rates and taxes excluding taxes of Income	1,075.63	922.96
Auditor's Remuneration (including out of pocket Expenses)	25.13	18.49
Printing & Stationery	142.23	115.58
Tender expenses	107.37	43.91
Office maintenance	143.01	142.42
Rent expenses	514.73	623.14
Electricity charges	905.00	867.24
Directors Sitting Fees	65.00	52.00
Loss on sale of Assets	15.88	288.06
Bad Debts / Advances Written Off	1,144.13	757.40
Donation	43.72	331.14
CSR expenses (Refer note: 31.1)	1,127.64	712.30
Interest on Statutory dues	6.74	9.06
Allowance for expected credit loss on Trade Receivables	2,738.49	705.21
Miscellaneous expenses	277.29	261.72
Total	**10,778.65**	**9,108.54**

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

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

(₹ in Lakhs)

	Particulars	Year ended March 31, 2026	Year ended March 31, 2025
a)	Amount required to be spent by the company during the year	1,473.08	1,324.21
b)	Amount of expenditure incurred	1,127.64	712.30
c)	Shortfall /(Excess) at the end of the year	345.44	611.91
d)	Total of previous year's shortfall/(Excess)	1,392.23	1,046.79
e)	Reason for shortfall	The shortfall is due to Ongoing Projects and the said amount is transferred to Un Spent account as per the provisions of Companies Act	

Notes Forming Part of the Standalone Financial Statements (Contd.)

31 OTHER EXPENSES (CONTD.)

(₹ in Lakhs)

Particulars		Year ended March 31, 2026	Year ended March 31, 2025
f)	Nature of CSR activities		
	1. Construction / acquisition of any assets	670.21	307.92
	2. On Purposes other than (1) above	457.43	404.38
g)	Details of related party transactions		
h)	where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.	Since no provision is made for short fall the amount is shown as Nil	Since no provision is made for short fall the amount is shown as Nil

32 EXCEPTIONAL ITEMS

(₹ in Lakhs)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Loss/(Profit) on Sale of Investments (Refer note: 52 & 53)	-	(565.26)
Provision/written off for receivable from CUBE	-	2,066.47
Total	**-**	**1,501.21**

33 TAX EXPENSE

(₹ in Lakhs)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
A - Current Tax		
Current tax on profits for the year	4,115.85	22,158.58
Adjustments in respect of prior years	17.12	584.24
Sub-Total	**4,132.97**	**22,742.82**
B - Deferred Tax		
Deferred Tax Liability / (Asset) due to timing difference	1,225.88	624.10
Sub-Total	**1,225.88**	**624.10**
Total	**5,358.85**	**23,366.92**

Notes Forming Part of the Standalone Financial Statements (Contd.)

33 TAX EXPENSE (CONTD.)

33.1 Reconciliation of tax expenses to accounting profit

(₹ in Lakhs)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Accounting profit before tax	16,965.07	95,935.00
Encated tax rates in India *	25.168%	25.168%
Tax	**4,269.77**	**24,144.92**
Adjustments		
Effect of income exempt from taxation	(14.77)	(147.67)
Effect of expenses that are not deductible in determining taxable profit	(296.25)	(1,845.85)
Long term capital gains on immovable properties@14.30%	139.76	-
Others	17.34	7.18
Earlier year taxes	17.12	584.24
Deferred tax	1,225.88	624.10
Tax Expenses recognised in the statement of profit and loss	**5,358.85**	**23,366.92**
Income tax credit/(expense) recognised in Other Comprehensive Income :		
Tax effect on actuarial gains/losses on defined benefit obligations	(25.75)	(23.13)

34 OTHER COMPREHENSIVE INCOME

(₹ in Lakhs)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Items that will not be reclassified to profit or loss		
i) Actuarial Gains & (Losses) on plan benefits	102.33	91.90
ii) Deferred Tax on above	(25.75)	(23.13)
Total	**76.58**	**68.77**

35 CAPITAL MANAGEMENT

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

The Company's adjusted net debt to equity ratio at March 31, 2026 and March 31, 2025 was as follows

(₹ in Lakhs)

	March 31, 2026	March 31, 2025
Total debt	-	-
Less: cash and cash equivalents	11,080.05	14,360.82
Adjusted net debt	**(11,080.05)**	**(14,360.82)**
Total equity	4,05,479.38	3,94,499.67
Adjusted equity	**4,05,479.38**	**3,94,499.67**
Adjusted net debt to adjusted equity ratio	**(0.03)**	**(0.04)**

Foot note : Total Debt includes Long term Borrowings (Including Current Maturities) and Interest Accrued thereon and Short term Borrowings. Cash and Cash equivalents includes other Bank Balances)

Notes Forming Part of the Standalone Financial Statements (Contd.)

36 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

A. Accounting fair values classifications and measurement

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

As at March 31, 2026

(₹ in Lakhs)

Particulars	Carrying amount			Fair Value			
	FVTPL	Amortised Cost	Total carrying amount	Level 1 (Quoted prices in active markets)	Level 2 (Significant observable inputs)	Level 3 (Significant un observable inputs)	Total
Financial assets							
Investments in Associates	-	8,485.43	**8,485.43**	-	-	8,485.43	**8,485.43**
Other Investments	-	22,934.24	**22,934.24**	-	-	22,934.24	**22,934.24**
Assets classified as held for sale		55,540.71	**55,540.71**	-	-	55,540.71	**55,540.71**
Trade receivables	-	90,608.30	**90,608.30**	-	-	90,608.30	**90,608.30**
Cash and cash equivalents	-	11,080.05	**11,080.05**	-	-	-	**-**
Loans	-	682.01	**682.01**	-	-	682.01	**682.01**
Other financials assets	-	1,79,554.43	**1,79,554.43**	-	-	1,79,554.43	**1,79,554.43**
	-	**3,68,885.17**	**3,68,885.17**	**-**	**-**	**3,57,805.12**	**3,57,805.12**
Financial liabilities							
Secured Bank loans	-	-	**-**	-	-	-	**-**
Trade payables	-	28,297.91	**28,297.91**	-	-	28,297.91	**28,297.91**
Lease Liability	-	665.22	**665.22**	-	-	665.22	**665.22**
Other financial liabilities	-	26,619.66	**26,619.66**	-	-	26,619.66	**26,619.66**
	-	**55,582.79**	**55,582.79**	**-**	**-**	**55,582.79**	**55,582.79**

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

As at March 31, 2025

(₹ in Lakhs)

Particulars	Carrying amount			Fair Value			
	FVTPL	Amortised Cost	Total carrying amount	Level 1 (Quoted prices in active markets)	Level 2 (Significant observable inputs)	Level 3 (Significant un observable inputs)	Total
Financial assets							
Investments in Associates	-	39,012.69	**39,012.69**	-	-	39,012.69	**39,012.69**
Other Investments	-	39,605.45	**39,605.45**	-	-	39,605.45	**39,605.45**
Trade receivables	-	1,27,622.20	**1,27,622.20**	-	-	1,27,622.20	**1,27,622.20**
Cash and cash equivalents	-	14,360.82	**14,360.82**	-	-	-	**-**
Loans	-	525.66	**525.66**	-	-	525.66	**525.66**
Other financials assets	-	1,44,079.39	**1,44,079.39**	-	-	1,44,079.39	**1,44,079.39**
	-	**3,65,206.21**	**3,65,206.21**	**-**	**-**	**3,50,845.39**	**3,50,845.39**

36 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTD.)

(₹ in Lakhs)

Particulars	Carrying amount			Fair Value			
	FVTPL	Amortised Cost	Total carrying amount	Level 1 (Quoted prices in active markets)	Level 2 (Significant observable inputs)	Level 3 (Significant un observable inputs)	Total
Financial liabilities							
Secured Bank loans	-	-	**-**	-	-	-	**-**
Trade payables	-	28,383.32	**28,383.32**	-	-	28,383.32	**28,383.32**
Lease Liability		284.25	**284.25**	-	-	284.25	**284.25**
Other financial liabilities	-	31,276.23	**31,276.23**	-	-	31,276.23	**31,276.23**
	-	**59,943.80**	**59,943.80**	**-**	**-**	**59,943.80**	**59,943.80**

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

B. Financial risk management

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

a) credit risk

b) liquidity risk

c) market risk

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

a) Credit risk

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

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

Credit risk on trade receivables is limited as the customers of the company mainly consists of the Government promoted entities having a strong credit worthiness. Accordingly, the Companies customer credit risk is low. The Company's average project execution cycle is around 24 to 36 months. General payment terms are with a credit period ranging from 45 to 90 days and retention money to be released at the end of the project. however, in some cases retention money can released by substituting with bank guarantees. The Company has a detailed review mechanism for review of overdue receivables at various levels to ensure realisation of the such receivables.

Notes Forming Part of the Standalone Financial Statements (Contd.)

36 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTD.)

The Company is making provisions on trade receivables based on Expected Credit Loss (ECL) model. The reconciliation of ECL is as follows:

(₹ in Lakhs)

Particulars	March 31, 2026	March 31, 2025
Opening Balance	**705.21**	**-**
Changes in loss allowance for expected credit loss:		
- Provision/(reversal) of allowance for expected credit loss	2,738.49	705.21
- Additional provision (net) towards credit impaired receivables	-	-
- Write off as bad debts	-	-
Closing Balance	**3,443.70**	**705.21**

b) Liquidity risk

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

Exposure to liquidity risk

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

As at March 31, 2026

(₹ in Lakhs)

Particulars	Contractual Cash flows				Total
	Carrying Amount	Upto 1 year	1 to 3 Years	More than 3 years	
Non-derivative financial liabilities					
Secured Bank loans	-	-	-	-	**-**
Trade payables	28,297.91	20,681.79	3,634.10	3,982.02	**28,297.91**
Lease Liability	665.22	332.61	232.83	99.78	**665.22**
Other financial liabilities	26,619.66	7,338.69	9,752.56	9,528.41	**26,619.66**
	55,582.79	**28,353.09**	**13,619.49**	**13,610.21**	**55,582.79**

36 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTD.)

As at March 31, 2025

(₹ in Lakhs)

Particulars	Contractual Cash flows				Total
	Carrying Amount	Upto 1 year	1 to 3 Years	More than 3 years	
Non-derivative financial liabilities					
Secured Bank loans	-	-	-	-	-
Trade payables	28,383.32	22,690.70	2,072.50	3,620.12	28,383.32
Lease Liability	284.25	188.25	45.05	50.95	284.25
Other financial liabilities	31,276.23	15,036.72	7,563.05	8,676.46	31,276.23
	59,943.80	**37,915.67**	**9,680.60**	**12,347.53**	**59,943.80**

c) Market risk

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

i) Foreign currency risk

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

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

ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Company has insignificant variable interest bearing borrowings, the exposure to risk of changes in market interest rates is minimal.

iii) Price risk

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

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

The company measures risk through sensitivity analysis.

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

The Company does not have any closing investments in mutual funds as on 31st March 2026 and 31st March 2025

Notes Forming Part of the Standalone Financial Statements (Contd.)

37 CONTINGENT LIABILITY, COMMITMENTS AND CONTINGENT ASSETS

(₹ In Lakhs)

	Particulars	As at March 31, 2026	As at March 31, 2025
i)	**Contingent Liabilities**		
a)	**Claims against the company not acknowledged as debt #**		
	1. Disputed Income tax *	28,785.09	28,744.75
	2. Disputed Sales tax/ VAT/ Entry tax/GST	15,462.98	15,520.94
	3. Disputed Service tax	607.05	607.05
	4. Disputed Customs duty	1,534.52	1,534.52
	5. Others (Civil cases)	18224.69	25.69
	# Interest not ascertainable after the date of order, if any		
b)	**Guarantees**		
	Corporate guarantees given to banks and financial institutions for financial assistance extended to Subsidiaries, Associates and Joint Ventures	-	-
c)	**Other money for which the company is contingently liable**		
	Joint and several liabilities in respect of joint venture projects and liquidated damages in respect of delays in completion of projects.	Amount not ascertainable	Amount not ascertainable
	Total	**64,614.33**	**46,432.95**

* The Company has got benefit of deduction under Section 80 IA (4) on eligible projects under provisions of Income Tax Act, 1961 for an amount of ₹ 4,089.61 lakhs, for the A.Y 2006-07 to 2012-13 and A.Y 2014-15 the department has filed appeals against ITAT orders at the High Court of Judicature at Hyderabad for the State of Telangana and also department has filed appeals against CIT-Appeals orders at ITAT, Hyderabad for ₹ 9,654.03 lakhs for the A.Y 2017-18 to 2020-21.

The Company considers it appropriate not to create a liability for the above said amount on the basis of assessment made by the management.

	Particulars	March 31, 2026	March 31, 2025
ii)	**Commitments**		
a)	Estimated amount of contracts remaining to be executed on capital account and not provided for	24.13	24.13
b)	Other commitments		
	Estimated amount of committed funding by way of equity/loans to subsidiary companies	21,793.11	33,916.61
	Total	**21,817.24**	**33,940.74**
iii)	**Contingent Assets**		
	Arbitration claims awarded, but client not accepted	**21,852.78**	**33,352.66**

38 REMUNERATION PAID TO THE STATUTORY AUDITORS

(₹ in Lakhs)

Particulars	March 31, 2026	March 31, 2025
Statutory Audit Fees	24.00	14.00
Other services (including Out of pocket expenses)	1.12	4.49

Notes Forming Part of the Standalone Financial Statements (Contd.)

39 DISCLOSURE PURSUANT TO IND AS 33 "EARNINGS PER SHARE(EPS)"

(₹ in Lakhs)

	March 31, 2026	March 31, 2025
i. Profit (loss) attributable to equity shareholders(basic)	11,606.22	72,568.08
ii. Weighted average number of equity shares (basic)	2,812.35	2,812.35
Basic EPS	**4.13**	**25.80**
i. Profit (loss) attributable to equity shareholders(diluted)	11,606.22	72,568.08
ii. Weighted average number of equity shares (diluted)	2,812.35	2,812.35
Diluted EPS	**4.13**	**25.80**

40 DISCLOSURE PURSUANT TO IND AS 19 "EMPLOYEE BENEFITS"

In accordance with the Payment of Gratuity Act, 1972 the company provides for gratuity covering eligible employees. The liability on account of gratuity is covered partially through recognized Gratuity Funds managed by Life Insurance Corporation of India (LIC) and the balance is provided as liability on the basis of valuation by an independent actuary as at the year end. The management understands that LIC overall portfolio of assets is well diversified and as such, the long term return on the policy is expected to be higher than the rate of return on Central Government bonds.

A Defined benefit plans:

i. Liability for gratuity as on March 31, 2026 is ₹ 1,503.81 lakhs (31.03.2025: ₹ 1,313.09 lakhs) of which ₹ 686.19 lakhs (31.03.2025: ₹ 477.07 lakhs) is funded with the Life Insurance Corporation of India. The balance of ₹ 817.62 lakhs (31.03.2025: ₹836.02 lakhs) is included in Provision for Gratuity.

ii. Details of the Company's post-retirement gratuity plans for its employees including whole-time directors are given below, which is certified by the actuary.

Amount to be recognised in Balance sheet:

(₹ In Lakhs)

Particulars	As at March 31 , 2026	As at March 31 , 2025
Present Value of Funded Obligations	1,503.81	1,313.09
Fair Value of Plan Assets	(686.19)	(477.07)
Net Liability	**817.62**	**836.02**

iii. Expenses to be recognized in Statement of Profit and Loss under Employee Benefit Expenses:

(₹ In Lakhs)

Particulars	Year Ended March 31, 2026	Year Ended March 31, 2025
Current Service Cost	207.27	191.08
Past Service Cost	-	-
Net Interest cost	48.34	54.64
Total included in "Employee Benefits Expense"	**255.61**	**245.72**

Notes Forming Part of the Standalone Financial Statements (Contd.)

40 DISCLOSURE PURSUANT TO IND AS 19 "EMPLOYEE BENEFITS" (CONTD.)

iv. Expenses to be recognized in Statement of Profit and Loss under Other Comprehensive Income:

(₹ In Lakhs)

Particulars	Year Ended March 31, 2026	Year Ended March 31, 2025
Return on Plan Assets	(14.45)	(9.15)
Net Actuarial Losses / (Gains) Recognised in Year	(87.88)	(82.43)
Total included in "Other Comprehensive (Income)/Expense"	**(102.33)**	**(91.58)**

v. Reconciliation of benefit obligation and plan assets for the year:

(₹ In Lakhs)

Particulars	Year Ended March 31, 2026	Year Ended March 31, 2025
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	1,313.09	1,169.49
Current Service Cost	207.27	191.08
Past Service Cost	-	-
Increase / (Decrease) due to effect of any business combination / divesture / transfer)	-	-
Interest Cost	76.64	74.22
Actuarial Losses / (Gain)	(87.88)	(82.43)
Benefits Paid	(5.31)	(39.27)
Closing Defined Benefit Obligation	**1,503.81**	**1,313.09**
Opening Fair Value of Plan assets	477.07	315.06
Interest income	28.31	19.59
Expected Return on Plan Assets	14.45	9.15
Contributions	171.67	172.54
Benefits Paid	(5.31)	(39.27)
Closing Fair Value of Plan Assets	**686.19**	**477.07**
Expected Employer's Contribution Next Year	221.82	207.27

vi. Asset information:

Category of Assets	As at March 31, 2026	As at March 31, 2025
Insurer Managed Funds –Life Insurance Corporation of India	100%	100%
Amount in Lakhs	**686.19**	**477.07**

vii. Experience Adjustments:

(₹ in Lakhs)

Particulars	2025-26	2024-25	2023-24	2022-23	2021-22
Defined Benefit Obligations (DBO)	1,503.81	1,313.09	1,169.49	1,529.90	1,347.33
Plan Assets	686.19	477.07	315.06	179.58	167.49
Surplus / (Deficit)	(817.62)	(836.02)	(854.43)	(1,350.32)	(1,179.84)
Experience Adjustments on Plan Liabilities	-	- -	-	-	116.05
Experience Adjustments on Plan Assets	42.35	126.74	615.92	12.89	-

40 DISCLOSURE PURSUANT TO IND AS 19 "EMPLOYEE BENEFITS" (CONTD.)

viii. Sensitivity Analysis:

Particulars	Gratuity Plan	
	As at March 31, 2026	As at March 31, 2025
Assumptions		
Discount rate	7.15%	6.60%
Estimated rate of return on plan assets	7.15%	6.60%
Expected rate of salary increase	7.00%	7.00%
Attrition rate	10.00%	10.00%
Sensitivity analysis – DBO at the end of the year		
Discount rate + 100 basis points	-5.12%	-5.49%
Discount rate - 100 basis points	5.77%	6.22%
Salary increase rate +1%	5.20%	5.47%
Salary increase rate -1%	-4.80%	-5.15%
Attrition rate +1%	-0.01%	-0.04%
Attrition rate -1%	0.01%	0.04%

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

ix. The following pay-outs are expected in future years(Undiscounted):

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Year 1	362.48	315.17
Year 2	159.91	100.21
Year 3	175.75	136.95
Year 4	150.85	137.02
Year 5	129.24	128.14
Year 6 to Year 10	591.70	497.26

41 PARTICULARS OF LOANS AND ADVANCES IN THE NATURE OF LOANS AS REQUIRED BY REGULATION 34(3) AND 53(F) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

(₹ in Lakhs)

S. No	Name of the Company	Balance as at		Maximum outstanding during the year	
		March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
A	**Subsidiaries & Associates**				
1	KNR Agrotech & Beverages Pvt. Ltd.,	171.51	163.30	171.51	163.30
2	KNR Energy Ltd.,	1,016.00	670.53	1,016.00	670.53
3	KNRC Holdings and Investments Pvt. Ltd.,	989.88	884.84	989.88	884.84
4	Patel KNR Heavy Infrastructures Ltd.,	6.30	35.63	68.76	35.63

Notes Forming Part of the Standalone Financial Statements (Contd.)

41 PARTICULARS OF LOANS AND ADVANCES IN THE NATURE OF LOANS AS REQUIRED BY REGULATION 34(3) AND 53(F) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015. (CONTD.)

(₹ in Lakhs)

S. No	Name of the Company	Balance as at		Maximum outstanding during the year	
		March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
5	KNR Infrastructure Projects Pvt. Ltd.,	11.82	11.60	11.82	11.60
6	KNR Somwarpet Infra Project Pvt. Ltd.,	0.06	1.70	1.07	36.67
7	KNR Palani Infra Pvt. Ltd.,	7.16	118.11	7.16	118.11
8	Patel KNR Infrastructure Ltd.,	1.39	1.11	1.39	1.42
9	KNR Guruvayur Infra Pvt. Ltd.,	178.66	7.68	824.73	94.29
10	KNR Ramanattukara Infra Pvt. Ltd.,	20.57	387.77	933.82	387.77
11	KNR Ramagiri Infra Pvt. Ltd.,	0.04	2629.43	2,659.43	3141.53
12	KNR Kaveri Infra Pvt. Ltd.,	486.00	290.53	486.00	290.53
13	KNR Ramatheertham Infra Pvt. Ltd.,	0.54	0.18	160.28	464.16
14	KNR Sriranganatha Infra Pvt. Ltd.,	533.06	266.41	533.06	266.41
15	KNRHC Baidyanath Banhardih Coal Mine Pvt. Ltd.,	78.83	-	78.83	-
16	KNR Mahabalipuram Infra Pvt. Ltd.,	3.70	-	3.70	-
17	Benedire Infrastructures and Developers LLP	95.82	2.75	95.82	2.75
18	Manjeri City Infrastructures And Developers LLP	1,156.00	1075.62	1,156.00	1075.62
B	**Loans and Advances where there is no repayment schedule**				
1	KNR Agrotech & Beverages Pvt. Ltd.,	171.51	163.30	171.51	163.30
2	KNR Energy Ltd.,	1,016.00	670.53	1,016.00	670.53
3	KNRC Holdings and Investments Pvt. Ltd.,	989.88	884.84	989.88	884.84
4	Patel KNR Heavy Infrastructures Ltd.,	6.30	35.63	68.76	35.63
5	KNR Infrastructure Projects Pvt. Ltd.,	11.82	11.60	11.82	11.60
6	KNR Somwarpet Infra Project Pvt. Ltd.,	0.06	1.70	1.07	36.67
7	KNR Palani Infra Pvt. Ltd.,	7.16	118.11	7.16	118.11
8	Patel KNR Infrastructure Ltd.,	1.39	1.11	1.39	1.42
9	KNR Guruvayur Infra Pvt. Ltd.,	178.66	7.68	824.73	94.29
10	KNR Ramanattukara Infra Pvt. Ltd.,	20.57	387.77	933.82	387.77
11	KNR Ramagiri Infra Pvt. Ltd.,	0.04	2629.43	2,659.43	3141.53
12	KNR Kaveri Infra Pvt. Ltd.,	486.00	290.53	486.00	290.53
13	KNR Ramatheertham Infra Pvt. Ltd.,	0.54	0.18	160.28	464.16
14	KNR Sriranganatha Infra Pvt. Ltd.,	533.06	266.41	533.06	266.41
15	KNRHC Baidyanath Banhardih Coal Mine Pvt. Ltd.,	78.83	-	78.83	-
16	KNR Mahabalipuram Infra Pvt. Ltd.,	3.70	-	3.70	-
17	Benedire Infrastructures and Developers LLP	95.82	2.75	95.82	2.75
18	Manjeri City Infrastructures And Developers LLP	1,156.00	1075.62	1,156.00	1075.62
C	**Loans to firms / Companies in which directors are interested**	Nil	Nil	Nil	Nil

42 DISCLOSURE PURSUANT TO IND AS 115 "REVENUE FROM CONTRACTS WITH CUSTOMERS":

The Company constructs infrastructure projects on behalf of clients. Delivering the project as per the contractual terms is the only performance obligation that has been identified. Under the terms of the contracts, the company will perform its obligations on time to time as per the timing schedule indicated in the contract with the asset having no alternative use to the entity and the company having an enforceable right to receive payment for the work done. Hence, Revenue is therefore recognized over time on a cost to cost method, i.e. based on the proportion of contract costs incurred for the work performed to date relative to the estimated total contract costs. The management consider that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under Ind AS 115.

