



KNR Constructions Limited.

Date: 5th September, 2019

Ref: KNRCL / SD / 2019 / 140 & 141

Dept. of Corporate Services,
BSE Limited
P J Towers, Dalal Street,
Fort, MUMBAI - 400001

National Stock Exchange of India Limited
"Exchange Plaza",
Bandra Kurla Complex,
Bandra (E), MUMBAI - 400051

BSE Code: 532942

NSE Code: KNRCON

Dear Sir,

Sub: Submission of Annual Report for 2018-19

Ref: BSE Scrip Code: 532942, NSE Symbol: KNRCON

With reference to the above, please find attached Annual Report for the FY 2018-19 as per regulation 34(1) of SEBI (LODR) Regulations, 2015.

This is for your records.

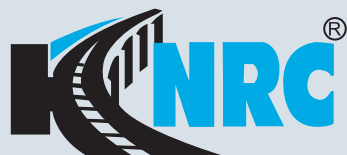
Yours Sincerely,

For KNR Constructions Limited

M.V. Venkata Rao

M V Venkata Rao
Company Secretary





Positioned To Build A New India

KNR Constructions Limited
Annual Report 2018-19

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Disclaimer

This document contains statements about expected future events and financials of KNRC Limited, 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 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 a number of 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's Discussion and Analysis of this Annual Report.



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online version at
[http://www.knrc.com/
annualreports.html](http://www.knrc.com/annualreports.html)

Or simply scan
to download

Investor information

Market Capitalisation as at March 31, 2019:	₹ 3659.12 Cr
CIN:	L74210TG1995PLC130199
BSE Code:	532942
NSE Symbol:	KNRCON
Dividend Declared:	₹ 0.40 per share of face value ₹ 2/- each
AGM Date:	September 30, 2019
AGM Venue:	Hotel Lemon Tree HITECH City, Hyderabad Telangana - 500081

Infrastructure is the focal point of India's growth story

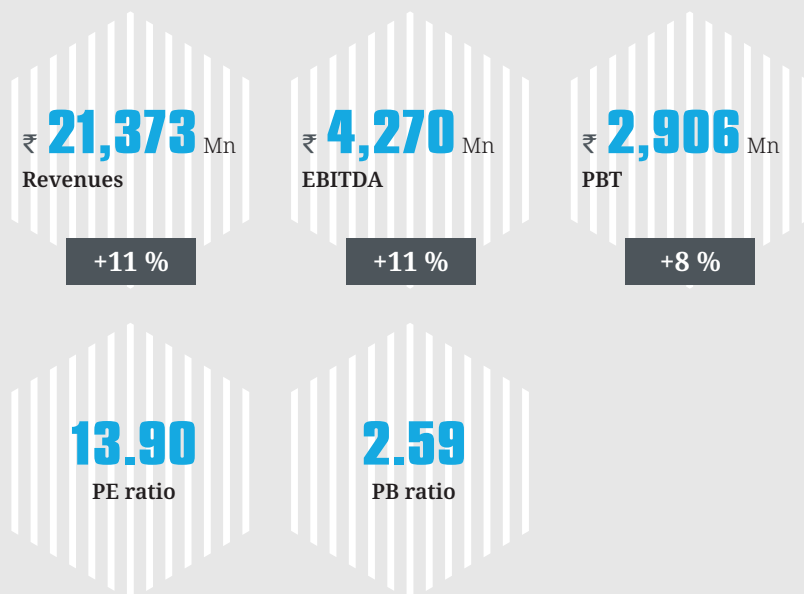
It plays a vital role in shaping up our economy and is very crucial for improvement of quality of life of the citizens of our country. The Government is focussing on building a New India with an ambitious aim of making our country a USD 5 Tn economy by 2024.

It has planned investments of over ₹ 100 lakh Crores in infrastructure sector in the next five years. It also aims to double the length of national highways to 60,000 km by 2022 along with fast-tracking of Phase-1 of Bharatmala Project. This will give much needed boost to India's development prospects, creating massive employment opportunities, improving connectivity and supporting the commercial and industrial growth.

At KNRCL, we have built a successful track record of ahead-of-time execution of the projects. Thanks to our competent and experienced human power and our capabilities, that have allowed us to deliver complex projects across the country. We have consistently invested in upgrading our equipment and machineries with state-of-the-art technology for achieving strong efficiencies.

Today, we are well positioned to capitalise on the growing infrastructure development needs in our country and are perfectly aligned to the Government's goal of developing a 'New India'.

Key financial numbers



EBITDA: Earning before interest taxes depreciation and amortisation

PAT: Profit after taxes | PE Ratio: Price earnings ratio

PB Ratio: Price to book ratio

Our Identity

Established in 1995, under the visionary leadership of Shri K. Narasimha Reddy, KNRCL has evolved into a multidomain infrastructure project development company. It is amongst the industry leaders in providing EPC as well as BOT solutions across several fast-growing segments with a main forte in roads, highways, flyovers and bridges. It also focuses on other important segments like irrigation projects, urban water infrastructure management and agriculture.







Vision

To develop KNRC as a Centre of excellence in the field of Infrastructure services by striving continuously to provide eco-friendly solution adopting state-of-the-art practices and commitment to quality through motivated human resource



Mission

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

Portfolio of BOT Projects

- ▶ 778 lane Kms Projects in the state of Telangana, Karnataka, Kerala & Bihar
- ▶ 2 Annuity based Projects & 2 Toll based projects completed
- ▶ Achieved Financial Closure for 4 NHAI HAM projects & Financial Closure Documents have been submitted to the Authority for KSHIP HAM project
- ▶ Recently Won an NHAI HAM project worth ₹ 9,200 Mn in the state of Tamil Nadu

₹ **40,156** Mn

Strong EPC
Order-book as on
March 31st, 2019



₹ **38,421** Mn
Roads sector



₹ **1,721** Mn
Irrigation



₹ **14** Mn
Others

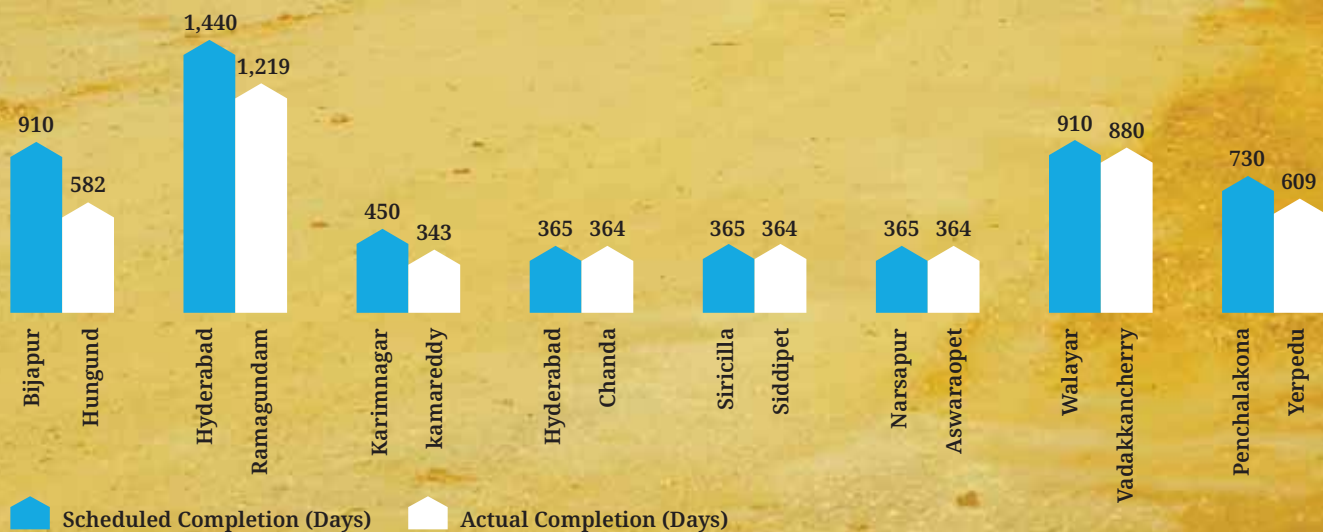
40+ years
Experience in
project execution

6,000+
lane kms
Road projects
successfully
executed

12
Presence across
Indian states

1,642
In-house team
consisting of qualified
and experienced
employees

Before-time, every-time!



Value-accretive opportunities to build the **new India**

Value-enablers

- ▶ Leadership in EPC segment
- ▶ Proven execution track record with repeat orders
- ▶ Conservative bidding strategy and financial prudence
- ▶ State-of-the-art technology and equipment, developed inhouse
- ▶ Competent JV partners for EPC and BOT contracts
- ▶ Strong relationships with esteemed clients like NHAI, MoRTH and various State Highway and Road Development Corporations and State Governments
- ▶ Competitive workforce driven by active involvement of the experienced management team

Value-created

- ▶ In EPC segment, the order book increased by ₹ 16,890 Mn over the previous year
- ▶ All the four NHAI HAM projects achieved financial closure
- ▶ Crossed revenue milestone of ₹ 20,000 Mn for the first time on a standalone basis
- ▶ Strong balance sheet and net working capital days
- ▶ Received bonus for completing the projects before the scheduled date
- ▶ The Company ranked 486th among fortune 500 companies by fortune India Magazine

Value-accretive opportunities

- ▶ Investments in the infrastructure development of the country
- ▶ Focus on securing EPC contracts from reputed Clients and Concessionaire
- ▶ Explore strategic Joint Ventures (JVs) opportunities
- ▶ Focus on Assets Monetisation





Message from Managing Director



Your Company is perfectly positioned to build a New India with deep rooted engineering excellence in the construction segment.

Dear Shareholders,

I take pride in presenting you the 2018-19 Financial year Annual Report of the Company. Your Company is perfectly positioned to build a New India with deep rooted engineering excellence in the construction segment. It will drive future sustainability with continued growth momentum owing to the opportunities in the roads and irrigation sectors this year.

Performance snapshot

Your company's annual revenue crossed the ₹ 20,000 Mn figure benchmark for the first time. Standalone revenue was reported at ₹ 21,373 Mn as against ₹ 19,317 Mn in the

previous year. Your company's net worth surpassed ₹ 14,143 Mn which is a clear indication of KNRCL's strong fiscal prudence and sound execution strategies for the long-term growth.

Infrastructure – gaining prime importance for the economic development

The Government of India has placed a huge impetus on developing the infrastructure of the country. Various initiatives such as industrial corridors, DFC, Bharatmala, Sagarmala and UDAN schemes will help in improving the connectivity of the country. Over the next five years, the Government has planned an investment of ₹ 100 Lakhs Crores in the infrastructure segment. Road construction sector has been one of the best performing sectors for the Indian Government. Over the last five years, the investments in road sector has increased by three times to ₹ 1.58 Lakhs Crores in 2018-19 on the back of financial support from private players and the Government. Resultantly, road construction has improved from 12km/day in 2014-15 to 30km/day in 2018-19. During 2018-19, the construction and expansion of highway in India witnessed a dramatic surge, reaching an all-time high of 10,800 kms. In the Union Budget 2019-20, the Government has allocated ₹ 1.12 Tn under the Ministry of Road Transport and Highways.

Industry opportunities

Pradhan Mantri Gram Sadak Yojana

Government aims to build 1,25,000 Km of village roads with an investment target of ₹ 80,250 Crores for the phase-III of the Pradhan Mantri Gram Sadak Yojana

Bharatmala Pariyojana Phase-I and Phase-II

Government will be rolling out tenders for awarding 40,000 kilometres of road construction; most of these awards will be coming under the Bharatmala Pariyojana Phase-I and Phase-II. A total of 34,800 kms of NH length including 10,000 kms of residual NHDP stretches have been approved for development under Bharatmala Pariyojana Phase-I at an estimated cost of ₹ 5,35,000 Crores. So far, a total of 225 projects having an aggregate length of about 9,613 kms have been appraised and approved under Bharatmala Pariyojana Phase-I with total capital cost of ₹ 2,43,415 Crores.

Projects under the Hybrid Annuity Model

NHAI further proposes to award 6,000 kms of highway projects in financial year 2019-20 with a road construction target of 4,500 kms; most of these projects are expected to be under the Hybrid Annuity Model.

River interlinking

River interlinking programme has gained strong national importance and has been taken up on high priority. Under the National Perspective Plan (NPP) prepared by the Ministry of Water Resources, the National Water Development Agency (NWDA) has already identified 14 links under the Himalayan Rivers Component and 16 links under the Peninsular Rivers Component for inter-basin transfer of water based on field surveys, investigation and detailed studies. The interlink project has been split into three parts: a northern Himalayan river interlink component, a southern peninsular component, and an intrastate river-linking component. The Prime Minister is planning to speed up the ambitious ₹ 5.5 Tn river interlinking plan, which aims to link rivers through a network of reservoirs and canals across India. A separate ministry, namely Jalasakthi, has been formed to give greater impetus to irrigation, drinking water and waterways.

Our positioning

With an order book of ₹ 65 Bn, which includes an EPC value of ₹ 44 bn worth of HAM projects, EPC of irrigation projects worth ₹ 10 Bn and EPC of other central and state projects worth ₹ 11 Bn, the Company has a book-to-bill ratio of 3x LTM revenue. KNRCL is now focusing on foraying into other areas such as building flyovers, metro-rails and railways to diversify the order book and widen opportunities. With a proven track record of timely order execution and healthy infrastructure industry prospects, we expect our standalone revenues to increase at 15% CAGR between 2018 to 2020. Our vibrant team of dedicated construction professionals will contribute immensely towards accelerating the long-term sustainable growth of your company.

I would like to acknowledge our management, staff, clients, bankers, investors, vendors and government agencies for their continued support. Your continuous support and trust will allow us to capture the underlying potential and deliver long term sustainable value.

Best wishes,

K. Narsimha Reddy

Founder Promoter and Managing Director

Review by the Executive Director



Dear Shareholders,

KNRCL is closely associated with the rapidly evolving infra sector segment for over forty years. It has achieved engineering excellence through the state-of-the-art technology and engineered innovative construction techniques to remain competitive and deliver projects in a more efficient, faster and timely manner. The cumulative outcome has been visible in achieving perfection in execution and strengthening the bottom line.

Strategically sound

Since inception, the Company's guiding principle has been to quote projects with reasonable EBITDA and avoid accumulating projects with aggressive quotes and limiting the number of projects to an extent that monitoring and execution can be completed in a timely manner. Owing to this principle, the Company could weather the storm of the infrastructure sector crisis and excelled in all financial parameters.

The broad strategic priorities of the Company include:

1. Capitalising country's strong infrastructure development
2. Focussing on securing EPC contracts, HAM projects from NHAI and other State Governments
3. Focussing on projects involving high degree of engineering skills like flyovers, segmental flyover Bridges, reservoirs and canals, Dams.
4. Exploring growth opportunities by forming strategic Joint ventures
5. Executing all projects on time or ahead of schedule.

Key developments

The Government has setup a goal to double the length of the National Highways by 2022, and construct about 60,000 Kms of National highways over the next five years. By 2023-24, NHAI is expected to award 32,300 Km, out of which 60% of the order book is expected to be EPC and remaining 40% to be HAM. The ongoing thrust on NHAI's Bharatmala projects, upcoming river linking projects in various states, state-level highway projects, new urban and metro flyover projects and river bridge projects by the Railways are opening up enormous opportunities to construction companies and developers giving growth and opportunities to EPC contractors, including KNRCL, in the next five years.

The Company is now focusing on foraying into other areas such as water management through irrigation canals, reservoirs, dams, pipelines, building flyovers, metro-rails and railways to diversify the order book and widen opportunities. KNRCL has a portfolio of 10 projects of which six are HAM projects worth ₹ 6,5312 Mn Bid project cost (BPC), two are BOT Toll projects and the balance are annuity projects (with 40% stake). The 2 BOT toll and 2 annuity projects are already operational, financial closure for 4 HAM Projects have been achieved and Financial documents have been submitted to Authority for KSHIP HAM Project and project work is in full swing in 3 HAM projects with appointed declared by NHAI.

The notable feature of the KNRCL HAM projects are the agreed participation to the extent of 49% by Cube Highways and Infrastructure Pte III Ltd, Singapore, which is investing first time in under construction projects and buy back all the 4 HAM projects in phased manner i.e on COD and after expiry of mandatory lock-in period as per Concession Agreement and subject to various regulatory and lenders approval. Which facilitate exit of KNRCL with an expected return of more than 1.50 times of investment. This will help KNRCL to monetize the HAM assets and re-invest the capital in future projects. KNRCL is in negotiation with PE investor to monetise its KNR Walayar BOT (Toll) asset.

Way forward

KNRCL will continue to benefit from its healthy business risk profile supported by its established market position and strong order pipeline. Financial risk profile will remain strong backed by lower dependence on external borrowing and adequate working capital cycle and ability to monetise assets. Presence of a large fleet of construction equipment (valuing over ₹ 10,000 Mn Gross block), including modern batching plants, excavators, dumpers, pavers, crushers etc enables the group to bid competitively for several projects. The management comprises well-qualified and experienced professionals, with adequate technical and project management capabilities. Our passion to excel and improve quality of life in communities and offer our contribution to build a New India will be one of our motives.

Best wishes,

K. Jalandhar Reddy

Promoter and Executive Director

Financial highlights

(₹ in Million unless otherwise stated)

Income statement	FY19	FY18	FY17	FY16	FY15
Revenue from operation	21,373	19,317	15,411	9,026	8,760
Operating profit	4,270	3,839	2,296	1,554	1,261
Profit before tax (PBT)	2,906	2,682	1,632	1,301	723
Profit after tax (PAT)	2,633	2,721	1,573	1,611	730
Cash profit	4,313	4,062	2,211	2,043	1,271
EPS (₹)*	18.72	19.35	11.18	57.29	25.96
Cash EPS (₹)*	30.67	28.89	15.76	72.62	45.18

Balance sheet	FY19	FY18	FY17	FY16	FY15
Share capital	281	281	281	281	281
Other equity	13,862	11,297	8,674	6,988	5,411
Net worth	14,143	11,578	8,955	7,261	5,674
Secured loans	595	85	224	382	683
Unsecured loans	2,046	2,118	1,216	785	280
Capital employed	14,309	11,578	9,041	7,339	5,693
Book value per share*	100.59	82.34	63.68	258.17	201.76

* The Company's equity shares has been split on December 14, 2016 (Record date) from face value of ₹ 10/- to ₹ 2/- each.

Economic Value-Added

₹ **565** Mn
Total tax paid

₹ **928** Mn
Employee salaries

₹ **7** Mn
CSR spent



Quicks facts

20 %
EBITDA Margin

12.3 %
PAT Margin

18.6 %
ROE

0.19
Debt to equity

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Shri K Narsimha Reddy

Shri K Jalandhar Reddy

Non-Executive Directors

Shri B V Rama Rao

Shri L B Reddy

Smt. K Yashoda

Smt. G C Rekha

AUDIT COMMITTEE

Shri L B Reddy, *Chairman*

Shri B V Rama Rao, *Member*

Shri K Jalandhar Reddy, *Member*

NOMINATION & REMUNERATION COMMITTEE

Shri L B Reddy, *Chairman*

Shri B V Rama Rao, *Member*

Smt. K Yashoda, *Member*

STAKEHOLDERS RELATIONSHIP COMMITTEE

Smt. K Yashoda, *Chairman*

Shri K Jalandhar Reddy, *Member*

STATUTORY AUDITORS

M/s K P Rao & Co.,

Chartered Accountants,

Bangalore

INVESTOR SERVICE CENTRE

“KNR House”, 3rd Floor, Plot No. 114, Phase I,

Kavuri Hills, Hyderabad - 500033

E-mail: investors@knrcl.com

VICE PRESIDENT (F & A)

Shri S Vaikuntanathan

COMPANY SECRETARY

Shri M V Venkata Rao

REGISTERED & CORPORATE OFFICE

KNR House, 3rd & 4th Floors,

Plot No. 114, Phase I, Kavuri Hills,

Hyderabad - 500033

BANKERS

State Bank of India

IDBI Bank

Oriental Bank of Commerce

Axis Bank Limited

ICICI Bank Limited

Kotak Mahindra Bank Limited

Central Bank of India

HDFC Bank Limited

RBL Bank Limited

Management Discussion and Analysis

GLOBAL ECONOMY

The accelerated economic momentum achieved across the globe in 2017, continued till the first half of 2018. However, the second half of the year witnessed several unfavourable events that slowed down the by 200 basis point to 3.6% in 2018 from 3.8% achieved in 2017. Factors that triggered the slowdown include:

- Trade disputes between US and China
- Uncertainty of the Brexit outcome
- Macroeconomic issues in Turkey, Argentina and South Africa due to high debt
- Shrinkage in the Automobile sales in Germany
- Financial tightening across the developed economies

The spill over impact of these events also impacted the growth rate of the emerging and developing economies. Several countries across the globe implemented course corrective actions to stabilise the financial and inflationary situations. Going forward, the global growth is expected to decrease to 3.3% in 2019 due to uncertainty surrounding Brexit exit and the aftermath of the US-China trade wars. It is further expected to rebound to 3.6% in 2020 with the expectation of favourable fiscal policy around the world and increase in the growth of relatively big size economies such as India and China.