Contract balances as on:

(₹ In Lakhs)

Particulars	March 31, 2026	March 31, 2025
Receivables	90,608.30	1,27,622.20
Contract Assets	1,68,280.32	1,31,488.31
Contract Liabilities	2,777.11	15,842.95

43 VALUE OF IMPORTS CALCULATED ON CIF BASIS

(₹ in Lakhs)

S No.	Particulars	March 31, 2026	March 31, 2025
a	Material Purchases	Nil	Nil
b	Stores & Spares	Nil	7.61
c	Capital goods	Nil	Nil

44 EXPENDITURE/REMITTANCE IN FOREIGN CURRENCY

(₹ in Lakhs)

Particulars	March 31, 2026	March 31, 2025
On account of Travel/Other expenses (including boarding & lodging expenses)	Nil	Nil

45 DISCLOSURE OF RELATED PARTIES/ RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24: RELATED PARTY DISCLOSURE"

(a) List of related parties

(i) Subsidiaries :

1	KNR Agrotech & Beverages Pvt. Ltd.,	9	KNR Ramagiri Infra Pvt. Ltd.,
2	KNR Infrastructure Projects Pvt. Ltd.,	10	KNR Ramatheertham Infra Pvt. Ltd.,
3	KNR Energy Ltd.,	11	KNR Sriranganatha Infra Pvt. Ltd.,
4	KNR Somwarpet Infra Project Pvt. Ltd.,	12	KNR Kaveri Infra Pvt. Ltd.,
5	KNR Palani Infra Pvt. Ltd.,	13	KNRHC Baidyanath Banhardih Coal Mine Pvt. Ltd.,
6	KNRC Holdings and Investment Pvt. Ltd.,	14	KNR Mahabalipuram Infra Pvt. Ltd.,
7	KNR Guruvayur Infra Pvt. Ltd.,	15	Manjeri City Infrastructures and Developers LLP.,
8	KNR Ramanattukara Infra Pvt. Ltd.,	16	Benedire Infrastructures and Developers LLP.,

Notes Forming Part of the Standalone Financial Statements (Contd.)

45 DISCLOSURE OF RELATED PARTIES/ RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24: RELATED PARTY DISCLOSURE" (CONTD.)

Subsidiaries (Intrest held through KNRC Holdings and Investment Pvt. Ltd.)

1	Mesmeric Software Solutions Pvt. Ltd.,	4	Asara Construction & Projects Pvt. Ltd.,
2	Nag Talent Ventures & Infotech Pvt. Ltd.,	5	KNR Muzaffarpur Holdings Pvt. Ltd.,#
3	Gradient Estates Pvt. Ltd.,	6	KNR Muzaffarpur-Barauni Tollway Pvt. Ltd., #

Ceased to be Subsidiaries with effect from March 27, 2025

(ii) Associate Companies :

1. Patel KNR Infrastructures Ltd.,
2. Patel KNR Heavy Infrastructures Ltd.,

(iii) Joint Venture :

1. SEL-KNR-JV (At Bangladesh)

(iv) Key Management Personnel's (KMPs):

1	Sri. K. Narsimha Reddy	Managing Director
2	Sri. K. Jalandhar Reddy	Executive Director & CFO
3	Smt. K. Yashoda	Non-Executive Director
4	Sri. W. Rampulla Reddy	Independent Director
5	Sri. K. Udya Bhaskara Reddy	Independent Director
6	Sri. B.V. Rama Rao *	Independent Director
7	Sri. L.B. Reddy *	Independent Director
8	Smt. G.C Rekha	Independent Director
9	Sri. S. Vaikuntanathan #	Executive Officer - VP (F&A)
10	Smt. V. Haritha	Company Secretary
11	Sri. V. Venu Gopal Reddy	Employee & Director in Subsidiaries
12	Sri. D. Tirupathi Reddy	Director in Subsidiaries

*Resigned with effect from October 01, 2024

Resigned with effect from August 31, 2024

(v) Relatives of KMPs :

1	Sri. M.Rajesh Reddy	Son-in-law of Sri K.Narsimha Reddy
2	Sri. V.Krishna Reddy	Brother of Smt. K.Yashoda
3	Kamidi Reality Pvt. Ltd.,	Company in which Directors are Interested

(vi) Other Related parties :

1	KNR Constructions Limited Employees group gratuity fund	Post employment benefit plan

Notes Forming Part of the Standalone Financial Statements (Contd.)

45 DISCLOSURE OF RELATED PARTIES/ RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24: RELATED PARTY DISCLOSURE" (CONTD.)

(b) Disclosure of related party transactions during the Year.

(₹ in Lakhs, except share data)

Sl. No.	Particulars	Subsidiaries (including Step-down subsidiaries)		Associates		Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		F.Y 2025-26	F.Y 2024-25	F.Y 2025-26	F.Y 2024-25	F.Y 2025-26	F.Y 2024-25	F.Y 2025-26	F.Y 2024-25	F.Y 2025-26	F.Y 2024-25
1	Revenue from Work contract	56,236.36	1,46,043.48	8,648.22	4,875.08	-	-	-	-	-	-
2	Interest Income on Inter corporate loans	21.34	14,229.00	-	-	-	-	-	-	-	-
3	Sale of materials and services	-	-	-	223.35	-	-	-	-	-	-
4	Arbitration Claims received	-	-	-	938.06	-	-	-	-	-	-
5	Interest income from claims	-	-	-	1,826.72	-	-	-	-	-	-
6	Dividend income	-	-	-	1,448.92	-	-	-	-	-	-
7	Profit on transfer of equity shares under buyback	-	-	-	565.26	-	-	-	-	-	-
8	Interest paid on Mob.Adv. Received	-	106.53	-	-	-	-	-	-	-	-
9	Debit balance written off	44.95	-	-	-	-	-	-	-	-	-
10	Investment in Equity Shares	10.74	4,365.00	-	-	-	-	-	-	-	-
11	Sale /Redemption of investments equity shares	-	-	-	327.12	-	-	-	-	-	-
12	Investment (Equity Nature)	7,168.50	11,883.89	-	-	-	-	-	-	-	-
13	Sale/ Redemption of investments (Equity Nature)	-	8,905.60	-	-	-	-	-	-	-	-
14	Mobilisation advance received/ (recovered)	(3,828.38)	(3,775.86)	693.74	(553.51)	-	-	-	-	-	-
15	Re-imbursement of expenditure incurred/ (Recovered)	-	(6,354.95)	(29.05)	46.88	-	-	-	-	-	-
16	Advance paid/(recovered)	(1,782.29)	3,911.44	-	-	-	-	-	-	-	-
17	Retention deposit & Withheld deducted/(released)	161.72	(55.31)	(859.10)	42.05	-	-	-	-	-	-
18	Un-secured loan received	-	-	-	-	-	-	-	13,500.00	-	-
19	Un-secured loan (repaid)	-	-	-	-	-	-	-	(13,500.00)	-	-
20	Short Term Employee Benefits	-	-	-	-	-	-	2,581.79	2,442.04	-	-
21	Post-employment Benefits *	-	-	-	-	-	-	39.27	39.35	-	-
22	Other Long-term Benefits	-	-	-	-	-	-	-	-	-	-
23	Termination Benefits	-	-	-	-	-	-	-	-	-	-
24	Share based payment	-	-	-	-	-	-	-	-	-	-
25	Dividend paid	-	-	-	-	-	-	345.65	345.65	-	-
26	Land lease rent paid	-	375.00	-	-	-	-	39.18	39.18	-	-
27	Office rent paid	-	-	- -	- -	-	-	5.15	2.54	-	-
28	Interest paid on unsecured loans	-	-	-	-	-	-	-	47.19	-	-
29	Directors sitting fee paid	-	-	-	-	-	-	65.00	52.00	-	-
30	Imprest paid / (recovered)	-	-	-	-	-	-	8.72	21.42	-	-
31	Contribution to Post-employment Benefit Plans	-	-	-	-	-	-	-	-	180.00	180.00

Notes Forming Part of the Standalone Financial Statements (Contd.)

45 DISCLOSURE OF RELATED PARTIES/ RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24: RELATED PARTY DISCLOSURE" (CONTD.)

(c) Related party balances outstanding are as follows:

(₹ in Lakhs, except share data)

Sl. No.	Particulars	Subsidiaries (including Step-down subsidiaries)		Associates		Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		F.Y 2025-26	F.Y 2024-25	F.Y 2025-26	F.Y 2024-25	F.Y 2025-26	F.Y 2024-25	F.Y 2025-26	F.Y 2024-25	F.Y 2025-26	F.Y 2024-25
1	**Debit balances outstanding**										
	KNR Agrotech & Beverage Pvt. Ltd.,	762.64	754.43	-	-	-	-	-	-	-	-
	KNR Energy Ltd.,	1,446.23	1,100.76	-	-	-	-	-	-	-	-
	KNRC Holdings and Investments Pvt. Ltd.,	6,984.95	6,874.97	-	-	-	-	-	-	-	-
	KNR Infrastructure Projects Pvt. Ltd.,	12.82	12.52	-	-	-	-	-	-	-	-
	KNR Palani Infra Pvt. Ltd.,	6,886.71	7,220.89	-	-	-	-	-	-	-	-
	KNR Somwarpet Infra Project Pvt. Ltd.,	14,433.72	13,937.79	-	-	-	-	-	-	-	-
	KNR Guruvayur Infra Pvt. Ltd.,	19,561.90	22,496.93	-	-	-	-	-	-	-	-
	KNR Ramanattukara Infra Pvt. Ltd.,	21,772.31	27,261.05	-	-	-	-	-	-	-	-
	KNR Ramagiri Infra Pvt. Ltd.,	8,336.80	18,388.43	-	-	-	-	-	-	-	-
	KNR Ramatheertham Infra Pvt. Ltd.,	6,125.99	12,933.00	-	-	-	-	-	-	-	-
	KNR Sriranganatha Infra Pvt. Ltd.,	3,094.26	276.41	-	-	-	-	-	-	-	-
	KNR Kaveri Infra Pvt.Ltd.,	4,976.98	300.53	-	-	-	-	-	-	-	-
	KNRHC Baidyanath Banhardih Coal Mine Pvt. Ltd.,	79.57	-	-	-	-	-	-	-	-	-
	KNR Mahabalipuram Infra Pvt. Ltd.,	13.70	-	-	-	-	-	-	-	-	-
	Benedire Infrastructures and Developers LLP	500.82	407.75	-	-	-	-	-	-	-	-
	Manjeri City Infrastructures and Developers LLP	4,446.17	4,365.79	-	-	-	-	-	-	-	-
	Patel KNR Heavy Infrastructure Ltd.,	-	-	4,489.21	4,581.00	-	-	-	-	-	-
	Patel KNR Infrastructure Ltd.,	-	-	1,691.40	1,659.32	-	-	-	-	-	-
	V. Venuggopal Reddy	-	-	-	-	-	-	35.43	37.69	-	-
2	**Credit Balances outstanding**							-			
	KNR Somwarpet Infra Project Pvt. Ltd.,	1739.94	4,310.91	-	-	-	-	-	-	-	-
	KNR Ramanattukara Infra Pvt. Ltd.,	548.86	728.74	-	-	-	-	-	-	-	-
	KNR Guruvayur Infra Pvt Ltd.,	-	226.12	-	-	-	-	-	-	-	-
	KNR Ramagiri Infra Pvt. Ltd.,	275.41	1,301.08	-	-	-	-	-	-	-	-
	KNRC Holdings and Investments Pvt. Ltd.,	376.00	486.00	-	-	-	-	-	-	-	-

45 DISCLOSURE OF RELATED PARTIES/ RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24: RELATED PARTY DISCLOSURE" (CONTD.)

(₹ in Lakhs, except share data)

Sl. No.	Particulars	Subsidiaries (including Step-down subsidiaries)		Associates		Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		F.Y 2025-26	F.Y 2024-25	F.Y 2025-26	F.Y 2024-25	F.Y 2025-26	F.Y 2024-25	F.Y 2025-26	F.Y 2024-25	F.Y 2025-26	F.Y 2024-25
	Manjeri City Infrastructures and Developers LLP	729.00	729.00	-	-	-	-	-	-	-	-
	Patel KNR Heavy Infrastructures Ltd.,	-	-	444.90	-	-	-	-	-	-	-
	Patel Knr Infrastructure Ltd.,	-	-	704.71	455.87	-	-	-	-	-	-
	K.Narsimha Reddy*	-	-	-	-	-	-	445.93	45.82	-	-
	K.Jalandhar Reddy*	-	-	-	-	-	-	308.94	30.57	-	-
	V.Haritha *	-	-	-	-	-	-	1.11	1.10	-	-
	V. Venugopal Reddy*	-	-	-	-	-	-	4.56	4.11	-	-
	D.Tirupathi Reddy	-	-	-	-	-	-	2.68	2.59	-	-
	W. Rampulla Reddy	-	-	-	-	-	-	2.48	-	-	-
	K.Udya Bhaskara Reddy	-	-	-	-	-	-	2.48	-	-	-
	G.Chandra Rekha	-	-	-	-	-	-	1.80	-	-	-
	K.Yashoda	-	-	-	-	-	-	1.97	1.97	-	-
	V.Krishna Reddy*	-	-	-	-	-	-	0.60	0.60	-	-

(d) Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year :

(₹ in Lakhs, except share data)

Sl. No.	Particulars	Subsidiaries (including Step-down subsidiaries)		Associates		Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		F.Y 2025-26	F.Y 2024-25	F.Y 2025-26	F.Y 2024-25	F.Y 2025-26	F.Y 2024-25	F.Y 2025-26	F.Y 2024-25	F.Y 2025-26	F.Y 2024-25
1	**Revenue from Work contract**										
	KNR Somwarpet Infra Project Pvt. Ltd.,	7,165.09	19,817.13	-	-	-	-	-	-	-	
	KNR Guruvayur Infra Pvt. Ltd.,	7,954.18	32,454.64	-	-	-	-	-	-	-	
	KNR Ramanattukara Infra Pvt. Ltd.,	8,235.84	39,997.66	-	-	-	-	-	-	-	
	KNR Ramagiri Infra Pvt. Ltd.,	9,108.32	30,349.14	-	-	-	-	-	-	-	
	KNR Ramatheertham Infra Pvt.Ltd.,	23,221.98	21,466.93	-	-	-	-	-	-	-	
2	**Interest Income on Inter corporate loans**										
	KNRC Holdings and Investments Pvt. Ltd.,	21.34	4,745.85	-	-	-	-	-	-	-	-
	KNR Muzaffarpur Barauni Tollways Pvt. Ltd.,	-	9,483.15	-	-	-	-	-	-	-	-
3	**Sale of materials and services**										
	Patel Knr Heavy Infrastructure Ltd.,	-	-	-	223.35	-	-	-	-	-	-
	Kamidi Reality Pvt. Ltd.,	-	-	-	-	-	-	-	36.99	-	-

Notes Forming Part of the Standalone Financial Statements (Contd.)

45 DISCLOSURE OF RELATED PARTIES/ RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24: RELATED PARTY DISCLOSURE" (CONTD.)

(₹ in Lakhs, except share data)

Sl. No.	Particulars	Subsidiaries (including Step-down subsidiaries)		Associates		Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		F.Y 2025-26	F.Y 2024-25	F.Y 2025-26	F.Y 2024-25	F.Y 2025-26	F.Y 2024-25	F.Y 2025-26	F.Y 2024-25	F.Y 2025-26	F.Y 2024-25
4	**Arbitration Claims received**										
	Patel Knr Heavy Infrastructure Ltd.,	-	-	-	938.06	-	-	-	-	-	-
5	**Interest income from claims**										
	Patel Knr Heavy Infrastructure Ltd.,	-	-	-	1,826.72	-	-	-	-	-	-
6	**Dividend income**										
	Patel Knr Infrastructure Ltd.,	-	-	-	1,448.92	-	-	-	-	-	-
7	**Profit on transfer of equity shares under buyback**										
	Patel Knr Infrastructure Ltd.,	-	-	-	565.26	-	-	-	-	-	-
8	**Interest paid on Mob.Adv. Received**										
	KNR Guruvayur Infra Pvt Ltd	-	14.62	-	-	-	-	-	-	-	-
	KNR Ramagiri Infra Pvt. Ltd.,	-	91.91	-	-	-	-	-	-	-	-
9	**Debit balance written off**										
	KNR Palani Infra Pvt. Ltd.,	44.95	-	-	-	-	-	-	-	-	-
10	**Investment in Equity Shares**										
	KNR Ramatheertham Infra Pvt.Ltd.,	-	4,365.00	-	-	-	-	-	-	-	-
	KNR Mahabalipuram Infra Pvt. Ltd.,	10.00	-	-	-	-	-	-	-	-	-
11	**Sale /Redemption of investments in equity**										
	Patel Knr Infrastructure Ltd.,	-	-	-	327.12	-	-	-	-	-	-
12	**Investment (Equity Nature)**										
	KNR Guruvayur Infra Pvt Ltd	2,362.50	4,385.00	-	-	-	-	-	-	-	-
	KNR Ramanattukara Infra Pvt Ltd	4,806.00	3,520.00	-	-	-	-	-	-	-	-
	KNR Ramagiri Infra Pvt. Ltd.,	-	2,895.00	-	-	-	-	-	-	-	-
13	**Sale /Redemption of investments (Equity nature)**										
	KNR Muzaffarpur Barauni Tollways Pvt. Ltd.,	-	5,276.50	-	-	-	-	-	-	-	-
	KNRC Holdings and Investments Pvt. Ltd.,	-	3,629.10	-	-	-	-	-	-	-	-
14	**Mobilisation advance received/ (recovered)**										
	KNR Somwarpet Infra Project Pvt. Ltd.,	(2,622.83)	3,451.38	-	-	-	-	-	-	-	-
	KNR Guruvayur Infra Pvt. Ltd	-	(2,711.86)	-	-	-	-	-	-	-	-
	KNR Ramagiri Infra Pvt. Ltd.,	(1,025.67)	(4,356.61)	-	-	-	-	-	-	-	-
	Patel KNR Heavy Infrastructures Ltd.,	-	-	444.90	-	-	-	-	-	-	-
	Patel Knr Infrastructure Ltd.,	-	-	-	(553.51)	-	-	-	-	-	-
15	**Re-imbursement of expenditure incurred/(Recovered)**										
	KNR Muzaffarpur Barauni Tollways Pvt. Ltd.,	-	(6,354.95)	-	-	-	-	-	-	-	-
	Patel KNR Heavy Infrastructures Ltd.,	-	-	(29.33)	-	-	-	-	-	-	-

45 DISCLOSURE OF RELATED PARTIES/ RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24: RELATED PARTY DISCLOSURE" (CONTD.)

(₹ in Lakhs, except share data)

Sl. No.	Particulars	Subsidiaries (including Step-down subsidiaries)		Associates		Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		F.Y 2025-26	F.Y 2024-25	F.Y 2025-26	F.Y 2024-25	F.Y 2025-26	F.Y 2024-25	F.Y 2025-26	F.Y 2024-25	F.Y 2025-26	F.Y 2024-25
16	**Advance paid/(recovered)**										
	KNR Ramanattukara Infra Pvt. Ltd.,	(367.19)	-	-	-	-	-	-	-	-	-
	KNR Ramagiri Infra Pvt. Ltd.,	(2,629.43)	2,451.89	-	-	-	-	-	-	-	-
	KNR Sriranganatha Infra Pvt. Ltd.,	266.65	-	-	-	-	-	-	-	-	-
	KNR Kaveri Infra Pvt. Ltd.,	195.47	-	-	-	-	-	-	-	-	-
	KNR Energy Limited	345.47	522.93	-	-	-	-	-	-	-	-
	Manjeri City Infrastructures and Developers LLP	-	1,064.16	-	-	-	-	-	-	-	-
17	**Retention deposit & Withheld deducted/(released)**										
	KNR Guruvayur Infra Pvt. Ltd.,	-	(428.00)	-	-	-	-	-	-	-	-
	KNR Ramanattukara Infra Pvt. Ltd.,	-	61.52	-	-	-	-	-	-	-	-
	KNR Palani Infra Pvt. Ltd.,	-	(16.34)	-	-	-	-	-	-	-	-
	KNR Ramagiri Infra Private Limited	-	(27.90)	-	-	-	-	-	-	-	-
	KNR Somwarpet Infra Project Pvt. Ltd.,	253.25	355.41	-	-	-	-	-	-	-	-
	Patel Knr Heavy Infrastructure Ltd.,	-	-	(868.42)	-	-	-	-	-	-	-
	Patel Knr Infrastructure Ltd.,	-	-	-	42.05	-	-	-	-	-	-
18	**Un-secured loan received**										
	K.Narsimha Reddy	-	-	-	-	-	-	-	13,500.00	-	-
19	**Un-secured loan (repaid)**										
	K.Narsimha Reddy	-	-	-	-	-	-	-	(13,500.00)	-	-
20	**Short Term Employee Benefits**										
	K.Narsimha Reddy	-		-	-	-	-	1,443.00	1,365.00	-	-
	K.Jalandhar Reddy	-		-	-	-	-	999.00	945.00	-	-
21	**Post-employment Benefits ***										
	K.Jalandhar Reddy	-		-	-	-	-	32.40	32.40	-	-
22	**Dividend paid**										
	K.Narsimha Reddy	-	-	-	-	-	-	213.71	213.71	-	-
	K.Jalandhar Reddy	-	-	-	-	-	-	93.15	93.15	-	-
23	**Land lease rent paid**										
	KNRC Holdings and Investments Pvt. Ltd.,	-	150.00	-	-	-	-	-	-	-	-
	Manjeri City Infrastructures and Developers LLP	-	225.00	-	-	-	-	-	-	-	-
	K.Jalandhar Reddy	-	-	-	-	-	-	17.29	-	-	-
	K.Yashoda	-	-	-	-	-	-	21.89	-	-	-
24	**Office rent paid**										
	K.Jalandhar Reddy	-	-	-	-	-	-	2.54	2.54	-	-
	V. Venu Gopal Reddy	-	-	-	-	-	-	2.61	-	-	-

Notes Forming Part of the Standalone Financial Statements (Contd.)

45 DISCLOSURE OF RELATED PARTIES/ RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24: RELATED PARTY DISCLOSURE" (CONTD.)

(₹ in Lakhs, except share data)

Sl. No.	Particulars	Subsidiaries (including Step-down subsidiaries)		Associates		Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		F.Y 2025-26	F.Y 2024-25	F.Y 2025-26	F.Y 2024-25	F.Y 2025-26	F.Y 2024-25	F.Y 2025-26	F.Y 2024-25	F.Y 2025-26	F.Y 2024-25
25	**Interest paid on unsecured loans**										
	K.Narsimha Reddy	-	-	-	-	-	-	-	47.19	-	-
26	**Directors sitting fee paid**										
	W. Rampulla Reddy	-	-	-	-	-	-	23.50	10.50	-	-
	K.Udya Bhaskara Reddy	-	-	-	-	-	-	23.50	10.50	-	-
	G.C. Rekha	-	-	-	-	-	-	12.00	9.00	-	-
	B.V.Rama Rao	-	-	-	-	-	-	-	8.50	-	-
	L.B.Reddy	-	-	-	-	-	-	-	8.50	-	-
27	**Imprest paid (recovered)**										
	K.Narsimha Reddy	-	-	-	-	-	-	8.69	(4.91)	-	-
	K.Jalandhar Reddy	-	-	-	-	-	-	2.29	-	-	-
	V.Venugopal Reddy	-	-	-	-	-	-	(2.26)	27.52	-	-
28	**Contribution to Post-employment Benefit Plans**										
	KNR Constructions Limited Employees group gratuity fund	-	-	-	-	-	-	-	-	180.00	180.00

* As the future liabilities for gratuity is provided on actuarial basis for the group as a whole, the amount pertaining to the KMP's is not ascertainable, therefore not included above.

(e) Disclosure in respect of commitments (Equity/Capital Commitment) with related parties:

(₹ in Lakhs)

Sl.No.	Particulars	Subsidiaries		Associates		Joint Ventures	
		2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
1	KNR Somwarpet Infraproject Pvt. Ltd.,	1,344.61	1,345.61	-	-	-	-
2	KNR Guruvayur Infra Pvt. Ltd.,	-	3,945.50	-	-	-	-
3	KNR Ramanattukara Infra Pvt. Ltd.,	-	5,674.00	-	-	-	-
4	KNR Ramagiri Infra Pvt. Ltd.,	138.50	1,478.50	-	-	-	-
5	KNR Ramatheertham Infra Pvt.Ltd.,	3,208.00	4,371.00	-	-	-	-
6	KNR Sriranganatha Infra Pvt.Ltd.,	8,940.00	8,940.00	-	-	-	-
7	KNR Kaveri Infra Pvt.Ltd.,	8,162.00	8,162.00	-	-	-	-
	Total	**21,793.11**	**33,916.61**	**-**	**-**	**-**	**-**

Note:
1) All Related Party Transactions entered during the year were in ordinary course of the business and are on arm's length basis.
2) The amount of outstanding balances as shown above are unsecured and will be settled/recovered in cash.

46 RECONCILIATION BETWEEN THE OPENING AND CLOSING BALANCES IN THE FINANCIAL STATEMENT FOR FINANCIAL LIABILITIES AND ASSETS ARISING FROM FINANCING ACTIVITIES (IND AS – 7)

For FY 2025-26

(₹ in Lakhs)

Particulars	Secured Loans	Interest	Total
Opening Balance	-	1,050.39	**1,050.39**
Interest/Dividend Accrued during the year	-	1,424.67	**1,424.67**
Cash flows			
Received	40,000.00	-	**40,000.00**
Repayment	(40,000.00)	-	**(40,000.00)**
Interest paid	-	(1,629.65)	**(1,629.65)**
Non-Cash items			
Impact of Unwinding Interest	-	(21.14)	**(21.14)**
Others		-	**-**
Closing Balance	**-**	**824.27**	**824.27**

For FY 2024-25

(₹ in Lakhs)

Particulars	Secured Loans	Un Secured Loans	Interest	Total
Opening Balance	-	-	955.13	**955.13**
Interest/Dividend Accrued during the year	-	-	1,295.35	**1,295.35**
Cash flows				
Received	13,000.00	13,500.00	-	**26,500.00**
Repayment	(13,000.00)	(13,500.00)	-	**(26,500.00)**
Interest paid	-	-	(1,165.27)	**(1,165.27)**
Non-Cash items				
Impact of Unwinding Interest	-	-	(35.32)	**(35.32)**
Others	-	-	0.50	**0.50**
Closing Balance	**-**	**-**	**1,050.39**	**1,050.39**

47 SEGMENT INFORMATION

The Company's operations predominantly consist of "Construction and Engineering activities". Hence there are no reportable segments. During the year under report, substantial part of the Company's business has been carried out in India. The conditions prevailing in India being uniform, no separate geographical disclosures are considered necessary and the segment report is reviewed by Chief Operating Decision Maker, accordingly the Company has considered the business as a whole as a single Operating Segment in accordance with Ind AS 108.

48 During the year ended March 31, 2026, the Company has recognized claims for an amount of ₹ 16,297.36 lakhs from Clients on settlement. Further based on such settlements, on assessment of project cost of some of the projects, the company has revised the cost estimates and accordingly Rs 13,552.14 lakhs has been provided in the standalone financial results.

49 During the year ended March 31, 2025, the Company has received an Arbitration Claim from one of its Associate for an am ount of ₹ 3,557.12 lakhs included in Revenue from Operations and ₹ 10,354.37 lakhs towards interest on such claim included in the other income and also expenses related to such claims of ₹ 129.47 lakhs included in Other expenses and the resultant tax of ₹ 3,468.66 lakhs included in current tax.

50 During the year ended March 31, 2025, the Company received an Arbitration Claim for an amount of ₹ 2,775.80 lakhs included in Revenue from Operations and ₹ 4,307.24 lakhs towards interest on such claim included in the other income and also expenses related to such claims of ₹ 93.67 lakhs included in Other expenses and the resultant tax of ₹ 1,759.08 lakhs included in current tax.

Notes Forming Part of the Standalone Financial Statements (Contd.)

51 During year ended March 31, 2025, pursuant to the Settlement Agreement dated September 03, 2024 signed by KNR Muzaffarpur Barauni Tollway Private Limited, one of its subsidiary Company with NHAI-

a) the Company received an amount of ₹ 14,194.75 lakhs towards interest on unsecured loan included in the other income and the resultant tax of ₹ 3,572.53 lakhs included in current tax.

b) the Company made a provision towards impairment of equity of ₹ 5,450.00 lakhs, towards doubtful advances of ₹ 3,279.76 lakhs and towards doubtful trade receivables of ₹ 1,014.42 lakhs, which were included in Other expenses of the statement of standalone profit and loss for the year ended March 31, 2024. The said provision has been reversed and accounted during the year ended March 31, 2025 which is included in Other Income.

52 During year ended March 31, 2025, One of the Associate Company bought back its 32,71,161 shares of ₹ 10/- each held by the Company for a consideration of ₹ 892.38 lakhs accordingly the resultant profit on such buyback of ₹ 565.26 lakhs included in the exceptional items in the statement of Standalone profit and loss.

53 During year ended March 31, 2025, the Company made a provision of ₹ 1,405.28 lakhs and written off ₹ 661.19 lakhs aggregating to ₹ 2,066.47 lakhs towards receivables from CUBE Highways and Infrastructure III Pte. Ltd included in the exceptional items in the statement of Standalone profit and loss due to non fulfilment of some of the conditions of the Share Purchase Agreements executed between the Company, CUBE Highways and Infrastructure III Pte. Ltd and respective SPV's i.e. KNR Tirumala Infra Pvt Ltd, KNR Shankarampet Projects Pvt Ltd and KNR Srirangam Infra Pvt Ltd.

54 During year ended March 31, 2025, the Company received following Arbitration Claim/dividend, which has been included in the statement of Standalone profit and loss:-

a) From one of Company's JOs, the Company received claim for an amount of ₹ 6,088.12 lakhs which is included in Revenue from Operations and also expenses related to such claims of ₹ 441.29 lakhs included in Other expenses and the resultant tax of ₹ 1,421.31 lakhs included in current tax.

b) Received an amount of ₹ 1,448.92 lakhs as Dividend from one of its Associate Company, which is included in Other Income and the resultant tax of ₹ 364.69 lakhs included in current tax.

55 The trade receivables, retention amounts and unbilled amounts includes an amount of ₹ 1,36,331.90 Lakhs as at March 31, 2026 (₹ 1,14,480.28 Lakhs as at March 31, 2025) relating to Kaleswaram Package 4 Irrigation Project in Telangana. Collections in this project has been stalled since March 2023 Despite no collections since March 2023, the Company is executing the projects to comply with the project execution terms and to demonstrate that the Company was not at fault in execution of the projects. Management, based on contractual terms of the agreement and internal assessments and discussions with Authority, is confident of recovering it's present and future dues relating to this project.

56 During the year ended March 31, 2025, the Company entered into a Share Purchase Agreement dated October 29, 2024 for transfer of its entire shareholding in one of its stepdown subsidiary i.e. KNR Muzaffarpur Barauni Tollway Pvt Ltd., for an equity valuation of ₹ 45.90 Lakhs.

57 There have been no events after the reporting date that require disclosure in the financial statements.

58 Contribution to political parties during the FY 2025-26 is ₹ Nil (for FY 2024-25 is ₹ Nil)

59 The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

60 The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period

61 The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

62 i. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

A. 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

B. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

ii. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

A. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

B. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

63 The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

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

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

66 With effect from 1 February 2026, the Company migrated its accounting system from [SAP 1] to [SAP 2]. Both applications have a feature of recording an audit trail (edit log) of each and every transaction and of creating an edit log of each change made in the books of account, together with the date on which such change was made, and that feature has not been disabled. The balances migrated to [SAP 2] as at 1 February 2026 have been reconciled with the balances as at 31 January 2026 in the erstwhile application.

Consequent upon the migration, the transactional and accounting data maintained in [SAP 1] for the period from 1 May 2024 to 31 January 2026 has been retained in CSV and portable document formats. The audit trail (edit log) relating to that period is not available in the format in which it was originally generated in [SAP 1]. The Company has, however, taken the necessary steps to ensure that the data so retained is not modifiable.

The matter does not affect the recognition or measurement of any amount in these financial statements.

67 DISCLOSURE IN ACCORDANCE WITH IND AS -116

The Company recognised in the Statement of Profit and Loss

(₹ In Lakhs)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Depreciation Charge on ROU Asset	264.53	318.59
Interest Expense on Lease Liabilities	21.14	35.32

The Company recognised following lease assets and liabilities in the Balance sheet.

(₹ In Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Carrying Amount of ROU Assets	920.82	263.65
Lease liability	665.22	284.25

Notes Forming Part of the Standalone Financial Statements (Contd.)

68 KEY FINANCIAL RATIOS:

(₹ In Lakhs)

Ratio	Numerator	Denominator	Unit of measurement	As at March 31, 2026			As at March 31, 2025			Variation	Reason for variance
				Numerator's Value	Denominator's Value	Ratio	Numerator's Value	Denominator's Value	Ratio		
Current ratio	Current Assets	Current Liabilities	Times	3,17,358	61,413	5.17	3,18,617	69,246	4.60	12.31%	
Debt- Equity Ratio	Total Debt	Net Worth	Times	-	4,05,479	-	-	3,94,500	-	0.00%	
Debt Service Coverage ratio	Earnings available for debt service	Debt Service	Times	17,760	41,630	0.43	82,815	27,665	2.99	(85.75)%	Due to receipt of Claims, the Profit for the FY 2024-25 is higher compared to FY 2025-26.
Return on Equity ratio	Net Profits after taxes - Preference Dividend	Average Shareholder's Equity	Percentage	11,606	3,99,990	0.03	72,568	3,58,533	0.20	(85.66)%	Due to receipt of Claims, the Profit for the FY 2024-25 is higher compared to FY 2025-26.
Inventory Turnover ratio	Cost of goods sold OR sales	Average Inventory	Times	2,09,672	14,646	14.32	3,35,865	19,049	17.63	(18.80)%	
Trade Receivable Turnover Ratio	Net Credit Sales	Average Trade Receivable	Times	2,09,672	1,09,115	1.92	3,35,865	1,34,108	2.50	(23.27)%	Due to lower Turnover for the FY 2025-26
Trade Payable Turnover Ratio	Net Sales	Average Trade Payables	Times	2,09,672	28,341	7.40	3,35,865	29,092	11.54	(35.92)%	Due to lower Turnover for the FY 2025-26
Net Capital Turnover Ratio	Net Sales	Working Capital	Times	2,09,672	2,55,945	0.82	3,35,865	2,49,370	1.35	(39.18)%	Due to lower turnover and higher current assets in FY 2025-26
Net Profit ratio	Net Profit	Net sales	Times	11,606	2,09,672	0.06	72,568	3,35,865	0.22	(74.38)%	Due to receipt of Claims, the Profit for the FY 2024-25 is higher compared to FY 2025-26.
Return on Capital Employed	Earnings before interest and taxes	Capital Employed	Percentage	18,390	4,05,479	0.05	97,230	3,94,500	0.25	(81.60)%	Due to receipt of Claims, the Profit for the FY 2024-25 is higher compared to FY 2025-26.
Return on Investment	Income generated from investments	Weighted average value of investments	Percentage	292.55	5,127.11	0.06	324.15	4,025.98	0.08	(29.13)%	Due to higher investmnets made for the FY 2025-26

69 ALL PROPERTY, PLANT AND EQUIPMENT ARE HELD IN THE NAME OF THE COMPANY, EXCEPT FOLLOWING:

Relevant line item in the Balance Sheet	Description of Property	Gross Carrying Value (Amount in ₹)	Title Deeds held in the name of	Whether title deed holder promoter, director or their relative of promoter /director or employee of promoter /director	Property held since which date	Reason for not being held in the name of the company
Investment Property	Land	3,885,189	Sri K. Narsimha Reddy	Promoter and Managing Director	20-Apr-05	Due to regulatory restrictions in the respective state
Investment Property	Land	1,654,935	Sri K. Narsimha Reddy	Promoter and Managing Director	31-Mar-10	
Property, Plant and Equipment	Land	536,555	Sri K. Narsimha Reddy	Promoter and Managing Director	20-Oct-16	
Property, Plant and Equipment	Land	4,715,240	Sri K. Narsimha Reddy	Promoter and Managing Director	24-Oct-16	
Property, Plant and Equipment	Land	757,385	Sri K. Narsimha Reddy	Promoter and Managing Director	20-Oct-16	
Investment Property	Land	1,334,965	Sri K. Narsimha Reddy	Promoter and Managing Director	17-May-17	
Investment Property	Land	1,334,965	Sri K. Narsimha Reddy	Promoter and Managing Director	17-May-17	
Property, Plant and Equipment	Land	10,706,074	Sri K. Narsimha Reddy	Promoter and Managing Director	30-Apr-21	
Property, Plant and Equipment	Land	13,763,347	Sri K. Narsimha Reddy	Promoter and Managing Director	30-Apr-21	
Property, Plant and Equipment	Land	12,772,920	Sri K. Narsimha Reddy	Promoter and Managing Director	24-Jun-21	
Property, Plant and Equipment	Land	9,199,260	Sri K. Narsimha Reddy	Promoter and Managing Director	24-Jun-21	
Property, Plant and Equipment	Land	2,454,010	Sri K. Narsimha Reddy	Promoter and Managing Director	26-Jul-21	
Property, Plant and Equipment	Land	427,245	Sri K. Narsimha Reddy	Promoter and Managing Director	26-Jul-21	
Property, Plant and Equipment	Land	2,133,835	Sri K. Narsimha Reddy	Promoter and Managing Director	26-Jul-21	
Investment Property	Land	1,207,741	Sri. K Jalandhar Reddy	Promoter and Executive Director& CFO	15-Feb-10	
Property, Plant and Equipment	Land	578,221	Sri. K Jalandhar Reddy	Promoter and Executive Director& CFO	15-Feb-10	
Investment Property	Land	1,103,051	Sri. K Jalandhar Reddy	Promoter and Executive Director& CFO	24-Feb-10	
Investment Property	Land	1,463,538	Sri. K Jalandhar Reddy	Promoter and Executive Director& CFO	8-Mar-10	
Investment Property	Land	509,102	Sri. K Jalandhar Reddy	Promoter and Executive Director& CFO	23-Mar-10	
Investment Property	Land	1,724,915	Sri. K Jalandhar Reddy	Promoter and Executive Director& CFO	23-Mar-10	
Investment Property	Land	1,531,111	Sri. K Jalandhar Reddy	Promoter and Executive Director& CFO	24-Mar-10	
Investment Property	Land	2,488,053	Sri. K Jalandhar Reddy	Promoter and Executive Director& CFO	26-Mar-10	

Notes Forming Part of the Standalone Financial Statements (Contd.)

69 ALL PROPERTY, PLANT AND EQUIPMENT ARE HELD IN THE NAME OF THE COMPANY, EXCEPT FOLLOWING: (CONTD.)

Relevant line item in the Balance Sheet	Description of Property	Gross Carrying Value (Amount in ₹)	Title Deeds held in the name of	Whether title deed holder promoter, director or their relative of promoter /director or employee of promoter /director	Property held since which date	Reason for not being held in the name of the company
Investment Property	Land	534,316	Sri. K Jalandhar Reddy	Promoter and Executive Director& CFO	31-Mar-10	Due to regulatory restrictions in the respective state
Investment Property	Land	712,255	Sri. K Jalandhar Reddy	Promoter and Executive Director& CFO	31-Mar-10	
Investment Property	Land	788,464	Sri. K Jalandhar Reddy	Promoter and Executive Director& CFO	9-Apr-10	
Investment Property	Land	864,415	Sri. K Jalandhar Reddy	Promoter and Executive Director& CFO	19-Apr-10	
Investment Property	Land	485,450	Sri. K Jalandhar Reddy	Promoter and Executive Director& CFO	26-May-10	
Investment Property	Land	1,120,850	Sri. K Jalandhar Reddy	Promoter and Executive Director& CFO	26-May-10	
Investment Property	Land	438,505	Sri. K Jalandhar Reddy	Promoter and Executive Director& CFO	3-Jan-11	
Investment Property	Land	699,290	Sri. K Jalandhar Reddy	Promoter and Executive Director& CFO	3-Mar-11	
Investment Property	Land	333,456	Sri. K Jalandhar Reddy	Promoter and Executive Director& CFO	5-Mar-11	
Property , Plant and Equipment	Land	5,552,450	Sri. K Jalandhar Reddy	Promoter and Executive Director& CFO	30-Apr-21	
Property , Plant and Equipment	Land	15,177,110	Sri. K Jalandhar Reddy	Promoter and Executive Director& CFO	30-Apr-21	
Property , Plant and Equipment	Land	2,180,868	Sri. K Jalandhar Reddy	Promoter and Executive Director& CFO	30-Apr-21	
Property , Plant and Equipment	Land	6,757,682	Sri. K Jalandhar Reddy	Promoter and Executive Director& CFO	30-Apr-21	
Property , Plant and Equipment	Land	12,691,905	Sri. K Jalandhar Reddy	Promoter and Executive Director& CFO	24-Jun-21	
Property , Plant and Equipment	Land	5,174,005	Sri. K Jalandhar Reddy	Promoter and Executive Director& CFO	27-Jun-22	
Property , Plant and Equipment	Land	822,895	Sri. K Jalandhar Reddy	Promoter and Executive Director& CFO	27-Jun-22	

69 ALL PROPERTY, PLANT AND EQUIPMENT ARE HELD IN THE NAME OF THE COMPANY, EXCEPT FOLLOWING: (CONTD.)

Relevant line item in the Balance Sheet	Description of Property	Gross Carrying Value (Amount in ₹)	Title Deeds held in the name of	Whether title deed holder promoter, director or their relative of promoter /director or employee of promoter /director	Property held since which date	Reason for not being held in the name of the company
Investment Property	Land	1,085,446	Sri. V. Venu Gopal Reddy	Employee & Director in Subsidiaries	7-Aug-10	Due to regulatory restrictions in the respective state
Investment Property	Land	1,174,860	Sri. V. Venu Gopal Reddy	Employee & Director in Subsidiaries	14-Sep-10	
Investment Property	Land	859,220	Sri. V. Venu Gopal Reddy	Employee & Director in Subsidiaries	28-Sep-10	
Investment Property	Land	547,602	Sri. V. Venu Gopal Reddy	Employee & Director in Subsidiaries	27-Dec-10	
Property , Plant and Equipment	Land	327,925	Sri. V. Venu Gopal Reddy	Employee & Director in Subsidiaries	18-Mar-11	
Investment Property	Land	299,310	Sri. V. Venu Gopal Reddy	Employee & Director in Subsidiaries	29-Mar-11	
Investment Property	Land	138,063	Sri. V. Venu Gopal Reddy	Employee & Director in Subsidiaries	14-Jun-11	
Investment Property	Land	143,457	Sri. V. Venu Gopal Reddy	Employee & Director in Subsidiaries	14-Jun-11	
Investment Property	Land	512,940	Sri. V. Venu Gopal Reddy	Employee & Director in Subsidiaries	30-Apr-12	
Property , Plant and Equipment	Land	1,038,580	Sri. V. Venu Gopal Reddy	Employee & Director in Subsidiaries	1-Dec-16	
Investment Property	Land	32,359,314	Sri. K. Jalandhar Reddy & Smt. K. Smitha Reddy	Promoter and Executive Director & CFO	31-Mar-13	
Investment Property	Land	536,987	Sri. J. Anudeep	Employee	19-Jun-17	
Investment Property	Land	536,988	Sri. J. Anudeep	Employee	19-Jun-17	
Property , Plant and Equipment	Land	1,391,075	Sri. J. Anudeep	Employee	17-Oct-17	
Property , Plant and Equipment	Land	859,610	Sri. J. Anudeep	Employee	25-May-18	
Property , Plant and Equipment	Land	748,625	Sri. J. Anudeep	Employee	17-Sep-18	
Property , Plant and Equipment	Land	1,068,575	Sri. J. Anudeep	Employee	17-Sep-18	
Property , Plant and Equipment	Land	2,139,080	Sri. J. Anudeep	Employee	17-Nov-18	

Notes Forming Part of the Standalone Financial Statements (Contd.)

69 ALL PROPERTY, PLANT AND EQUIPMENT ARE HELD IN THE NAME OF THE COMPANY, EXCEPT FOLLOWING: (CONTD.)

Relevant line item in the Balance Sheet	Description of Property	Gross Carrying Value (Amount in ₹)	Title Deeds held in the name of	Whether title deed holder promoter, director or their relative of promoter /director or employee of promoter /director	Property held since which date	Reason for not being held in the name of the company
Property , Plant and Equipment	Land	1,284,645	Sri. J. Anudeep	Employee	28-Dec-18	Due to regulatory restrictions in the respective state
Property , Plant and Equipment	Land	215,915	Sri. J. Anudeep	Employee	16-Mar-19	
Property , Plant and Equipment	Land	1,605,311	Sri. J. Anudeep	Employee	9-Apr-19	
Property , Plant and Equipment	Land	1,285,561	Sri. J. Anudeep	Employee	9-Apr-19	
Property , Plant and Equipment	Land	900,135	Sri. J. Anudeep	Employee	3-Aug-19	
Property , Plant and Equipment	Land	900,135	Sri. J. Anudeep	Employee	3-Aug-19	
Property , Plant and Equipment	Land	110,145	Sri. J. Anudeep	Employee	8-Jul-19	
Property , Plant and Equipment	Land	963,510	Sri. J. Anudeep	Employee	4-Sep-19	
Property , Plant and Equipment	Land	855,520	Sri. J. Anudeep	Employee	7-Feb-20	
Property , Plant and Equipment	Land	1,067,300	Sri. J. Anudeep	Employee	29-Sep-20	
Property , Plant and Equipment	Land	1,068,100	Sri. J. Anudeep	Employee	29-Sep-20	
Property , Plant and Equipment	Land	641,370	Sri. J. Anudeep	Employee	19-Apr-21	
Property , Plant and Equipment	Land	1,284,710	Smt. K. Yashoda	Promoter and Non-Executive Director	24-Jan-19	

70 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by the Board of Directors on 29th May, 2026.

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

As per our report of even date attached

For K. P. Rao & Co.,
Chartered Accountants
(Firm Regn. No.003135S)

H N Anil
Partner
Membership No: 225120
UDIN: 26225120ENUOST2271

Place : Hyderabad
Date : 29-May-2026

For and on behalf of the Board

K.Narsimha Reddy
Managing Director
DIN: 00382412

K. Jalandhar Reddy
Executive Director & CFO
DIN: 00434911

V.Haritha
Company Secretary

Independent Auditor's Report

To
The Members of
KNR Constructions Limited

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying consolidated financial statements of **KNR CONSTRUCTIONS LIMITED** (the "Holding Company") which include 17 Joint Operations, its subsidiaries and a joint venture (the Holding Company and its subsidiaries together referred to as the "Group") and its associates and joint venture which comprise the Consolidated Balance Sheet as at March 31, 2026, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of material 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, the aforesaid 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 prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2026 and their consolidated profit, their consolidated total comprehensive income, their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

EMPHASIS OF MATTER

We draw attention to Note 53 of the Consolidated financial statements, regarding the dues aggregating to Rs. 1,36,331.90 Lakhs relating to the Kaleswaram Package 4 were considered as good for recovery by the management, based on the contractual terms of the respective agreement with the customer and internal assessments by the management. We were informed by the management that it is fully confident of recovery of such dues. Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Independent Auditor's Report (Contd.)

A	Revenue Recognition of long-term contracts
Key audit matter Description	The Group has significant revenue from construction contracts and long-term operating and maintenance agreements. These long-term contracts are often complex customized solutions and meet the definition of a contract as per Ind AS 115. Revenue related to these construction contracts is recognized using the percentage of completion method, where progress is determined by comparing actual costs incurred to date, with the total estimated costs of the project. Revenue recognition for construction contracts includes management judgment in the form of estimates, which are subject to management experience and expectations of future events. The most important judgment relates to the estimated total costs of the project. Revenue recognition of long-term contracts is a key audit matter in the audit due to the high level of management judgement involved in the project estimates. **(Refer Note No. 44)**
How the Key Audit Matters was addressed in our audit	Our revenue testing included both testing of the company's controls, as well as substantive audit procedures targeted at selected major long-term projects. Our substantive testing focused on estimates applied by management in the accounting. Our procedures included, among others things, the following: Ensured that the revenue recognition method applied was appropriate based on the terms of the arrangement; Agreed the total project revenue estimates to sales agreements, including amendments as appropriate; We obtained an understanding of the processes and tested relevant controls, which impact the revenue recognition; We assessed the reliability of management's estimates by comparing the actual results of delivered projects to previous estimates;
B	**Litigations and Claims of Holding Company**
Key audit matter Description	Considering the nature of the Group's operations, it can be exposed to a number of litigations and claims. The recognition and measurement of provisions, contingent liabilities and contingent assets as well as making the necessary disclosures in respect of litigation and claims requires significant judgment by the management in assessing the outcome of each legal case which is based on management's discussion with legal advisors. Due to the significance of the litigations and claims and the difficulty in assessing and measuring the resulting outcome, this is considered as a key audit matter. **(Refer Note No. 37(i))**
How the Key Audit Matters was addressed in our audit	Our audit procedures included the following: Evaluating the Company's policies, procedures and controls in relation to litigation, claims and provision assessments; Independent enquiries to understand the background of each case, legal position and the material risks that may impact the consolidated Ind AS financial statements; and Assessing reasonableness of judgment made by management, determining the adequacy of the level of provisioning or disclosure in the consolidated Ind As financial statements.

Independent Auditor's Report (Contd.)

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

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

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associates and joint venture in accordance with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India.

The respective Boards of Directors of the entities included in the Group and of its associates and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its associates and joint venture for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Boards of Directors of the entities included in the Group and of its associates and joint venture are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Boards of Directors either intends to liquidate their respective entities or to cease operations, or have no realistic alternative but to do so.

The respective Boards of Directors of the entities included in the Group and of its associates and joint venture are also responsible for overseeing the financial reporting process of the Group, its associated and joint operations.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the 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 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 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group 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 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the Group, and its associates and joint venture to express an opinion on the consolidated Ind AS financial statements. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated 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 consolidated financial statements.