INDIAN ECONOMY

The Indian economy achieved a GDP growth of 6.8% in 2018-19 as against 7.2% in 2017-18. The year started off with a high expectations as the teething concerns post GST implementations started settling down. However, the second half of the year witnessed multiple challenges in the form of depreciating rupee, contracting IIP, rising crude oil prices, NBFC liquidity stress and after effects of the overall global slowdown. On a positive note, India continued to shine and remained as one of the fastest growing economies globally on the back of strong policy reforms and firm fundamentals. The inflation consumer price index remained below the RBI target of 4%. The GST collections increased by 10% on year on year basis to ₹ 1.13 Tn, the highest ever collection since the implementation. Besides, India improved its ranking by 23 places to the 77th rank in the World bank ease of doing business 2018 index

Crisil has estimated the GDP growth of 6.9% in 2019-20 increasing by 100 basis point on year on year basis. The momentum is expected to pick up in the second half of 2018-19 owing to the continuation of the second term for the

Government which will further bring in positive reforms to the monetary policy and focus on strengthening the consumption-led economic growth.

INFRASTRUCTURE SECTOR

Infrastructure will play a crucial role in achieving the Government's ambition of making India a USD 5 Tn economy by 2024. Growth in infrastructure related activities like electricity generation, highway construction, railway freight traffic and cargo at major ports will give much needed boost to the infrastructure sector. Considering this, the Government of India has placed a huge impetus on developing the infrastructure of the country. Various initiative such as industrial corridors, DFC, Bharatmala, Sagarmala and UDAN schemes will help in improving the connectivity of the country. Over the next five years, the Government has planned an investment of ₹ 100 Lakhs Crores in the infrastructure segment. Apart from budgetary support, the Government is encouraging foreign portfolio investors to invest in infrastructure debt funds, introduce credit default swaps for the infrastructure sector, deepen the corporate bond market, and encourage equity investment by non-residential Indians.

India has attracted foreign investor in the infrastructure space, some of the recent investment of 2018-19 includes:

- The private equity and venture capital invested USD 1.97 Bn in the infrastructure sector
- The Asian Infrastructure Investment Bank (AIIB) has announced USD 200 Mn investment into the National Investment & Infrastructure Fund (NIIF)

INDIAN ROAD CONSTRUCTION SECTOR

Road construction sector has been one of the best performing sectors for the Indian Government. Over the last five years, the investments in road sector has increased by three times to ₹ 1.58 Lakhs Crores in 2018-19 on the back of financial support from private players and the Government. The authorities had set an optimistic target of constructing 15,000 km for financial year 2018-19 out of which they have achieved approximately 10,800 km. This was mainly due to land acquisition delays and lack of fund availability. Despite of this the target achievement stood at 72% which is better than the five-year average range of target achievement which has remained between 55%-70% for road construction. Going ahead, the road construction target per day has been set at 40 km/day. The Government aims to

Management Discussion and Analysis (Contd.)

build 1,25,000 Km of village roads with an investment target of ₹ 80,250 Crores for phase-III of the Pradhan Mantri Gram Sadak Yojana.

While in the highway sector, the Government expenditure almost doubled from ₹ 34,345.2 Crores in 2014-15 to ₹ 78,625.5 Crores in 2018-19. Over the last decade around 5,000 kms of highways have been developed. During 2018-19, the construction and expansion of highway in India witnessed a dramatic surge, reaching all time high of 10,800 kms. The National Investment and Infrastructure Fund (NIIF) involved in finding alternative sources to fund highway projects has helped NHAI (National Highways Authority of India) in meeting the needs of the mega project. In coming few years, the government plans to roll out approximately 40,000 kms of awards. Most of these awards will be coming under the Bharatmala Pariyojana Phase-I and Phase-II.

**THE INDIAN ROAD
AND HIGHWAY
SECTOR IS
FORECASTED TO
GROW AT 36%
CAGR TILL 2025**

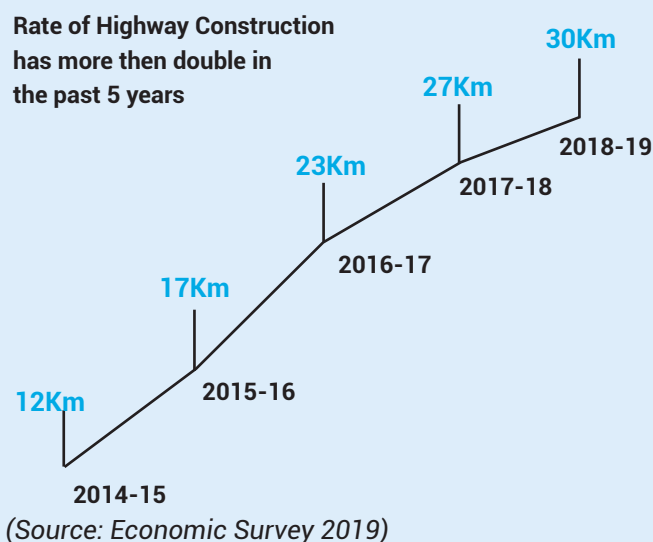
ROAD BUILDING

Years	Total
2009-10	5,146
2010-11	4,439
2011-12	5,012
2012-13	5,732
2013-14	4,260
2014-15	4,410
2015-16	6,061
2016-17	8,231
2017-18	9,828
2018-19	10,800

(Figures in Km)

(Source: Times of India)

ROAD DEVELOPMENT IN A DAY



NHAI and MoRTH together awarded the project worth ₹ 3 Tn in last five years, while in the same period the state invested ₹ 1.7 Tn. NHAI has been aggressive in awarding the project from past five years. In 2018-19 NHAI awarded close to 2,500 km.

By 2023-24, NHAI is expected to award 32,300 Km, out of which 60% of the order book is expected to be Engineering Procurement Construction (EPC) and remaining 40% to be Hybrid Annuity Model (HAM). As of 2018-19, NHAI has acquired close to 8,500 hectares of land and in the next five years they are planning to acquire 90,000 hectares.

Management Discussion and Analysis (Contd.)

Targets vs achievements for road construction (National Highways)

Year	2014-15	2015-16	2016-17	2017-18	2018-19
Target (Km)	6,300	10,950	15,000	15,000	15,000
Total Constructed (Km)	4,410	6,061	8,231	9,829	10,824
Constructed under NHAI	1,500	2,017	2,562	3,071	3,320
Constructed under MORTH	2,910	4,044	5,669	6,758	7,504
% Achieved	70	55	55	66	72

COMPANY OVERVIEW

KNRCL is a well-known player in the construction segment and has a longstanding presence of over two decades. Presence of a large fleet of construction equipment valuing more than ₹ 1,000 Crores Gross block, including modern batching plants, excavators, dumpers, pavers, crushers etc. enables the group to bid competitively for several projects. The management comprises well-qualified and experienced professionals, with adequate technical and project management capabilities. KNRCL's track record and ability to handle projects supported by advanced machinery has resulted in repeat orders from NHAI and state public works departments. KNRCL has leveraged its experience and capability to bid for executing BOT projects and entered the HAM segment in 2018.

KNRCL has a portfolio of 10 projects of which 6 HAM projects worth ₹ 65,312 Million (BPC), two BOT toll projects and two annuity projects (with 40% stake). The 2 BOT toll and 2 annuity projects are already operational, financial closure for 4 HAM Projects have been achieved and project work was started in 3 HAM projects with appointed declared by NHAI.

The notable feature of the KNRCL HAM projects are the agreed participation to the extent of 49% by Cube Highways and Infrastructure Pte III Limited, Singapore, which is investing first time in under construction projects and buy back of all the 4 HAM projects in a phased manner i.e., on COD and after expiry of mandatory lock-in period as per Concession Agreement and subject to various regulatory, lenders approval and facilitate exit of KNRCL with an expected return of more than 1.5 times of the investment. This will help KNRCL to monetise the HAM assets and re-invest the capital in future projects. KNRCL is in negotiation with PE investor to monetise its KNR Walayar BOT(toll) asset.

ORDER BOOK

KNRCL's outstanding order book as on March 31, 2019 is ₹ 40 bn, which includes EPC value of 3 HAM projects for which Appointed date has been received is ₹ 26.61 bn which is 66%. Out of the remaining order book, Central Government projects contribute ₹ 6.7 bn (16%) and State Government project contribute ₹ 6.8 bn (17%) and the Company has a book-to-bill ratio of 1.9x LTM revenue. KNRCL is now focusing on foraying

into other areas such as building flyovers, metro-rails and railways to diversify the order book and widen opportunities. With a proven track record of timely order execution and healthy infrastructure industry prospects, KNRCL estimate of standalone revenue is set to ₹ 25 bn in FY19-20.

OTHER OPERATIONAL HIGHLIGHTS:

Awards and accolades:

KNRCL has been ranked 486 among Fortune 500 Companies by Fortune India Magazine 2018.

The Company has been awarded as the "2nd fastest growing Construction Company (Medium category)" and "India's Top Challengers" at Construction World Global Awards 2018.

The Company received an Award for "Best Executed Irrigation Project of the year 2018- Kaleshwaram Project" from Construction Times Awards 2018.

The Company's Credit Rating is revised from A+ Positive to AA-Stable by CRISIL and India Ratings.

The Major Projects Awarded:

1	Construction of Flyover at Ramanathapuram and Sungam Junctions at KM 7/200 -10/350 (Old N.H.67, N.G.M. Road K.M. 340/0 - 343/150) with project cost of ₹ 207.88 Crores.
2	Four Laning of Oddanchatram-Madathukulam section of NH-209 (New NH_83) (Design CH.Km 29000 to Km.74.380) under Bharatmala Pariyojana Phase-I under the category of Residual works of NHDP on HAM in the state of Tamilnadu- at a Bid project of ₹ 920 Crores (LOA dated March 7, 2019).

OPPORTUNITIES AND THREAT

Boost to road sector development

Infrastructure is one of the vital sectors in moving up the economy which can be given boost through de-bottle necking of the road. This has led the Government to announce various programmes to give a thrust to the sector. Considering our four decades of experience and history of executing projects well before the scheduled date defines our ability which augurs well for our future growth to bag big orders.

Management Discussion and Analysis (Contd.)

PAN India presence

We at KNRCL has executed projects all around the country so we are well set to capitalise on any infrastructure development initiatives implemented by the Government to execute the project in any states of the country.

Poor quality raw material

Inferior quality of raw material used in the construction deteriorates the road condition over a period of time, which is a threat and also creates a bad reputation for the Company. We at KNRCL uses the best quality of raw material where our top management is involved in the selection of raw material.

Credit crunch in a country

In 2018-19, India went through liquidity crisis which in turn created a credit crunch in a country. Due to which infrastructure industry witnessed a drying up of lending from banks and NBFCs. However, at KNRCL we got a good credit rating coupled with strong profitability and balance sheet leading to lower cost of borrowing and easy availability of the debt fund.

RISK MANAGEMENT

At KNRCL, we recognise that every business has its inherent risks and it is required to possess a proactive approach to identify and mitigate them. The Company has embedded an efficient Enterprise Risk Management System (ERMS), which regularly scans the internal and external environment to identify risks, decide on possible mitigation plans and incorporate them in its strategic plans.

Competition Risk: With increased project awarding by the government, the road and construction industry is expected to attract several domestic as well as international players. This increase in competition may lead to an aggressive bidding environment, resulting in price cut and low operating margins as well as lower market share of project awards.

Risk Mitigation: With two decades of industry experience and led by a proven management team, who have honed their project managing skills right from the drawing board to the final execution, the Company is confident of meeting present and future competition and enjoy continued growth. To further mitigate this risk, where considered prudent, the Company forms strategic partnerships and joint ventures with quality players. This facilitates synergies both in the financial and technical arenas and enables it to compete with the larger players.

Slow-down in Road Sector: Any slowdown on part of the government to award road projects could adversely affect growth prospects.

Risk Mitigation: The present government has taken focused steps to ensure that infrastructure creation moves at an accelerated pace, thus reducing the possibility of this risk to a considerable extent. Moreover, the Company already has sufficient order backlog to ensure growth momentum in the medium term.

Construction Risk: Infrastructure projects involve complex design and engineering, significant procurement of equipment and supplies and extensive construction management and other activities conducted over extended time periods, sometimes in remote locations. This could lead to cost-time overruns, thereby impacting profitability.

Risk Mitigation: KNRCL with its vast experience of project management, balanced capital structuring and efficient cost control measures is well geared to mitigate this risk. Further, inhouse repository of specialised construction equipment reduces dependence on external sources, expedite execution and sustain margins.

Raw Material Risk: Increase in the cost of raw materials, particularly steel and cement, or their unavailability over the tenor of the contract can impact schedules and profit margins.

Risk Mitigation: The Company enters into long-term arrangement with suppliers for requisite raw materials for the tenure of the project, thus guaranteeing a continuous flow. Backward integration by sourcing aggregates from its mines, for road projects under execution also enables it to control costs. Also, leveraging its industry experience, the Company effectively supervises the availability of raw materials thus keeping the cost escalation risk to a minimum.

Interest Rates: Rising interest rates during the life span of a project, fuelled by inflation, can decrease profit margins.

Risk Mitigation: The Company factors this risk into the cost of project before bidding for it. Despite this, the Company is open to resorting to interest rate hedging in case the need arises.

Traffic Growth Risk: Revenue from the Company's toll-based BOT projects are subject to risks associated with unpredictability of traffic growth.

Risk Mitigation: The Company's operational toll-based BOT project caters to traffic plying between South India's economically vibrant cities and towns. Major industries are also located on this stretch. With the anticipated uptick in economic activity, commercial traffic is expected to maintain a positive growth momentum, thus reducing the possibility of low toll revenues.

Regulatory Risk: The complex nature of infrastructure projects means that the Company has to interface with various regulatory authorities throughout the project life cycle, making them

Management Discussion and Analysis (Contd.)

especially vulnerable to regulatory action. These requirements are complex and subject to frequent changes as well as new restrictions. Failure to comply with these requirements may result in significant liability to the Company.

Risk Mitigation: To deal with this risk effectively, the Company has a regulatory compliance review mechanism in place. Through this the Company gets regular updates and makes changes in its compliance on a real time basis.

Political Risk: Political disharmony can interrupt or disturb the settled commercial terms of a project, as infrastructure projects with their high visibility have a strong element of public interest.

Risk Mitigation: With greater thrust on infrastructure by successive governments, this risk has been alleviated to a considerable extent. Further to ensure minimal intrusion from the political machinery, the Company ensures that its work speaks for itself. Also, years of experience in working with various Governments and its agencies in its life span, has made KNRCL fully capable of handling any changes in the political setup.

HIGHLIGHTS OF FINANCIAL PERFORMANCE:

Revenues

The total income from the operations posted by the Company on standalone basis for the year ended March 31, 2019, is ₹ 2,137.26 Crores as against ₹ 1,931.65 Crores during the same period in the last financial year thereby recording an increase in turnover of ₹ 205.61 Crores (about 10.64 %).

EBITDA

EBITDA increased from ₹ 383.91 Crores for the year ended March 31, 2018 to ₹ 426.96 Crores in the current year ended March 31, 2019. EBITDA on turnover has stabilised at 19.99% due to reduction of back to back sub-contracting turnover.

PAT

The net profit after tax for the current year ended is ₹ 263.26 Crores as against ₹ 272.09 Crores in the corresponding previous year. The profit after tax as a percentage of turnovers has gone down from 14.09% to 12.32 % due to:

- 1) Higher depreciation in irrigation projects as per Management estimate
- 2) Revenue from Non 80 IA projects has been increased; hence the Tax liability has gone up

NET WORTH

The net worth has gone up from ₹ 1,157.83 Crores to ₹ 1,414.31 Crores in the current year thereby recording an increase of about 22.15%.

EPS

Earnings per share is down from 19.35 to 18.72 in the current year due to reason mentioned above.

Debt: Equity

The Debt-Equity ratio has remained almost the same as 0.19 times.

DETAILS OF SIGNIFICANT CHANGES (I.E. CHANGE OF 25% OR MORE AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR) IN KEY FINANCIAL RATIOS, ALONG WITH DETAILED EXPLANATION

During the year on a standalone and consolidated basis there was no significant change in the financial ratio's compared to previous year.

DETAILS OF ANY CHANGE IN RETURN ON NET WORTH AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR ALONG WITH A DETAILED EXPLANATION

There is no significant change during the current financial year 2018-19, comparing with previous financial year 2017-18.

HUMAN RESOURCES:

The Human Resource (HR) strategy at KNRCL is focused on creating a performance-driven culture in the Company, where innovation is encouraged, performance is recognised and employees are motivated, to realise their potential. Company's HR department co-creates all HR strategies along with senior management and BOD so as to influence change, attract talent and build capabilities. HR department is fully specialised to respond to varied human resource needs of KNRCL's business units to enable each division to maintain the human strategic advantage. The Company employed a total of 1,642 employees during the year.

CAUTIONARY STATEMENT:

Statements in the Management Discussion and Analysis describing the KNRCL's objectives, projections, estimates, expectations may be forward- looking statements. Actual results may defer materially from those expressed or implied. Important factors that could make difference to the KNRCL's operations include economic conditions in which the KNRCL operates, changing Government regulations, tax laws, statutes and other incidental factors.

Notice

Notice is hereby given that the 24th Annual General Meeting of KNR Constructions Limited will be held on Monday the 30th day of September 2019 at 10:00 AM at Hotel Lemon Tree, HITECH City, Madhapur, Hyderabad, Telangana 500081

ORDINARY BUSINESS

- 1 To receive, consider and adopt
 - (a) the audited Statement of Profit and Loss for the financial year ended March 31, 2019 and the Balance Sheet as on that date together with the Report of the Board of Directors and Auditors thereon; and
 - (b) the audited consolidated Statement of Profit and Loss for the financial year ended March 31, 2019 and the Balance Sheet as on that date.
- 2 To declare dividend for the financial year ended March 31, 2019.
- 3 To appoint a Director in place of Shri K Jalandhar Reddy (DIN:00434911), who retires by rotation and being eligible, offers himself for reappointment

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:
To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2020 and in this regard 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 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment there of, for the time being in force, Shri K.K Rao, Cost Auditors to audit the Cost records maintained by the Company for the financial year ending March 31, 2020, on a remuneration of Rs. 300,000 excluding taxes as may be applicable, be and is hereby ratified."

By Order of the Board of Directors

Place: Hyderabad
Date: 14.08.2019

M. V. Venkata Rao
Company Secretary

NOTES:

- a. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, the 24th September 2019 to Monday the 30th day of September 2019 (both days inclusive) for the purpose of Annual General Meeting.
- b. Explanatory Statement as required under Section 102(2) of the Companies Act, 2013 is annexed hereto. Further, additional information with respect to item no. 4 is also annexed hereto
- c. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
- d. The instrument appointing a proxy must be deposited with the Company at its Registered Office not less than 48 hours before the time for holding the Meeting.
- e. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the Meeting.
- f. The Company's Registrar and Transfer Agents for its share registry work (Physical and Electronic) are Link Intime India Private Limited (RTA).
- g. Members can avail of the facility of nomination in respect of securities held by them in physical form pursuant to the provision of Section 72 of the Companies Act, 2013. Members desiring to avail of this facility may send their nomination in the prescribed duly filled-in to RTA. Members holding shares in electronic mode may contact their respective Depository Participant (DP) for availing this facility.
- h. Members are requested to
 - intimate to the DP, changes, if any, in their registered addresses and/or changes in their bank account details, if the shares are held in dematerialized form.
 - intimate to the Company's RTA, changes if any, in their registered addresses, in their bank account details, if the shares are held in physical form (share certificates).
 - consolidate their holdings into one folio in case they hold Shares under multiple folios in the identical order of names.

Notice (Contd.)

- dematerialize their Physical Shares to Electronic Form (Demat) to eliminate all risks associated with Physical Shares. Our Registrars and Transfer Agents viz., Link Intime India Private Limited, may be contacted for assistance, if any, in this regard.
- i. The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the Depositories for payment of dividend through Electronic Clearing Service (ECS) to investors wherever ECS and bank details are available. In the absence of ECS facilities, the Company will print the bank account details, if available, on the payment instrument for distribution of dividend. The Company will not entertain any direct request from Members holding shares in electronic mode for deletion of/change in such bank details.
- j. Members are requested to refer to the Corporate Governance Report for information in connection with the unpaid / unclaimed dividend liable to be transferred to Investor Education and Protection Fund (IEPF) administered by the Central Government.
- k. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specified functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under LODR Regulations Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.
- l. In order to save the natural resources Members are requested to register their e-mail address/addresses with the Depository Participants, if the shares are held in dematerialized form and with the Company's Registrar & Transfer Agent if the shares are held in physical form, in case you have not registered your email ids till now.

In compliance with the provisions of Section 108 of the Companies Act, 2013, the Members are provided with the facility to cast their vote electronically, through the remote e-voting services provided by Central Depository Services (India) Limited (CDSL), on all resolutions set forth in this

Notice.

The instructions for e-voting are as under:

The voting period begins on Thursday, 26th September, 2019 (9.00 a.m. IST) and ends on Saturday, 28th September, 2019 (5.00 p.m. IST). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23rd September, 2019, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.

The Notice of AGM of the Company can be downloaded from www.cdslindia.com and www.knrcl.com

A. In case of members receiving e-mail (for Members whose e-mail addresses are registered with the Company/ Depositories):

- (i) The shareholders should log on to the e-voting website: www.evotingindia.com.
- (ii) Click on Shareholders
- (iii) 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. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

Notice (Contd.)

(vi) If you are a first time user follow the steps given below

For Members holding shares in Demat Form 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) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN Field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If 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 (iii)

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

(viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members 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 Members 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 **<KNR Constructions 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 "RESOLUTION 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 out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvi) If Demat account holder has forgotten the changed 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) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to www.evotingindia.com and register themselves as Corporates.
- 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 should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- 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 scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

Notice (Contd.)

B. In case of members receiving the physical copy:

Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

C. Other instructions:

- i. The voting rights of Members shall be in proportion to their shares of the paid – up equity share capital of the Company as on 23rd September 2019.
- ii. Mr. Vikas Sirohiya, Practicing Company Secretary (ACS: 15116 CP : 5246) and Partner M/s. P S Rao & Associates, Company Secretaries has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- iii. The facility for voting, either through electronic voting system or ballot or polling paper shall also be made available at the meeting and Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.
- iv. Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- v. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.knrcl.com and on the website of CDSL and communicated to the BSE Limited (BSE), and the National Stock Exchange of India Limited (NSE) where the shares of the Company are listed.

- vi. Any person who acquires shares of the Company and becomes member of the Company after dispatch of the Notice and holding shares as on the cut -off date i.e. 23rd September 2019 may follow the same procedure as mentioned above for e-Voting. However, if you are already registered with CDSL for remote e-voting then you can use your existing password for casting your vote.

EXPLANATORY STATEMENT SETTING OUT MATERIAL FACTS AS REQUIRED BY SECTION 102 (2) OF THE COMPANIES ACT, 2013

ITEM NO. 4

Pursuant to the recommendation of the Audit Committee, the Board of Directors had at its meeting held on 14th August 2019, approved the reappointment of the Cost Auditors, K.K Rao, Cost Accountants and remuneration payable to them, as set out in the Resolution under this Item of the Notice.

In accordance with Rule 14 of Companies (Audit and Auditors) Rules 2014, the appointment of and remuneration payable to the Cost Auditors requires ratification by the Shareholders and hence this resolution is put for the consideration of the shareholders.

None of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested in the Resolution.

Your Directors recommend the Resolution for your approval.

Information in respect of Director seeking appointment/ re-appointment as required under SEBI(Listing Obligations and Disclosure Requirements) Regulation, 2015 read with Secretarial Standards on General Meetings issued by ICSI.

Name	K Jalandhar Reddy
Date of Birth	08.06.1971
Qualification	Bachelor's Degree in Computer Engineering from Bangalore University
Experience (including expertise in specific functional area)/Brief Resume	Shri K Jalandhar Reddy has vast experience in construction industry and specifically he heads the tendering and bidding activities of the company, as also is in-charge of the projects execution. Please refer Company's website: www.knrcl.com for detailed profile.
Terms and Conditions of Appointment / Reappointment	In terms of Section 152(6) of the Companies Act, 2013 Shri K Jalandhar Reddy who was re-appointed as Whole-time Director by the members through postal ballot concluded on 03.02.2016, is liable to retire by rotation.
Remuneration last drawn (including sitting fees, if any)	Rs. 3,72,00,000
Remuneration proposed to be paid	As per the existing approved terms and conditions
Date of first appointment on the Board	Director since Incorporation of the Company i.e 11.07.1995
Shareholding in the Company as on March 31, 2019	1,96,29,605

Notice (Contd.)

Relationship with other Directors/Key Managerial Personnel	Son of Shri K Narsimha Reddy, Managing Director and Smt K Yashoda, Director and not related to any other Director/ Key Managerial Personnel
Number of meetings of the Board attended during the year (2018-19)	6
Directorships of other Boards as on March 31, 2019	Vishnu Publicity Solutions Private Limited, KNR Muzaffarpur Holdings Private Limited, Siriadhvaitha Agrotech Private Limited, KNR Muzaffarpur Barauni Tollway Private Limited, KNR Walayar Tollways Private Limited, KNR Srirangam Infra Private Limited, KNR Chidambaram Infra Private Limited, KNR Shankarampet Projects Private Limited, KNR Tirumala Infra Private Limited, KNR Somwarpet Infra project Private Limited and KNR Palani Infra Private Limited
Membership / Chairmanship of Committees of other Boards as on March 31, 2019	Nil

By Order of the Board of Directors

Place: Hyderabad
Date: 14.08.2019

M. V. Venkata Rao
Company Secretary

Directors' Report

Dear Members,

Your Directors are pleased to present the Twenty Fourth Annual Report and the Company's audited financial statement for the financial year ended March 31, 2019.

FINANCIAL RESULTS

The Company's financial performance, for the year ended March 31, 2019 is summarised below:

Particulars	(₹ in Lakhs)	
	Year Ended March 31, 2019	Year Ended March 31, 2018
Total revenue (including other income)	2,20,064.20	1,97,096.70
Profit before interest, depreciation and tax	48,780.08	42,544.07
Less: Interest and financial charges	2,910.25	2,314.42
Profit Before depreciation	45,869.83	40,229.65
Less: Depreciation and amortization	16,810.65	13,414.59
Profit before tax	29,059.18	26,815.06
Provision for tax (including Deferred Tax)	2,732.68	(394.17)
Profit after tax	26,326.50	27,209.23
Profit brought forward from previous year	97,612.78	71,249.77
Profit available for appropriation	1,23,939.28	98,459.00
Appropriations:		
Dividend	(562.47)	(703.09)
Dividend tax	(115.62)	(143.13)
Balance carried forward	1,23,261.19	97,612.78
Paid Up capital	2,812.35	2,812.35
Other Equity	1,38,618.54	1,12,970.90

RESULTS OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS

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

Revenue from operations ₹ 2,13,725.62 Lakhs

PBDIT(Excluding Other Income) increased by 10.55 % to ₹. 42,441.50 Lakhs

Profit before Tax increased by 8.37% to ₹ 29,059.18 Lakhs

Cash Profit increased by 6.19% to ₹. 43,137.15 Lakhs

Net Profit decreased by -3.24% to ₹ 26,326.50 Lakhs

The order book position as on 31st March 2019 stands at ₹ 4,01,560 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 31st March 2019 is ₹ 138,618.54 Lakhs as against the Paid-up capital of ₹ 2812.35 Lakhs

Dividend

The Board of Directors has recommended final dividend of ₹ 0.40 per Equity Share of ₹ 2.00 Each for the financial year ended 31st March 2019, amounting to ₹. 562.47 Lakhs subject to approval of the shareholders. The dividend will be paid to the members whose names appear in the Register of Members as on 23rd September 2019 in respect of shares held in the dematerialized form, it will 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. The dividend recommended by your Directors, if approved at the ensuing Annual General Meeting by the Shareholders would be paid within the stipulated time.

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 IV** to this Report. There has been no change in the policy during the year.

Directors' Report (Contd.)

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

Transfer to the Investor Education and Protection Fund

In terms of Section 125 of the Companies Act, 2013, an amount of ₹ 67,582/- being unclaimed dividend for the Financial Year 2010-2011 was transferred to the Investor Education and Protection fund (IEPF) established by the Central Government during the year under review.

Company has transferred 8552 unclaimed equity shares to IEPF account.

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 and on the website of the Company www.cclproducts.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 31st March 2010 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 31st March 2011, have already been transferred to IEPF. The details of the unclaimed dividends are available on the Company's website at www.cclproducts.com and 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.

Subsidiaries, Joint Ventures and Associate Companies

During the year under review, 4 new wholly owned subsidiaries has been incorporated by the Company for execution of HAM Projects and no company has ceased to be company's subsidiary and during the year the no new Joint Ventures were entered by the company as per the provisions of section 129 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, a separate statement containing the salient features of the financial statements of the subsidiary Companies and Joint Ventures is prepared in Form AOC-1 and it forms part of the consolidated financial statements and hence not repeated here for the sake of brevity.

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

Consolidated Financial Statements

The consolidated financial statements, in terms of Section 129 of the Companies Act, 2013 and pursuant to Regulation 33 of SEBI(LODR) Regulations 2015 and prepared in accordance with Accounting Standard 21 as specified in the Companies (Accounting Standards) Rules, 2014 forms a part of this annual report.

As per the provisions of Section 136 of the Companies Act, 2013, the Company has placed separate audited accounts of its Subsidiaries on its website www.knrcil.com and copy of separate audited accounts of its Subsidiaries will be provided to the members at their request.

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 confirmed that:

- (a) in the preparation of the annual accounts for the year ended March 31, 2019, 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, 2019 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;

Directors' Report (Contd.)

- 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.

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 LODR Regulations 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.

Corporate Social Responsibility (CSR)

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 may be accessed on the Company's website at the link: http://www.knrc.com/images/knrc_LCSR.pdf

Name	Designation	Category
Shri L. B. Reddy	Chairman	Non-Executive and Independent Director
Shri B. V. Rama Rao	Member	Non-Executive and Independent Director
Shri K. Jalandhar Reddy	Member	Executive and Non-Independent Director

Composition of the CSR Committee

The Company has identified three focus areas of engagement which are as under:

1. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects
2. Rural development projects
3. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

The Company as part of its Corporate Social Responsibility (CSR) initiative, undertook projects like promotion of education in rural areas, infrastructure and maintenance and renovation of old age homes.

The Annual Report on CSR activities is annexed herewith as "Annexure I" to this report and CSR Policy is posted on the website

of the Company and the web link is http://www.knrc.com/images/knrc_LCSR.pdf

Directors

In accordance with the requirements of the Companies Act, 2013 Shri K Jalandhar Reddy, Director of the Company is liable to retire by rotation at the Annual General Meeting and, being eligible, offer themselves for reappointment at the ensuing Annual General Meeting.

Brief resume of the Director 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 LODR Regulations entered with the Stock Exchanges in India, are provided in the Report on Corporate Governance.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under the Act and LODR Regulations entered with the Stock Exchanges.

The Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which include criteria for performance evaluation of the non-executive directors and executive directors.

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, they meet without the presence of any management personnel and their meetings are conducted informally to enable the Independent Directors to discuss matters pertaining to the Company's affairs and put forth their combined views to the Board of Directors of the Company.

Statutory Auditors

M/s K P Rao & Co., Chartered Accountants, were appointed as Statutory Auditors of the Company at the 22nd Annual General Meeting held on 28th September, 2017 for a period of 5 years ie., upto conclusion of 27th AGM to be held in the year 2022. Pursuant to Notification issued by the Ministry of Corporate Affairs on 7th 2018 amending section 139 of the Companies Act, 2013 and the Rules framed thereunder, the mandatory requirement for ratification of appointment of Auditors by the Members at every Annual General Meeting ("AGM") has been omitted, and hence the Company is not proposing an item on ratification of appointment of Auditors at this AGM.

Internal Auditor & Controls

The Board of Directors based on the recommendation of the Audit Committee has re-appointed M/s. K. P. Rao Associates,

Directors' Report (Contd.)

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 Section 141 of the Companies Act, 2013 (corresponding Section 233B of the Companies Act, 1956) and the MCA General Circular No. 15/2011 dated April 11, 2011, (as amended vide General Circular No. 36/2012 dated November 6, 2012), the Audit Committee has recommended and the Board of Directors had appointed K.K. Rao, Cost Accountants, Hyderabad, being eligible and having sought re-appointment, as Cost Auditors of the Company, to carry out the cost audit for the Company during the financial year 2019-20.

Secretarial Auditor

In accordance with Section 204 of the Companies Act, 2013 the Board has appointed M/s. VCSR & Associates, Company Secretaries, to conduct Secretarial Audit for the FY 2018-19. The Secretarial Audit Report for the financial year ended March 31, 2019 is annexed herewith marked as Annexure II to this Report.

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://www.knrcl.com/images/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.

Conservation of energy, technology absorption and foreign exchange earnings and out go:

The particulars relating to Conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo as required under section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 are as follows

a) Conservation of Energy

The Company has taken suitable measures for conservation of energy. The core activity of the company is civil construction that is not an energy intensive activity.

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.

Foreign Exchange Earnings And Outgo

Foreign Exchange Inwards - Nil

Foreign Exchange outgo towards

- Travel – ₹ Nil (P.Y ₹ 130.30 lakhs)
- Import of capital goods and Stores & Spares ₹ 70.40 lakhs (P.Y ₹ 1938.79 Lakhs)
- Advance / Loan to Subsidiaries – Nil (P.Y Nil Lakhs)
- Term Loan Repayment and interest – Nil (P.Y Nil Lakhs)

Fixed 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.

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.

Disclosures

Audit Committee

The Audit Committee comprises majority Independent Directors namely Shri L. B Reddy (Chairman), Shri B V Rama Rao, and Shri K Jalandhar Reddy as other members. All the recommendations made by the Audit Committee were accepted by the Board.

Directors' Report (Contd.)

Vigil Mechanism

The Company has a Vigil mechanism and Whistle blower policy in terms of the LODR Regulations, 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/KNRC_whistleblower.pdf

Meetings of the Board

Seven meetings of the Board of Directors were held during the year under review. For further details, please refer report on Corporate Governance of this Annual Report.

Particulars of Employees

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is as follows:

The percentage of increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2018-19, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sl. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2018-19 (₹ in lakhs)	% increase in Remuneration in the Financial Year 2018-19	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	K Narsimha Reddy Managing Director	558.00	10.71%	308	Profit before Tax and exceptional item increased by 9.32% and Profit After Tax and comprehensive income decreased by 2.79% in financial Year 2018-19
2	K Jalandhar Reddy Executive Director and CFO	372.00	10.44%	205	
3	M V Venkata Rao Company Secretary	13.20	0.00%	7	
4	S.Vaikuntanathan, V.P (F&A)	29.70	0.00%	16	

* Remuneration is excluding Employer PF contribution and Gratuity.

During the period under review, no employee of the Company is employed throughout the financial year and in receipt of ₹ 102.00 lakhs or more, or employed for part of the year and in receipt of ₹ 8.5 lakhs or more a month or was in receipt of remuneration in excess of that drawn by the managing director or whole time director or manager and holds by himself or long with his spouse and dependent children, not less than two percent of the equity shares of the company under Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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 given, investments made, guarantees given and securities provided are provided in the standalone financial statement.

Extract of Annual Return

Extract of Annual Return of the Company is annexed herewith as **Annexure III** to this Report and the same is available on the Company's website www.knrcl.com

Directors' Report (Contd.)

Further details of top ten employees in terms of remuneration drawn during the financial year ended 31st March, 2019 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	Sri K. Narsimha Reddy Managing Director	71	B.A	55,800,000	50 Yrs	11.07.1995	-	32.53%
2	Sri K.Jalandhar Reddy Executive Director & CFO	48	B.E Computers	38,640,000	22 Yrs	11.07.1995	-	13.96%
3	Sri K.Shankar Reddy Vice President	48	B.Tech Civil	60,00,000	22 Yrs	01.10.1999	Rani Constructions	--
4	Sri Maj. T.L. Varma Sr.VicePresident - Technical	63	B.E. Civil	5,448,667	39 Yrs	12.07.2011	LANCO	--
5	Sri.V.Narasimha Ramana Sr.Vice President - Technical	56	M.Tech Civil	5,408,900	31 Yrs	09.06.2018	BSCPL	--
6	Sri V. Venugopal Reddy Director Projects	42	B.E	50,34,000	18 Yrs	21.08.2000	-	0.09%
7	Sri.E.Srinivasa Rao Vice President - Technical	55	B.E Civil	38,00,000	24 Yrs	02.12.2012	Navayuga	--
8	Sri. T. Bhaskar Rao Sr.Vice President - Technical	52	M.Tech Civil	36,45,000	32 Yrs	06.08.2018	GVR Infra Projects	--
9	Sri. S. Vaikuntanathan Vice President (F&A)	64	FCA	29,92,688	38 Yrs	07.01.2016	Vaibhav Jyothi Power	--
10	Sri.B.Phani Kumar Sr.Project Manager	53	B.Tech Civil	28,64,000	33 Yrs	14.10.2014	Balaji Rail Road Systems	--

- None of the above employees were relative of any Directors except Sri K Jalandhar Reddy who is son of Shri 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 ₹ 1.81 lakhs;
- iii) In the financial year, there was increase of 17.97% in the median remuneration of employees;
- iv) There were 1642 employees on the rolls of Company as on March 31, 2019
- v) Relationship between average increase in remuneration and company performance: - The Profit before tax and exceptional items for the financial year ended March 31, 2019 increased by 9.32% whereas the increase in median remuneration was 17.97%
- vi) Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:

The total remuneration of Key Managerial Personnel was ₹ 973.69 lakhs whereas the Profit before tax and after exceptional item was Rs. 29,059.18 lakhs in FY 2018-19
- vii) a) Variations in the market capitalisation of the Company: The market capitalisation as on March 31, 2019 at NSE was ₹ 3,64,901.89 lakhs (Rs. 3,99,353.13 lakhs as on March 31, 2018)
- b) Price Earnings ratio of the Company at NSE was 13.86 as at March 31, 2019 and was 14.67 as at March 31, 2018;
- viii) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2018-19 was 31.27% whereas the increase in the managerial remuneration for the same financial year was 10.09%

Directors' Report (Contd.)

- ix) The key parameters for any variable component of remuneration availed by the directors: Not applicable
- x) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but received remuneration in excess of the highest paid director during the year – Not Applicable; and
- 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 Sexual Harassment

The Company has adopted policy on Prevention of Sexual Harassment of women at Workplace in accordance with The Sexual Harassment of women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year under review, the Company has not received any complaints pertaining to Sexual Harassment.

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. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOP referred to in this Report.
4. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
5. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

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 Directors 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.

On behalf of the Board of Directors
of **KNR Constructions Limited**

Place: Hyderabad
Date: 14.08.2019

K Narsimha Reddy
Managing Director

K Jalandhar Reddy
Executive Director

Annexure – I

Annual Report on Corporate Social Responsibility (CSR) activities for the FY 2018-19 as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014.

1	A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes	Refer Section: Corporate Social Responsibility in this Report for the composition of the Committee. CSR Policy can be accessed at the link http://www.knrcil.com/images/knrcil_CSR.pdf
2	Average net profit of the Company for last three financial years	₹ 23942.30 Lakhs
3	Prescribed CSR Expenditure (two percent of the amount as in item 2 above)	₹ 478.85 Lakhs
4	Details of CSR spent for the financial year 2018-19	Details given below
	Total amount spent for the financial year 2018-19	₹ 74.51 Lakhs
	Cumulative unspent amount (including previous years)	₹ 641.70 Lakhs
	Manner in which the amount spent during the financial year	Details given below

Manner in which the amount spent during the financial year is detailed below:

(₹ in Lakhs)

S No	CSR projects or activities identified	Sector in which the Project is covered	Projects or programs(1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (₹ in Lakhs)	Amount spent on the projects Sub heads: (1) Direct expenditure on projects or programs (2) Overheads (₹ in Lakhs)	Cumulative expenditure up to the reporting period (₹ in Lakhs)	Amount spent: Direct or through implementing agency
1	School & college fees	Promotion of Education	Hyderabad	24.57	24.57	24.57	By the Company
2	Village rural development activity	Rural Development	Dammanpet	5.00	5.00	5.00	Dammanpet Charitable Trust
3	Health Education and Rehabilitation of Impoverished and Struggling Humans purpose	Promotion of Education		3.45	3.45	3.45	Cherish
4	Kerala flood relief fund	Contribution to State Government fund	Kerala	25.00	25.00	25.00	CMDRF
5	School furniture	Promotion of Education	Yedula	1.64	1.64	1.64	By the Company
6	School books & bags for children	Promotion of Education	Pollachi	2.17	2.17	2.17	By the Company
7	Supply of Reverse Osmosis System	Health Initiative	Warangal	4.58	4.58	4.58	By the Company
8	Village development works	Rural Development	Shankarampet	8.00	8.00	8.00	MGNREGS(Mahatma Gandhi National Rural Employment Guarantee scheme)
9	CC Road	Infrastructure Development	Dammanpet		0.10	0.10	By the Company
	Total				74.51	74.51	

Annexure – I (Contd.)