We communicate with those charged with governance of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

1. The Consolidated financial statements include the audited financial statements of 16 subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of Rs. 4,44,268.86 Lakhs,

Independent Auditor's Report (Contd.)

total income (before consolidation adjustments) of Rs. 1,35,814.35 Lakhs, total net profit after tax (before consolidation adjustments) of Rs. 30,337.28 Lakhs, total comprehensive income (net) of Rs. 30,337.28 lakhs and net cash flow/(outflow) of 9,356.27 lakhs for the year ended 31 March 2026, as considered in the Consolidated financial statements.

The financial statements of one of these subsidiaries, KNRC Holdings and Investments Private Limited, are its consolidated financial statements, which includes the financial statements of its four subsidiaries incorporated in India. The financial statements referred to above have been audited by their respective independent auditors.

2. The Consolidated financial statements also include the Group's share of net profit after tax (before consolidation adjustments) of Rs. 1,962.95 Lakhs and the Group's share of total comprehensive income (before consolidation adjustments) of Rs. 1,742.73 Lakhs for the year ended 31st March 2026, as considered in the consolidated financial statements, in respect of 2 associates, whose financial statements have been audited by their respective independent auditors. The independent auditors' reports on financial statements of these entities have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors.

3. The Consolidated Ind AS financial statements include the audited financial statements of 12 Joint operations, whose financial statements reflect total assets (before consolidation adjustments) of Rs. 92,152.84 Lakhs, total income (before consolidation adjustments) of Rs. 43,899.96 Lakhs, total net profit/(loss) after tax (before consolidation adjustments) of Rs. 58.69 Lakhs, total comprehensive income/(loss) (before consolidation adjustments) of Rs. 58.69 Lakhs and net cash flow/(outflow) of Rs. (206.62) Lakhs for year ended 31st March 2026, as considered in the consolidated financial statements, which have been audited by their respective independent auditors. The independent auditors' reports on financial statements of these entities have been furnished to us by the management and our opinion on the consolidated annual financial statements, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors.

   Our opinion on the consolidated financial statements is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

4. The Consolidated Ind AS financial statements include the unaudited financial statements of 5 Joint operations whose financial statements reflect total assets of Rs. 1,628.77 Lakhs (before consolidation adjustments), total income of Rs. 2,285.43 lakhs (before consolidation adjustments), total net profit/(loss) after tax of Rs. 67.92 Lakhs (before consolidation adjustments) and total comprehensive income/(loss) (before consolidation adjustments) of Rs. 67.92 Lakhs for the year ended 31st March 2026 and net cash flow/(outflow) of Rs. Nil for year ended 31st March 2026, as considered in the Consolidated financial statements, which have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion and conclusion on the statement, in so far as it relates to the amounts and disclosures included in respect of this entity, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Board of Directors, these financial statements are not material to the Group. Our report on the Statement is not modified in respect of the above matter with respect to our reliance on the financial statements certified by the Board of Directors.

5. The Consolidated financial statements also include the Group's share of net profit of Rs. Nil lakhs for the year ended 31st March 2026, in respect of one joint venture located outside India, whose financials have not been audited, and have been reviewed and certified by the management of the year as the end of the year. In our opinion and according to the information and explanations given to us by the management, the financial statements are not material to the Group.

   Our report on the Statement is not modified in respect of the above matter with respect to our reliance on the financial statements certified by the Board of Directors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial statements of subsidiaries, associates and joint operations, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

    b. In our opinion, proper books of account as required by law maintained by the Group, including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

    c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

    d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.

    e. On the basis of the written representations received from the directors of the Company as on March 31, 2026 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies, associate companies and joint operations incorporated in India, none of the directors of the Group companies, associate companies and joint operations incorporated in India is disqualified as on March 31, 2026 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 with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the parent and its subsidiary companies, associate companies incorporated in India.

    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 and based on the auditor's reports of subsidiary companies, associate companies and joint operations incorporated in India, the remuneration paid by the Parent and such subsidiary companies, associate companies and joint operations to their respective directors during the year is in accordance with the provisions of Section 197 read with Schedule V of the Act.

    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, as amended in our opinion and to the best of our information and according to the explanations given to us:

        i. The consolidated Ind AS Financial Statements disclose the impact if any, of pending litigations as at March 31, 2026 on its financial position in its consolidated Ind AS Financial Statements- Refer to note no. 37 of Consolidated Financial Statements.

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

        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.

        iv. (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, as disclosed in note no. 65 no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, outside the Group, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, as disclosed in note no. 65 no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, 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.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

b) As stated in note no. 15 to the consolidated financial statements the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act, to the extent it applies to declared of dividend. (Refer Note 15 to the standalone financial statements).

vi. Based on our examination which included test checks and based on the other auditor's reports of its subsidiary companies, associate companies, joint venture companies and joint operations incorporated in India whose financial statements have been audited under the Act, the Holding Company, its subsidiary companies, associate companies and joint operations incorporated in India have used accounting software systems for maintaining their respective books of account for the financial year ended 31st March 2026 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems. Further, during the course of audit, we and respective other auditors, whose reports have been furnished to us by the Management of the Holding Company, have not come across any instance of the audit trail feature being tampered with. Additionally, the audit trail of prior year has been preserved by the Holding Company and above referred subsidiary companies, associate companies and joint operations incorporated in India as per the statutory requirements for record retention.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

K.P.Rao & Co.,
Chartered Accountants
(Firm Regn. No.003135S)

H N Anil
Partner
Membership No. 225120
UDIN: 26225120VREPSM7946

Place: Bangalore
Date: 29th May 2026.

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of KNR Constructions Limited of even date)

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

OPINION

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2026, we have audited the internal financial controls with reference to consolidated financial statements of KNR CONSTRUCTIONS LIMITED (hereinafter referred to as the "Company") and its subsidiary companies, its associates and joint operation, which are companies incorporated in India, as of that date.

In our opinion and to the best of our information and according to the explanations given to us, the Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2026, based on the criteria for internal financial control with reference to consolidated financial statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Boards of Directors of the Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 "ICAI").

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 the respective 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 statements, as required under the Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI") and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 with reference to consolidated financial statements 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Company and its subsidiary companies, which are companies incorporated in India.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

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

OTHER MATTER

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements, insofar as it relates to 16 subsidiary companies, including the financial statements of one subsidiary, namely, KNRC Holdings and Investments Private Limited, whose consolidated financial statements include the financial statements of four subsidiaries incorporated in India and two associates incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

K.P.Rao & Co.,
Chartered Accountants
(Firm Regn. No.003135S)

H N Anil
Partner
Membership No. 225120
UDIN: 26225120VREPSM7946

Place: Bangalore
Date: 29th May 2026.

Annexure "B" to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the Consolidated Financial Statements, to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that in respect of those companies where audits have been completed under Section 143 of the Act, there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the Consolidated Financial Statements except mentioned below:

Sl No	Name	CIN	Type of company	Clause number of CARO Report which is Qualified or Adverse.
1	KNR Constructions Limited	L74210TG1995PLC130199	Holding	Clause i(c)
2	KNR Somwarpet Infrastructure Project Private Limited	U45S00TG2018PTC125405	Subsidiary	Clause vii (a)
3	KNR Palani Infra Private Limited	U45209TG2019PTC131730	Subsidiary	Clause vii (a)
4	KNR Guruvayur Infra Private Limited	U45400TG2021PTC150805	Subsidiary	Clause vii (a)

K.P.Rao & Co.,
Chartered Accountants
(Firm Regn. No.003135S)

H N Anil
Partner
Membership No. 225120
UDIN: 26225120VREPSM7946

Place: Bangalore
Date: 29th May 2026.

Consolidated Balance Sheet

as at March 31, 2026

(₹ in Lakhs)

Particulars	Note	As at March 31, 2026	As at March 31, 2025
I ASSETS			
1) Non-current assets			
a) Property, plant and equipment	3	27,226.73	33,832.48
b) Capital work-in-progress	3.1	12.14	41.20
c) Right of use asset		920.82	263.65
d) Investment Property	3.2	14,740.77	14,145.31
e) Other Intangible assets	3.3	3.17	4.25
f) Financial Assets			
i) Investments	4	7,095.92	5,353.19
ii) Trade receivables	5	3,460.05	3,126.35
iii) Other Financial Assets	6	3,19,954.03	2,74,354.92
g) Deferred tax assets (net)	7	11,506.13	12,757.75
h) Non-Current tax assets (net)	8	7,335.53	5,443.31
i) Other non-current assets	9	47,539.15	46,924.85
Total Non-current assets		**4,39,794.44**	**3,96,247.26**
2) Current assets			
a) Inventories	10	13,281.14	16,041.38
b) Financial assets			
i) Investments	4	24,848.35	6,228.80
ii) Trade receivables	5	80,836.12	92,111.66
iii) Cash and cash equivalents	11	18,642.59	10,333.01
iv) Bank balances, other than (iii) above	12	19,086.67	21,918.86
v) Loans	13	293.62	158.62
vi) Other financial assets	6	1,85,333.77	1,46,188.66
c) Current Tax Assets (net)	8	2,334.37	2,849.48
d) Other current assets	14	27,704.19	21,012.41
Total Current assets		**3,72,360.82**	**3,16,842.88**
3) Assets classified as held for sale		**-**	**45.90**
TOTAL ASSETS		**8,12,155.26**	**7,13,136.04**
II EQUITY AND LIABILITIES			
Equity			
a) Equity Share capital	15	5,624.70	5,624.70
b) Other Equity	16	4,91,574.25	4,48,493.15
Equity attributable to the share holders of the Company		**4,97,198.95**	**4,54,117.85**
Non-controlling Interests		(21.09)	-
Total equity		**4,97,177.86**	**4,54,117.85**
Liabilities			
1) Non-current liabilities			
a) Financial liabilities			
i) Borrowings	17	2,26,977.50	1,75,740.69
ii) Lease liabilities		665.22	284.25
b) Provisions	20	7,595.12	5,030.82
c) Other non-current liabilities	21	255.48	262.98
Total non-current liabilities		**2,35,493.32**	**1,81,318.74**
2) Current liabilities			
a) Financial liabilities			
i) Borrowings	17	16,782.18	8,922.54
ii) Trade Payables	19		
Dues to Micro & Small Enterprises		303.67	164.29
Due to creditors other than Micro & Small Enterprises		27,920.58	28,035.54
iii) Other financial liabilities	18	26,394.69	30,875.69
b) Provisions	20	221.82	154.12
c) Other current liabilities	22	7,861.14	7,034.31
d) Current Tax liability (Net)	23	-	2,512.96
Total current liabilities		**79,484.08**	**77,699.45**
TOTAL EQUITY AND LIABILITIES		**8,12,155.26**	**7,13,136.04**

Corporate information and Significant accounting policies

See accompanying notes forming part of the financial statements

As per our report attached

For K. P. Rao & Co.,
Chartered Accountants
(Firm Regn. No.003135S)

H N Anil
Partner
Membership No: 225120
UDIN: 26225120VREPSM7946

Place : Hyderabad
Date : 29-May-2026

For and on behalf of the Board

K.Narsimha Reddy
Managing Director
DIN: 00382412

K. Jalandhar Reddy
Executive Director & CFO
DIN: 00434911

V.Haritha
Company Secretary

Consolidated Statement of Profit and Loss
for the year ended March 31, 2026

(₹ in Lakhs)

	Particulars	Note	Year ended March 31, 2026	Year ended March 31, 2025
	INCOME			
I	Revenue from Operations	24	2,69,801.31	4,75,316.64
II	Other income	25	6,521.90	31,568.85
III	**Total Income (I + II)**		**2,76,323.21**	**5,06,885.49**
IV	**Expenses**			
	Cost of materials consumed	26	76,405.07	1,46,643.92
	Construction expenses	27	93,240.53	1,05,693.30
	Construction Cost under Service Concession Arrangements		622.15	31,887.83
	Employee benefits expense	28	15,208.67	17,712.84
	Finance costs	29	21,172.92	20,789.58
	Depreciation and amortisation expense	3 & 30	5,945.97	31,421.95
	Other expenses	31	13,189.56	10,841.05
	Total expenses (IV)		**2,25,784.87**	**3,64,990.47**
V	**Profit/(Loss) before share of Profit/(Loss) from Associates and Joint Controlled entities (III-IV)**		**50,538.34**	**1,41,895.02**
VI	Share of Profit/(Loss) from Associates and Joint controlled entities		1,742.73	(1,874.02)
VII	**Profit/(Loss) before exceptional items and tax (V + VI)**		**52,281.07**	**1,40,021.00**
VIII	Exceptional items - Expenses/(Income)	32	-	14,062.80
IX	**Profit/(Loss) before tax (VII-VIII)**		**52,281.07**	**1,25,958.20**
X	**Tax expense**	33		
	1) Current tax		7,288.31	24,539.76
	2) Adjustment of tax relating to earlier periods		80.62	606.93
	3) Deferred tax		1,225.88	624.10
			8,594.81	**25,770.79**
XI	**Profit/(Loss) for the year(IX- X)**		**43,686.26**	**1,00,187.41**
XII	**Other comprehensive Income/(loss)**	34		
a)	**Items that will not be reclassified to profit or loss**			
	Remeasurements of the defined benefit plans		102.33	91.90
	Deferred Tax on above items		(25.75)	(23.13)
b)	**Items that will be reclassified to profit or loss**		-	-
XIII	**Total Comprehensive Income for the period (XI+XII) (Comprising Profit/(Loss) and Other Comprehensive Income for the period)**		**43,762.84**	**1,00,256.18**
	Profit/(loss) attributable to (XI):			
	Owners of the Company		43,707.61	1,00,187.41
	Non-controlling interests		(21.35)	-
			43,686.26	**1,00,187.41**
	Total comprehensive income attributable to (XIII):			
	Owners of the Company		43,784.19	1,00,256.18
	Non-controlling interests		(21.35)	-
			43,762.84	**1,00,256.18**
XIV	**Earnings per equity share: (In ₹)**	38		
	1) Basic		15.54	35.62
	2) Diluted		15.54	35.62
Corporate information and Significant accounting policies		1 & 2		

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

For K. P. Rao & Co.,
Chartered Accountants
(Firm Regn. No.003135S)

For and on behalf of the Board

H N Anil
Partner
Membership No: 225120
UDIN: 26225120VREPSM7946

K.Narsimha Reddy
Managing Director
DIN: 00382412

K. Jalandhar Reddy
Executive Director & CFO
DIN: 00434911

Place : Hyderabad
Date : 29-May-2026

V.Haritha
Company Secretary

Consolidated Statement of Changes in Equity

for the year ended March 31, 2026

A. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	Number	Amount
As at April 01, 2024	28,12,34,600	5,624.70
Add/Less: Changes in equity share capital during the year	-	-
As at March 31, 2025	**28,12,34,600**	**5,624.70**
Add/Less: Changes in equity share capital during the year	-	-
As at March 31, 2026	**28,12,34,600**	**5,624.70**

B. OTHER EQUITY

(₹ in Lakhs)

Particulars	Reserves and Surplus			Items of other comprehensive income/(loss)	Instrument entirely equity in nature	Total Attributable to the shareholders of the Company	Non-controlling interests	Total
	Securities Premium	General Reserves	Retained Earnings	Other items of Other Comprehensive Income				
Balance as at April 01, 2024	**9,786.96**	**2,849.00**	**3,36,011.59**	**292.51**	**850.00**	**3,49,790.06**	**(5,647.38)**	**3,44,142.68**
Profit for the year	-	-	1,00,187.41	-	-	1,00,187.41	-	**1,00,187.41**
Other Comprehensive income/ (loss) for the year	-	-	-	68.77	-	68.77	-	**68.77**
Dividends & Dividend tax paid	-	-	(703.09)	-	-	(703.09)	-	**(703.09)**
Increase/(decrease) in non-controlling interests due to dilution/divestment/ acquisition/right issue	-	-	-	-	(850.00)	(850.00)	5,647.38	**4,797.38**
Balance as at March 31, 2025	**9,786.96**	**2,849.00**	**4,35,495.91**	**361.28**	**-**	**4,48,493.15**	**-**	**4,48,493.15**
Balance as at April 01, 2025	9,786.96	2,849.00	4,35,495.91	361.28	-	4,48,493.15	-	**4,48,493.15**
Profit for the year	-	-	43,707.61	-	-	43,707.61	(21.35)	**43,686.26**
Other Comprehensive income/ (loss) for the year	-	-	-	76.58	-	76.58	-	**76.58**
Dividends & Dividend tax paid	-	-	(703.09)	-	-	(703.09)	-	**(703.09)**
Increase/(decrease) in non-controlling interests due to dilution/divestment/ acquisition/right issue	-	-	-	-	-	-	0.26	**0.26**
Balance as at March 31, 2026	**9,786.96**	**2,849.00**	**4,78,500.43**	**437.86**	**-**	**4,91,574.25**	**(21.09)**	**4,91,553.16**

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

For K. P. Rao & Co.,
Chartered Accountants
(Firm Regn. No.003135S)

For and on behalf of the Board

H N Anil
Partner
Membership No: 225120
UDIN: 26225120VREPSM7946

K.Narsimha Reddy
Managing Director
DIN: 00382412

K. Jalandhar Reddy
Executive Director & CFO
DIN: 00434911

Place : Hyderabad
Date : 29-May-2026

V.Haritha
Company Secretary

Audited Consolidated Cash Flow Statement

For the year ended March 31, 2026

(₹ in Lakhs)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
A) Cash Flow from operating Activities		
Profit before tax	**52,281.07**	**1,25,958.20**
Adjustments for :		
Depreciation and Amortisation expense	5,945.97	31,421.95
Liabilities no longer required written back	(815.80)	(8,198.20)
Provision for Doubtful Advances written back	-	(385.05)
Bad debts/advances written off	1,318.37	1,619.42
(Gain)/Loss on sale of property, plant and equipment	(1,089.64)	(77.20)
(Gain)/Loss on sale of Mutual funds	(903.33)	(1,193.75)
(Gain) / Loss on Fair value of Financial instruments	(337.97)	(375.99)
Exceptional Item	-	14,062.80
Finance Income on Financial Assets	(56,591.20)	(39,339.75)
Provision for Periodic maintenance	2,295.53	2,849.44
Un winding Interest on Lease liabilities	21.14	35.32
Un Amortised Processing fee	67.76	104.27
Modification gain/loss	488.93	(410.17)
Allowance for expected credit loss on Trade Receivables	2,738.49	705.21
Finance costs	21,084.02	20,649.99
Interest Income	(1,562.71)	(15,248.29)
	(27,340.44)	**6,220.00**
Operating profit/(loss) before working capital changes	**24,940.63**	**1,32,178.20**
Working capital adjustments:		
(Increase)/Decrease in Trade and Other Receivables and prepayments	(29,614.14)	(1,43,201.96)
(Increase)/Decrease in Inventories	2,760.24	6,046.04
Increase/(Decrease) in Trade and other Payables	(1,904.33)	(28,780.32)
Cash generated / (Used in) From Operations	**(3,817.60)**	**(33,758.04)**
Income Taxes (paid) / Refunds	(11,087.02)	(22,900.06)
Net Cash Flows from/(used in) Operating Activities - (A)	**(14,904.62)**	**(56,658.10)**
B) Cash Flow from Investing Activities		
Proceeds from sale of property, plant and equipment	2,800.68	242.28
Purchase of property, plant and equipment and Capital Work-in-Progress	(1,369.51)	(2,797.54)
Proceeds from Sale/(Purchase) of investments	(19,413.05)	(10,911.84)
Interest Received	1,547.52	14,778.11
(Increase)/Decrease in Fixed Deposits	2,832.19	(16,467.65)
Loans to Joint Venture Partners	(135.00)	25.84
TDS on Interest Received	(171.98)	(1,524.72)
Net Cash Flow from/ (used in) Investing Activities - (B)	**(13,909.15)**	**(16,655.52)**

Audited Consolidated Cash Flow Statement for the year ended March 31, 2026 (Contd.)

(₹ in Lakhs)

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
C) Cash Flow from Financing Activities		
Proceeds from Borrowings	1,07,950.00	1,30,870.00
Repayment of Borrowings	(48,921.31)	(66,164.96)
Increase/(Decrease) from Instruments Entirely Equity in nature	-	(850.00)
Deferred Payment of Liability	-	(172.00)
Finance cost paid	(21,202.51)	(20,618.70)
Payment (to)/from non-controlling interest (net)	0.26	5,647.37
Dividends paid	(703.09)	(703.09)
Net Cash Flow from/ (used in) Financing Activities - (C)	**37,123.35**	**48,008.62**
Net increase/ (decrease) in Cash and Cash Equivalents - (A+B+C)	**8,309.58**	**(25,305.00)**
Cash & Cash Equivalents at the beginning of the year	10,333.01	35,638.01
Cash & Cash Equivalents as at the end of the year (Refer Note)	**18,642.59**	**10,333.01**
Notes:		
1 Cash & Cash equivalents includes:		
Cash in Hand	19.01	25.51
Bank Balance and Cheques on hand - current account	18,623.58	10,307.50
Total Cash & Cash equivalents	**18,642.59**	**10,333.01**

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.

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

For K. P. Rao & Co.,
Chartered Accountants
(Firm Regn. No.003135S)

H N Anil
Partner
Membership No: 225120
UDIN: 26225120VREPSM7946

Place : Hyderabad
Date : 29-May-2026

For and on behalf of the Board

K.Narsimha Reddy
Managing Director
DIN: 00382412

K. Jalandhar Reddy
Executive Director & CFO
DIN: 00434911

V.Haritha
Company Secretary

Notes Forming Part of the Consolidated Financial Statements

for the year ended March 31, 2026

1 REPORTING ENTITY INFORMATION:

KNR Constructions Limited ('the Company') is a company domiciled in India with its registered office at 'KNR House' 3rd & 4th Floor, Plot No: 114, Phase-I, Kavuri Hills, Hyderabad – 500 033. The Company has been incorporated in 1995 under the provisions of Indian Companies Act. The shares of the Company are listed on the both the stock exchanges (BSE & NSE) in India in 2008 pursuant to the Public offer of equity shares. The Company, its subsidiaries and Associates collectively referred to as the "Group" is engaged in the infrastructure sector and is undertaking Turn key EPC contracts and BOT & HAM projects on public-private partnership basis, group activities are primarily in the construction of roads, bridges, flyovers and irrigation projects.

2 MATERIAL 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 Functional and presentation currency

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

2.3 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.

2.4 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 as disclosed in Note 43. 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 unrealised profits or losses on intra-group transactions as per Indian Accounting Standard 110.

ii) Associates

Associates are entities over which the Group has significant influence but not control. Investments in associates are accounted for using the equity method of accounting. The investment is initially recognsised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the acquisition date.

iii) Joint arrangements

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures; the classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

For joint operations, the group recognises its direct right to the assets, liabilities, contingent liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

For joint venture, A Joint Venture is a joint arrangement whereby the parties that have joint control of the arrangement, have rights to the net assets of the joint arrangement. Investments in

Joint Venture are accounted for using the equity method after initially recognised at cost.

iv) The financial statements of the Subsidiaries, Associates and the Joint ventures used in the consolidation are drawn up to the same reporting date as that of the Holding Company, i.e. March 31, 2026.

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

vi) 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.

vii) 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 and Associate Companies are considered for consolidated financial statements are given in Note 43.

2.5 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 or a joint venture.

2.6 Operating cycle for 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. Operating cycle for the business activities of the group covers the duration of the project/ contract/ service including the defect liability period, wherever applicable, and extends up to the realisation of receivables (including retention monies) within the credit period normally applicable to the respective project.

2.7 Fair Value Measurement

The group measures certain financial instruments, 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 categorised 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

Notes Forming Part of the Consolidated Financial Statements (Contd.)

hierarchy, then the fair value measurement is categorised 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 recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.8 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 recognised in profit or loss.

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

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

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

The following asset category has useful life different from the life specified in Schedule II of the Companies Act, 2013 based on the management's assessment

S . No.	Description	Useful life given as per Companies Act 2013	Company's estimated useful life
1.	**Buildings**		
	RCC structure	60 years	60 years
	Temporary structure	3 Years	3 Years
2.	**Plant and Machinery**		
	Concreting, crushing, piling equipment's and road making equipment's	12 Years	7 Years */3 Years**
	Heavy Lift equipment's		
	- Cranes < 100 tons	15 Years	7 Years */3 Years**
	- Earth-moving equipment's	9 Years	7 Years */3 Years**
	Construction Accessories	12 Years	7 Years */3 Years**
	Others including Material Handling / Pipeline / Welding Equipment's	12 Years	7 Years */3 Years**
3.	**Furniture and fittings**	10 Years	10 Years
4.	**Motor Vehicles**		
	Motor cycles, Scooters and other mopeds	10 Years	10 Years
	Motor buses, motor lorries, motor cars and motor taxies	8 Years	8 Years

S . No.	Description	Useful life given as per Companies Act 2013	Company's estimated useful life
5.	**Office equipment's**	5 Years	5 Years
6.	**Computers and data processing units**		
	Servers and networks	6 Years	6 Years
	End user devices such as, desktops, laptop etc.,	3 Years	3 Years
7.	**Laboratory equipment's**	10 years	7 years *

* The Group estimated life of the asset as 7 years.