RESPONSIBILITY STATEMENT

The Responsibility Statement of the Corporate Social Responsibility (CSR) Committee of the Board of Directors of the Company is reproduced below:

"The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company."

K Narsimha Reddy

Managing Director

Place: Hyderabad

Date: 14.08.2019

L B Reddy

Chairman, CSR Committee

Annexure – II

Secretarial Compliance Report

of

M/s. KNR CONSTRUCTIONS LIMITED

For the year ended 31.03.2019

We M/s. VCSR & Associates, Company Secretaries have examined:

- all the documents and records made available to us and explanation provided by M/s. **KNR CONSTRUCTIONS LIMITED**, having its Registered Office at KNR House, 3rd & 4th Floors, Plot No. 114, Phase - I, Kavuri Hills, Hyderabad, Telangana - 500033, hereinafter referred to as "**the listed entity**",
 - the filings/ submissions made by the listed entity to the stock exchanges,
 - website of the listed entity,
 - any other document/ filing, as may be relevant, which has been relied upon to make this certification,
- for the year ended 31.03.2019 ("Review Period") in respect of compliance with the provisions of :

- the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; - **No such cases**
- Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; - **No such cases**
- Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - **No such cases**
- Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; - **No such cases**
- Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- SEBI (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013- **No such cases**
- SEBI (Delisting of Equity Shares) (Amendment) Regulations, 2016- **No such cases**
- SEBI (Investor Protection and Education Fund) Regulations, 2009
- SEBI (Depository Participant) Regulations, 2018

and circulars/ guidelines issued thereunder;

and based on the above examination, We hereby report that, during the Review Period:

- The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

S. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
-------	--	------------	---

None

- The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my/our examination of those records.
- The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

S. No	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
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None

Annexure – II (Contd.)

(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

S. No	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended... (The years are to be mentioned)	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
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Not Applicable *

*This being the first reporting since the notification of the requirements to submit the report, reporting on actions to comply with the observations made in the previous reports do not arise.

For VCSR & Associates
Company Secretaries

Ch. Veeranjanyulu
M No. F6121
C P No. 6392

Place: Hyderabad
Date: 27.05.2019

Annexure – III

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

(i)	CIN:	L74210TG1995PLC130199
(ii)	Registration Date	11-07-1995
(iii)	Name of the Company	KNR Constructions Limited
(iv)	Category / sub-category of the Company	Public Company / Limited by Shares
(V)	Address of the Registered office and contact details	KNR House, 3rd & 4th floor, Plot no: 114, Kavuri Hills, Hyderabad – 500033 +91 40 40268761 / 62, +91 40 40268760 (Fax) investors@knrcl.com www.knrcl.com
(vi)	Whether listed company	Yes / No
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mill Compound, LBS Marg, Bhandup (West) Mumbai - 400078 Maharashtra +91 22 25960320 + 91 22 25960329 (Fax) rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	CONSTRUCTIONS	45 - CONSTRUCTION (45203)	100 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

– Attachment - A

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i)	Category wise shareholding	–	Attachment B
ii)	Shareholding of Promoters	–	Attachment C
iii)	Change in Promoters' Shareholding	–	Attachment D
iv)	Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)	–	Attachment E
v)	Shareholding of Directors and Key Managerial Personnel	–	Attachment F

V. INDEBTEDNESS

– Attachment - G

Annexure – III (Contd.)

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager	–	Attachment H
B. Remuneration to other directors	–	Attachment I
C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD	–	Attachment J

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

– Attachment - K

Attachment - A

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. NO	NAME OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of Holding	Applicable Section
1	KNR AGROTECH AND BEVERAGES PRIVATE LIMITED	U74999TG2008PTC058829	WHOLLY OWNED SUBSIDIARY	100%	2 (87)
2	KNR INFRASTRUCTURE PROJECTS PRIVATE LIMITED	U45200TG2005PTC045323	WHOLLY OWNED SUBSIDIARY	100%	2 (87)
3	KNR ENERGY LIMITED	U40108TG2011PLC074236	WHOLLY OWNED SUBSIDIARY	100%	2 (87)
4	KNR WALAYAR TOLLWAYS PRIVATE LIMITED	U45209TG2012PTC082527	WHOLLY OWNED SUBSIDIARY	100%	2 (87)
5	KNRC HOLDINGS AND INVESTMENTS PRIVATE LIMITED	U465100TG2011PTC077131	WHOLLY OWNED SUBSIDIARY	100%	2 (87)
6	PATEL KNR HEAVY INFRASTRUCTURES LIMITED	U70102TG2006PLC049949	ASSOCIATE COMPANY	40%	2 (6)
7	PATEL KNR INFRASTRUCTURES LIMITED	U45201MH2006PLC162856	ASSOCIATE COMPANY	40%	2 (6)
8	MESMERIC SOFTWARE SOLUTIONS PRIVATE LIMITED	U72900TG2008PTC058813	SUBSIDIARY OF KNRCHIPL	100%	2 (87)
9	NAG TALENT VENTURES AND INFOTECH PRIVATE LIMITED	U7220TG2005PTC048640	SUBSIDIARY OF KNRCHIPL	100%	2 (87)
10	GRADIENT ESTATES PRIVATE LIMITED	U70102TG2008PTC062280	SUBSIDIARY OF KNRCHIPL	100%	2 (87)
11	ASARA CONSTRUCTION AND PROJECTS PRIVATE LIMITED	U45209TG2007PTC056847	SUBSIDIARY OF KNRCHIPL	100%	2 (87)
12	KNR MUZAFFARPUR HOLDINGS PRIVATE LIMITED	U65923TG2011PTC077094	SUBSIDIARY OF KNRCHIPL	100%	2 (87)
13	KNR MUZAFFARPUR BARAUNI TOLLWAY PRIVATE LIMITED	U45209TG2011PTC077925	SUBSIDIARY OF KMHPL	51 %	2 (87)
14	KNR CHIDAMBARAM INFRA PRIVATE LIMITED	U45309TG2018PTC123104	WHOLLY OWNED SUBSIDIARY	100 %	2 (87)
15	KNR SRIRANGAM INFRA PRIVATE LIMITED	U45209TG2018PTC123100	WHOLLY OWNED SUBSIDIARY	100 %	2 (87)
16	KNR TIRUMALA INFRA PRIVATE LIMITED	U45500TG2018PTC123857	WHOLLY OWNED SUBSIDIARY	100 %	2 (87)

Annexure – III (Contd.)

S. NO	NAME OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of Holding	Applicable Section
17	KNR SHANKARAMPET PROJECTS PRIVATE LIMITED	U45309TG2018PTC123778	WHOLLY OWNED SUBSIDIARY	100 %	2 (87)
18	KNR SOMWARAPET INFRA PROJECT PRIVATE LIMITED	U45500TG2018PTC125405	WHOLLY OWNED SUBSIDIARY	100 %	2 (87)
19	KNR PALANI INFRA PRIVATE LIMITED	U45209TG2019PTC131730	WHOLLY OWNED SUBSIDIARY	100 %	2 (87)

Attachment - B

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-wise Share Holding

Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2018				Shareholding at the end of the year - 2019				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	77880705	0	77880705	55.3849	77580705	0	77580705	'55.1715	'-0.2134
(b)	Central Government / State Government(s)	0	0	0	0.0000	0	0	0	'0.0000	'0.0000
(c)	Financial Institutions / Banks	0	0	0	0.0000	0	0	0	'0.0000	'0.0000
(d)	Any Other (Specify)									
	Sub Total (A)(1)	77880705	0	77880705	55.3849	77580705	0	77580705	'55.1715	'-0.2134
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.0000	0	0	0	'0.0000	'0.0000
(b)	Government	0	0	0	0.0000	0	0	0	'0.0000	'0.0000
(c)	Institutions	0	0	0	0.0000	0	0	0	'0.0000	'0.0000
(d)	Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	'0.0000	'0.0000
(e)	Any Other (Specify)									
	Sub Total (A)(2)	0	0	0	0.0000	0	0	0	'0.0000	'0.0000
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	77880705	0	77880705	55.3849	77580705	0	77580705	'55.1715	'-0.2134
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	39456611	0	39456611	28.0596	41619896	0	41619896	'29.5980	'1.5384
(b)	Venture Capital Funds	0	0	0	0.0000	0	0	0	'0.0000	'0.0000
(c)	Alternate Investment Funds	0	0	0	0.0000	389	0	389	'0.0003	'0.0003
(d)	Foreign Venture Capital Investors	0	0	0	0.0000	0	0	0	'0.0000	'0.0000
(e)	Foreign Portfolio Investor	5313406	0	5313406	3.7786	4277343	0	4277343	'3.0418	'-0.7368
(f)	Financial Institutions / Banks	33257	0	33257	0.0237	88787	0	88787	'0.0631	'0.0394
(g)	Insurance Companies	0	0	0	0.0000	0	0	0	'0.0000	'0.0000
(h)	Provident Funds/ Pension Funds	0	0	0	0.0000	0	0	0	'0.0000	'0.0000
(i)	Any Other (Specify)									
	Sub Total (B)(1)	44803274	0	44803274	31.8619	45986415	0	45986415	'32.7032	'0.8413
[2]	Central Government/ State Government(s)/ President of India									
	Central Government / State Government(s)	8302	0	8302	0.0059	0	0	0	'0.0000	'-0.0059
	Sub Total (B)(2)	8302	0	8302	0.0059	0	0	0	'0.0000	'-0.0059

Annexure – III (Contd.)

Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2018				Shareholding at the end of the year - 2019				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh.	8200022	70	8200092	5.8315	8437890	70	8437960	6.0007	0.1692
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	3908551	0	3908551	2.7796	3077668	0	3077668	2.1887	-0.5909
(b)	NBFCs registered with RBI	0	0	0	0.0000	540	0	540	0.0004	0.0004
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Any Other (Specify)									
	IEPF	0	0	0	0.0000	8302	0	8302	0.0059	0.0059
	Trusts	4641	0	4641	0.0033	500	0	500	0.0004	-0.0029
	Foreign Nationals	18522	0	18522	0.0132	21071	0	21071	0.0150	0.0018
	Hindu Undivided Family	322852	0	322852	0.2296	338159	0	338159	0.2405	0.0109
	Non Resident Indians (Non Repat)	150985	0	150985	0.1074	186870	0	186870	0.1329	0.0255
	Non Resident Indians (Repat)	385217	0	385217	0.2739	458133	0	458133	0.3258	0.0519
	Clearing Member	726312	0	726312	0.5165	107950	0	107950	0.0768	-0.4397
	Bodies Corporate	4207847	0	4207847	2.9924	4413027	0	4413027	3.1383	0.1459
	Sub Total (B)(3)	17924949	70	17925019	12.7474	17050110	70	17050180	12.1252	-0.6222
	Total Public Shareholding(B)=(B) (1)+(B)(2)+(B)(3)	62736525	70	62736595	44.6151	63036525	70	63036595	44.8285	0.2134
	Total (A)+(B)	140617230	70	140617300	100.0000	140617230	70	140617300	100.0000	0.0000
(C)	Non Promoter - Non Public									
[1]	Custodian/DR Holder	0	0	0	0.0000	0	0	0	0.0000	0.0000
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Total (A)+(B)+(C)	140617230	70	140617300	100.0000	140617230	70	140617300	100.0000	

Annexure – III (Contd.)

Attachment - C

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

ii. Shareholding of Promoter

Sr No	Shareholder's Name	Shareholding at the beginning of the year - 2018			Shareholding at the end of the year - 2019			% change in shareholding during the year
		No. of Shares held	% of total Shares of the company	% of Shares Pledged /encumbered to total shares	No. of Shares held	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	KAMIDI NARSIMHA REDDY	45743595	32.5306	0.0000	45743595	'32.5306	'0.0000	'0.0000
2	JALANDHAR REDDY KAMIDI	19629605	13.9596	0.0000	19629605	'13.9596	'0.0000	'0.0000
3	MEREDDY RAJESH REDDY	6500000	4.6225	0.0000	6200000	'4.4091	'0.0000	'-0.2134
4	KAMIDI YASHODA	6007505	4.2722	0.0000	6007505	'4.2722	'0.0000	'0.0000
	Total	77880705	55.3849	0.0000	77580705	'55.1715	'0.0000	'-0.2134

Attachment - D

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr No	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	KAMIDI NARSIMHA REDDY	45743595	32.5306			45743595	32.5306
	AT THE END OF THE YEAR					45743595	32.5306
2	JALANDHAR REDDY KAMIDI	19629605	13.9596			19629605	13.9596
	AT THE END OF THE YEAR					19629605	13.9596
3	MEREDDY RAJESH REDDY	6500000	4.6225			6500000	4.6225
	Market Sell			22 Feb 2019	-141000	6359000	4.5222
	Market Sell			01 Mar 2019	-159000	6200000	4.4091
	AT THE END OF THE YEAR					6200000	4.4091
4	KAMIDI YASHODA	6007505	4.2722			6007505	4.2722
	AT THE END OF THE YEAR					6007505	4.2722

Annexure – III (Contd.)

Attachment - E

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

iv) Shareholding Pattern of top ten Shareholders:

(other than Directors, Promoters and Holders of GDRs and ADRs):

Sr No	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	ICICI PRUDENTIAL EQUITY & DEBT FUND	6562038	4.6666			6562038	4.6666
	Market Buy			06 Apr 2018	184969	6747007	4.7981
	Market Sell			13 Apr 2018	-90000	6657007	4.7341
	Market Sell			20 Apr 2018	-77427	6579580	4.6791
	Market Sell			27 Apr 2018	-28560	6551020	4.6588
	Market Sell			04 May 2018	-244852	6306168	4.4846
	Market Sell			11 May 2018	-127797	6178371	4.3937
	Market Sell			18 May 2018	-18190	6160181	4.3808
	Market Buy			25 May 2018	17011	6177192	4.3929
	Market Sell			01 Jun 2018	-210859	5966333	4.243
	Market Buy			08 Jun 2018	471816	6438149	4.5785
	Market Buy			15 Jun 2018	27838	6465987	4.5983
	Market Buy			22 Jun 2018	286881	6752868	4.8023
	Market Buy			30 Jun 2018	457669	7210537	5.1278
	Market Buy			06 Jul 2018	75727	7286264	5.1816
	Market Buy			13 Jul 2018	93775	7380039	5.2483
	Market Buy			20 Jul 2018	187349	7567388	5.3815
	Market Sell			27 Jul 2018	-61004	7506384	5.3382
	Market Buy			03 Aug 2018	120224	7626608	5.4237
	Market Buy			10 Aug 2018	9240	7635848	5.4302
	Market Buy			17 Aug 2018	43907	7679755	5.4615
	Market Buy			24 Aug 2018	121689	7801444	5.548
	Market Buy			31 Aug 2018	155761	7957205	5.6588
	Market Buy			07 Sep 2018	857973	8815178	6.2689
	Market Buy			14 Sep 2018	127203	8942381	6.3594
	Market Buy			29 Sep 2018	85187	9027568	6.42
	Market Buy			12 Oct 2018	394160	9421728	6.7003
	Market Buy			19 Oct 2018	115222	9536950	6.7822
	Market Buy			26 Oct 2018	289981	9826931	6.9884
	Market Buy			02 Nov 2018	3870	9830801	6.9912
	Market Buy			16 Nov 2018	44507	9875308	7.0228
	Market Buy			23 Nov 2018	20906	9896214	7.0377
	Market Buy			30 Nov 2018	40281	9936495	7.0663
	Market Buy			07 Dec 2018	18439	9954934	7.0795

Annexure – III (Contd.)

Sr No	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
	Market Sell			28 Dec 2018	-44462	9910472	7.0478
	Market Sell			15 Feb 2019	-166198	9744274	6.9296
	Market Sell			22 Feb 2019	-115565	9628709	6.8475
	Market Sell			15 Mar 2019	-50000	9578709	6.8119
	Market Sell			29 Mar 2019	-198721	9379988	6.6706
	AT THE END OF THE YEAR					9379988	6.6706
2	DSP EQUITY & BOND FUND	8441115	6.0029			8441115	6.0029
	Market Sell			20 Apr 2018	-151183	8289932	5.8954
	Market Sell			27 Apr 2018	-23500	8266432	5.8787
	Market Sell			11 May 2018	-28546	8237886	5.8584
	Market Sell			18 May 2018	-5000	8232886	5.8548
	Market Sell			25 May 2018	-1381	8231505	5.8538
	Market Buy			06 Jul 2018	301662	8533167	6.0684
	Market Buy			27 Jul 2018	43302	8576469	6.0992
	Market Sell			10 Aug 2018	-88141	8488328	6.0365
	Market Sell			17 Aug 2018	-58623	8429705	5.9948
	Market Sell			31 Aug 2018	-9552	8420153	5.988
	Market Buy			07 Sep 2018	100000	8520153	6.0591
	Market Buy			14 Sep 2018	13248	8533401	6.0685
	Market Buy			29 Sep 2018	54000	8587401	6.1069
	Market Buy			19 Oct 2018	53431	8640832	6.1449
	Market Buy			28 Dec 2018	518	8641350	6.1453
	Market Buy			25 Jan 2019	8027	8649377	6.151
	Market Buy			01 Feb 2019	135023	8784400	6.247
	Market Buy			08 Feb 2019	29986	8814386	6.2684
	Market Buy			15 Feb 2019	40632	8855018	6.2972
	Market Buy			22 Feb 2019	29067	8884085	6.3179
	Market Buy			01 Mar 2019	113449	8997534	6.3986
	Market Buy			08 Mar 2019	29715	9027249	6.4197
	AT THE END OF THE YEAR					9027249	6.4197
3	HDFC TRUSTEE COMPANY LTD - A/C HDFC MID - CAPOPPORTUNITIES FUND	10393522	7.3914			10393522	7.3914
	Market Sell			06 Apr 2018	-859222	9534300	6.7803
	Market Sell			20 Apr 2018	-35000	9499300	6.7554
	Market Sell			02 Nov 2018	-500000	8999300	6.3999
	AT THE END OF THE YEAR					8999300	6.3999

Annexure – III (Contd.)

Sr No	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
4	L AND T MUTUAL FUND TRUSTEE LTD-L AND T INDIA VALUE FUND	4095142	2.9123			4095142	2.9123
	Market Buy			25 May 2018	5154	4100296	2.9159
	Market Buy			08 Jun 2018	25000	4125296	2.9337
	Market Buy			15 Jun 2018	262206	4387502	3.1202
	Market Sell			31 Aug 2018	-300000	4087502	2.9068
	Market Sell			07 Sep 2018	-552468	3535034	2.5139
	Market Sell			14 Sep 2018	-9769	3525265	2.507
	Market Sell			29 Sep 2018	-52992	3472273	2.4693
	Market Sell			05 Oct 2018	-22348	3449925	2.4534
	Market Sell			28 Dec 2018	-334500	3115425	2.2155
	AT THE END OF THE YEAR					3115425	2.2155
5	FRANKLIN INDIA SMALLER COMPANIES FUND	1941874	1.381			1941874	1.381
	Market Buy			06 Apr 2018	300000	2241874	1.5943
	Market Buy			25 May 2018	12252	2254126	1.603
	Market Buy			20 Jul 2018	50000	2304126	1.6386
	Market Buy			29 Sep 2018	25000	2329126	1.6564
	Market Buy			12 Oct 2018	100000	2429126	1.7275
	AT THE END OF THE YEAR					2429126	1.7275
6	TATA INFRASTRUCTURE FUND	3877000	2.7571			3877000	2.7571
	Market Sell			13 Apr 2018	-50000	3827000	2.7216
	Market Sell			20 Apr 2018	-10000	3817000	2.7145
	Market Sell			27 Apr 2018	-140000	3677000	2.6149
	Market Sell			11 May 2018	-126000	3551000	2.5253
	Market Sell			08 Jun 2018	-200000	3351000	2.3831
	Market Sell			30 Jun 2018	-503500	2847500	2.025
	Market Buy			06 Jul 2018	10000	2857500	2.0321
	Market Sell			13 Jul 2018	-188155	2669345	1.8983
	Market Sell			20 Jul 2018	-118345	2551000	1.8141
	Market Sell			27 Jul 2018	-139500	2411500	1.7149
	Market Sell			29 Sep 2018	-2500	2409000	1.7132
	Market Sell			05 Oct 2018	-7500	2401500	1.7078
	AT THE END OF THE YEAR					2401500	1.7078

Annexure – III (Contd.)

Sr No	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
7	TATA AIA LIFE INSURANCE CO LTD- WHOLE LIFE MID CAP EQUITY FUND- ULIF 009 04/01/07 WLE 110	1876924	1.3348			1876924	1.3348
	Market Buy			13 Apr 2018	300000	2176924	1.5481
	Market Sell			11 Jan 2019	-25000	2151924	1.5303
	Market Buy			08 Mar 2019	3571	2155495	1.5329
	AT THE END OF THE YEAR					2155495	1.5329
8	UTI- VALUE OPPORTUNITIES FUND	455458	0.3239			455458	0.3239
	Market Buy			06 Apr 2018	36000	491458	0.3495
	Market Buy			20 Apr 2018	9000	500458	0.3559
	Market Buy			18 May 2018	22542	523000	0.3719
	Market Buy			27 Jul 2018	27000	550000	0.3911
	Market Buy			21 Dec 2018	25000	575000	0.4089
	Market Buy			28 Dec 2018	84910	659910	0.4693
	Market Buy			31 Dec 2018	359955	1019865	0.7253
	Market Buy			04 Jan 2019	10561	1030426	0.7328
	Market Buy			11 Jan 2019	68000	1098426	0.7811
	Market Buy			18 Jan 2019	33913	1132339	0.8053
	Market Buy			25 Jan 2019	47946	1180285	0.8394
	Market Buy			01 Feb 2019	41854	1222139	0.8691
	Market Buy			08 Feb 2019	125000	1347139	0.958
	Market Buy			15 Feb 2019	12490	1359629	0.9669
	Market Buy			22 Feb 2019	224469	1584098	1.1265
	Market Buy			15 Mar 2019	27000	1611098	1.1457
	AT THE END OF THE YEAR					1611098	1.1457
9	ITPL - INVESCO INDIA CONTRA FUND	902651	0.6419			902651	0.6419
	Market Buy			25 May 2018	23404	926055	0.6586
	Market Sell			15 Jun 2018	-9340	916715	0.6519
	Market Sell			22 Jun 2018	-139903	776812	0.5524
	Market Sell			30 Jun 2018	-74734	702078	0.4993
	Market Sell			06 Jul 2018	-702078	0	0
	Market Buy			17 Aug 2018	728187	728187	0.5179
	Market Buy			05 Oct 2018	18111	746298	0.5307
	Market Buy			19 Oct 2018	21887	768185	0.5463
	Market Buy			02 Nov 2018	61985	830170	0.5904
	Market Buy			23 Nov 2018	10251	840421	0.5977
	Market Buy			30 Nov 2018	115081	955502	0.6795
	Market Buy			14 Dec 2018	26737	982239	0.6985
	Market Sell			21 Dec 2018	-9561	972678	0.6917

Annexure – III (Contd.)

Sr No	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
	Market Buy			28 Dec 2018	3512	976190	0.6942
	Market Buy			04 Jan 2019	14519	990709	0.7045
	Market Buy			18 Jan 2019	23368	1014077	0.7212
	Market Buy			01 Feb 2019	6825	1020902	0.726
	Market Buy			15 Feb 2019	27699	1048601	0.7457
	Market Buy			22 Feb 2019	49199	1097800	0.7807
	Market Buy			01 Mar 2019	152133	1249933	0.8889
	Market Sell			08 Mar 2019	-29668	1220265	0.8678
	Market Buy			22 Mar 2019	18885	1239150	0.8812
	Market Buy			29 Mar 2019	2428	1241578	0.8829
	AT THE END OF THE YEAR					1241578	0.8829
10	SARAH FAISAL HAWA	1185485	0.8431			1185485	0.8431
	Market Sell			25 May 2018	-3986	1181499	0.8402
	Market Buy			15 Jun 2018	1000	1182499	0.8409
	Market Sell			06 Jul 2018	-1182499	0	0
	Market Buy			17 Aug 2018	1182499	1182499	0.8409
	AT THE END OF THE YEAR					1182499	0.8409

Attachment - F

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

v) Shareholding of Directors and Key Managerial Personnel:

Sr No	Name & Type of Transaction	Opening 31.03.2018			Closing 31.03.2019			Increase/ Decrease in shareholding
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	KAMIDI NARSIMHA REDDY	45743595	32.5306	NIL	45743595	32.5306	NIL	Nil
2	JALANDHAR REDDY KAMIDI	19629605	13.9596	NIL	19629605	13.9596	NIL	Nil
3	K. YASHODA	6007505	4.2722	NIL	6007505	4.2722	NIL	Nil
4	MEREDDY RAJESH REDDY	6500000	4.6225	NIL	6200000	4.4091	NIL	(300000)
5	BANDHAKAVI VENKATA RAMARAO	NIL	0.0000	NIL	NIL	0.0000	NIL	Nil
6	LODUGU BALARAM REDDY	NIL	0.0000	NIL	NIL	0.0000	NIL	Nil
7	M V VENKATA RAO	1350	0.0010	NIL	1350	0.0010	NIL	Nil
	Total	77882055	55.3858		77582055	55.1725		(300000)

Annexure – III (Contd.)

Attachment - G

INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits in ₹	Unsecured Loans in ₹	Deposits	Total Indebtedness in ₹
Indebtedness at the beginning of the financial year				
i) Principal Amount	8,54,26,234.00	2,11,84,50,205.00	-	2,20,06,42,621.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	9,28,722.00	4,49,03,094.00	-	4,58,31,816.00
Total (i+ii+iii)	8,63,54,956.00	2,16,33,53,299.00	-	2,24,64,74,437.00
Change in Indebtedness during the financial year				
* Addition	53,05,99,432.00	15,15,00,000.00		68,20,99,432.00
* Reduction	19,00,47,306.00	22,39,17,500.30		41,39,64,806.30
Net Change	34,05,52,126.00	(7,24,17,500.30)	-	26,81,34,625.70
Indebtedness at the end of the financial year				
i) Principal Amount	42,59,78,360.00	2,04,60,32,704.70	-	2,47,20,11,064.70
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	5,73,047.00	3,85,54,721.00	-	3,91,27,768.00
Total (i+ii+iii)	42,65,51,407.00	2,08,45,87,425.70	-	2,51,11,38,832.70

Attachment - H

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(Amount in ₹)

SN.	Particulars of Remuneration	Name of MD/MTD/ Manager		Total Amount
		K Narsimha Reddy	K Jalandhar Reddy	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5,58,00,000	3,72,00,000	9,30,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify...	-	-	-
	Total Managerial Remuneration	5,58,00,000	3,72,00,000	9,30,00,000
	Overall Ceiling as per the Act			2,825,23,926

Annexure – III (Contd.)

Attachment - I

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

B. Remuneration to other directors

(Amount in ₹)

SN.	Particulars of Remuneration	Name of Directors			Total Amount
		B V Rama Rao	L B Reddy	K Yashoda	
1	Independent Directors	Yes	Yes	No	
	Fee for attending board committee meetings	15,50,000	15,50,000	-	31,00,000
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	15,50,000	15,50,000	-	31,00,000
2	Other Non-Executive Directors				
	Fee for attending board committee meetings	-	-	600,000	6,00,000
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	600,000	6,00,000
	Total	15,50,000	15,50,000	600,000	37,00,000

Attachment - J

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Amount in ₹)

SN	Particulars of Remuneration	Key Managerial Personnel		Total Amount.
		CS	VP (F&A)	
1	Gross salary	Yes	Yes	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	13,20,000	29,70,000	42,90,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	others, specify...	-	-	-
5	Others, please specify			
	- PF Employer Contribution	79,200	-	79,200
	Total	13,99,200	29,70,000	43,69,200

Annexure – III (Contd.)

Attachment - K

PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment			NIL		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			NIL		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			NIL		
Compounding					

Annexure – IV

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 in force 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 endeavor 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 endeavor 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/ Modernization 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 endeavor to retain larger part of profits to build up reserves to absorb future shocks.
- Capital Markets- when the markets are favorable, dividend pay-out can be liberal.

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

Annexure – IV

- 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.

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 maximizing 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.

2. BOARD OF DIRECTORS:

The present composition of Board of Directors consists of Six Directors out of which two are Whole Time Directors and four are Non-Executive Directors. The composition and the category of Directors are as under:

Sl No.	Name	Designation	Category
1.	Shri B. V. Rama Rao	Chairman	Independent / Non-Executive Director
2.	Shri L. B. Reddy	Director	Independent / Non-Executive Director
3.	Shri K. Narsimha Reddy	Managing Director	Promoter/ Executive Director
4.	Shri K. Jalandhar Reddy	Executive Director	Promoter/ Executive Director
5.	Smt. K Yashoda	Director	Promoter / Non-Executive Director
6.	Smt G C Rekha *	Director	Independent / Non-Executive Director

* appointed w.e.f 30.05.2019

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 facing the company and review options for their mitigation
- Ensure that processes are in place for maintaining the integrity of
 - the Company;
 - the financial statements;
 - compliance with laws;
 - 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

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

Report on Corporate Governance (Contd.)

Number of Board Meetings held

Seven Board Meetings were held during the year 2018-2019. The intervening period between two Board Meetings was well within the maximum gap of four months prescribed under regulations.

The details of the Board Meetings are as under:

Sl No.	Dates	Board Strength	No. of Directors Present
1	30.05.2018	5	5
2	21.07.2018	5	4
3	10.08.2018	5	5
4	29.09.2018	5	3
5	12.11.2018	5	5
6	11.02.2019	5	5
7	28.03.2019 *	2	2

* meeting of independent directors only

Attendance of Directors at the Board Meetings, last Annual General Meeting (AGM) and number of other directorships and chairmanships / memberships of each Director in various companies as on 31st March , 2019 is as under:

Name	Attendance of the meetings during the Year		No. of other Directorships ^	No. of Memberships / chairmanships of other companies @
	Board Meetings	Last AGM		
Shri B. V. Rama Rao	7	Yes	Nil	Nil
Shri L. B. Reddy	7	Yes	1	Nil
Shri K. Narsimha Reddy	6	No	2	Nil
Shri K. Jalandhar Reddy	6	Yes	1	Nil
Smt. K Yashoda	6	No	1	Nil

^ The Directorships held by Directors as mentioned above, do not include Alternative Directorships and Directorships of Foreign Companies, Section 25 Companies and Private Limited Companies

@ in accordance with Listing Regulations, Memberships / chairmanships of only the Audit Committee and Shareholders' / Investors Grievance Committees of all Public Limited Companies (excluding KNR Constructions Limited) have been considered.

- Apart from receiving sitting fee for attending meetings, the Independent Directors do not have any material pecuniary relationships or transactions with the Company, its promoters, Directors, senior management or its holding company, subsidiaries and associates which may affect the independence of the Director.
- The Independent Directors are not related to the promoters or persons occupying management positions at the Board level or at one level below the Board.
- The Independent Directors have not been executives of the Company in the immediately preceding three financial years.
- They are not partners or executives or were not so during the preceding three years of the
 - Statutory audit firm or the internal audit firm associated with the Company.
 - Legal firm(s) and consulting firm(s) that have a material association with the Company.
- The Independent Directors are not material suppliers, service providers or customers or lessors or lessees of the Company, which may affect their independence.
- They are not the substantial shareholders of the Company i.e. do not own 2 per cent or more of the block of voting shares.

Report on Corporate Governance (Contd.)

Familiarisation programmes 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. Detailed presentations on the Company's business segments were made at the separate meetings of the Independent Directors held during the year and information in this regard can be viewed from the our company's website www.knrcl.com

Quarterly updates on relevant statutory changes and landmark judicial pronouncements encompassing important laws are regularly circulated to the Directors.

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 takes appropriate steps to present their views to the Managing Director.

One such meeting of Independent Directors was held during the year on 28th March 2019 without the presence of Executive Directors and management personnel. The details of the attendance of the Independent Directors in the meeting are as below.

Name	No. of meetings held during the year 2018-2019	
	Held	Attended
Shri B. V. Rama Rao	1	1
Shri L. B. Reddy	1	1

Details of Directors

Brief resume of all the Directors of the company are furnished hereunder:

Shri B. V. Rama Rao, aged 79 years, is Non-Executive and Independent Chairman of our Company. He holds a Masters Degree in Economics from Osmania University, Master's in Public Administration from Kennedy School

of Government, Harvard, USA and was also conferred the title of Overseas Fellow Member of the Economic Development Institute, by the World Bank. Shri B V Rama Rao joined the Indian Administrative Service in 1973 and has over 36 years of experience in areas such as development, administration and industrial management. During his stint with the Indian Administrative Service, Shri B V Rama Rao has served in various positions including Chief Secretary to the Government of Andhra Pradesh and Chairman and Managing Director, Nizam Sugars Limited until his retirement in 1997.

Shri B V Rama Rao joined the Board of Directors of the Company with effect from 26th December, 2005 and he is currently the Chairman of the Board and Member of Audit Committee, Remuneration Committee and Corporate Social Responsibility Committee

Shri B V Rama Rao does not hold any Equity Shares in the Company as on 31st March 2019.

Shri L. B Reddy, aged 77 years, is the Non-Executive and Independent Director of the Company. Shri Reddy is a Fellow Member of The Institute of Chartered Accountants of India and is a Senior Partner in M/s L B Reddy & Co., a Chartered Account Firm. Shri Reddy started his career with Syndicate Bank and has worked in various capacities in the Bank before retiring as General Manager. He has over three decades of experience in areas such as planning, accounts, inspection, computer policy and development. He was also on deputation from Syndicate Bank to Rayalaseema Grameena Bank as Chairman for six years.

Shri L B Reddy joined the Board of Directors of the Company with effect from December 26, 2005 and he is currently the Chairman of Audit Committee, Member of Remuneration Committee and Corporate Social Responsibility Committee in the Company and Director of New Era Insurance Services Private Limited, Indira Television Limited and Virtual Agri Services Private Limited as on 31st March, 2019

Shri L B Reddy does not hold any Equity Shares in the Company as on 31st March, 2019

Shri K. Narsimha Reddy aged 71 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

Report on Corporate Governance (Contd.)

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 K 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 K Narsimha Reddy is presently the Managing Director of KNR Constructions Limited and director of Patel KNR Heavy Infrastructures Limited, Patel KNR Infrastructures Limited, KNR Muzaffarpur Barauni Tollway Private Limited, KNR Srirangam Infra Private Limited and KNR Chidambaram Infra Private Limited, KNR Shankarampet Projects Private Limited, KNR Tirumala Infra Private Limited, KNR Somwarpet Infracore Private Limited and KNR Palani Infra Private Limited as on 31st March, 2019

Shri Narsimha Reddy is holding 4,57,43,595 Equity Shares in the Company as on 31st March, 2019.

Smt. K Yashoda, aged 67 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 K Narsimha Reddy.

Smt. K Yashoda is the Non-Executive Director of KNR Constructions Limited and Director of Smitha Agro Developers Private Limited and Sriadhvaitha Agri Solutions Private Limited, Vishnu Publicity Solutions Private Limited, KNR Infrastructure Projects Private Limited, Nag Talent Ventures and Infotech Private Limited, Asara Construction & Projects Private Limited, Mesmeric Software Solutions Private Limited, KNR Agrotech and Beverages Private Limited, Gradient Estates Private Limited, KNR Energy Limited, KNRC Holdings and Investments Private Limited as on 31st March, 2019

Smt. K Yashoda is holding 60,07,505 Equity Shares in the Company as on 31st March, 2019.

Shri K Jalandhar Reddy, aged 48 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 K Narsimha Reddy. He holds a Bachelor's Degree in Computer Engineering from Bangalore University. He has over 22 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 of the Company which are execution in Southern India

Shri Jalandhar Reddy is presently the Executive Director & CFO of KNR Constructions Limited and Director of Vishnu Publicity Solutions Private Limited, KNR Muzaffarpur Holdings Private Limited, Sriadhvaitha Agrotech Private Limited, KNR Muzaffarpur Barauni Tollway Private Limited, KNR Walayar Tollways Private Limited, KNR Srirangam Infra Private Limited, KNR Chidambaram Infra Private Limited, KNR Shankarampet Projects Private Limited, KNR Tirumala Infra Private Limited, KNR Somwarpet Infracore Private Limited and KNR Palani Infra Private Limited as on 31st March 31, 2019

Shri Jalandhar Reddy is holding 1,96,29,605 Equity Shares in the Company as on 31st March, 2019.

3. COMMITTEES OF THE BOARD

Currently, there are four Board Committees – the Audit Committee, the Nomination & Remuneration Committee, the Stakeholders Relationship Committee and the CSR Committee. 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.

Report on Corporate Governance (Contd.)

a. Audit Committee

Composition, Name of the Members and Chairman

Audit Committee comprising of Two Non-Executive and Independent Directors and One Executive Director.

Name	Designation	Category
Shri L. B. Reddy	Chairman	Non-Executive and Independent Director
Shri B. V. Rama Rao	Member	Non-Executive and Independent Director
Shri K. Jalandhar Reddy	Member	Executive and Non-Independent Director

Mr. M. V. Venkata Rao is 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
 - (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;

Attendance of the members at the Audit Committee Meetings:

During the current financial year 2018-2019 Four Audit Committee Meetings were held and the details of the Audit Committee Meetings are as under:-

Sl No.	Dates	Committee Strength	No. of Directors Present
1	30.05.2018	3	3
2	10.08.2018	3	3
3	12.11.2018	3	3
4	11.02.2019	3	3

Report on Corporate Governance (Contd.)

b. Nomination and Remuneration Committee

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.

This Committee comprising of all the Three Members being Non-Executive and majority being Independent Directors:

Name	Designation	Category
Shri L B Reddy	Chairman	Non-Executive and Independent Director
Shri B V Rama Rao	Member	Non-Executive and Independent Director
Smt. K Yashoda	Member	Non-Executive and Non-Independent Director

Mr. M. V. Venkata Rao is the Secretary to the Remuneration Committee.

The Minutes of the meetings of the 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.

Remuneration paid to the Directors during 2018-2019:

				Amount in ₹
Name	Position	Sitting Fee	Salary & Perquisite	Total
INDEPENDENT DIRECTORS / NON EXECUTIVE DIRECTORS				
Shri B. V. Rama Rao	Chairman /Director	15,50,000	—	15,50,000
Shri L. B. Reddy	Director	15,50,000	—	15,50,000
Smt. K Yashoda	Director	6,00,000	-	6,00,000
WHOLE TIME DIRECTORS				
Shri K. Narsimha Reddy	Managing Director	—	5,58,00,000	5,58,00,000
Shri K. Jalandhar Reddy	Executive Director	—	3,72,00,000	3,72,00,000

Report on Corporate Governance (Contd.)

Shares held by the Non-Executive Directors as on 31st March, 2019 are as under:

Name of the Non-Executive Directors	No. of shares held as on the date
Shri B. V. Rama Rao	Nil
Shri L. B. Reddy	Nil
Smt. K Yashoda	60,07,505

c. Stakeholders Relationship Committee

This Committee comprises of the following members

Name	Designation	Category
Smt. K Yashoda	Chairman	Non-Executive and Non-Independent Director
Shri K Jalandhar Reddy	Member	Executive and Non-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:

- Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
- Redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc;
- Issue of duplicate / split / consolidated share certificates;
- Review of cases for refusal of transfer / transmission of shares and debentures;
- Reference to statutory and regulatory authorities regarding investor grievances;
- And to otherwise ensure proper and timely attendance and redressal of investor queries and grievances.

Shareholders complaints Status:

Opening	Nil
Received During the Period	03
Resolved During the Period	03
Pending	Nil

Name and designation of Compliance Officer

Mr. M. V. Venkata Rao, 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.com

Fax - +91 40 4026 8760

4. GENERAL BODY MEETINGS:

The details of date, location and time of the last three Annual General Meetings held are as under:

Financial Year	Date and Time	Venue
2015-16	30 th September, 2016 11:00 a.m	Hotel Maple Emerald, NH-8, Rajokri, New Delhi – 110038
2016-17	30 th September, 2017 11:00 a.m	Hotel Maple Emerald, NH-8, Rajokri, New Delhi – 110038
2017-18	29 th September, 2018 11:00 a.m	Hotel Maple Emerald, NH-8, Rajokri, New Delhi – 110038

No Special Resolutions were passed in the Annual General Meetings during the last 3 years.

5. POSTAL BALLOT:

No Special Resolutions was passed through Postal Ballots during the Financial Year 2018-2019. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through postal ballot.

6. DISCLOSURES;

a. Related Party Transactions

During the year ended March 31, 2019, 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

Report on Corporate Governance (Contd.)

transactions are negotiated on an arms length basis, and are intended to further the Company's interests. In compliance the Indian Accounting Standard 24, transactions with related parties are disclosed in the notes to accounts.

b. Details of non-Compliance etc

The Company complied 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.

c. Disclosure of Accounting Treatment

The Company has followed the accounting standards in the preparation of its financial statements

d. Board Disclosures

i. 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 analysing 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.

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.

ii. 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 unauthorized use or losses, executing transactions with proper authorization 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.

e. 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

f. CEO / CFO Certification

The CEO / CFO Certification on the financial statements and internal control are separately annexed.

g. 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.

Report on Corporate Governance (Contd.)