** The Group estimated life of the asset as 3 years as the assets have been used for more number of times / shifts as compared to the other ones.

Where cost of a part of the asset ("asset component") is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately and such asset component is depreciated over its separate useful life.

Gains or losses arising from the retirement or disposal of property, plant and equipment are determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset and are recognised in the income statement on the date of retirement or disposal.

2.9 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.

2.10 Intangible Asset under Service Concession Arrangements (SCA)

The Group recognises 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 amortisation and accumulated impairment losses.

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

The Group has followed life based amortisation for intangible assets which are recognised 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 Ind-AS 115, and the payment is in the form of fixed payment (annual throughout the SCA) and the Group has recognised as a liability with a present value of annual payments payable during the SCA. And the same was capitalised to the intangible assets.

2.11 Rights under Service Concession Arrangements (Hybrid Annuity Projects)

Financial Asset under SCA

Where Group has acquired contractual rights to receive specified determinable amounts, such rights are recognised and classified as "Financial Assets", The Group will recognise a financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset from the Authority/Client for the construction services and such financial assets are classified as "Receivables against Service Concession Arrangements" (Financial Asset Receivable).

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

Notes Forming Part of the Consolidated Financial Statements (Contd.)

The amount due from the authority including Operation & Maintenance Income is accounted for in accordance with Ind AS 109 as measured at amortised cost and the interest calculated using the effective interest method is recognised in statement of profit and loss.

As per the Concession Arrangement, the support during construction period received on milestone basis is accounted for as part of the transaction price (Financial Asset) as defined in Ind AS 115.

2.12 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 derecognised 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 derecognised.

2.13 Other Intangible Assets

Other Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Pre-operative expenses including administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets. Intangible assets are amortised over their useful life.

Asset	Useful life
Computer Software	3 Years

2.14 Investment in Associates and Joint Ventures and Mutual Funds

Investments in mutual funds are carried at fair value through profit and loss.

Investments are classified as 'held for sale' when all of the following criterias are met:

(i) decision has been made to sell,

(ii) the assets are available for immediate sale in its present condition,

(iii) the assets are being actively marketed and

(iv) Sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such investments classified as held for sale are measured at the lower of its carrying value and fair value less impairment.

Investments in joint venture are recognised at cost with adjustment to respective share of profit/loss.

2.15 Inventories

Raw Materials, construction materials and stores & spares are valued at weighted average cost or net realisable value whichever is less. Cost includes all charges in bringing the materials to the place of usage, excluding refundable duties and taxes.

2.16 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 that are potentially favourable to the Entity.

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

– Amortised 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 amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- o the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- o 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 unfavourable to the Entity

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

ii. De-recognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the 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 derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

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

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 amortised 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 recognises 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

Notes Forming Part of the Consolidated Financial Statements (Contd.)

the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

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

2.17 Cash and cash equivalents

Cash and cash equivalents includes Cash in hand, bank balances and cheques on hand, 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.

2.18 Other Bank Balances

Other bank balances include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation.

2.19 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re measurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses borrowing rate. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease, the Group has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

2.20 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.

Provision for contractual obligations

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

2.21 Contingent liability, Contingent Assets and Commitments

i) 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.

ii) Contingent assets are disclosed where an inflow of economic benefits is probable.

iii) 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.

2.22 Revenue Recognition

Accounting for Construction contracts

The Group constructs infrastructure projects on behalf of clients. Delivering the project as per the contractual terms is the only performance obligation that has been identified. Under the terms of the contracts, the group will perform its obligations on time to time as per the timing schedule indicated in the contract with the asset having no alternative use to the entity and the group having an enforceable right to receive payment for the work done. Hence, Revenue is therefore recognised over time on a cost to cost method, i.e. based on the proportion of contract costs incurred for the work performed to date relative to the estimated total contract costs. The management considers that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under Ind AS 115.

Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

As per the contract, when there is a right to consideration in exchange for goods or services that have been transferred to a customer when that right is conditioned on something other than the passage of time, a contract asset is recognised to the extent of the consideration due.

Similarly, when there is an obligation to transfer goods or services to a customer for which the entity has received consideration from the customer, a contract liability is recognised to the extent of the obligation.

Accounting for Claims

Claims are accounted as income in the period of receipt of arbitration award and acceptance by client or evidence of acceptance received. Interest awarded, being in the nature of additional compensation under the terms of the contract, is accounted as other Income on receipt of favourable arbitration award.

Notes Forming Part of the Consolidated Financial Statements (Contd.)

Service concession arrangements (SCA)

For BOT (Toll) Projects

The Group 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.

For Hybrid Annuity Projects

The Group constructs or upgrades infrastructure (construction or upgrade services) used to provide a public service and operates and maintains that infrastructure (operation services) for a specified period of time. The group shall recognise and measure revenue for the services it performs. The nature of the consideration determines its subsequent accounting treatment i.e. as Financial Assets. The group will recognise a financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset from the authority/client for the construction services.

The Financial Asset due from the authority/client is accounted and measured at amortised cost. The interest calculated using the effective interest method is recognised in the statement of profit and loss. As per the Concession Arrangement, support received during construction period are accounted for as part of the transaction price (i.e. Financial Asset).

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.

Dividend income: Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

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.

2.23 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 recognise 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 recognises related restructuring costs or termination benefits.

2.24 Taxes on Income

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

i. Current tax

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

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

ii. Deferred tax

Deferred tax is recognised 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 utilised. 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 realised, 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.

2.25 Foreign Currencies

Foreign Currency transaction and translation expenditure

a) The Functional Currency of the Group is Indian Rupees(INR), and these financial statements are presented in Indian rupees(Lakhs)

b) Foreign Currency transactions are recorded on initial recognition in the reporting currency, using the exchange rate on the date of the transaction.

Notes Forming Part of the Consolidated Financial Statements (Contd.)

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

2.26 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).

2.27 Dividend to equity shareholders

Dividend to equity shareholders is recognised as a liability and deducted from shareholders equity, in period in which the dividends are approved by the equity shareholders in general meeting.

2.28 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.

2.29 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 capitalised 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.

2.30 Exceptional Items

Exceptional Items represents the nature of transactions which are not in recurring nature during the ordinary course of business but lead to increase / decrease in profit / loss for the year.

2.31 Key accounting estimates and judgements

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 recognised in the periods in which the results are known/materialise. Estimates include the property plant and equipment, inventory; future obligations in respect of retirement benefit plans, provisions, fair value measurement and taxes etc.

a) Revenue Recognition

The Group follows the percentage completion method, based on the proportion that contract cost incurred as on reporting date to the total estimated contract cost including escalations/variations, this method is followed when reasonably dependable estimates of costs applicable to various elements of the contract can be made. Key factors that are reviewed in estimating the future costs to complete include estimates of future labour costs and productivity efficiencies. Because the financial reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, recognised revenue and profit are subject to revisions as the contract progresses to completion. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable.

b) 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.

c) 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 judgements and assumptions.

d) Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term including anticipated renewals and the applicable discount rate.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option.

In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate.

e) 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.

f) Income Taxes

Significant judgments are required in determining the provision for income taxes, including the amount expected to be paid/ recovered for uncertain tax positions.

g) Estimation of net realisable value of inventories

In estimating the net realisable value of Inventories the Group makes an estimate of future selling prices and costs necessary to make the sale.

h) Impairment of trade receivables and advances

Significant estimates are required in ascertaining the provision to be made for impairment of trade receivables and advances.

2.32 Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2026, MCA has notified the following amendments to the existing standards applicable to the Company.

i. Ind AS 1 – Presentation of Financial Statements

ii. Ind AS 7 – Statement of Cash flows

iii. Ind AS 21 – The effects of changes in foreign currency exchange rates

iv. Ind AS 107 – Financials Instruments

The Group believes that the aforementioned amendments will not materially impact the consolidated financial statements of the Company

Notes Forming Part of the Consolidated Financial Statements (Contd.)

3 PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Tangible Assets		
Land - Free Hold	10,462.49	11,684.24
Buildings	1,820.11	1,942.59
Plant and Equipment	13,793.43	18,747.27
Furniture and Fixtures	129.87	148.44
Vehicles	913.01	1,162.60
Office equipment	52.53	72.90
Computers & Accessories	28.66	34.22
Road Development	26.63	40.22
	27,226.73	**33,832.48**

Note: Refer note 17 for details of assets pledged

(₹ in Lakhs)

Particulars	Tangible Assets								
	Land - Free Hold*	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Computers & Accessories	Road Development	Total
Cost									
As at April 01, 2025	11,684.24	4,829.92	1,44,837.15	504.62	4,144.06	350.62	238.16	262.25	**1,66,851.02**
Additions	158.17	64.43	295.22	18.46	224.46	11.86	13.05	-	**785.65**
Disposals/adjustments	(1,379.92)	(33.33)	(3,405.89)	-	(286.24)	-	-	-	**(5,105.38)**
As at March 31, 2026	**10,462.49**	**4,861.02**	**1,41,726.48**	**523.08**	**4,082.28**	**362.48**	**251.21**	**262.25**	**1,62,531.29**
Depreciation									
As at April 01, 2025	-	2,887.33	1,26,089.88	356.18	2,981.46	277.72	203.94	222.03	**1,33,018.54**
Charge for the period	-	163.26	5,053.65	37.03	361.99	32.23	18.61	13.59	**5,680.36**
Disposals/adjustments	-	(9.68)	(3,210.48)	-	(174.18)	-	-	-	**(3,394.34)**
As at March 31, 2026	**-**	**3,040.91**	**1,27,933.05**	**393.21**	**3,169.27**	**309.95**	**222.55**	**235.62**	**1,35,304.56**
Net Carrying Amount									
As at March 31, 2026	**10,462.49**	**1,820.11**	**13,793.43**	**129.87**	**913.01**	**52.53**	**28.66**	**26.63**	**27,226.73**
As at March 31, 2025	**11,684.24**	**1,942.59**	**18,747.27**	**148.44**	**1,162.60**	**72.90**	**34.22**	**40.22**	**33,832.48**

(₹ in Lakhs)

Particulars	Tangible Assets								
	Land - Free Hold*	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Computers & Accessories	Road Development	Total
Cost									
As at April 01, 2024	11,463.51	4,666.06	1,45,724.20	466.09	3,886.02	418.57	228.04	262.25	**1,67,114.74**
Additions	220.73	323.01	1,592.36	44.21	376.42	27.37	27.76	-	**2,611.86**
Disposals/adjustments	-	(159.15)	(2,479.41)	(5.68)	(118.38)	(95.32)	(17.64)	-	**(2,875.58)**
As at March 31, 2025	**11,684.24**	**4,829.92**	**1,44,837.15**	**504.62**	**4,144.06**	**350.62**	**238.16**	**262.25**	**1,66,851.02**
Depreciation									
As at April 01, 2024	-	2,791.02	1,20,380.95	320.86	2,625.93	313.73	190.79	189.03	**1,26,812.31**
Charge for the period	-	237.47	8,062.27	39.78	465.07	51.08	29.83	33.00	**8,918.50**
Disposals/adjustments	-	(141.16)	(2,353.34)	(4.46)	(109.54)	(87.09)	(16.68)	-	**(2,712.27)**
As at March 31, 2025	**-**	**2,887.33**	**1,26,089.88**	**356.18**	**2,981.46**	**277.72**	**203.94**	**222.03**	**1,33,018.54**
Net Carrying Amount									
As at March 31, 2025	**11,684.24**	**1,942.59**	**18,747.27**	**148.44**	**1,162.60**	**72.90**	**34.22**	**40.22**	**33,832.48**
As at March 31, 2024	11,463.51	1,875.04	25,343.25	145.23	1,260.09	104.84	37.25	73.22	**40,302.43**

Notes Forming Part of the Consolidated Financial Statements (Contd.)

3.1 CAPITAL WORK-IN-PROGRESS

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Capital work-in-progress	12.14	41.20
	12.14	**41.20**

(₹ In Lakhs)

Particulars	Amount
Cost	
As at April 01, 2025	**41.20**
Additions	49.45
Disposal/capitalised	(78.51)
As at March 31, 2026	**12.14**
Depreciation	
As at April 01, 2025	-
Charge for the period	-
Disposal/adjusted	-
As at March 31, 2026	**-**
Net Carrying Amount	
As at March 31, 2026	**12.14**
As at March 31, 2025	41.20

(₹ In Lakhs)

Particulars	Amount
Cost	
As at April 01, 2024	**218.43**
Additions	86.35
Disposal/capitalised	(263.58)
As at March 31, 2025	**41.20**
Depreciation	
As at April 01, 2024	-
Charge for the period	-
Disposal/adjusted	-
As at March 31, 2025	**-**
Net Carrying Amount	
As at March 31, 2025	**41.20**
As at March 31, 2024	218.43

Ageing of Capital work-in-progress

(₹ In Lakhs)

Particulars	As at March 31, 2026					As at March 31, 2025				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1.52	2.15	2.90	5.56	**12.14**	32.73	2.90	-	5.56	**41.20**
Projects temporarily suspended	-	-	-	-	**-**					
Total capital work-in-progress	**1.52**	**2.15**	**2.90**	**5.56**	**12.14**	**32.73**	**2.90**	**-**	**5.56**	**41.20**

As on the date of balance sheet, there is no capital work-in-progress project(s) whose completion is overdue or has exceeded the cost,based on the approved plan.

3.2 INVESTMENT PROPERTY

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Investment Property	14,740.77	14,145.31
	14,740.77	**14,145.31**

* Land and investment property includes ₹ 1885.66 Lakhs (P.Y ₹ 1885.66 Lakhs) held in the name of Directors, relatives of Directors for and on behalf of the Company and refer note 65 for the details of the immovable property not held in the name of the Company.

Note: Refer note 17 for details of assets pledged.

Notes Forming Part of the Consolidated Financial Statements (Contd.)

3.2 INVESTMENT PROPERTY (CONTD.)

(₹ In Lakhs)

Particulars	Amount
As at April 01, 2025	**14,145.31**
Additions	595.46
Disposals	-
As at March 31, 2026	**14,740.77**
Depreciation	
As at April 01, 2025	-
Charge for the period	-
Disposal/adjusted	-
As at March 31, 2026	**-**
Net Carrying Amount	
As at March 31, 2026	**14,740.77**
As at March 31, 2025	14,145.31

(₹ In Lakhs)

Particulars	Amount
As at April 01, 2024	**13,751.66**
Additions	393.65
Disposals	-
As at March 31, 2025	**14,145.31**
Depreciation	
As at April 01, 2024	-
Charge for the period	-
Disposal/adjusted	-
As at March 31, 2025	**-**
Net Carrying Amount	
As at March 31, 2025	**14,145.31**
As at March 31, 2024	13,751.66

3.3 OTHER INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Computer Software	3.17	4.25
Carriage way	-	-
Intangible assets under development	-	-
Total	**3.17**	**4.25**

(₹ In Lakhs)

Particulars	Computer software	Carriage way	Intangible assets under development	Total
Cost				
As at April 01, 2025	**56.41**	**44,473.72**	**-**	**44,530.13**
Additions	-	-	-	-
Disposals	-	-	-	-
As at March 31, 2026	**56.41**	**44,473.72**	**-**	**44,530.13**
Depreciation				
As at April 01, 2025	**52.16**	**44,473.72**	**-**	**44,525.88**
Charge for the period	1.08	-	-	1.08
Disposals	-	-	-	-
As at March 31, 2026	**53.24**	**44,473.72**	**-**	**44,526.96**
Net Carrying Amount				
As at March 31, 2026	**3.17**	**-**	**-**	**3.17**
As at March 31, 2025	4.25	-	-	4.25

3.3 OTHER INTANGIBLE ASSETS (CONTD.)

(₹ In Lakhs)

Particulars	Computer software	Carriage way	Intangible assets under development	Total
Cost				
As at April 01, 2024	**55.43**	**48,412.54**	**-**	**48,467.97**
Additions	3.14	-	-	3.14
Disposals	(2.16)	(3,938.82)	-	(3,940.98)
As at March 31, 2025	**56.41**	**44,473.72**	**-**	**44,530.13**
Depreciation				
As at April 01, 2024	**51.05**	**22,290.35**	**-**	**22,341.40**
Charge for the period	1.49	22,183.37	-	22,184.86
Disposals	(0.38)	-	-	(0.38)
As at March 31, 2025	**52.16**	**44,473.72**	**-**	**44,525.88**
Net Carrying Amount				
As at March 31, 2025	**4.25**	**-**	**-**	**4.25**
As at March 31, 2024	4.38	26,122.19	-	26,126.57

4 INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current		
Trade - Unquoted		
a) Investment In Associate (Quasi Equity)		
Patel KNR Heavy Infrastructures Ltd.,	1,793.69	1,793.69
Total	**1,793.69**	**1,793.69**
Trade - Unquoted		
b) Equity instruments of associates (At Cost):		
Patel KNR Infrastructures Ltd.		
1,15,28,800 (1,48,00,000) equity shares of ₹ 10/- each, fully paid	1,152.88	1,152.88
Add/(Less): Cumulative Share of Profit	1,886.72	1,276.56
Net Investment (I)	**3,039.60**	**2,429.44**
Patel KNR Heavy Infrastructures Ltd.,		
95,29,500 (95,29,500) equity shares of ₹ 10/- each, fully paid	952.95	952.95
Add/(Less): Cumulative Share of Profit	2,396.32	1,263.75
Net Investment (II)	**3,349.27**	**2,216.70**
Total Equity investment in associates (I + II)	**6,388.87**	**4,646.14**
Less : Impairment Made	1,086.64	1,086.64
Net Equity investment in associates	**5,302.23**	**3,559.50**
Total Non- Current Investments (a+b)	**7,095.92**	**5,353.19**
Current		
Trade - Quoted - at fair value		

Notes Forming Part of the Consolidated Financial Statements (Contd.)

4 INVESTMENTS (CONTD.)

(₹ in Lakhs)

	Particulars	No. of Units		As at March 31, 2026	As at March 31, 2025
c)	**Investments in Mutual Funds**	**No. of Units**			
	Axis Money Market Fund-Mutual Fund	72,969	Nil	1,092.04	-
	Axis Short Duration Growth Plan	18,66,535	Nil	598.28	-
	Axis Treasury Advantage Growth Plan	30,824	Nil	995.64	-
	Bandhan Bond Fund - Short term Plan (Regular)	Nil	2458154	-	1,156.25
	Bandhan Ultra Short Duration Fund-Regular Plan	44,32,599	Nil	704.19	-
	HDFC Floating Rate Debt Fund Growth Plan	6,87,264	Nil	358.11	-
	HDFC Money Market Fund-Mutual Fund	12,653	Nil	756.12	-
	HSBC Money Market Fund-Regular Growth	7,21,645	Nil	198.94	-
	HSBC Medium Duration Growth Plan	2,33,41,263	9521065	4,931.24	1,903.53
	HSBC Money Market Fund-Mutual Fund	36,44,943	Nil	1,004.83	-
	HSBC Money Market Growth Plan	1,38,660	Nil	38.23	-
	ICICI Prudential Credit Risk Growth Plan	45,14,773	Nil	1,510.38	-
	ICICI Prudential Floating Interest Growth plan	11,57,185	394198	5,132.30	1,636.63
	ICICI Prudential Short Term Growth Plan	16,47,665	Nil	1,029.52	-
	ICICI Prudential Ultra Short Term Fund-Mutual Fund	69,51,097	Nil	2,012.66	-
	Kotak Floating Rate Fund Growth Plan	25,576	Nil	403.42	-
	Kotak Money Market Fund-Mutual Fund	22,161	Nil	1,040.64	-
	Nippon India Money Market Fund-Mutula Fund	11,616	Nil	503.97	-
	TATA Money Market Fund-Mutual Fund	20,364	Nil	1,005.45	-
	Total current investments			**23,315.96**	**4,696.41**
Trade - Unquoted					
d)	**Current Accounts in Joint Venture**				
	SEL - KNR JV			1,532.39	1,532.39
Trade - Unquoted - Held for sale					
e)	**Equity instruments of Other Companies (At Cost)**				
	KNR Muzaffarpur Barauni Tollway Pvt Ltd			-	45.90
	4,59,000 (4,59,000) equity shares of ₹ 10/- each, fully paid				
Total Current Investments (c+d+e)				**24,848.35**	**6,274.70**
Total Investments (a+b+c+d+e)				**31,944.27**	**11,627.89**
Total Investments					
i)	Aggregate amount of amortised cost of unquoted investments - Non Current (a)			1,793.69	1,793.69
ii)	Aggregate amount of unquoted equity investments in Associates - Non Current (b)			6,388.87	4,646.14
iii)	Aggregate amount of impairment in value of investments (b)			(1,086.64)	(1,086.64)
iv)	Aggregate book value of quoted investments - Current (c)			23,315.96	4,696.41
iv)	Aggregate amount of unquoted investments - Current (d)			1,532.39	1,532.39
iv)	Aggregate amount of unquoted equity investments held for sale - Current (e)			-	45.90
				31,944.27	**11,627.89**

Note : Aggregate market value of quoted investments is ₹ 23,315.96 Lakhs (March 31, 2025 is ₹ 4,696.41 Lakhs)

Notes Forming Part of the Consolidated Financial Statements (Contd.)

5 TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current		
Unsecured, considered good		
Trade Receivables (Arbitration Award Claims from JV's)	806.00	806.00
Trade Receivables (Arbitration Award Claims from SPV's)	2,654.05	2,320.35
	3,460.05	**3,126.35**
Current		
Unsecured, considered good		
Trade Receivables	84,279.82	92,816.87
Less: Allowance for expected credit loss	(3,443.70)	(705.21)
Unsecured, considered doubtful		
Trade Receivables	18.15	18.15
Less: Provision for doubtful Trade Receivables	(18.15)	(18.15)
Total Current Trade Receivables	**80,836.12**	**92,111.66**
Total	**84,296.17**	**95,238.01**

5.1 AGEING OF TRADE RECEIVABLES:

(₹ in Lakhs)

Particulars	Outstanding for the following periods from the due date of payment						
	Not Due	Less than 6 months*	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
As on March 31, 2026							
Undisputed Trade Receivables - Considered Good	-	13,713.55	91.33	5,905.51	61,300.93	6,728.55	**87,739.87**
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	18.15	**18.15**
Undisputed Trade Receivables - credit impaired	-	-	-	-	-	(18.15)	**(18.15)**
Disputed Trade receivables - Considered good	-	-	-	-	-	-	**-**
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	**-**
Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	**-**
Less: Allowance for expected dredit loss		9.60	-	59.06	2,892.04	483.00	**3,443.70**
Total	**-**	**13,703.95**	**91.33**	**5,846.45**	**58,408.89**	**6,245.55**	**84,296.17**

Notes Forming Part of the Consolidated Financial Statements (Contd.)

5.1 AGEING OF TRADE RECEIVABLES: (CONTD.)

(₹ in Lakhs)

Particulars	Outstanding for the following periods from the due date of payment						
	Not Due	Less than 6 months*	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
As on March 31, 2025							
Undisputed Trade Receivables - Considered Good	-	33,113.03	218.39	61,138.01	1,307.79	166.00	**95,943.22**
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	18.15	**18.15**
Undisputed Trade Receivables - credit impaired	-	-	-	-	-	(18.15)	**(18.15)**
Disputed Trade receivables - Considered good	-	-	-	-	-	-	**-**
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	**-**
Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	**-**
Less: Allowance for expected dredit loss	-	51.64	0.02	578.15	65.39	10.01	**705.21**
Total	**-**	**33,061.39**	**218.37**	**60,559.86**	**1,242.40**	**155.99**	**95,238.01**

6 OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current		
Unsecured, considered good:		
Financial Asset Receivable	3,19,954.03	2,74,354.92
Total Non-Current Other Financial Assets	**3,19,954.03**	**2,74,354.92**
Current		
Unsecured, considered good:		
Financial Asset Receivable	4,690.03	1,537.28
Advances to related parties (Refer note : 40)	7.69	181.83
Retention Deposits & Withheld	39,703.28	39,035.13
Interest receivable	535.29	520.10
Security Deposits	2,823.65	3,623.56
Other Receivables	2,236.55	3,008.38
Unbilled Revenue / Contract Asset	1,33,934.91	96,880.01
Receivable from WVEPL	1,402.37	1,402.37
Unsecured, considered doubtful:		
Receivable from SPV's	1,405.28	1,405.28
Less: Provision for doubtful receivables	(1,405.28)	(1,405.28)
Security Deposits	85.82	85.82
Less: Provision for doubtful Security Deposits	(85.82)	(85.82)
Other Receivables	-	10.54
Less: Provision for doubtful Others	-	(10.54)
Retention Deposits	14.91	14.91
Less: Provision for Retention Deposits	(14.91)	(14.91)
Total Current Other Financial Assets	**1,85,333.77**	**1,46,188.66**
Total Other Financial Assets	**5,05,287.80**	**4,20,543.58**

7 DEFERRED TAX ASSETS (NET)

(₹ In Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred tax assets	11,506.13	12,757.75
Total	**11,506.13**	**12,757.75**

7.1 Components of deferred income tax assets and liabilities arising on account of temporary differences are:

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred tax assets		
Expenditure disallowed under Income Tax Act, 1961	338.06	327.12
Provision for doubtful advances	1,428.43	918.65
Deferred tax on fair value of investment of properties	1,137.17	2,119.31
Property, plant and equipment	8,476.72	9,292.68
	11,380.38	**12,657.76**
Deferred tax liabilities		
On OCI (Gratuity)	125.75	99.99
Total	**11,506.13**	**12,757.75**

8 TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current		
Advance Tax	7,335.53	5,443.31
	7,335.53	**5,443.31**
Current		
Advance Tax	8,275.75	2,849.48
Less: Provision for Income Tax	(5,941.38)	-
	2,334.37	**2,849.48**
Total	**9,669.90**	**8,292.79**

Notes Forming Part of the Consolidated Financial Statements (Contd.)