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	Yes
20	Stakeholders Relationship committee	Yes
21	Risk Management committee	NA
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	Obligation with respect to Directors and Senior Management	Yes
27	Other Corporate Governance requirements	Yes
46(2) (b) to (i)	Website	Yes

7. COMPLIANCE WITH NON-MANDATORY REQUIREMENTS

- a. **Non-Executive Chairman's Office:** The Company doesn't maintain any office of the Non-executive chairman and any expenditure incurred by him in performance of his duties will be reimbursed by the Company.
- b. **Tenure of Independent Directors:** In terms of the Governance Policy of the Company, all Directors including Independent Directors except Managing Director are appointed / re-appointed for a period of five years or a shorter duration in accordance with retirement guidelines as determined by the Board from time to time. No maximum tenure for Independent Directors has been specifically determined by the Board.
- c. **Remuneration Committee:** The Company has a Remuneration Committee under the nomenclature "Remuneration Committee", the details of which are provided in this Report under the section "Committees of Board – Remuneration Committee"
- d. **Shareholders Rights:** The Quarterly, half-yearly and annual financial results of the Company are published in newspapers on all India basis and complete set of annual report is sent to every Shareholder of the Company
- e. **Training of Board Members:** Strategic supervision of the Company is the responsibility of the Board. To achieve this, the Board undertakes periodic

review of various matters including business-wise performance and related matters, risk management, borrowings, internal & external audit findings etc., Directors are also briefed on changes / developments in the domestic / global corporate and industry scenario including those pertaining to statutes / legislation and economic development.

- f. **Mechanism for evaluation of Non-Executive Directors:** The role of the Board of Directors is to provide direction and exercise control to ensure that the Company is managed in a manner that fulfills stakeholders' aspirations and societal expectations. The Board has not evolved any method/mechanism for appointment of non-executive directors.
- g. **Whistle Blower Policy:** The Company encourages open door policy where every employee have access to the Head of the Business / Department, employees are free to report existing / probable violation of laws, regulations or unethical conduct in the organization.

8. MEANS OF COMMUNICATION

Quarterly results:

The Company's quarterly results are published in Financial Express, Janasatta – Hindi, Nava Telangana - Telugu and are displayed on website www.knrcil.com.

News releases, presentations, among others:

Official news releases and official media releases are sent to Stock Exchanges.

Report on Corporate Governance (Contd.)

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.com

Website:

The Company's website www.knrcl.com 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 is annexed to the Director's Report and 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 for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

SEBI Complaints Redress System (SCORES):

The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

Dedicated e-mail ID

Investors@knrcl.com

Report on Corporate Governance (Contd.)

9. GENERAL SHAREHOLDERS INFORMATION

i.	Annual General Meeting	:	24 th Annual General Meeting
			Monday the 30 th September 2019
	Time	:	10:00 AM
	Venue	:	Hotel Lemon Tree, Hitech City, Madhapur, Hyderabad, Telangana 500081
ii.	Financial Year	:	1 st April 2018 to 31 st March 2019
iii.	Book closure dates	:	24 th September 2019 to 30 th September 2019 (both days inclusive)
iv.	Dividend Payment date	:	Credit / dispatch of dividend payment between 7 th October 2019 and 29 th October 2019
v.	Financial Calendar for the year 2019-2020		
	Financial Reporting for the first quarter ended 30 th June 2019		on or before 14 th August 2019
	Financial Reporting for the second quarter / half-year ended 30 th September 2019		on or before 14 th November 2019
	Financial Reporting for the third quarter / nine months ended 31 st December 2019		on or before 14 th February 2019
	Financial Reporting for the fourth quarter / year ended 31 st March 2020		on or before 30 th May 2020
vi.	Listing on Stock Exchanges		
	Name and Address of the Stock Exchange		Name and Address of the Stock Exchange
	BSE Limited (BSE)		National Stock Exchange of India Limited (NSE)
	1st Floor, New Trading Ring, Rotunda Building, P J Towers, Dalal Street, Fort, Mumbai – 400001		Exchange Plaza, Floor 5, Plot #C/1, Bandra Kurla Complex, Bandra (E), Mumbai – 400051
	Tel: +91 22 2272 1233 / 34		Tel: +91 22 2659 8235 / 8236
	Fax: +91 22 2272 2037 / 39 / 41 / 61		Fax: +91 22 2659 8237 / 38

The listing fees payable to BSE and NSE for 2019-2020 have been paid in full.

- vii. Script Code / Symbol
- Stock Exchanges

Bombay Stock Exchange Limited	:	532942
National Stock Exchange of India Limited	:	KNRCON
 - Demat ISIN Number in NSDL and CDSL for the equity shares : **INE634I01029**
The annual custodian fee for the financial year 2019-2020 have been paid to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
 - 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.

Report on Corporate Governance (Contd.)

viii. Market Price Data:

Month	BSE Limited (BSE)		National Stock Exchange of India Limited (NSE)	
	High Price	Low Price	High Price	Low Price
April-18	328.45	284.50	328.45	284.60
May-18	323.45	281.60	324.00	282.30
June-18	286.00	208.90	285.45	209.10
July-18	236.35	202.95	235.60	204.60
August-18	240.00	226.15	235.30	227.30
September-18	236.55	179.30	241.00	178.25
October-18	193.10	170.65	192.05	170.85
November-18	195.05	187.25	194.85	188.20
December-18	217.30	189.20	217.20	189.95
January-19	220.45	205.00	221.25	204.00
February-19	213.35	194.75	213.55	195.55
March-19	267.85	201.95	268.90	202.40

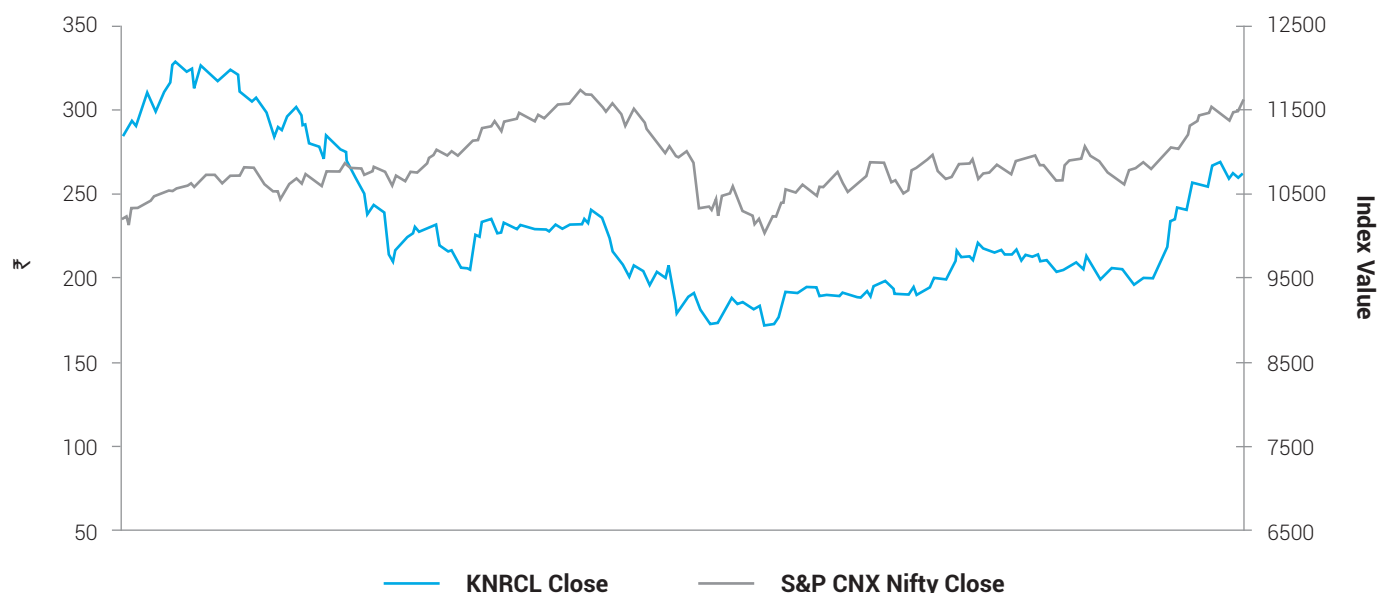
ix. Performance in comparison to broad based indices – Sensex (BSE) and Nifty (NSE)

KNRCL - BSE Sensex Price Chart



Report on Corporate Governance (Contd.)

KNRCL - S&P Nifty Price Chart



x. Registrar & Share Transfer Agents:

(for shares held in both Physical and Demat mode)

Link Intime India Pvt Ltd

C-101, 247 Park,

LBS Marg, Vikhroli (West),

Mumbai – 400083

Phone: +91 – 22 -25960320

Fax: +91 – 22 – 25960329

xi. 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.

EQUITY SHARES IN SUSPENSE ACCOUNT

As per LODR Regulations, the Company reports that there are no shares lying in the suspense account as on 31st March, 2019. Company has transferred 8552 unclaimed equity shares to IEPF account.

Report on Corporate Governance (Contd.)

SECRETARIAL AUDIT

A Practicing Company Secretary of the Institute of Company Secretaries of India, has carried out secretarial audit every quarter to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/ paid-up capital is in agreement with the aggregate total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL

xii. Distribution of shareholding as on March 31, 2019

Range		No. of Shareholders		No of shares held	
From	To	Number	% of total	Number	% of total
1	500	25252	87.3711	3066901	2.1810
501	1000	1892	6.5463	1429907	1.0169
1001	2000	836	2.8925	1232762	0.8767
2001	3000	330	1.1418	839986	0.5974
3001	4000	117	0.4048	417552	0.2969
4001	5000	110	0.3806	519889	0.3697
5001	10000	157	0.5432	1142171	0.8123
10001	And above	208	0.7197	131968132	93.8491
Total		28902	100.0000	140617300	100.0000

xiii. Pattern of Shareholding as on 31st March, 2019

Sr. No.	Category	Total Securities	No. of Holders	% Capital
1	Clearing Members	107950	138	0.0768
2	Other Bodies Corporate	4413027	384	3.1383
3	Financial Institutions	60272	2	0.0429
4	Hindu Undivided Family	338159	579	0.2405
5	Mutual Funds	41619896	58	29.5980
6	Nationalised Banks	250	1	0.0002
7	Non Nationalised Banks	28265	1	0.0201
8	Foreign Nationals	21071	2	0.0150
9	Non Resident Indians	458133	773	0.3258
10	Non Resident (Non Repatriable)	186870	257	0.1329
11	Public	11515628	26659	8.1893
12	Promoters	77580705	4	55.1715
13	Trusts	500	1	0.0004
14	Foreign Portfolio Investors (Corporate)	4277343	38	3.0418
15	Alternate Investment Funds	389	1	0.0003
16	NBFCs registered with RBI	540	3	0.0004
17	Investor Education And Protection Fund	8302	1	0.0059
TOTAL		140617300	28902	100.0000

xiv. Dematerialisation of Shares & Liquidity

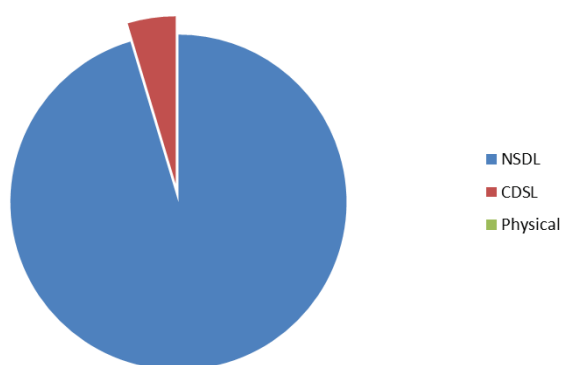
The Company's shares are available for dematerialization on both the Depositories viz., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL)

As on 31st March, 2019 a total of 14,06,17,230 Equity Shares were dematerilaised representing 99.99 % of the total paid up equity share capital of the Company.

Report on Corporate Governance (Contd.)

Dematerialisation of Shares and Liquidity as on 31st March, 2019

	No. of Shares	% of Total
NSDL	132419828	94.17
CDSL	8197402	5.83
Physical	70	0.00
Total	140617300	100.00



xv. Address for Correspondence:

(Query on the Annual Report shall reach 15 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)

Link Intime India Pvt Ltd

(Unit: KNR Constructions Limited)
 C-101, 247 Park,
 LBS Marg, Vikhroli (West),
 Mumbai – 400083
 Phone: +91 – 22 -25960320
 Fax: +91 – 22 – 25960329

xvi. 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	Date of Declaration	Due date for transfer	Amount in ₹ *
2012	Final	1	08.08.2012	08.09.2019	28813
2013	Final	1	14.09.2013	14.10.2020	27754
2014	Final	1	30.09.2014	30.10.2021	46090
2015	Final	1	30.09.2015	30.10.2022	18493
2016	Interim	1	15.03.2016	15.04.2023	47502
2017	Final	0.25	30.09.2017	30.10.2024	64401
2018	Final	0.40	29.09.2018	29.10.2025	160

* as on 31.03.2019

xvii. Credit Rating

The Company has obtained credit rating of "AA-Stable" from CRISIL and India Rating, for various bank facilities of our company.

DECLARATION

As provided under regulation 26(3) of the SEBI (LODR) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for Board of Directors and Senior Management for the year ended March 31, 2019.

For **KNR Constructions Limited**

K Narsimha Reddy

Managing Director

Place: Hyderabad

Date: 14.08.2019

Auditor's Certificate on Corporate Governance

To
The Members of
KNR Constructions Limited

We have examined the compliance of conditions of Corporate Governance by **KNR Constructions Limited** ("the Company") for the year ended on March 31, 2019, as stipulated in regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and paragraphs 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").

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We conducted our examination in accordance with Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India (the ICAI). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

In our opinion and according to the best of our information and according to the explanations given to us and based on our reliance upon the representations made by the Directors and the Management, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations referred above.

We state that such compliance 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 K.P.Rao & Co.
Chartered Accountants
Firm Reg. No. 003135S

K. Viswanath
Partner
Membership No. 022812

Place: Hyderabad
Date: August 14, 2019

CEO and CFO Compliance Certificate

In relation to the Audited Financial Accounts of the Company as at 31st March, 2019, we hereby certify that

- a. We have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief :
 - i. These 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 and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which are aware and the steps have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit committee
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting

For **KNR Constructions Limited**

K. Narsimha Reddy
Managing Director

K Jalandhar Reddy
Executive Director & CFO

S Vaikuntanathan
VP (F&A)

Place: Hyderabad
Date: 14.08.2019

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

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 me/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, 2019 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.	Balarami Lodugu Reddy	00956445	Director
4.	Bandhakavi Venkata Ramarao	00972552	Director
5.	Yashoda Kamidi	05157487	Director
6.	Gottipulla Chandra Rekha	08464587	Director

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 Veeranjanyulu
Partner

Place: Hyderabad
Date: 14.08.2019

CP NO. 6392, FCS No. 6121

Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L74210TG1995PLC130199
2	Name of the Company	KNR CONSTRUCTIONS LIMITED
3	Registered address	KNR House, 3 rd & 4 th Floors, Plot No. 114, Phase –I, Kavuri Hills, Hyderabad - 500033
4	Website	www.knrcl.com
5	e-mail id	investors@knrcl.com
6	Financial Year reported	2018-2019
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Construction, Engineering and Infrastructure Development activities
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Construction, Engineering and Infrastructure Development activities
9	Total number of locations where business activity is undertaken by the Company	
	a. Number of International Locations (Provide details of major 5)	Nil
	b. Number of National Locations	Company executes construction projects in most of the States in India
10	Markets served by the Company – Local/ State/ National/ International	National

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital (INR)	₹ 281.23 Millions
2	Total Turnover (INR)	₹ 21,372.56Millions
3	Total profit after taxes (INR)	₹ 2,632.65 Millions
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	As stipulated under Section 135 of the Companies Act, 2013, 2% of the average net profit of the last three years are provided for CSR activities
5	List of activities in which expenditure in 4 above has been incurred.	Please refer CSR report provided as annexure to directors report

SECTION C: OTHER DETAILS

1	Does the Company have any Subsidiary Company/ Companies?	Yes
2	Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Yes, through their own BRR initiatives
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No

Business Responsibility Report (Contd.)

SECTION D: BR INFORMATION

1	Details of Director/ Directors responsible for BR	
(a)	Details of the Director/ Directors responsible for implementation of the BR policy/policies	
	DIN Number	00434911
	Name	K Jalandhar Reddy
	Designation	Executive Director
(b)	Details of the BR head	
	DIN Number (if applicable)	00382412
	Name	K Narsimha Reddy
	Designation	Managing Director
	Telephone number	+91 40 40268761
	e-mail id	knr@knrcl.com

2. Principle-wise (as per NVGs) BR Policy/policies

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

Principle 3: Businesses should promote the well-being of all employees

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

Principle 5: Businesses should respect and promote human rights

Principle 6: Business should respect, protect and make efforts to restore the environment

Principle 7: Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner

Principle 8: Businesses should support inclusive growth and equitable development

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

(a) Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for BR	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Policies formulated after internal consultation covering all functional areas								
3	Does the policy conform to any national / international standards?	The Policies conform to statutory provisions								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	Policies hosted on the company's website http://www.knrcl.com/policy.html								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y

Business Responsibility Report (Contd.)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: Not Applicable

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company.	Annually
(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Yes, the company publishes BR Report as part of the Annual Report and also hosts the same on the Company's website. http://www.knrcl.com/policy.html annually

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

1 Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs / Others?	The policy is basically applicable to the Company. The group companies have adopted similar policies
2 How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?	Please refer Corporate Governance section

Principle 2

1 List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.	Construction, Engineering and Infrastructure Development activities
2 For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) :	The Company is not engaged in the business of manufacturing goods and consumer products. The company however takes necessary steps to ensure efficient use of the raw materials and goods required for execution of the projects including in relation to energy, water, raw material and etc.,
3 Does the company have procedures in place for sustainable sourcing (including transportation)?	Yes
4 Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?	Yes. During the execution of the projects awarded to the Company, the Company to the extent possible / permitted under the contracts awarded procures raw materials from local & small produces / suppliers. The Company also utilises the services of locals to the extent possible / permitted under the contacts awarded to it.
5 Does the company have a mechanism to recycle products and waste?	Recycling of the products is not applicable as the company is not engaged in manufacturing activities. Hazardous wastes are disposed off as per the statutory provisions

Business Responsibility Report (Contd.)

Principle 3

1	Total number of permanent employees as on 31.03.2019	1642
2	Total number of employees hired on temporary/ contractual/ casual basis.	Depending upon the requirements of each of the projects awarded to the Company, the Company engages employees on contractual basis
3	Number of permanent women employees.	11
4	Number of permanent employees with disabilities	3
5	Employee association	Nil
6	What percentage of your permanent employees is members of this recognised employee association?	Nil
7	Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	Nil
8	Brief details of training Programme held for employees with respect to safety & skill up-gradation training in the last year	<p>In major sites, the training programmes in respect of Environment & Health, Safety Awareness, Personal and Organisation Development, Time Management, Team building etc. was conducted.</p> <p>GETs and DETs Training</p> <p>On-the-job training was imparted to 85 GETs and 44 DETs at various sites.</p> <p>Health Awareness Programmes</p> <p>During the FY 2018-19, the Company has also conducted health programme viz. Eye and General Check up etc.</p>

Principle 4

1	Has the company mapped its internal and external stakeholders? Yes/No	Yes
2	Out of the above, has the company identified the disadvantaged, vulnerable & marginalised stakeholders.	For the Internal Stakeholders
3	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalised stakeholders?	As Applicable

Principle 5

1	Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?	The policy is basically applicable to the Company. Same are extended to the group Companies
2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	Nil

Business Responsibility Report (Contd.)

Principle 6

1	Does the policy related to Principle 6 cover only the company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others.	The policy is basically applicable to the Company. The group companies have adopted similar policies
2	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	Yes. The company addresses issues such as climate change, global warming through conservation of natural resources. To protect the environment hazardous wastes are disposed off as per the statutory provisions
3	Does the company identify and assess potential environmental risks? Y/N	Yes
4	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	Wherever the projects awarded to the Company permit adoption of Clean Development Mechanism, the Company strictly adheres to the same.
5	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	As part of the project execution the Company has undertaken initiatives relating to clean technology, energy efficiency, renewable energy, etc.
6	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes, Complied to the extent applicable
7	Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	Nil

Principle 7

1	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	Yes 1. National Highway Builders Federation 2. Builders Association of India
2	Have you advocated/ lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas	Whenever policy guidelines are issued, the Company has been providing its suggestion to the Government and above Associations. The Company officials have also attended seminars /workshops organised by the apex organisations for facilitating view on the policies.