9 OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Un-secured Considered good		
Capital advances	244.67	227.21
Security Deposits	2,595.89	2,513.80
Dues from Statutory authorities	44,698.59	44,183.84
Unsecured, considered doubtful:		
Capital advances	9.71	9.71
Less: Provision for Capital Advances	(9.71)	(9.71)
Total	**47,539.15**	**46,924.85**

10 INVENTORIES

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Raw materials	7,265.13	8,756.06
Goods-in transit	163.46	-
Stores and spares	5,466.45	7,285.32
Goods-in transit	386.10	-
Total	**13,281.14**	**16,041.38**

11 CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Balances with banks:		
in current accounts	18,623.58	10,307.50
Cash on hand	19.01	25.51
Total	**18,642.59**	**10,333.01**

12 OTHER BANK BALANCES

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Earmarked balances with Banks		
Margin Money & Other fixed deposits	19,079.95	21,912.86
Un-claimed Dividend	6.72	6.00
Total	**19,086.67**	**21,918.86**

13 LOANS

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Current		
Unsecured, considered good:		
Loans to		
Joint Venture Partners (Refer note : 13.1)	293.62	158.62
Total Current Loans	**293.62**	**158.62**
Total	**293.62**	**158.62**

13.1 All the loans to joint venture partners are interest bearing.

14 OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Un-secured Considered good		
Advances to Sub-contractors	20,868.62	13,038.26
Advances to Suppliers (Other than capital advances)	4,078.39	3,853.15
Staff Imprest & Salary Advances	390.33	481.23
Prepaid expenses	789.32	751.39
Receivables from Others	1,577.53	2,888.38
Considered doubtful		
Advances to Sub-contractors	-	59.11
Less: Provision for doubtful trade receivables	-	(59.11)
Total	**27,704.19**	**21,012.41**

15 EQUITY SHARE CAPITAL

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	Amount in Lakhs	No. of Shares	Amount in Lakhs
Authorised Share capital				
Equity Shares of ₹ 2/- each	30,00,00,000	6,000.00	30,00,00,000	6,000.00
Issued, subscribed & fully paid share capital				
Equity Shares of ₹ 2/- each	28,12,34,600	5,624.70	28,12,34,600	5,624.70
Total	**28,12,34,600**	**5,624.70**	**28,12,34,600**	**5,624.70**

Notes Forming Part of the Consolidated Financial Statements (Contd.)

15 EQUITY SHARE CAPITAL (CONTD.)

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

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares (FV of ₹ 2)	Amount in Lakhs	No. of Shares (FV of ₹ 2)	Amount in Lakhs
Number of Equity Shares at the beginning	28,12,34,600	5,624.70	28,12,34,600	5,624.70
Add: Number of Shares Issued	-	-	-	-
Less: Number of Shares Brought Back	-	-	-	-
Number of Equity Shares at the end of the year	**28,12,34,600**	**5,624.70**	**28,12,34,600**	**5,624.70**

Terms/Rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of ₹ 2/- . Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

The Board of Directors has proposed in their meeting held on May 29, 2026 dividend of ₹ 0.25/- per fully paid equity share of ₹ 2/- each.

During the year ended March 31, 2026, the Company paid the final dividend of ₹ 0.25/- per equity share for the year ended March 31, 2025 amounting to ₹ 703.09 crore.

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

15.2 The details of shareholder holding more than 5% shares as at March 31, 2026 and March 31, 2025:

Name of the shareholder	As at March 31, 2026		As at March 31, 2025	
	No. of Shares held	% holding	No. of Shares held	% holding
Kamidi Narsimha Reddy	8,54,84,926	30.40	8,54,84,926	30.40
Kamidi Jalandhar Reddy	3,72,59,210	13.25	3,72,59,210	13.25
HDFC Midcap opportunities fund	1,05,83,872	3.76	2,30,52,174	8.20

15.3 For the period of five years immediately preceding reporting period

i) Shares allotted as fully paid-up pursuant to contract(s) without payment being received in cash. - Nil

ii) Aggregate Number and class of shares allotted as fully paid up by way of bonus shares.

Particulars	No. of shares	₹ In Lakhs
Equity share of ₹ 2/- each *	14,06,17,300	2,812.35

iii) Shares which were bought back in any of the years. - Nil

iv) Calls unpaid by any director or officer of the Company during the year. - Nil

* During the FY 2020-21 the Company has issued Bonus Shares in the ratio of 1:1 on February 05, 2021.

15 EQUITY SHARE CAPITAL (CONTD.)

15.4 Shareholding of Promoters / Promoter group:

(₹ in Lakhs)

Promoter/Promoter group Name	As at March 31, 2026			As at March 31, 2025		
	No. of Shares	% Of Total Shares	% Change during the year	No. of Shares	% Of Total Shares	% Change during the year
Kamidi Narsimha Reddy	8,54,84,926	30.40%	-	8,54,84,926	30.40%	-6.49%
Kamidi Jalandhar Reddy	3,72,59,210	13.25%	-	3,72,59,210	13.25%	-1.32%
Kamidi Yashoda	80,15,010	2.85%	-	80,15,010	2.85%	0.00%
Mereddy Rajesh Reddy	65,00,000	2.31%	-	65,00,000	2.31%	0.00%

16 OTHER EQUITY

(₹ in Lakhs)

	Particulars	As at March 31, 2026	As at March 31, 2025
a)	Securities premium reserve	9,786.96	9,786.96
b)	General reserve	2,849.00	2,849.00
c)	Surplus in the statement of profit and loss		
	Balance at the beginning of the period	4,35,495.91	3,36,011.59
	Add: (Loss)/ Profit for the period	43,707.61	1,00,187.41
	Less: Amount Transferred to Non Controlling Interest	-	-
	Less: Dividend paid	(703.09)	(703.09)
		4,78,500.43	**4,35,495.91**
d)	Other Comprehensive Income - Gratuity	437.86	361.28
	Balance at the end of the period (a+b+c+d)	**4,91,574.25**	**4,48,493.15**

17 BORROWINGS

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current		
Secured loans		
From banks		
Term loans (refer note: 17.4)	2,26,977.50	1,75,740.69
Total non-current borrowings	**2,26,977.50**	**1,75,740.69**
Current		
Loan repayable on Demand		
Secured loans		
From Banks		
Term Loan (refer note: 17.4)	16,782.18	8,922.54
Cash Credit & Working capital demand loans (refer note: 17.1 and 17.2)	-	-
Total current borrowings	**16,782.18**	**8,922.54**
Total	**2,43,759.68**	**1,84,663.23**

Notes Forming Part of the Consolidated Financial Statements (Contd.)

17 BORROWINGS (CONTD.)

17.1 Working Capital Facilities: Cash Credit facilities from consortium of banks are secured by:

a. Hypothecation of all chargable current assets on pari passu basis with other participating banks

b. First pari passu charge on equitable mortgage of certain land & buildings

c. Hypothecation of certain movable fixed assets of the Company, which are not encumbered/charged to the term lenders

d. First pari passu charge on fixed deposit of ₹ 3,303.00 Lakhs made with SBI

e. Personal guarantee of Director

17.2 The interest rate for working capital demand loan and cash credit facilities varies from 7.90% to 9.80% per annum

17.3 The quarterly returns of current assets filed by the Company with banks are in agreement with the books of account.

17.4 Term Loans of Subsidiaries:

For KNR Palani Infra Pvt Ltd

Terms of Security :

a) A first mortgage and charge on all the Borrower's immovable properties,both present and future, save and except the Project Assets;

b) A first charge on all the Borrower's tangible moveable assets, including moveable plant and machinery, machinery spares, tools and accessories, furniture, fixture, vehicles and all other movable assets, both present and future save and expect the Project Assets;

c) A first charge over all accounts of the Borrower including the Escrow Account and the Sub-Accounts (or any account in substitution thereof) that may be opened in accordance with Escrow Agreement and the Supplementary Escrow Agreement, or any of the other Project Documents.

d) A first charge on all intangibles assets including but not limited to goodwill, rights, undertaking and uncalled capital present and future excluding the Project Assets.

e) A pledge of 51% of the issued,paid up and voting equity share capital of the Borrower held by the Promoter in the Borrower till the Final Settlement Date.

f) Non disposal undertaking on balance 49% of the stake.

Repayment Terms: As on March 31, 2026 Outstanding term loan is ₹ 22,256.12 Lakhs at the interest rate of Axis 1 year MCLR and the Balance outstanding is repayable in 21 Semi Annual Instalments.

For KNR Ramanattukara Infra Pvt Ltd

Terms of Security :

a) A first charge on all the Borrower's tangible movable assets and all other movable assets both present and future save and except the Project Assets;

b) A first charge on the Project's book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, present and future intangibles, goodwill, uncalled capital (present and Future);

c) A first charge on Projects bank acounts, including but not limited to the escrow account opened in a designated bank, where all cash inflows from the Project shall be deposited and all proceeds shall be utilised in a manner and prority to be decided by the Lenders/Investors .

17 BORROWINGS (CONTD.)

d) Hypothecation of all the Company's rights and interests under all the agreements related to the Project, Letter of Credit (If any), and guarantee or performace bond provided by any party for any contract related to the project in favour of the Borrower.

e) Hypothecation of all applicable insurance policies.

f) Pledge of 51% equity shares and preference shares (subject to regulatory compliance) of the borrower till the facilities is entirely repaid.

g) Non disposal undertaking on balance 49% equity shares and preference shares.

h) Pledge of 100% over NCDs /CCDs extended by Sponsor to Borrower, if funds are infused by Sposor in the form of above instruments.

Repayment Terms: As on March 31, 2026 the Company has availed a Term loan of ₹ 85,000.00 Lakhs and the outstanding amount is ₹ 82,622.75 Lakhs at the interest rate of HDFC 1 Year MCLR + spread of 0.80% P.a. and the balance outstanding is repayable in 25 Semi Annual Instalments.

For KNR Guruvayur Infra Pvt Ltd

Terms of Security :

a) A first mortgage and charge on all the Borrower's immovable properties,both present and future, save and except the Project Assets;

b) A first charge on all the Borrower's tangible moveable assets, including moveable plant and machinery, machinery spares, tools and accessories, furniture, fixture, vehicles and all other movable assets, both present and future save and expect the Project Assets;

c) A first charge over all accounts of the Borrower including the Escrow Account and the Sub-Accounts (or any account in substitution thereof) that may be opened in accordance with Escrow Agreement and the Supplementary Escrow Agreement, or any of the other Project Documents.

d) A first charge on all intangibles assets including but not limited to goodwill, rights, undertaking and uncalled capital present and future excluding the Project Assets.

e) A pledge of 51% of the issued,paid up and voting equity share capital of the Borrower held by the Promoter in the Borrower till the Final Settlement Date.

f) Non disposal undertaking on balance 49% of the stake.

Repayment Terms: As on March 31, 2026 the Company has availed a long term loan of ₹ 72,500 Lakhs and the outstanding amount is ₹ 70,815.00 Lakhs at SBI 3M MCLR+Spread of 0.15% and the balance outstanding is repayable in 25 Semi Annual Instalments.

For KNR Ramagiri Infra Pvt Ltd

Terms of Security :

a) A first mortgage and charge on all the Borrower's immovable properties,both present and future, save and except the Project Assets;

b) A first charge on all the Borrower's fixed assets & tangible moveable assets, including moveable plant and machinery, machinery spares, tools and accessories, furniture, fixture, vehicles and all other movable assets, both present and future save and expect the Project Assets;

Notes Forming Part of the Consolidated Financial Statements (Contd.)

17 BORROWINGS (CONTD.)

c) A first charge over all accounts of the Borrower including but not limited to the Escrow Account and the Sub-Accounts (or any account in substitution thereof) that may be opened in accordance with Escrow Agreement and the Supplementary Escrow Agreement, or any of the other Project Documents.

d) A Charge over book debts,Operating Cash flows,commissions,revenues of whatsoever nature & the receivables

e) A first charge on all intangibles assets including but not limited to goodwill, rights, undertaking and uncalled capital present and future excluding the Project Assets.

f) a first ranking pari passu charge of all the Company's rights and interests under all the agreements related to the Project, Letter of Credit (If any), and guarantee or performace bond provided by any party for any contract related to the project in favour of the Borrower.

g) Hypothecation of all applicable insurance policies.

h) A pledge of 51% of the issued,paid up and voting equity share capital of the Borrower held by the Promoter in the Borrower till the Final Settlement Date.

i) Non disposal undertaking on balance 49% of the stake.

Repayment Terms: As on March 31, 2026 the Company has availed a long term loan of ₹ 32,500 Lakhs and the outstanding amount is ₹ 30,383.94 Lakhs at Axis Bank 1 Year MCLR and the balance outstanding is repayable in 25 Semi Annual Instalments.

For KNR Somwarpet Infra Projects Pvt Ltd

Terms of Security :

a) A first charge on all the Borrower's tangible moveable assets, including but not limited to moveable plant and machinery, machinery spares, tools and accessories, furniture, fixture, vehicles and all other movable assets, both present and future save and expect the Project Assets;

b) A first charge on all the Borrower's intangible assets, including but not limited to intellectual property rights, including all patents, patent applications, trademarks, permits, service marks, trade names, trade secrets, proprietary information and knowledge and all intangible assets, both present and future save and expect the Project Assets;

c) A first charge over all the rights, title, interest, benefit, claims and demands whatsoever of the Borrower in, to, under and/or in respect of the Insurance Contracts both present and future .

d) A first charge on all rights, title, interest, benefit, claims and demands whatsoever of the Borrower in, to, under and all accounts of the Borrower including the Escrow Account, the Debt Service Reserve Account and the sub-accounts or any account in substitution thereof.

e) A first charge on Borrower's book debts, cash flows, receivables, current assets, commissions, revenues, whether now, or at any time during the continuance of this Deed.

f) A pledge of 30% of the paid up share capital of the Borrower held by the Promoter in the Borrower till the Final Settlement Date.

g) Non disposal undertaking on 21% of the stake.

Repayment Terms : As on March 31, 2026 the Company has outstanding term loan of ₹ 26,844.10 Lakhs from Yes Bank limited at 3M T-bill rate plus 2.14% and the Balance outstanding is repayable in 7 Semi Annual Instalments.

Notes Forming Part of the Consolidated Financial Statements (Contd.)

18 OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Current		
Interest accrued but not due on other than Mobilisation Advance	221.56	340.05
Unclaimed dividend (Refer note : 18.1)	6.69	6.08
Retention Deposits and With held	19,056.82	17,081.95
Security Deposits	217.46	221.93
Unearned Revenue / Contract Liability	-	9,870.63
Outstanding Expenses	6,892.16	3,355.05
Total current other financial liabilities	**26,394.69**	**30,875.69**
Total	**26,394.69**	**30,875.69**

18.1 During the year, an un-paid dividend amount of ₹ 59,828/- for relating to 2017-18 has been transferred to Investor Education and Protection Fund. The balance un-paid dividend is not due for transfer to the Investor Education and Protection Fund as at Balance Sheet date.

19 TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Current		
Trade payables (Refer note 19.1)		
Dues to Micro & Small Enterprises (Refer note 19.2)	303.67	164.29
Dues to creditors other than Micro & Small Enterprises	14,317.48	16,812.13
Bills Payable (Sub-contractors/Labour/Service)	13,603.10	11,223.41
Total current trade payables	**28,224.25**	**28,199.83**
Total	**28,224.25**	**28,199.83**

19.1 Ageing for trade payables from the due date of payment

(₹ in Lakhs)

Particulars	Not Due	Less than one year	1-2 years	2-3 years	More than 3 years	Total
As on March 31, 2026						
Undisputed dues of micro enterprises and small enterprises	-	303.67	-	-	-	**303.67**
Undisputed dues of creditors other than micro enterprises and small enterprises	-	20,304.46	3,398.57	235.54	3,982.02	**27,920.58**
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	**-**
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	**-**
Total	**-**	**20,608.13**	**3,398.57**	**235.54**	**3,982.02**	**28,224.25**

Notes Forming Part of the Consolidated Financial Statements (Contd.)

19 TRADE PAYABLES (CONTD.)

(₹ in Lakhs)

Particulars	Not Due	Less than one year	1-2 years	2-3 years	More than 3 years	Total
As on March 31, 2025						
Undisputed dues of micro enterprises and small enterprises	-	164.29	-	-	-	**164.29**
Undisputed dues of creditors other than micro enterprises and small enterprises	-	23,153.00	569.31	693.19	3,620.04	**28,035.54**
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	**-**
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	**-**
Total	**-**	**23,317.29**	**569.31**	**693.19**	**3,620.04**	**28,199.83**

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

(₹ in Lakhs)

	Particulars	As at March 31, 2026	As at March 31, 2025
a)	Principal amount remaining unpaid	303.67	164.29
b)	Interest due thereon	-	-
c)	Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
d)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
e)	Interest accrued and remaining unpaid at the end of accounting year	-	-
f)	Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

20 PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current		
Provision for employee benefits		
Gratuity (Refer note : 39)	595.79	681.90
Provision for contractual obligations - periodoc mainatanance(Refer note : 20.1)	6,644.45	4,348.92
Provision for Other contractual obligations	354.88	-
Total non -current provisions	**7,595.12**	**5,030.82**
Current		
Provision for employee benefits:		
Gratuity (Refer note : 39)	221.82	154.12
Total current provisions	**221.82**	**154.12**
Total	**7,816.94**	**5,184.94**

20.1 In respect of BOT (HAM) projects, the group has made provision for various contractual obligations based on its assessment of the amount it estimates to incur to meet such obligations, details of which are given below

Movement of Provision

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Balance at the beginning of the year	**4,348.92**	**6,010.48**
Provision made during the year	2,295.53	2,849.44
Un winding Interest on MMR	-	-
Provision utilised during the year	-	-
Provision reversed during the year	-	(4,511.00)
Balance as at end of the year	**6,644.45**	**4,348.92**

21 OTHER NON-CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Security Deposits	255.48	262.98
Total	**255.48**	**262.98**

22 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Mobilisation Advance received from clients - Related Parties (Refer note:45)		
Mobilisation Advance received from clients - Others	1,407.84	2,127.96
Security deposits	826.23	826.23
Dues to statutory authorities	5,515.67	3,989.86
Others	111.40	90.26
Total	**7,861.14**	**7,034.31**

Notes Forming Part of the Consolidated Financial Statements (Contd.)

23 CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Current		
Income Tax Provision	-	24,218.77
Less: Advance tax paid	-	(21,705.81)
Total Current Provisions	**-**	**2,512.96**

24 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	Year Ended March 31, 2026	Year Ended March 31, 2025
Income from Contracts & Services	2,05,574.25	3,22,850.74
Construction Income	622.15	887.83
Other Operating Income	63,604.91	1,53,723.90
Less : Transferred to NHAI	-	(2,145.83)
Total	**2,69,801.31**	**4,75,316.64**

25 OTHER INCOME

(₹ in Lakhs)

Particulars	Year Ended March 31, 2026	Year Ended March 31, 2025
Interest Income	1,562.71	15,248.29
Interest Income on fair value of interest free loans	337.97	375.99
Interest on Income tax refunds	73.42	102.75
Profit on sale of mutual Funds	290.80	1,193.75
Dividend Income on Associates	-	1,448.92
Other non-operating income		
Profit on Sale of Assets	1,105.52	365.26
Discount Received from suppliers	967.19	1,494.10
Liabilities no longer required written back	815.80	8,198.20
Insurance Claim Received	458.09	167.85
Gain on fair value of Mutual funds	612.53	214.34
Provision for Doubtful advances /debtors written back	-	385.05
Miscellaneous Income	297.87	1,964.18
Modification Gain	-	410.17
Total	**6,521.90**	**31,568.85**

Notes Forming Part of the Consolidated Financial Statements (Contd.)

26 COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	Year Ended March 31, 2026	Year Ended March 31, 2025
Construction Materials, Stores & Spares		
Opening Stock	16,041.38	22,087.41
Add: Net Purchases	73,644.83	1,40,597.89
	89,686.21	**1,62,685.30**
Less: Closing Stock	13,281.14	16,041.38
Total Consumption	**76,405.07**	**1,46,643.92**

27 CONSTRUCTION EXPENSES

(₹ in Lakhs)

Particulars	Year Ended March 31, 2026	Year Ended March 31, 2025
Sub-contract expenses	28,566.52	11,272.51
Spreading & Assortment exp.	47,019.48	66,152.33
Power and Fuel	1,123.19	1,283.03
Seigniorage charges / Royalty	4,395.57	4,201.24
Transport Charges	2,626.72	7,965.68
Hire Charges	810.26	2,432.22
Watch & Ward	244.74	510.43
Other Recoveries by Clients	114.70	251.15
Repairs to Others	1,260.48	544.09
Repairs to Machinery	338.59	768.22
Repairs to Vehicles	598.35	742.31
Toll Maintenance Expenses	-	144.87
Periodic / Major maintenance expenditure	2,295.53	2,849.44
Operation and Maintenance expenses - Routine	358.77	383.86
Other Construction Expenses	3,487.63	6,720.65
Less: Transferrd to NHAI	-	(528.73)
Total	**93,240.53**	**1,05,693.30**

28 EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	Year Ended March 31, 2026	Year Ended March 31, 2025
Salaries, Wages and Other Benefits	14,727.74	17,185.22
Contribution to Provident and Other Funds (Refer note : 39)	301.24	333.55
Staff welfare Expenses	179.69	194.07
Total	**15,208.67**	**17,712.84**

Notes Forming Part of the Consolidated Financial Statements (Contd.)

29 FINANCE COSTS

(₹ in Lakhs)

Particulars	Year Ended March 31, 2026	Year Ended March 31, 2025
Interest Expense on		
Working capital demand loans and cash credit	467.12	378.33
Term Loans	19,995.31	14,168.64
Interest on Unsecured Loans	-	4,967.56
Loan from Directors	-	47.19
Others	1.48	127.02
Unwinding Interest	88.90	139.59
Interest on Income Tax	-	94.42
	20,552.81	**19,922.75**
Other Borrowing Costs		
Processing charges	234.13	148.06
BG / LC charges	306.53	281.61
Bank and Other Financial Charges	79.45	437.16
Total	**21,172.92**	**20,789.58**

30 DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lakhs)

Particulars	Year Ended March 31, 2026	Year Ended March 31, 2025
Depreciation & Amortisation	5,681.44	31,103.36
Depreciation & Amortisation - Right of Use assets	264.53	318.59
Total	**5,945.97**	**31,421.95**

31 OTHER EXPENSES

(₹ in Lakhs)

Particulars	Year Ended March 31, 2026	Year Ended March 31, 2025
Travelling & Conveyance	370.36	387.34
Postage, Telegrams and Telephones	54.82	58.58
Business Promotion expenses	10.24	9.97
Advertisement and publicity	14.87	12.60
Legal, Professional & Consultancy charges	1,468.61	2,114.73
Insurance	1,770.11	1,459.98
Rates and taxes excluding taxes of Income	1,097.62	936.27
Payments to the Auditor	44.33	31.72
Printing & Stationery	142.27	116.39
Tender expenses	107.37	43.91
Office maintenance	143.05	142.42
Rent expenses	516.09	623.14
Electricity charges	905.00	867.24
Directors Sitting fees	65.00	52.00

Notes Forming Part of the Consolidated Financial Statements (Contd.)

31 OTHER EXPENSES (CONTD.)

(₹ in Lakhs)

Particulars	Year Ended March 31, 2026	Year Ended March 31, 2025
Loss on sale of Assets	15.88	288.06
Bad Debts / Advances Written off	1,318.37	1,619.42
Donation	43.72	331.19
CSR Expenses (Refer note 31.1)	1,477.63	914.59
Interest on Statutory Dues	81.29	11.53
Allowance for expected credit loss on Trade Receivables	2,738.49	705.21
Modification gain/loss	488.93	-
Miscellaneous expenses	315.51	371.89
Less ; Transferred to NHAI	-	(257.13)
Total	**13,189.56**	**10,841.05**

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

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

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

(₹ in Lakhs)

	Particulars	Year Ended March 31, 2026	Year Ended March 31, 2025
a)	Amount required to be spent by the Company during the year	1,822.88	1,526.47
b)	Amount of expenditure incurred	1,477.63	914.59
c)	Shortfall at the end of the year	345.25	611.88
d)	Total of previous year's shortfall	1,385.35	1,040.10
e)	Reason for shortfall	The Shortfall is Due to Ongoing Projects and the said amount is transferred to unspent account as per the provisions of Companies Act	The Shortfall is Due to Ongoing Projects and the said amount is transferred to unspent account as per the provisions of Companies Act
f)	Nature of CSR activities		
	1. Construction / acquisition of any assets	670.21	307.92
	2. On Purposes other than (1) above	807.42	606.67
g)	Details of related party transactions	Nil	Nil
h)	where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.	Since no provision is made for short fall the amount is shown as Nil	Since no provision is made for short fall the amount is shown as Nil

Notes Forming Part of the Consolidated Financial Statements (Contd.)

32 EXCEPTIONAL ITEMS

(₹ in Lakhs)

Particulars	Year Ended March 31, 2026	Year Ended March 31, 2025
Loss / (Profit) on Sale of Investments	-	11,996.33
Provision/written off for Receivable from CUBE	-	2,066.47
Total	**-**	**14,062.80**

33 TAX EXPENSE

(₹ in Lakhs)

Particulars	Year Ended March 31, 2026	Year Ended March 31, 2025
A - Current Tax		
Current tax on profits for the year	7,288.31	24,539.76
Adjustments in respect of prior years	80.62	606.93
Sub-Total	**7,368.93**	**25,146.69**
B - Deferred Tax		
Deferred Tax Liability / (Asset) due to timing difference	1,225.88	624.10
Sub-Total	**1,225.88**	**624.10**
Total	**8,594.81**	**25,770.79**

33.1 Reconciliation of tax expenses to accounting profit

(₹ in Lakhs)

Particulars	Year Ended March 31, 2026	Year Ended March 31, 2025
Accounting profit before tax	52,281.07	1,25,958.20
Enacted tax rates in India*	25.168%	25.168%
Tax	**13,158.10**	**31,701.16**
Adjustments		
Effect of income exempt from taxation	(14.77)	(147.67)
Effect of expenses that are not deductible in determining taxable profit	(6,012.12)	(7,020.91)
Earlier year taxes	80.62	606.93
Deferred tax	1,225.88	624.10
Long term capital gain on immovable properties	139.76	-
Others	17.34	7.18
Tax Expenses recognised in the statement of profit and loss	**8,594.81**	**25,770.79**
Income tax credit/(expense) recognised in Other Comprehensive Income :		
Tax effect on actuarial gains/losses on defined benefit obligations	(25.75)	(23.13)

34 OTHER COMPREHENSIVE INCOME

(₹ in Lakhs)

Particulars	Year Ended March 31, 2026	Year Ended March 31, 2025
Items that will not be reclassified to profit or loss		
i) Actuarial Gains & Losses	102.33	91.90
ii) Deferred tax	(25.75)	(23.13)
	76.58	**68.77**

35 CAPITAL MANAGEMENT

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

The Company's adjusted net debt to equity ratio at March 31, 2026 and March 31, 2025 was as follows

(₹ in Lakhs)

Particulars	March 31, 2026	March 31, 2025
Total debt	2,43,981.24	1,85003.28
Less: cash and cash equivalents	37,729.26	32,251.87
Adjusted net debt	**2,06,251.98**	**1,52,751.41**
Total equity	4,97,198.95	4,54,117.85
Adjusted equity	**4,97,198.95**	**4,54,117.85**
Adjusted net debt to adjusted equity ratio	**0.41**	**0.34**

Foot note : Total Debt includes Long term Borrowings (Including Current Maturities) and Interest Accrued thereon and Short term Borrowings. Cash and Cash equivalents includes other Bank Balances)

36 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.

As at March 31, 2026

(₹ in Lakhs)

Particulars	Carrying amount			Fair Value			
	FVTPL	Amortised Cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets							
Investments in Associates	-	7,095.92	**7,095.92**	-	-	7,095.92	**7,095.92**
Other Investments	23,315.96	1,532.39	**24,848.35**	23,315.96	-	1,532.39	**24,848.35**
Trade receivables	-	84,296.17	**84,296.17**	-	-	84,296.17	**84,296.17**
Cash and cash equivalents	-	37,729.26	**37,729.26**	-	-	-	**-**
Loans	-	293.62	**293.62**	-	-	293.62	**293.62**
Other financials assets	-	5,05,287.80	**5,05,287.80**	-	-	5,05,287.80	**5,05,287.80**
	23,315.96	**6,36,235.16**	**6,59,551.12**	**23,315.96**	**-**	**5,98,505.90**	**6,21,821.86**
Financial liabilities							
Secured Bank loans	-	2,43,759.68	**2,43,759.68**	-	-	2,43,759.68	**2,43,759.68**
Trade payables	-	28,224.25	**28,224.25**	-	-	28,224.25	**28,224.25**
Lease Liabilities	-	665.22	**665.22**	-	-	665.22	**665.22**
Other financial liabilities	-	26,394.69	**26,394.69**	-	-	26,394.69	**26,394.69**
	-	**2,99,043.84**	**2,99,043.84**	**-**	**-**	**2,99,043.84**	**2,99,043.84**

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.

Notes Forming Part of the Consolidated Financial Statements (Contd.)

36 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTD.)

As at March 31, 2025

(₹ in Lakhs)

Particulars	Carrying amount			Fair Value			
	FVTPL	Amortised Cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets							
Investments in Associates held for sale	-	5,353.19	**5,353.19**	-	-	5,353.19	**5,353.19**
Other Investments	4,696.41	1,532.39	**6,228.80**	4,696.41	-	1,532.39	**6,228.80**
Trade receivables	-	95,238.01	**95,238.01**	-	-	95,238.01	**95,238.01**
Cash and cash equivalents	-	32,251.87	**32,251.87**	-	-	-	**-**
Loans	-	158.62	**158.62**	-	-	158.62	**158.62**
Other financials assets	-	4,20,543.58	**4,20,543.58**	-	-	4,20,543.58	**4,20,543.58**
	4,696.41	**5,55,077.66**	**5,59,774.07**	**4,696.41**	**-**	**5,22,825.79**	**5,27,522.20**
Financial liabilities							
Secured Bank loans	-	1,84,663.23	**1,84,663.23**	-	-	1,84,663.23	**1,84,663.23**
Trade payables	-	28,199.83	**28,199.83**	-	-	28,199.83	**28,199.83**
Lease Liabilities	-	284.25	**284.25**	-	-	284.25	**284.25**
Other financial liabilities	-	30,875.69	**30,875.69**	-	-	30,875.69	**30,875.69**
	-	**2,44,023.00**	**2,44,023.00**	**-**	**-**	**2,44,023.00**	**2,44,023.00**

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.

B. Financial risk management

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

a) Credit risk

b) Liquidity risk

c) Market risk

The Company's focus is to estimate a vulnerability of financial risk and to address the issue to minimise the potential adverse effects of its financial performance.

a) Credit risk

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

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

Credit risk on trade receivables is limited as the customers of the Company mainly consists of the Government promoted entities having a strong credit worthiness. Accordingly, the Compnies customer credit risk is low. The Company's average project execution cycle is around 24 to 36 months. General payment terms are with a credit period ranging from 45 to 90

36 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTD.)

days and retention money to be released at the end of the project. however, in some cases retention money can released by substituting with bank guarantees. The Company has a detailed review mechanism for review of overdue receivables at various levels to ensure realisation of the such receivables.

The Company is making provisions on trade receivables based on Expected Credit Loss (ECL) model. The reconciliation of ECL is as follows:

Particulars	March 31, 2026	March 31, 2025
Opening Balance	705.21	-
Changes in loss allowance for expected credit loss:		
- Provision/(reversal) of allowance for expected credit loss	-	-
- Additional provision (net) towards credit impaired receivables	2,738.49	705.21
- Write off as bad debts	-	-
Closing Balance	**3,443.70**	**705.21**

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 and for BOT (Annuity/HAM) the receivables are from the Authoity at stipilated time lines with specific percantage of amounts. Hence, the management believes that the Group is not exposed to any credit risk.

b) Liquidity risk

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

Exposure to liquidity risk

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

As at March 31, 2026

(₹ in Lakhs)

Particulars	Contractual Cash flows				Total
	Carrying Amount	Upto 1 year	1 to 3 Years	More than 3 years	
Non-derivative financial liabilities					
Secured Bank loans	2,43,759.68	18,170.16	42,656.45	1,82,933.08	**2,43,759.68**
Trade payables	28,224.25	20,608.13	3,634.10	3,982.02	**28,224.25**
Lease Liabilities	665.22	332.61	232.83	99.78	**665.22**
Other financial liabilities	26,394.69	4,768.92	9,752.56	11,873.21	**26,394.69**
	2,99,043.84	**43,879.82**	**56,275.94**	**1,98,888.09**	**2,99,043.84**

Notes Forming Part of the Consolidated Financial Statements (Contd.)

36 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTD.)

As at March 31, 2025

(₹ in Lakhs)

Particulars	Contractual Cash flows				Total
	Carrying Amount	Upto 1 year	1 to 3 Years	More than 3 years	
Non-derivative financial liabilities					
Secured Bank loans	1,84,663.23	8,922.54	34,063.67	1,41,677.02	**1,84,663.23**
Trade payables	28,199.83	23,317.29	1,262.50	3,620.04	**28,199.83**
Lease Liabilities	284.25	188.25	45.05	50.95	**284.25**
Other financial liabilities	30,875.69	15,977.61	7,575.04	7,323.04	**30,875.69**
	2,44,023.00	**48,405.68**	**42,946.26**	**1,52,671.05**	**2,44,023.00**

c) Market risk

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

i) Foreign currency risk

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

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

ii) Interest rate risk

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

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

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

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

(₹ in Lakhs)

Particulars	Note No.	March 31, 2026	March 31, 2025
Borrowings outstanding	17	2,26,977.50	1,75,740.69
Borrowings Current maturities	17	16,782.18	8,922.54

Sensitivity analysis

(₹ in Lakhs)

Interest Rate Risk Analysis	Impact on profit/loss after tax	
	Year Ended March 31, 2026	Year Ended March 31, 2025
Increase or decrease in Interest by 25bp	609.40	461.66

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

36 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTD.)

iii) Price risk

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

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

The Group measures risk through sensitivity analysis.

The Groups risk management policy is to mitigate the risk by investments in diversified mutual funds.

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

(₹ in Lakhs)

Particulars	Note No.	March 31, 2026	March 31, 2025
Investments in Mutual Funds	4	23,315.96	4,696.41

Sensitivity analysis

(₹ in Lakhs)

Price Rate Risk Analysis	Impact on profit/loss after tax	
	Year Ended March 31, 2026	Year Ended March 31, 2025
Increase or decrease in NAV by 2%	466.32	93.93

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

37 CONTINGENT LIABILITY, COMMITMENTS AND CONTINGENT ASSETS

(₹ in Lakhs)

		As at	
		March 31, 2026	March 31, 2025
i)	**Contingent Liabilities**		
a)	**Claims against the Group not acknowledged as debt #**		
	1. Disputed Income tax *	31,967.34	31,927.00
	2. Disputed Sales tax/VAT/Entry tax/GST	15,462.98	15,520.94
	3. Disputed Service tax	607.05	607.05
	4. Disputed Customs	1,534.52	1,534.52
	5. Others (Civil cases)	18,224.69	25.69
	# Interest not ascertainable after the date of order, if any		
b)	**Guarantees**		
	Corporate guarantees given to banks and financial institutions for financial assistance extended to Joint Operations.	-	-
c)	**Other money for which the Group is contingently liable**		
	Joint and several liabilities in respect of joint venture projects and liquidated damages in respect of delays in completion of projects	Amount not ascertainable	Amount not ascertainable
	Total	**67,796.58**	**49,615.20**

*The Company has got benefit of deduction under Section 80 IA (4) on eligible projects under provisions of Income Tax Act, 1961 for an amount of ₹ 4,089.61 Lakhs, for the A.Y 2006-07 to 2012-13 and A.Y 2014-15 the department has filed appeals against ITAT orders at the High Court of Judicature at Hyderabad for the State of Telangana and also department has filed appeals against CIT-Appeals orders at ITAT, Hyderabad for ₹ 9,654.03 Lakhs for the A.Y 2017-18 to 2020-21.

The Company considers it appropriate not to create a liability for the above said amount on the basis of assesment made by management.

Notes Forming Part of the Consolidated Financial Statements (Contd.)

37 CONTINGENT LIABILITY, COMMITMENTS AND CONTINGENT ASSETS (CONTD.)

(₹ in Lakhs)

		As at	
		March 31, 2026	March 31, 2025
ii)	**Commitments**		
a)	Estimated amount of contracts remaining to be executed on capital account and not provided for	24.13	24.13
b)	Estimated amount of committed funding by way of equity/deemed equity to subsidiary companies	-	-
	Total	**24.13**	**24.13**
iii)	**Contingent Assets**		
	Arbitration claims awarded for various projects, but client not accepted (including insurance claims)	**21,852.78**	**33,352.66**

38 DISCLOSURE PURSUANT TO IND AS 33 "EARNINGS PER SHARE(EPS)"

(₹ in Lakhs)

	Year ended March 31, 2026	Year ended March 31, 2025
i. Profit (loss) attributable to equity shareholders(basic)	43,707.61	1,00,187.41
ii. Weighted average number of equity shares (basic)	2,812.35	2,812.35
Basic EPS (i/ii)	**15.54**	**35.62**
i. Profit (loss) attributable to equity shareholders(diluted)	43,707.61	1,00,187.41
ii. Weighted average number of equity shares (diluted)	2,812.35	2,812.35
Diluted EPS (i/ii)	**15.54**	**35.62**

39 DISCLOSURE PURSUANT TO IND AS 19 "EMPLOYEE BENEFITS"

In accordance with the Payment of Gratuity Act, 1972 the Company provides for gratuity covering eligible employees. The liability on account of gratuity is covered partially through recognised Gratuity Fund managed by Life Insurance Corporation of India (LIC) and the balance is provided as a liability on the basis of valuation by an independent actuary as at the year end. The management understands that LIC overall portfolio of assets is well diversified and as such, the long term return on the policy is expected to be higher than the rate of return on Central Government bonds.

A Defined benefit plans:

i. Liability for gratuity as on March 31, 2026 is ₹ 1,503.81 Lakhs (March 31, 2025: ₹ 1,313.09 Lakhs) of which ₹ 686.19 Lakhs (March 31, 2025: ₹ 477.07 Lakhs) is funded with the Life Insurance Corporation of India. The balance of ₹ 817.62 Lakhs (March 31, 2025: ₹ 836.02 Lakhs) is included in Provision for Gratuity.

ii. Details of the Company's post-retirement gratuity plans for its employees including whole-time directors are given below, which is certified by the actuary.

Amount to be recognised in Balance sheet:

(₹ In Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Present Value of Funded Obligations	1,503.81	1,313.09
Fair Value of Plan Assets	(686.19)	(477.07)
Net Liability	**817.62**	**836.02**

Notes Forming Part of the Consolidated Financial Statements (Contd.)

39 DISCLOSURE PURSUANT TO IND AS 19 “EMPLOYEE BENEFITS” (CONTD.)

iii. Expenses to be recognised in Statement of Profit and Loss under Employee Benefit Expenses:

(₹ in Lakhs)

Particulars	Year Ended March 31, 2026	Year Ended March 31, 2025
Current Service Cost	207.27	191.08
Past Service Cost	-	-
Net Interest cost	48.34	54.64
Total included in "Employee Benefits Expense"	**255.61**	**245.72**

iv. Expenses to be recognised in Statement of Profit and Loss under Other Comprehensive Income:

(₹ in Lakhs)

Particulars	Year Ended March 31, 2026	Year Ended March 31, 2025
Return on Plan Assets	(14.45)	(9.15)
Net Actuarial Losses / (Gains) Recognised in Year	(87.88)	(82.43)
Total included in "Other Comprehensive (Income)/Expense"	**(102.33)**	**(91.58)**

v. Reconciliation of benefit obligation and plan assets for the year:

(₹ in Lakhs)

Particulars	Year Ended March 31, 2026	Year Ended March 31, 2025
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	1,313.09	1,169.49
Current Service Cost	207.27	191.08
Past Service Cost	-	-
Increase / (Decrease) due to effect of any business combination / divesture / transfer)	-	-
Interest Cost	76.64	74.22
Actuarial Losses / (Gain)	(87.88)	(82.43)
Benefits Paid	(5.31)	(39.27)
Closing Defined Benefit Obligation	**1,503.81**	**1,313.09**
Opening Fair Value of Plan assets	477.07	315.06
Interest income	28.31	19.59
Expected Return on Plan Assets	14.45	9.15
Contributions	171.67	172.54
Benefits Paid	(5.31)	(39.27)
Closing Fair Value of Plan Assets	**686.19**	**477.07**
Expected Employer's Contribution Next Year	221.82	207.27

vi. Asset information:

(₹ In Lakhs)

Category of Asset	As at March 31, 2026	As at March 31, 2025
Insurer Managed Funds –Life Insurance Corporation of India	100%	100%
Amount in Lakhs	686.19	477.07

Notes Forming Part of the Consolidated Financial Statements (Contd.)

39 DISCLOSURE PURSUANT TO IND AS 19 “EMPLOYEE BENEFITS” (CONTD.)

vii. Experience Adjustments:

(₹ in Lakhs)

Particulars	2025-26	2024-25	2023-24	2022-23	2021-22
Defined Benefit Obligations (DBO)	1,503.81	1,313.09	1,169.49	1,529.90	1,347.33
Plan Assets	686.19	477.07	315.06	179.58	167.49
Surplus / (Deficit)	(817.62)	(836.02)	(854.43)	(1,350.32)	(1,179.84)
Experience Adjustments on Plan Liabilities	-	-	-	-	116.05
Experience Adjustments on Plan Assets	42.35	126.74	615.92	12.89	-

viii. Sensitivity Analysis:

Particulars	Gratuity Plan	
	As at March 31, 2026	As at March 31, 2025
Assumptions		
Discount rate	7.15%	6.60%
Estimated rate of return on plan assets	7.15%	6.60%
Expected rate of salary increase	7.00%	7.00%
Attrition rate	10.00%	10.00%
Sensitivity analysis – DBO at the end of the year		
Discount rate + 100 basis points	-5.12%	-5.49%
Discount rate - 100 basis points	5.77%	6.22%
Salary increase rate +1%	5.20%	5.47%
Salary increase rate -1%	-4.80%	-5.15%
Attrition rate +1%	-0.01%	-0.04%
Attrition rate -1%	0.01%	0.04%

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

ix. The following pay-outs are expected in future years(Undiscounted):

(₹ in Lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Year 1	362.48	315.17
Year 2	159.91	100.21
Year 3	175.75	136.95
Year 4	150.85	137.02
Year 5	129.24	128.14
Year 6 to Year 10	591.70	497.26

40 DISCLOSURE OF RELATED PARTIES/ RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24: RELATED PARTY DISCLOSURE"

(a) List of related parties

(i) Associate Companies :

1. Patel KNR Infrastructures Ltd.,
2. Patel KNR Heavy Infrastructures Ltd.,

(ii) Joint Venture :

1. SEL-KNR-JV (At Bangladesh)

(iii) Key Management Personnel's (KMPs):

1	Sri. K. Narsimha Reddy	Managing Director
2	Sri. K. Jalandhar Reddy	Executive Director & CFO
3	Smt. K. Yashoda	Non-Executive Director
4	Sri. W. Rampulla Reddy	Independent Director
5	Sri. K. Udya Bhaskara Reddy	Independent Director
6	Sri. B.V. Rama Rao *	Independent Director
7	Sri. L.B. Reddy *	Independent Director
8	Smt. G. Rekha	Independent Director
9	Sri. S. Vaikuntanathan #	Executive Officer - VP (F&A)
10	Smt. V. Haritha	Company Secretary
11	Sri. V. Venugopal Reddy	Director in subsidiary companies
12	Sri. D. Tirupathi Reddy	Director in subsidiary companies

*Resigned with effect from October 01, 2024

Resigned with effect from August 31, 2024

(iv) Relatives of KMPs :

1	Sri. M.Rajesh Reddy	Son-in-law of Sri K.Narsimha Reddy
2	Sri. V.Krishna Reddy	Brother of Smt. K.Yashoda
3	Kamidi Reality Pvt. Ltd.,	Company in which Directors are Interested

(v) Other Related parties :

1	KNR Constructions Limited Employees group gratuity fund	Post-employment benefit plan

(b) Disclosure of related party transactions :

(₹ In Lakhs, except share data)

Sl. No.	Particulars	Associates		Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		FY 25-26	FY 24-25	FY 25-26	FY 24-25	FY 25-26	FY 24-25	FY 25-26	FY 24-25
1	Work contract receipts received	8,648.22	4,875.08	-	-	-	-	-	-
2	Sale of materials and services	-	223.35	-	-	-	36.99	-	-
3	Arbitration Claims received	-	938.06	-	-	-	-	-	-
4	Interest income from claims	-	1,826.72	-	-	-	-	-	-

Notes Forming Part of the Consolidated Financial Statements (Contd.)

40 DISCLOSURE OF RELATED PARTIES/ RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24: RELATED PARTY DISCLOSURE" (CONTD.)

(₹ In Lakhs, except share data)

Sl. No.	Particulars	Associates		Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		FY 25-26	FY 24-25	FY 25-26	FY 24-25	FY 25-26	FY 24-25	FY 25-26	FY 24-25
5	Dividend income	-	1,448.92	-	-	-	-	-	-
6	Profit on transfer of equity shares under buyback	-	565.26	-	-	-	-	-	-
7	Sale /Redemption of investments equity shares	-	327.12	-	-	-	-	-	-
8	Mobilisation advance received/ (recovered)	693.74	(553.51)	-	-	-	-	-	-
9	Re-imbursement of expenditure incurred / (Recovered)	(29.05)	46.88	-	-	-	-	-	-
10	Un-secured loan received	-	-	-	-	-	13,500.00	-	-
11	Un-secured loan (repaid)	-	-	-	-	-	(13,500.00)	-	-
12	Short Term Employee Benefits	-	-	-	-	2,581.79	2,442.04	-	-
13	Post-employment Benefits *	-	-	-	-	39.27	39.35	-	-
14	Other Long-term Benefits	-	-	-	-	-	-	-	-
15	Termination Benefits	-	-	-	-	-	-	-	-
16	Share based payment	-	-	-	-	-	-	-	-
17	Dividend paid	-	-	-	-	345.65	345.65	-	-
18	Land lease rent paid	-	-	-	-	39.18	39.18	-	-
19	Office rent paid	-	-	-	-	5.15	2.54	-	-
20	Interest paid on unsecured loans	-	-	-	-	-	47.19	-	-
21	Directors sitting fee paid	-	-	-	-	65.00	52.00	-	-
22	Imprest paid / (recovered)	-	-	-	-	8.72	21.42	-	-
23	Contribution to Post-employment Benefit Plans	-	-	-	-	-	-	180.00	180.00

(c) Related party balances outstanding are as follows :

(₹ In Lakhs, except share data)

Sl. No.	Particulars	Associates		Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		FY 25-26	FY 24-25	FY 25-26	FY 24-25	FY 25-26	FY 24-25	FY 25-26	FY 24-25
1	**Debit balances outstanding**								
	Patel Knr Heavy Infrastructure Ltd.,	4,489.21	4,581.00	-	-	-	-	-	-
	Patel Knr Infrastructure Ltd.,	1,691.40	1,659.32	-	-	-	-	-	-
	V. Venu Gopal Reddy	-	-	-	-	35.43	37.69	-	-
2	**Credit Balances outstanding**								
	Patel Knr Heavy Infrastructure Ltd.,	444.90	-	-	-	-	-	-	-
	Patel Knr Infrastructure Ltd.,	704.71	455.87	-	-	-	-	-	-
	K.Narsimha Reddy *	-	-	-	-	445.93	45.82	-	-

Notes Forming Part of the Consolidated Financial Statements (Contd.)

40 DISCLOSURE OF RELATED PARTIES/ RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24: RELATED PARTY DISCLOSURE" (CONTD.)

(₹ In Lakhs, except share data)

Sl. No.	Particulars	Associates		Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		FY 25-26	FY 24-25	FY 25-26	FY 24-25	FY 25-26	FY 24-25	FY 25-26	FY 24-25
	K.Jalandhar Reddy *	-	-	-	-	308.94	30.57	-	-
	V.Haritha *	-	-	-	-	1.11	1.10	-	-
	V. Venugopal Reddy*	-	-	-	-	4.56	4.11	-	-
	D.Tirupathi Reddy	-	-	-	-	2.68	2.59	-	-
	K.Yashoda	-	-	-	-	1.97	1.97	-	-
	W. Rampulla Reddy	-	-	-	-	2.48	-	-	-
	K.Udya Bhaskara Reddy	-	-	-	-	2.48	-	-	-
	G.Rekha	-	-	-	-	1.80	-	-	-
	V.Krishna Reddy *	-	-	-	-	0.60	0.60	-	-

(d) Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year.