Principle 8

1	Does the company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8?	Yes. The Company has adopted the CSR policy pursuant to Section 135/Schedule VII of the Companies Act, 2013. The details of the CSR projects under taken by the Company is provided in the annexure IV to the Directors' Report
2	Are the programmes/ projects undertaken through in-house team/ own foundation/ external NGO/ government structures/ any other organisation?	In house team
3	What is your company's direct contribution to community development projects.	₹ 7.45 Millions
4	Have you taken steps to ensure that this community development initiative is successfully adopted by the community?	Yes

Business Responsibility Report (Contd.)

Principle 9

1	What percentage of customer complaints/consumer cases are pending as on the end of financial year.	Nil
2	Does the company display product information on the product label, over and above what is mandated as per local laws?	Not Applicable
3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year.	No
4	Did your company carry out any consumer survey/ consumer satisfaction trends?	Not Applicable



75-200

Financial Section

75-138 | Standalone Financial Statements
139-200 | Consolidated Financial Statements



Independent Auditor's Report

To the Members of

KNR CONSTRUCTIONS LIMITED

REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone Ind AS financial statements of **KNR CONSTRUCTIONS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information. (Hereinafter referred to as the "standalone Ind AS financial statements").

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 one joint operation referred to in the Other Matters paragraph below, the aforesaid standalone Ind AS 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the standalone Ind AS 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.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>A) Revenue Recognition of long term contracts</p> <p>The Company has significant revenue from construction contracts and long-term operating and maintenance agreements. These long-term contracts are often complex customised solutions and meet the definition of a contract as per Ind AS 115.</p> <p>Revenue related to these construction contracts is recognised 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.</p> <p>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.</p>	<p>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.</p> <p>Our procedures included, among others things, the following:</p> <ul style="list-style-type: none"> • 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;

Independent Auditor's Report (Contd.)

Key Audit Matter	How our audit addressed the Key Audit Matter
B) Litigation and Claims <p>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.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> 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 Standalone Ind AS Financial Statements and Auditor's Report Thereon

The 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 Report, Corporate Governance and Shareholder's Information, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the standalone Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act, with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company 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.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS 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 Ind AS financial statements.

Independent Auditor's Report (Contd.)

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 Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to 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 Ind AS 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 Ind AS financial statements including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with

governance, we determine those matters that were of most significance in the audit of the standalone Ind AS 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

We did not audit the financial information of 7 joint operations included in the accompanying standalone Ind AS financial statements whose financial information reflect share of profit from joint operation aggregating to ₹ 153.16/- lakhs for the year ended 31st March, 2019, as considered in the Statement. The financial information of these joint operations have been audited by the other auditors whose reports has been furnished to us by the management, and our opinion in so far as it relates to the amounts and disclosures included in respect of these joint operations, is based solely on the report of such other auditors.

The standalone Ind AS financial statements also includes the financial information of 1 joint operations which have not been audited, whose financial information reflect share of profit from joint operation aggregating to ₹ 34.93/- lakhs for the year ended March 31, 2019. The financial information of these joint operations has been unaudited and has been furnished to us by the Management and our opinion on the standalone Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these joint operations, is based solely on such unaudited financial information which is certified by management. In our opinion and according to the information and explanation given to us by the Management, the financial information of these joint operations are not material to the Company.

Our opinion above on the standalone Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016, ('the Order'), issued by the Central Government of India in terms of Sub-section 11 of Section 143 of the Act, we give in the "**Annexure 1**" a statement on the matters specified in paragraphs 3 and 4 of the said order.
2. As required by Section 143 (3) of the Act, we report that:

Independent Auditor's Report (Contd.)

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income) the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the 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.
- e) On the basis of the written representations received from the directors as on March 31, 2019, taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure 2"**. Our Report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's financial controls over financial reporting.
- 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, read with Schedule V to 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, 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 if any, of pending litigations as at March 31, 2019 on its financial position in its standalone Ind AS financial statements – Refer Note No. 37.
 - 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.

For K.P. Rao & Co.,
Chartered Accountants
Firm's Registration No. 003135S

K. Viswanath
Partner
Membership No. 022812

Place: Hyderabad
Date: May 30, 2019

Annexure 1

to the Independent Auditor's Report of even date on the Standalone Ind AS Financial Statements of KNR Constructions Limited

WE REPORT THAT;

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) A major portion of fixed assets have been physically verified by the management in accordance with the programme of verification, which, in our opinion, provides for physical verification of all fixed assets at reasonable interval having regard to the size of the Company and nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification of fixed assets and have been properly dealt with in the books of account.
 - c) According to the information and explanations given to us, the title deeds of the immovable properties disclosed in the Note no. 3 & 3.1 to standalone Ind AS financial statements held by the Company are in the name of the Company except following assets.
- | Total No. of cases (lands) | Whether leasehold/ freehold | Gross block and net block as on 31-03-2019 (₹ in Lakhs) | Remarks |
|----------------------------|-----------------------------|---|---|
| 47 | Freehold | 798.42 | Lands are registered in the name of directors, relatives of directors for and on behalf of the company due to restrictions in registration of lands in the name of the Company, by the land laws of respective states in which the land is situated.* |
- * The Company has taken undertaking from respective parties for having no interest in the lands.
2. According to the information and explanations given to us, inventories have been physically verified at regular intervals by the Management during the year. In our opinion, the frequency of such verification is reasonable. No material discrepancies were noticed on such physical verification.
 3. According to the information and explanations given to us, the company has granted unsecured loans to Subsidiary Companies during the year and maximum amount involved during the period and the balance of said loans were aggregating to ₹1529.05/- lakhs and ₹ 616.76/- lakhs respectively covered in the register maintained under section 189 of the Companies Act, 2013.
These loans have been given on "On Account" basis. In the absence of agreements for these loans, the terms and conditions and their impact on the interest of the Company cannot be ascertained. Hence the question of regularity of payment of principal and interest does not arise.
 4. In our opinion and according to the information and explanations given to us, the Company has not advanced any loan to any director, given any guarantee, provided any security in connection with any loan taken by any director or made investment through more than two layers of investment companies as per the provisions of section 185 and 186 of the Act. Accordingly, reporting under clause (iv) of paragraph 3 of the Order is not applicable.
 5. In our opinion and according to the information and explanation given to us, the Company has not accepted deposits to which directions 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.
 6. The maintenance of cost records has been specified by the Central Government under section 148(1) (d). 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 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.
 7. 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, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Goods and Services Tax, Cess and other statutory dues applicable to it with the appropriate authorities. However, there have been few delays in few cases.

Annexure 1 to the Independent Auditor's Report of even date on the Standalone Ind AS Financial Statements of KNR Constructions Limited (Contd.)

- b) There were no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Goods and Services Tax, Cess and other statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable, except as below.

Name of the Statute	Nature of the Dues	Amount (₹ in Lakhs)	Period to which the amount relates	Due Date	Date of Payment
Integrated / Central / State Goods and Services Tax Act 2017	Goods and Services Tax	0.75	2018-19	20 th July, 2018	25 th May, 2019

- c) Disputed statutory dues that have not been deposited on account of matters pending before appropriate authorities are as under :

Name of the Statute	Nature of the Dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	Paid under protest	FY 2006-07	Income Tax Appellate Tribunal, Hyderabad
Income Tax Act, 1961	Income Tax	Paid under protest	FY 2002-03	CIT (Appeals) – 12 Hyderabad
Income Tax Act, 1961	Income Tax	4.60	FY 2000-01	Income Tax Appellate Tribunal, Hyderabad
Income Tax Act, 1961	Income Tax	Paid under protest	FY 2012-13	Income Tax Appellate Tribunal, Hyderabad
Income Tax Act, 1961	Income Tax	Paid under protest	FY 2013-14	Income Tax Appellate Tribunal, Hyderabad
Income Tax Act, 1961	Tax Deducted at Source	9.86	FY 2009-10	Deputy Commissioner of Income Tax
Income Tax Act, 1961	Income Tax	36.57	FY 2015-16	CIT (Appeals) Hyderabad
Income Tax Act, 1961	Income Tax	171.91	FY 2016-17	Deputy Commissioner of Income Tax
Andhra Pradesh Value Added Tax Act, 2005	Value Added Tax	25.91	FY 2010-11	Telangana Value Added Tax Appellate Tribunal
Madhya Pradesh Value Added Tax Act, 2002	Value Added Tax	34.97	FY 2014-15	Additional Commissioner (Appeals) Gwalior
	Entry Tax	41.13	FY 2010-11	Commissioner (Appeals) Gwalior
	Entry Tax	182.88	FY 2014-15	Additional Commissioner (Appeals) Gwalior
	Entry Tax	40.68	FY 2013-14	Additional Commissioner (Appeals) Gwalior
Odisha Sales Tax and VAT Laws	Entry Tax	28.87	FY 2009-10 to 11-12	Odisha High Court
	Entry tax	22.00	FY 2012-13 to 14-15	Joint Commissioner Appeals, Bhubaneswar
	Value Added Tax	171.81	FY 2012-13 to 14-15	
	Central Sales Tax	6.03	FY 2012-13 to 14-15	
Finance Act 1994	Service Tax	303.53	FY 2016-17 to June 2017	Assistant Commissioner (Audit), Central Tax GST

Annexure 1 to the Independent Auditor's Report of even date on the Standalone Ind AS Financial Statements of KNR Constructions Limited (Contd.)

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of its dues to Banks & Financial Institutions. The Company has not issued debentures.
9. In our opinion and according to the information and explanations given to us, the Company has not raised any monies, during the reporting period, by way of initial public offer (including debt instruments) or further public offer. The Company has not raised any monies, by way of term loans during the year.
10. On the basis of our audit procedure and according to the information and explanations given to us, no fraud by, or by its officers or employees on the Company has been noticed or reported during the year.
11. According to the information and explanations given to us and based on our examination of the records of the Company, managerial remuneration has been paid/ provided during the year in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act 2013.
12. In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company. Accordingly, reporting under clause (xii) of paragraph 3 of the Order is not applicable.
13. In our opinion and according to the information and explanations given to us, and based on our examination of the records, all transactions with the related parties are in compliance with Section 177 and Section 188 of the Act where applicable, and the details have been disclosed in the standalone Ind AS financial statements, as required by the applicable accounting standards.
14. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures during the reporting period. Accordingly, reporting under clause (xiv) of paragraph 3 of the Order is not applicable.
15. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with any directors or persons connected with him. Accordingly, reporting under clause (xv) of paragraph 3 of the Order is not applicable.
16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For K.P. Rao & Co.,
Chartered Accountants
Firm's Registration No. 003135S

K. Viswanath
Partner
Membership No. 022812

Place: Hyderabad
Date: May 30, 2019

Annexure 2

to the Independent Auditor's Report of even date on the Standalone Ind AS Financial Statements of KNR Constructions Limited

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of **KNR CONSTRUCTIONS LIMITED** ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

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

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone Ind AS financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are

Annexure 2 to the Independent Auditor's Report of even date on the Standalone Ind AS Financial Statements of KNR Constructions Limited

subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over

financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the Internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India".

For K.P. Rao & Co.,
Chartered Accountants
Firm's Registration No. 003135S

K. Viswanath
Partner
Membership No. 022812

Place: Hyderabad
Date: May 30, 2019

Balance Sheet

as at March 31, 2019

(₹ in Lakhs)

Particulars	Note	As at March 31, 2019	As at March 31, 2018
I ASSETS			
1) Non-current assets			
a) Property, plant and equipment	3	37,091.68	33,136.99
b) Capital work-in-progress		0.99	1.75
c) Investment property	3.1	6,299.84	6,203.76
d) Other Intangible assets	3.2	10.95	15.45
e) Financial Assets			
i) Investments	4	11,916.71	1,765.16
ii) Other Investments	4	50,084.33	49,234.37
iii) Loans	5	260.57	162.92
iv) Other financial assets	6	254.98	254.98
f) Deferred tax assets (Net)	7	17,390.76	14,076.48
g) Non current tax assets (Net)	8	1,378.28	761.34
h) Other non-current assets	9	11,833.43	8,241.23
Total Non-current assets		1,36,522.52	1,13,854.43
2) Current assets			
a) Inventories	10	9,509.32	7,118.38
b) Financial assets			
i) Investments	4	2,474.42	2,561.29
ii) Trade receivables	11	23,440.67	23,197.68
iii) Cash and cash equivalents	12	582.83	3,706.45
iv) Bank balances, other than (iii) above	13	718.92	678.24
v) Loans	5	394.18	2,454.12
vi) Other financials assets	6	18,244.88	15,569.24
c) Current tax assets (Net)	8	-	892.69
d) Other current assets	14	35,144.35	26,551.91
Total Current assets		90,509.57	82,730.00
Total Assets		2,27,032.09	1,96,584.43
II EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	15	2,812.35	2,812.35
b) Other equity	16	1,38,618.54	1,12,970.90
Total equity		1,41,430.89	1,15,783.25
Liabilities			
1) Non-current liabilities			
a) Financial liabilities			
i) Borrowings	17	22,124.33	21,184.50
ii) Trade payables	18	-	827.27
iii) Other financial liabilities	19	15.36	272.27
b) Provisions	20	466.85	421.77
c) Other non-current liabilities	21	1,324.53	1,324.53
Total Non-current liabilities		23,931.07	24,030.34
2) Current liabilities			
a) Financial liabilities			
i) Borrowings	17	1,694.14	-
ii) Trade payables	18	22,360.64	21,016.85
iii) Other financial liabilities	19	16,662.99	11,712.67
b) Provisions	20	1,175.94	1,421.10
c) Other current liabilities	22	19,382.42	22,440.13
d) Current tax liability (Net)	23	394.00	180.09
Total Current liabilities		61,670.13	56,770.84
Total Equity and Liabilities		2,27,032.09	1,96,584.43
Corporate information and Significant accounting policies	1&2		
See accompanying notes forming part of the financial statements			

As per our report of even date attached

For **K. P. Rao & Co.,**
Chartered Accountants.
(Firm Regn. No.003135S)

For and on behalf of the Board

K. Viswanath
Partner,
Membership No: 022812

K.Narsimha Reddy
Managing Director,
DIN: 00382412

K. Jalandhar Reddy
Executive Director & CFO,
DIN: 00434911

Place : Hyderabad
Date : May 30, 2019

S.Vaikuntanathan
Vice President (F&A)

M.V.Venkata Rao
Company Secretary

Statement of Profit and Loss

for the year ended March 31, 2019

(₹ in Lakhs)

Particulars	Note	Year ended March 31, 2019	Year ended March 31, 2018
I Revenue from operations	24	2,13,725.62	1,93,165.45
II Other income	25	6,338.58	3,931.25
III Total Revenue (I + II)		2,20,064.20	1,97,096.70
IV Expenses			
Cost of materials consumed	26	64,320.14	50,551.47
Construction expenses	27	93,634.97	92,979.08
Employee benefits expense	28	9,285.73	7,211.60
Finance costs	29	2,910.25	2,092.67
Depreciation and amortisation expense	30	16,810.65	13,414.59
Other expenses	31	3,788.32	4,032.23
Total expenses (IV)		1,90,750.06	1,70,281.64
V Profit before exceptional items and tax (III - IV)		29,314.14	26,815.06
VI Exceptional items	32	254.96	-
VII Profit/(Loss) before tax (V - VI)		29,059.18	26,815.06
VIII Tax expense	33		
1) Current tax		6,046.55	5,521.61
2) Adjustment of tax relating to earlier periods		49.58	(19.49)
3) Deferred tax		(3,363.45)	(5,896.29)
		2,732.68	(394.17)
IX Profit/(Loss) for the year (VII - VIII)		26,326.50	27,209.23
X Other comprehensive income / (loss)	34		
a) Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		(1.18)	(194.52)
Deferred tax on above items		0.41	67.32
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)		26,325.73	27,082.03
XII Earnings per equity share : (In ₹)			
1) Basic		18.72	19.35
2) Diluted		18.72	19.35
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)

K. Viswanath

Partner,

Membership No: 022812

Place : Hyderabad

Date : May 30, 2019

For and on behalf of the Board

K.Narsimha Reddy

Managing Director,

DIN: 00382412

S.Vaikuntanathan

Vice President (F&A)

K. Jalandhar Reddy

Executive Director & CFO,

DIN: 00434911

M.V.Venkata Rao

Company Secretary

Statement of Changes in Equity

for the year ended March 31, 2019

A - Equity Share Capital

(₹ in Lakhs)

Particulars	Number of Shares	Amount
Balance as at April 1, 2017	14,06,17,300	2,812.35
Add: Equity shares allotted during the year	-	-
Balance as at March 31, 2018	14,06,17,300	2,812.35
Add: Equity shares allotted during the year	-	-
Balance as at March 31, 2019	14,06,17,300	2,812.35

B - Other Equity

(₹ in Lakhs)

Particulars	Reserves and Surplus			Other items of Other Comprehensive Income	Total
	Securities Premium Reserve	General Reserve	Surplus in the statement of profit and loss		
Balance as at April 01, 2017	12,599.31	2,849.00	71,249.77	37.01	86,735.09
Profit for the year	-	-	27,209.23	-	27,209.23
Other Comprehensive Income/loss for the year (Net of Taxes)	-	-	-	(127.20)	(127.20)
Payment of Dividend	-	-	(703.09)	-	(703.09)
Payment of Dividend Distribution tax	-	-	(143.13)	-	(143.13)
Balance as at March 31, 2018	12,599.31	2,849.00	97,612.78	(90.19)	1,12,970.90
Balance as at April 01, 2018	12,599.31	2,849.00	97,612.78	(90.19)	1,12,970.90
Profit for the year	-	-	26,326.50	-	26,326.50
Other Comprehensive Income/loss for the year (Net of Taxes)	-	-	-	(0.77)	(0.77)
Payment of Dividend	-	-	(562.47)	-	(562.47)
Payment of Dividend Distribution tax	-	-	(115.62)	-	(115.62)
Balance as at March 31, 2019	12,599.31	2,849.00	1,23,261.19	(90.96)	1,38,618.54

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)

For and on behalf of the Board

K. Viswanath

Partner,

Membership No: 022812

K.Narsimha Reddy

Managing Director,

DIN: 00382412

K. Jalandhar Reddy

Executive Director & CFO,

DIN: 00434911

Place : Hyderabad

Date : May 30, 2019

S.Vaikuntanathan

Vice President (F&A)

M.V.Venkata Rao

Company Secretary

Cash Flow Statement

for the Year Ended March 31, 2019

(₹ in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A) Cash flow from Operating Activities		
Profit before tax	29,059.18	26,815.06
Adjustments for:		
Depreciation and Amortisation	16,810.65	13,414.59
Loss/(Profit) on sale of Property, Plant and Equipment, Investment Property(Net)	(845.08)	(542.24)
Liabilities no longer required Written Back	(1,514.95)	(657.63)
Provision for Doubtful Advances written back	(620.53)	-
Bad Debts / Advances Written Off	346.94	424.12
(Gain) / Loss on Mutual Funds	(336.12)	(10.19)
Un winding Interest on Fair Value of Financial Instruments	(16.43)	(14.77)
Derecognition of Financial asset	-	189.94
Investment Written off	254.96	-
Provision for Doubtful Advances and Other receivables	-	420.53
Dividend received on current investments	(297.28)	(153.76)
Finance cost	2,910.25	2,092.67
Interest Income	(444.78)	(852.94)
Operating profit/(loss) before working capital changes	45,306.81	41,125.38
Changes in working capital:		
(Increase)/Decrease in Trade and Other Receivables and prepayments	(14,457.95)	(22,870.39)
(Increase)/Decrease in Inventories	(2,390.94)	(1,382.87)
Increase/(Decrease) in Trade and other Payables	1,794.33	782.87
Cash generated/ (used) from Operations	30,252.25	17,654.99
Income Taxes (paid) / Refund	(5,498.00)	(2,372.25)
Net Cash flows from / (used in) Operating Activities- (A)	24,754.25	15,282.74
B) Cash flow from Investing Activities		
Proceeds from sale of property, plant and equipment	1,215.92	2,391.92
Payments for property, plant and equipment and Capital Work-in-Progress	(21,554.59)	(22,477.49)
Interest Received	400.64	825.10
Bank Balances not considered as cash and cash equivalents	(40.68)	141.69
Loans/Advances to Subsidiaries/Associates and others	1,978.72	888.23
Investments in Subsidiaries, Associates and Others	(10,833.48)	(232.08)
Dividend received on current investments	297.28	153.76
TDS on Interest Received	(58.87)	(28.39)
Net Cash flows from / (used in) Investing Activities - (B)	(28,595.06)	(18,337.26)

Cash Flow Statement for the Year Ended March 31, 2019 (Contd.)