(₹ In Lakhs, except share data)

Sl. No.	Particulars	Associates		Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		FY 25-26	FY 24-25	FY 25-26	FY 24-25	FY 25-26	FY 24-25	FY 25-26	FY 24-25
1	**Work contract receipts received**								
	Patel Knr Heavy Infrastructure Ltd.,	3,492.80	1,705.23	-	-	-	-	-	-
	Patel Knr Infrastructure Ltd.,	5,155.42	3,169.85	-	-	-	-	-	-
2	**Sale of materials and services**								
	Patel Knr Heavy Infrastructure Ltd.,	-	223.35	-	-	-	-	-	-
	Kamidi Reality Pvt. Ltd.,	-	-	-	-	-	36.99	-	-
3	**Arbitration Claims received**								
	Patel Knr Heavy Infrastructure Ltd.,	-	938.06	-	-	-	-	-	-
4	**Interest income from claims**								
	Patel Knr Heavy Infrastructure Ltd.,	-	1,826.72	-	-	-	-	-	-
5	**Dividend income**								
	Patel Knr Infrastructure Ltd.,	-	1,448.92	-	-	-	-	-	-
6	**Profit on transfer of equity shares under buyback**								
	Patel Knr Infrastructure Ltd.,	-	565.26	-	-	-	-	-	-
7	**Sale /Redemption of investments in equity**								
	Patel Knr Infrastructure Ltd.,	-	327.12	-	-	-	-	-	-
8	**Mobilisation advance received/ (recovered)**								
	Patel Knr Heavy Infrastructure Ltd.,	444.90	-	-	-	-	-	-	-
	Patel Knr Infrastructure Ltd.,	248.84	(553.51)	-	-	-	-	-	-

Notes Forming Part of the Consolidated Financial Statements (Contd.)

40 DISCLOSURE OF RELATED PARTIES/ RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24: RELATED PARTY DISCLOSURE" (CONTD.)

(₹ In Lakhs, except share data)

Sl. No.	Particulars	Associates		Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		FY 25-26	FY 24-25	FY 25-26	FY 24-25	FY 25-26	FY 24-25	FY 25-26	FY 24-25
9	**Re-imbursement of expenditure incurred/(Recovered)**								
	Patel Knr Heavy Infrastructure Ltd.,	(29.33)	45.87	-	-	-	-	-	-
10	**Un-secured loan received**								
	K.Narsimha Reddy	-	-	-	-	-	13,500.00	-	-
11	**Un-secured loan (repaid)**								
	K.Narsimha Reddy	-	-	-	-	-	(13,500.00)	-	-
12	**Short Term Employee Benefits**								
	K.Narsimha Reddy	-	-	-	-	1,443.00	1,365.00	-	-
	K.Jalandhar Reddy	-	-	-	-	999.00	945.00	-	-
13	**Post-employment Benefits** *								
	K.Jalandhar Reddy	-	-	-	-	32.40	32.40	-	-
14	**Dividend paid**								
	K.Narsimha Reddy	-	-	-	-	213.71	213.71	-	-
	K.Jalandhar Reddy	-	-	-	-	93.15	93.15	-	-
15	**Land lease rent paid**								
	K.Jalandhar Reddy	-	-	-	-	17.29	17.29	-	-
	K.Yashoda	-	-	-	-	21.89	21.89	-	-
16	**Office rent paid**								
	K.Jalandhar Reddy	-	-	-	-	2.54	2.54	-	-
	V. Venu Gopal Reddy	-	-	-	-	2.61	-	-	-
17	**Interest paid on unsecured loans**								
	K.Narsimha Reddy	-	-	-	-	-	47.19	-	-
18	**Directors sitting fee paid**								
	W. Rampulla Reddy	-	-	-	-	23.50	10.50	-	-
	K.Udya Bhaskara Reddy	-	-	-	-	23.50	10.50	-	-
	G.C.Rekha	-	-	-	-	12.00	9.00	-	-
	B.V.Rama Rao	-	-	-	-	-	8.50	-	-
	L.B.Reddy	-	-	-	-	-	8.50	-	-
19	**Imprest paid (recovered)**								
	K.Narsimha Reddy	-	-	-	-	8.69	(4.91)	-	-
	K.Jalandhar Reddy	-	-	-	-	2.29	-	-	-
	V.Venugopal Reddy	-	-	-	-	(2.26)	27.52	-	-
20	**Contribution to Post-employment Benefit Plans**								
	KNR Constructions Limited Employees group gratuity fund	-	-	-	-	-	-	180.00	180.00

* As the future liabilities for gratuity is provided on actuarial basis for the group as a whole, the amount pertaining to the KMP's is not ascertainable, therefore not included above.

Note:
1) All Related Party Transactions entered during the year were in ordinary course of the business and are on arm's length basis.
2) The amount of outstanding balances as shown above are unsecured and will be settled/recovered in cash.

41 DISCLOSURE MANDATED BY SCHEDULE III BY WAY OF ADDITIONAL INFORMATION

(₹ 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
Parent	81.56%	4,05,479.37	26.55%	11,606.22	100.00%	76.58	26.68%	11,682.80
KNR Agrotech & Beverages Pvt. Ltd.,	0.13%	660.16	0.00%	(0.57)	0.00%	-	0.00%	(0.57)
KNR Infrastructure Projects Pvt. Ltd.,	0.00%	(7.54)	0.00%	(0.21)	0.00%	-	0.00%	(0.21)
KNR Energy Ltd.,	0.09%	424.09	(0.02)%	(7.80)	0.00%	-	(0.02)%	(7.80)
KNRC Holdings and Investments Pvt. Ltd.,	1.26%	6,259.22	(0.01)%	(3.36)	0.00%	-	(0.01)%	(3.36)
KNR Ramatheertham Infra Pvt. Ltd.,	1.42%	7,062.87	3.00%	1,310.00	0.00%	-	2.99%	1,310.00
KNR Sriranganatha Infra Pvt. Ltd.,	0.04%	213.38	0.47%	203.37	0.00%	-	0.46%	203.37
KNR Kaveri Infra Pvt. Ltd.,	0.02%	75.02	0.15%	65.02	0.00%	-	0.15%	65.02
KNR Somwarpet Infraproject Pvt. Ltd.,	4.20%	20,898.08	2.64%	1,152.15	0.00%	-	2.63%	1,152.15
KNR Guruvayur Infra Pvt. Ltd.,	7.93%	39,437.54	21.31%	9,315.63	0.00%	-	21.28%	9,315.63
KNR Ramanattukara Infra Pvt. Ltd.,	8.65%	43,022.10	22.32%	9,756.98	0.00%	-	22.28%	9,756.98
KNR Ramagiri Infra Pvt. Ltd.,	3.24%	16,112.59	9.59%	4,190.34	0.00%	-	9.57%	4,190.34
KNR Palani Infra Pvt. Ltd.,	4.89%	24,333.98	10.44%	4,562.63	0.00%	-	10.42%	4,562.63
KNR Mahabalipuram Infra Pvt. Ltd.,	0.00%	10.00	0.00%	-	0.00%	-	0.00%	-
KNRHC Baidyanath Banhardih Coal Mine Pvt. Ltd.,	(0.02)%	(81.36)	(0.19)%	(82.11)	0.00%	-	(0.19)%	(82.11)
Manjeri City Infrastructures and Developers LLP	0.60%	2,975.83	(0.28)%	(124.02)	0.00%	-	(0.28)%	(124.02)
Benedire Infrastructures and DevelopersLLP	0.08%	392.79	0.00%	(0.76)	0.00%	-	0.00%	(0.76)
Non-controlling interest in all subsidiaries	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Indian Associates (Investment as per the equity method)								
Patel KNR Infrastructures Ltd.,	0.38%	1,886.73	1.40%	610.16	0.00%	-	1.39%	610.16
Patel KNR Heavy Infrastructures Ltd.,	0.48%	2,396.31	2.59%	1,132.57	0.00%	-	2.59%	1,132.57
Joint ventures(investment as per the equity method)								
SEL-KNR-JV	0.31%	1,532.39	0.00%	-	0.00%	-	0.00%	-
Non-controlling Interest	-	21.10						
Intercompany adjustments and eliminations	(15.26)%	(75,884.60)	0.05%	21.37	-	-	0.05%	21.37
Total	**100.00%**	**4,97,177.86**	**100.00%**	**43,707.61**	**100.00%**	**76.58**	**100.00%**	**43,784.19**

Notes Forming Part of the Consolidated Financial Statements (Contd.)

42 INVESTMENT IN ASSOCIATES AND JOINT VENTURE

Assets and liabilities statement

(₹ In Lakhs)

Particulars	Associates		Joint Venture	
	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Current assets	27,775.87	32,386.52	7,326.98	7,326.98
Non-current assets	9,615.26	15,372.47	898.93	898.93
Current liabilities	15,604.45	23,521.87	1,887.03	1,887.03
Non-current liabilities	5,814.49	12,621.76	3,211.58	3,211.58
Equity	15,972.10	16,125.37	3,127.30	3,127.30
Proportion of the group's ownership interest	40%	40%	49%	49%
Carrying amount of the group's interest	6,388.87	6,450.15	1,532.39	1,532.39

Statement of profit and loss

(₹ in Lakhs)

Particulars	Associates		Joint Venture	
	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2025
Income	10,382.82	38,093.82	-	-
Operating & Maintenance expenses	2,425.19	30,688.73	-	-
Construction Expenses	-	-	-	-
Employee benefits expense	6.96	51.37	-	-
Finance costs	1,473.23	2,853.97	-	-
Depreciation and amortisation expense	23.54	19.25	-	-
Other expenses	641.11	3,008.95	-	-
Profit/(Loss) before tax	5,812.79	1,471.55	-	-
Tax expense	905.42	1,453.07	-	-
Profit/(Loss) for the year	4,907.37	18.48	-	-
Group's share of profit for the year	1,962.95	7.39	-	-
Group's share of other comprehensive income for the year	(220.22)	132.76	-	-
Group's total comprehensive income for the year	1,742.73	140.15	-	-
Dividend received/Buy back from the associates during the year	-	(2,014.18)	-	-

43 SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES CONSIDERED FOR CONSOLIDATION

S.No.	Particulars	Country	Holding as at	
			March 31, 2026	March 31, 2025
I)	**Subsidiaries**			
1	KNR Agrotech & Beverages Pvt. Ltd.,	India	100%	100%
2	KNR Infrastructure Projects Pvt. Ltd.,	India	100%	100%
3	KNR Energy Ltd.,	India	100%	100%
4	KNR Somwarpet Infraproject Pvt. Ltd.,	India	100%	100%
5	KNR Palani Infra Pvt. Ltd.,	India	100%	100%
6	KNR Guruvayur Infra Pvt. Ltd.,	India	100%	100%
7	KNR Ramanattukara Infra Pvt. Ltd.,	India	100%	100%
8	KNR Ramagiri Infra Pvt. Ltd.,	India	100%	100%
9	KNR Ramatheertham Infra Pvt. Ltd.,	India	100%	100%
10	KNR Sriranganatha Infra Pvt. Ltd.,	India	100%	100%
11	KNR Kaveri Infra Pvt. Ltd.,	India	100%	100%
12	KNRHC Baidyanath Banhardih Coal Mine Pvt. Ltd.,	India	100%	N.A
13	KNR Mahabalipuram Infra Pvt. Ltd.,	India	100%	N.A
14	KNRC Holdings and Investments Pvt. Ltd.,	India	100%	100%
15	Manjeri City Infrastructures and Developers LLP	India	100%	100%
16	Benedire Infrastructures and Developers LLP	India	100%	100%
II)	**Subsidiaries (Interest held through KNRC Holding and Investment Pvt. Ltd.,)**			
17	Mesmeric Software Solutions Pvt. Ltd.,	India	100%	100%
18	Nag Talent Ventures & Infotech Pvt. Ltd.,	India	100%	100%
19	Gradient Estates Pvt. Ltd.,	India	100%	100%
20	Asara Construction & Projects Pvt. Ltd.,	India	100%	100%
III)	**Associates**			
1	Patel KNR Infrastructures Ltd.,	India	40%	40%
2	Patel KNR Heavy Infrastructures Ltd.,	India	40%	40%
IV)	**Joint Operations**			
1	KNR – Patel JV	India	51%	51%
2	Patel – KNR JV	India	50%	50%
3	KNR – SLEC JV	India	60%	60%
4	KNR-BPL JV	India	49%	49%
5	KNR-GVR JV	India	51%	51%
6	KNR-JKM-KAMALA JV	India	50%	50%
7	KNR-JKM JV	India	51%	51%
8	KNR-SLMI JV	India	Project specific	Project specific
9	KNR-TBCPL JV	India	51%	51%
10	KNR-PBEPL JV	India	75%	75%
11	KNR-SEW-GVR JV	India	51%	51%
12	PSK-KNR-GVR JV	India	51%	51%
13	BSCPL-KNR JV	India	50%	50%
14	KNR-HES-ACPL JV	India	51%	51%
15	KNR-NAVAYUGA-NCC JV	India	60%	60%

Notes Forming Part of the Consolidated Financial Statements (Contd.)

43 SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES CONSIDERED FOR CONSOLIDATION (CONTD.)

S.No.	Particulars	Country	Holding as at	
			March 31, 2026	March 31, 2025
16	KNR-HES JV	India	60%	60%
17	KNRCL-AIPPL-KCCL JV	India	51%	51%
18	KNR - ACPL – SVK JV	India	51%	51%
V)	**Joint Venture**			
1	SEL-KNR-JV	Bangladesh	49%	49%

44 DISCLOSURE PURSUANT TO IND AS 115 "REVENUE FROM CONTRACTS WITH CUSTOMERS":

The Group constructs infrastructure projects on behalf of clients. Delivering the project as per the contractual terms is the only performance obligation that has been identified. Under the terms of the contracts, the Group will perform its obligations on time to time as per the timing schedule indicated in the contract with the asset having no alternative use to the entity and the Group having an enforceable right to receive payment for the work done. Hence, Revenue is therefore recognised over time on a cost to cost method, i.e. based on the proportion of contract costs incurred for the work performed to date relative to the estimated total contract costs. The management considers that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under Ind AS 115.

Contract balances as on:

(₹ In Lakhs)

Particulars	March 31, 2026	March 31, 2025
Receivables	84,296.17	95,238.01
Contract Assets	1,73,638.19	1,35,915.14
Financial Asset Receivable	3,24,644.06	2,75,892.20
Contract Liabilities	1,407.84	11,998.59

45 RECONCILIATION BETWEEN THE OPENING AND CLOSING BALANCES IN THE FINANCIAL STATEMENT FOR FINANCIAL LIABILITIES AND ASSETS ARISING FROM FINANCING ACTIVITIES (IND AS – 7)

For 2025-26

(₹ in Lakhs)

Particulars	Secured Loans	Finance cost	Total
Opening Balance	**184,663.23**	**340.05**	**1,85,003.28**
Interest/Dividend Accrued during the year		21,172.92	21,172.92
Cash flows			
Received	1,07,950.00		1,07,950.00
Repayment/Adjustment	(48,921.31)		(48,921.31)
Interest/Dividend paid		(21,202.51)	(21,202.51)
Non-Cash items			
Unwinding Interest		(21.14)	(21.14)
Unamortised Processing fee	67.76	(67.76)	-
Others			
Closing Balance	**2,43,759.68**	**221.56**	**2,43,981.24**

45 RECONCILIATION BETWEEN THE OPENING AND CLOSING BALANCES IN THE FINANCIAL STATEMENT FOR FINANCIAL LIABILITIES AND ASSETS ARISING FROM FINANCING ACTIVITIES (IND AS – 7) (CONTD.)

For 2024-25

(₹ in Lakhs)

Particulars	Secured Loans	Un Secured Loans	Deferred Payment of Liability	Finance cost	Total
Opening Balance	**119,853.92**	**-**	**5,968.14**	**308.76**	**126,130.82**
Interest/Dividend Accrued during the year	-	-	-	20,789.58	20,789.58
Cash flows					
Received	1,17,370.00	13,500.00	-	-	1,30,870.00
Repayment/Adjustment	(52,664.96)	(13,500.00)	(172.00)	-	(66,336.96)
Interest/Dividend paid				(20,618.70)	(20,618.70)
Non-Cash items					
Unwinding Interest	-	-	-	(35.32)	(35.32)
Unamortised Processing fee	104.27	-	-	(104.27)	-
Others	-	-	(5,796.14)		
Closing Balance	**184,663.23**	**-**	**-**	**340.05**	**1,85,003.28**

46 SEGMENT INFORMATION

The Group's operations predominantly consist of "Construction and Engineering activities". Hence there are no reportable segments. During the year under report, substantial part of the Company's business has been carried out in India. The conditions prevailing in India being uniform, no separate geographical disclosures are considered necessary and the segment report is reviewed by Chief Operating Decision Maker, accordingly the Company has considered the business as a whole as a single Operating Segment in accordance with Ind AS 108.

47 During the year ended March 31, 2026, the Company has recognised claims for an amount of ₹ 16,297.36 Lakhs from Clients on settlement. Further based on such settlements, on assessment of project cost of some of the projects, the Company has revised the cost estimates and accordingly ₹ 13,552.14 Lakhs have been provided in the consolidated financial results.

48 During the year ended March 31, 2025, the Company received an Arbitration Claim from one of its Associate for an amount of ₹ 3,557.12 Lakhs included in Revenue from Operations and ₹ 10,354.37 Lakhs towards interest on such claim included in the other income and also expenses related to such claims of ₹ 129.47 Lakhs included in Other expenses and the resultant tax of ₹ 3,468.66 Lakhs included in current tax in the statement of Statement of Consolidated profit and loss.

49 During the year ended March 31, 2025, the Company received an Arbitration Claim for an amount of ₹ 2,775.80 Lakhs included in Revenue from Operations and ₹ 4,307.24 Lakhs towards interest on such claim included in the other income and also expenses related to such claims of ₹ 93.67 Lakhs included in Other expenses and the resultant tax of ₹ 1,759.08 Lakhs included in current tax in the statement of Statement of Consolidated profit and loss.

50 During year ended March 31, 2025, KNR Muzaffarpur Barauni Tollway Private Limited(SPV), one of its subsidiary Company has entered in to the Settlement Agreement dated September 03, 2024 with National Highways Authority of India [NHAI] for fore closure of the project and handover of Toll operations w.e.f November 01, 2024 to NHAI.

Pursuant to the above settlement Agreement, the SPV was entitled to receive settlement amount of ₹ 96,138.00 Lakhs which is included Revenue from operations and an amount of ₹ 34,246.34 Lakhs accounted towards EPC claims which is included in Construction Cost and interest amount of ₹ 4,967.56 Lakhs included in Finance cost and an amount of ₹ 22,183.37 Lakhs of intangible asset has been amortised and included in depreciation and amortisation expenses in the Consolidated statement of profit & loss.

Notes Forming Part of the Consolidated Financial Statements (Contd.)

51 During year ended March 31, 2025, One of the Associate Company bought back its 32,71,161 shares of ₹ 10/- each held by the Company for a consideration of ₹ 892.38 Lakhs accordingly the resultant profit on such buyback of ₹ 565.26 Lakhs included in the exceptional items in the statement of Consolidated profit and loss.

52 During year ended March 31, 2025, the Company made a provision/written off of ₹ 2,066.47 Lakhs towards receivables from CUBE Highways and Infrastructure III Pte. Ltd included in the exceptional items in the statement of Consolidated profit and loss due to non fulfilment of some of the conditions of the Share Purchase Agreements executed between the Company, CUBE Highways and Infrastructure III Pte. Ltd and respective SPV's i.e. KNR Tirumala Infra Pvt Ltd, KNR Shankarampet Projects Pvt Ltd and KNR Srirangam Infra Pvt Ltd.

53 During year ended March 31, 2025, the Company received following Arbitration Claim/dividend, which has been included in the statement of Consolidated profit and loss:-

a) From one of Company's JOs, the Company received claim for an amount of ₹ 6,088.12 Lakhs which is included in Revenue from Operations and also expenses related to such claims of ₹ 441.29 Lakhs included in Other expenses and the resultant tax of ₹ 1,421.31 Lakhs included in current tax.

b) Received an amount of ₹ 1,448.92 Lakhs as Dividend from one of its Associate Company, which is included in Other Income and the resultant tax of ₹ 364.69 Lakhs included in current tax.

54 The trade receivables, retention amounts and unbilled amounts includes an amount of ₹ 1,36,331.90 Lakhs as at March 31, 2026 (₹ 1,14,480.28 Lakhs as at March 31, 2025) relating to Kaleswaram Package 4 Irrigation Project in Telangana. Collections in this project has been stalled since March 2023 Despite no collections since March 2023, the Company is executing the projects to comply with the project execution terms and to demonstrate that the Company was not at fault in execution of the projects. Management, based on contractual terms of the agreement and internal assessments and discussions with Authority, is confident of recovering it's present and future dues relating to this project.

55 During the year ended March 31, 2025, one of the Subsidiary Company i.e. KNRC Holdings and Investments Private Limited (KNRCHIPL) has entered into a Share Purchase Agreement dated October 29, 2024 for transfer of its entire equity shareholding in one of its subsidiary (step down subsidiary) i.e. KNR Muzaffarpur Holding Pvt Ltd., (KMHPL) and transferred entire shareholding on March 27, 2025 for an equity valuation of ₹ 1.00 Lakhs and accordingly KNRCHIPL has written off/impaired its investment. The Group has recognised its net off assets and liabilities including non-controlling Interest for an amount of ₹ 12,561.59 Lakhs as exceptional item, out of which an amount of ₹ 13,163.94 Lakhs belong to non- controlling interest and accordingly shown in the statement of Consolidated statement of profit & loss.

56 During the year ended March 31, 2025, the Company entered into a Share Purchase Agreement dated October 29, 2024 for transfer of its entire shareholding in one of its stepdown subsidiary i.e. KNR Muzaffarpur Barauni Tollway Pvt Ltd for an equity valuation of ₹ 45.90 Lakhs.

57 DISCLOSURE IN ACCORDANCE WITH IND AS -116

The Group recognised in the Statement of Profit and Loss

(₹ In Lakhs)

Particulars	March 31, 2026	March 31, 2025
Depreciation Charge on ROU Asset	264.53	318.59
Interest Expense on Lease Liabilities	21.14	35.32

The Group recognised following lease assets and liabilities in the Balance sheet.

(₹ In Lakhs)

Particulars	March 31, 2026	March 31, 2025
Carrying Amount of ROU Assets	920.82	263.65
Lease liability	665.22	284.25

Notes Forming Part of the Consolidated Financial Statements (Contd.)

58 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.

59 The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

60 The Group has not been declared willful defaulter by any bank or financial institution or government or any government authority.

61 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.

62 The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

63 There have been no events after the reporting date that require disclosure in the Consolidated financial statements.

64 Contribution to political parties by the Group during the 2025-26 is ₹ Nil (for 2024-25 is ₹ Nil)

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

66 i. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

A. 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

B. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

ii. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

A. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

B. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

67 With effect from 1 February 2026, the Holding Company migrated the accounting system from [SAP 1] to [SAP 2]. The Holding Company and its subsidiaries and associate companies incorporated in India have used accounting software for maintaining their respective books of account which has a feature of recording an audit trail (edit log) of each and every transaction and of creating an edit log of each change made in the books of account, together with the date on which such change was made, and that feature has not been disabled. The balances migrated to [SAP 2] as at 1 February 2026 have been reconciled with the balances as at 31 January 2026 in the erstwhile application.

Consequent upon the migration, the transactional and accounting data maintained in [SAP 1] for the period from 1 May 2024 to 31 January 2026, in respect of the Holding Company has been retained in CSV and portable document formats. The audit trail (edit log) relating to that period is not available in the format in which it was originally generated in [SAP 1]. The

Holding Company has, however, taken the necessary steps to ensure that the data so retained is not modifiable. In respect of the subsidiaries and the associate companies incorporated in India, the audit trail has been preserved in the format in which it was originally generated.

The matter does not affect the recognition or measurement of any amount in these consolidated financial statements.

Notes Forming Part of the Consolidated Financial Statements (Contd.)

68 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by the Board of Directors on May 29, 2026

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

As per our report of even date attached

For K. P. Rao & Co.,
Chartered Accountants
(Firm Regn. No.003135S)

H N Anil
Partner
Membership No: 225120
UDIN: 26225120VREPSM7946

Place : Hyderabad
Date : 29-May-2026

For and on behalf of the Board

K.Narsimha Reddy
Managing Director
DIN: 00382412

K. Jalandhar Reddy
Executive Director & CFO
DIN: 00434911

V.Haritha
Company Secretary

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If undelivered, please return to:
KNR Constructions Limited
CIN: L74210TG1995PLC130199
'KNR House', 3rd & 4th Floors, Plot No. 114
Phase I, Kavuri Hills, Hyderabad - 500 033