(₹ in Lakhs)		
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
C) Cash flow from Financing Activities		
Proceeds from borrowings	6,820.99	9,191.00
Repayment of borrowings	(4,139.65)	(1,557.99)
Increase / (decrease) in short term borrowings	1,694.14	-
Finance cost paid	(2,980.20)	(1,669.94)
Dividend and Dividend Tax Paid	(678.09)	(846.22)
Net Cash Flows from / (used in) Financing Activities - (C)	717.19	5,116.85
Net increase/(decrease) in cash and cash equivalents - (A+B+C)	(3,123.62)	2,062.33
Cash & Cash Equivalents at the beginning of the year	3,706.45	1,644.12
Cash & Cash Equivalents at end of the year (Refer note: 1)	582.83	3,706.45

Note:

- 1 Cash & Cash equivalents

(₹ in Lakhs)		
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Cash on hand	45.43	32.68
Bank Balance and Cheques on Hand - Current Account	537.40	3,673.77
Total Cash & Cash equivalents	582.83	3,706.45

- 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.

As per our report of even date attached

For **K. P. Rao & Co.,**
Chartered Accountants.
(Firm Regn. No.003135S)

K. Viswanath
Partner,
Membership No: 022812

Place : Hyderabad
Date : May 30, 2019

For and on behalf of the Board

K.Narsimha Reddy
Managing Director,
DIN: 00382412

S.Vaikuntanathan
Vice President (F&A)

K. Jalandhar Reddy
Executive Director & CFO,
DIN: 00434911

M.V.Venkata Rao
Company Secretary

Notes

forming part of the Financial Statements

1. REPORTING ENTITY INFORMATION :

KNR Constructions Ltd. ('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. SIGNIFICANT 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 (₹), 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 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.

2.5 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.

2.6 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.

Notes forming part of the Financial Statements (Contd.)

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 ₹ 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 *
	Heavy Lift equipment's		
	- Cranes < 100 tons	15 Years	7 Years *
	- Earth-moving equipment's	9 Years	7 Years *
	Construction Accessories	12 Years	3 Years **
	Others including Material Handling / Pipeline / Welding Equipment's	12 Years	7 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
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.

Notes forming part of the Financial Statements (Contd.)

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.

2.7 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.

2.8 Investment property

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

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

2.9 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

2.10 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:

- decision has been made to sell,
- the assets are available for immediate sale in its present condition,
- the assets are being actively marketed and
- 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.

2.11 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.

2.12 Financial instruments

i. Classification and subsequent measurement Financial assets

Financial asset is

- Cash / Equity Instrument of another Entity,
- Contractual right to –
 - receive Cash / another Financial Asset from another Entity, or
 - 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

Notes forming part of the Financial Statements (Contd.)

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 unfavourable 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.

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.

The amount of ECL losses for the year ended March 31st, 2019 was Nil.

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.

Notes forming part of the Financial Statements (Contd.)

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.

2.13 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.

2.14 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.

2.15 Provisions

Provisions are recognised only when:

- An entity has a present obligation (legal or constructive) as a result of a past event
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- 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.

2.16 Contingent liability, Contingent Assets and Commitments

- Contingent liability is disclosed in case of
 - A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation
 - A present obligation arising from past events, when no reliable estimate is possible.
- Contingent assets are disclosed where an inflow of economic benefits is probable.
- Commitments are future liabilities for contractual expenditure. Commitments are classified and disclosed as follows:
 - Estimated amount of contracts remaining to be executed on capital account and not provided for
 - Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.
 - 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.

2.17 Revenue recognition

Accounting for Construction contracts

The Company has adopted Ind AS 115 "Revenue from Contracts with Customers" with the date of initial application being April 1, 2018. Ind AS 115, revenue from contracts with customers, mandatory for reporting period beginning on or after April 1, 2018 replaced existing revenue recognition requirements i.e. Ind AS 18 Revenue Recognition and Ind AS 11 Construction Contracts. There were no significant adjustments required to the retained earnings as on April 1, 2018.

The Company constructs infrastructure projects on behalf of clients. Delivering the project as per the contractual terms is the only performance obligation

Notes forming part of the Financial Statements (Contd.)

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 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.

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.

2.18 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, short term compensated absences etc. Expenses on non-accumulating compensated absences is 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.

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.

Notes forming part of the Financial Statements (Contd.)

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 Company recognises related restructuring costs or termination benefits.

2.19 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 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 Company 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.

2.20 Leases

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

Notes forming part of the Financial Statements (Contd.)

2.21 Foreign currencies

- a) The Functional Currency of the Company is Indian Rupees(₹), 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 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.

2.22 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).

2.23 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.

2.24 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.

2.25 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.

2.26 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.

2.27 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 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 Company follows the percentage completion method, based on the proportion that contract cost incurred as on reporting

Notes forming part of the Financial Statements (Contd.)

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, 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 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 financial 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) **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.

e) **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.

f) **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.

g) **Impairment of trade receivables and advances**

Significant estimates are required in ascertaining the provision to be made for impairment of trade receivables and advances.

2.28 Recent Accounting Pronouncements

New and amended accounting standards and interpretations issued but not yet effective

New Accounting Standards Applicable from April 1, 2019

On March 30th, 2019, the Ministry of Corporate Affairs (MCA) notified Ind AS 116-Leases which is applicable from April 1st, 2019. Ind AS 116 changes the method of accounting for leases. Excluding short-term and small ticket leases, the lessee would have to account for all other leases as a right-to-use asset in their financial statements and recognise a corresponding liability to pay the lessor. The Company would be implementing Ind AS 116 with effect from Q1 2019-20 and not expecting any material impact.

Amendments to Accounting Standards

On March 30th, 2019, the MCA made the amendments to following accounting standards:

Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

Ind AS 109 – Prepayment Features with Negative Compensation

Ind AS 19 – Employee Benefits Plan Amendment, Curtailment or Settlement

Ind AS 23 – Borrowing Costs

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

Ind AS 103 – Business Combinations

Ind AS 111 – Joint Arrangements

The Company does not expect this amendments to have any impact on its financial statements.

Notes forming part of the Financial Statements (Contd.)

3. PROPERTY, PLANT AND EQUIPMENT

Particulars		(₹ in Lakhs)
	As at March 31, 2019	As at March 31, 2018
Tangible Assets		
Land - Free Hold *		1,075.52
Buildings	3,294.02	1,315.00
Plant and Equipment	1,415.46	29,901.80
Furniture and Fixtures	31,307.50	63.72
Vehicles	71.59	690.64
Office equipment	886.51	64.65
Computers & Accessories	77.61	25.66
	38.99	
	37,091.68	33,136.99

Particulars		Tangible Assets							(₹ in Lakhs)	
	Land - Free Hold *	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Computers & Accessories	Total		
Cost or Deemed Cost :										
As at April 01, 2018	1,075.52	2,354.41	75,867.31	278.79	1,814.37	202.42	134.27	81,727.09		
Additions	2,291.93	282.13	17,966.87	26.79	471.57	49.52	35.62	21,124.43		
Disposals/Adjustments	(73.43)	-	(1,565.48)	-	-	-	-	(1,638.91)		
As at March 31, 2019	3,294.02	2,636.54	92,268.70	305.58	2,285.94	251.94	169.89	1,01,212.61		
Accumulated Depreciation										
As at April 01, 2018	-	1,039.41	45,965.51	215.07	1,123.73	137.77	108.61	48,590.10		
Charge for the period	-	181.67	16,263.76	18.92	275.70	36.56	22.29	16,798.90		
Disposals/Adjustments	-	-	(1,268.07)	-	-	-	-	(1,268.07)		
As at March 31, 2019	-	1,221.08	60,961.20	233.99	1,399.43	174.33	130.90	64,120.93		
Net block										
As at March 31, 2019	3,294.02	1,415.46	31,307.50	71.59	886.51	77.61	38.99	37,091.68		
As at March 31, 2018	1,075.52	1,315.00	29,901.80	63.72	690.64	64.65	25.66	33,136.99		

Note: Refer note 17 for details of assets pledged.

Notes forming part of the Financial Statements (Contd.)

3. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

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, 2017	774.93	2,207.04	58,936.80	268.27	1,573.59	147.56	109.37	64,017.56
Additions	300.59	147.37	21,526.80	12.84	255.03	57.66	25.84	22,326.13
Disposals/Adjustments	-	-	(4,596.29)	(2.32)	(14.25)	(2.80)	(0.94)	(4,616.60)
As at March 31, 2018	1,075.52	2,354.41	75,867.31	278.79	1,814.37	202.42	134.27	81,727.09
Accumulated Depreciation								
As at April 01, 2017	-	818.85	35,870.47	193.50	870.08	105.26	90.51	37,948.67
Charge for the period	-	220.56	12,856.48	21.57	259.16	32.51	18.10	13,408.38
Disposals/Adjustments	-	-	(2,761.44)	-	(5.51)	-	-	(2,766.95)
As at March 31, 2018	-	1,039.41	45,965.51	215.07	1,123.73	137.77	108.61	48,590.10
Net block								
As at March 31, 2018	1,075.52	1,315.00	29,901.80	63.72	690.64	64.65	25.66	33,136.99
As at March 31, 2017	774.93	1,388.19	23,066.33	74.77	703.51	42.30	18.86	26,068.89

(₹ in Lakhs)

Notes forming part of the Financial Statements (Contd.)

3.1 INVESTMENT PROPERTY

(₹ in Lakhs)		
Particulars	As at March 31, 2019	As at March 31, 2018
Investment Property *	6,299.84	6,203.76
	6,299.84	6,203.76

* Land and investment property includes ₹798.42 lakhs (P.Y ₹762.07 lakhs) held in the name of Directors, relatives of Directors for and on behalf of the Company.

Note: Refer note 17 for details of assets pledged.

As at March 31, 2019	
(₹ in Lakhs)	
Particulars	Amount
Cost / Deemed Cost	
As at April 01, 2018	6,203.76
Additions	96.08
Disposals / Adjustments	-
As at March 31, 2019	6,299.84
Accumulated Depreciation	
As at April 01, 2018	-
Charge for the period	-
Disposals / Adjustments	-
As at March 31, 2019	-
Net block As at March 31, 2019	6,299.84
Net block As at March 31, 2018	6,203.76

As at March 31, 2018	
(₹ in Lakhs)	
Particulars	Amount
Cost / Deemed Cost	
As at April 01, 2017	6,147.75
Additions	56.01
Disposals / Adjustments	-
As at March 31, 2018	6,203.76
Accumulated Depreciation	
As at April 01, 2017	-
Charge for the period	-
Disposals / Adjustments	-
As at March 31, 2018	-
Net block As at March 31, 2018	6,203.76
Net block As at March 31, 2017	6,147.75

Fair Value of Investment Property

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

(₹ in Lakhs)			
Particulars	Fair value Hierarchy	As at March 31, 2019	As at March 31, 2018
Investment Property	Level 3	11,710.79	11,297.03
		11,710.79	11,297.03

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 except assets pledged. Refer Note 17 for details of assets pledged.

Notes forming part of the Financial Statements (Contd.)

3.2 OTHER INTANGIBLE ASSETS

(₹ in Lakhs)		
Particulars	As at March 31, 2019	As at March 31, 2018
Computer Software	10.95	15.45
Total	10.95	15.45

As at March 31, 2019 (₹ in Lakhs)		
Particulars	Computer software	Total
Cost / Deemed Cost		
As at April 01, 2018	30.63	30.63
Additions	7.25	7.25
Disposals / Adjustments	-	-
As at March 31, 2019	37.88	37.88
Accumulated Amortisation		
As at April 01, 2018	15.18	15.18
Charge for the period	11.75	11.75
Disposals	-	-
As at March 31, 2019	26.93	26.93
Net block		
As at March 31, 2019	10.95	10.95
As at March 31, 2018	15.45	15.45

As at March 31, 2018 (₹ in Lakhs)		
Particulars	Computer software	Total
Cost / Deemed Cost		
As at April 01, 2017	10.64	10.64
Additions	20.02	20.02
Disposals / Adjustments	(0.03)	(0.03)
As at March 31, 2018	30.63	30.63
Accumulated Amortisation		
As at April 01, 2017	8.97	8.97
Charge for the period	6.21	6.21
Disposals	-	-
As at March 31, 2018	15.18	15.18
Net block		
As at March 31, 2018	15.45	15.45
As at March 31, 2017	1.67	1.67

4. INVESTMENTS

(₹ in Lakhs)		
Particulars	As at March 31, 2019	As at March 31, 2018
Non-Current		
Trade - Unquoted		
a) Equity instruments of subsidiaries (At cost):		
KNR Agrotech & Beverages Pvt. Ltd.	1.00	1.00
10,000 (10,000) equity shares of ₹ 10/- each, fully paid		
KNR Infrastructure Projects Pvt Ltd	1.00	1.00
10,000 (10,000) equity shares of ₹ 10/- each, fully paid		
KNR Energy Ltd	5.00	5.00
50,000 (50,000) equity shares of ₹ 10/- each, fully paid		
KNRC Holdings & Investments Pvt. Ltd.	1.00	1.00
10,000 (10,000) equity shares of ₹ 10/- each, fully paid		
KNR Muzaffarpur Barauni Tollway Pvt Ltd (Refer note 4.1)	45.90	45.90
4,59,000 (4,59,000) equity shares of ₹ 10/- each, fully paid		
KNR Walayar Tollways Pvt Ltd (Refer note 4.2)	90.00	90.00
9,00,000 (9,00,000) equity shares of ₹ 10/- each, fully paid		

Notes forming part of the Financial Statements (Contd.)

4. INVESTMENTS (CONTD.)

(₹ in Lakhs)		
Particulars	As at March 31, 2019	As at March 31, 2018
KNR Constructions - LLC, at Oman	-	206.07
Nil (1,62,500) equity shares of 1 Omani Rial each, fully paid		
KNRCL - FZE, at UAE	-	48.88
Nil (05) equity shares of 10,000 AED each, fully paid		
KNR Chidambaram Infra Pvt Ltd (Refer note 4.3)	835.00	10.00
83,500 (1,000) equity shares of ₹ 1,000/- each, fully paid		
KNR Srirangam Infra Pvt Ltd (Refer note 4.4)	1,100.00	10.00
1,10,000 (1,000) equity shares of ₹ 1,000/- each, fully paid		
KNR Shankarpet projects Pvt. Ltd. (Refer note 4.5)	1,309.00	-
1,30,900 (Nil) equity shares of ₹ 1,000/- each, fully paid		
KNR Tirumala Infra Pvt. Ltd. (Refer note 4.6)	7,162.50	-
7,16,250 (Nil) equity shares of ₹ 1,000/- each, fully paid		
KNR Somwarpet Infra project Pvt Ltd	10.00	-
1,000 (Nil) equity shares of ₹ 1,000/- each, fully paid		
KNR Palani Infra Pvt. Ltd.	10.00	-
1,000 (Nil) equity shares of ₹ 1,000/- each, fully paid		
Total	10,570.40	418.85
b) Equity instruments of associates		
Patel KNR Infrastructures Ltd.	1,480.00	1,480.00
1,48,00,000 (1,48,00,000) equity shares of ₹ 10/- each, fully paid		
Patel KNR Heavy Infrastructures Ltd	952.95	952.95
95,29,500 (95,29,500) equity shares of ₹ 10/- each, fully paid		
Total Un quoted Investments in Associates	2,432.95	2,432.95
Less : Impairment Made	(1,086.64)	(1,086.64)
Net Un quoted Investments in Associates	1,346.31	1,346.31
Total equity Investments (a+b)	11,916.71	1,765.16
c) Investment In Subsidiaries & Associates (FV of Inter corporate Loans)		
Subsidiaries		
KNR Walayar Tollways Pvt Ltd	39,651.00	39,651.00
KNR Muzaffarpur Barauni Tollway Pvt. Ltd.	5,276.50	5,276.50
KNR Agrotech & Beverages Pvt. Ltd.	12.85	12.85
KNR Energy Ltd.	34.90	34.90
KNRC Holdings and Investments Pvt Ltd	3,985.39	3,225.43
KNR Tirumala Infra Pvt Ltd.	90.00	-
Associates		
Patel KNR Heavy Infrastructures Ltd.	1,033.69	1,033.69
Total other Investments	50,084.33	49,234.37
Total non-current investments (a+b+c)	62,001.04	50,999.53

Notes forming part of the Financial Statements (Contd.)

4. INVESTMENTS (CONTD.)

(₹ in Lakhs)		
Particulars	As at March 31, 2019	As at March 31, 2018
Trade - Quoted - at fair value		
d) Investments in Mutual Funds		
ICICI Mutual fund	9,974.793 (PY Nil)	-
	9.99	-
Trade - Unquoted		
e) Current Accounts in Firms/AOP	2,464.43	2,561.29
Total current investments (d+e)	2,474.42	2,561.29
Total Investments		
i) Aggregate amount of Unquoted equity investments in Subsidiaries - Non Current (a)	10,570.40	418.85
ii) Aggregate amount of Unquoted equity investments in Associates - Non Current (b)	2,432.95	2,432.95
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)	50,084.33	49,234.37
v) Aggregate value of quoted investments - Current (d)	9.99	-
vi) Aggregate amount of unquoted investments - Current (e)	2,464.43	2,561.29
	64,475.46	53,560.82

Note: Aggregate market value of quoted investments is ₹ 9.99 Lakhs (March 31, 2018 ₹ NIL).

- 4.1** 1,44,000 Shares (P.Y. 1,44,000) equity share have been pledged with Punjab National Bank for the term loan availed by KNR Muzaffarpur Barauni Tollway Pvt. Ltd.
- 4.2** 4,59,000 Shares (P.Y. 4,59,000) equity share have been pledged with Central Bank of India for the term loan availed by KNR Walayar Tollways Pvt. Ltd.
- 4.3** 300 Shares (P.Y. Nil) equity share have been pledged with Axis trustee services ltd. for the term loan availed by KNR Chidambaram Infra Pvt. Ltd.
- 4.4** 300 Shares (P.Y. Nil) equity share have been pledged with Axis trustee services ltd. for the term loan availed by KNR Srirangam Infra Pvt. Ltd.
- 4.5** 300 Shares (P.Y. Nil) equity share have been pledged with Axis trustee services ltd. for the term loan availed by KNR Shankarampet Projects Pvt. Ltd.
- 4.6** 300 Shares (P.Y. Nil) equity share have been pledged with Axis trustee services ltd. for the term loan availed by KNR Tirumala Infra Pvt. Ltd.

Notes forming part of the Financial Statements (Contd.)

5. LOANS

(₹ in Lakhs)		
Particulars	As at March 31, 2019	As at March 31, 2018
Non-current		
Unsecured, considered good:		
Loans to related parties (Refer note : 5.1)		
- Subsidiaries	260.57	162.92
Total Non-Current Loans	260.57	162.92
Current		
Unsecured, considered good:		
Loans to		
- Joint Venture Partners	394.18	2,454.12
Total Current Loans	394.18	2,454.12
Total	654.75	2,617.04

- 5.1 - Loans due by subsidiaries have common directors.
 - Intercompany loans to related parties carried at fair value(Amortised cost) as per Ind AS.

6. OTHER FINANCIAL ASSETS

(₹ in Lakhs)		
Particulars	As at March 31, 2019	As at March 31, 2018
Non-current		
Unsecured, considered good:		
Retention deposits & With Held	59.50	59.50
Advances to Sub-contractors	195.48	195.48
Total Non-Current Other Financial Assets	254.98	254.98
Current		
Unsecured, considered good:		
Advances to related parties (Refer note : 45)	356.25	341.50
Retention Deposits & Withheld	14,442.55	12,347.71
Interest receivable	205.16	161.02
Security Deposits	1,615.83	1,347.48
TDS Refund Receivable from Joint Venture's	721.97	624.25
Others	903.12	747.28
Total Current Other Financial Assets	18,244.88	15,569.24
Total	18,499.86	15,824.22

Notes forming part of the Financial Statements (Contd.)

7. DEFERRED TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax assets	17,507.18	14,187.33
Deferred tax liability	(116.42)	(110.85)
Total	17,390.76	14,076.48

7.1 Components of deferred income tax assets and liabilities arising on account of temporary differences are:

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax asset		
Expenditure disallowed under Income Tax Act, 1961	511.04	586.22
Provision for doubtful advances	264.81	477.02
Deferred tax on fair value of investment of properties	1,285.74	1,195.66
Property, plant and equipment	7,548.14	4,572.51
MAT credit entitlement	7,897.45	7,355.92
	17,507.18	14,187.33
Deferred tax liability		
Interest income recognised on Intercompany loans	(48.03)	(41.88)
On OCI (Gratuity)	(68.39)	(67.32)
Gain / (Loss) on Fair Value of Mutual Funds	-	(1.65)
	(116.42)	(110.85)
Total	17,390.76	14,076.48

8. TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Non-current		
Advance Tax	1,378.28	761.34
Total Non-current Tax Asset	1,378.28	761.34
Current		
Advance Tax	-	4,055.25
Less: Provision for Income Tax	-	(3,588.90)
Income Tax Refund Receivable	-	426.34
Total Current Tax Asset	-	892.69
Total	1,378.28	1,654.03

Notes forming part of the Financial Statements (Contd.)

9. OTHER NON-CURRENT ASSETS

(₹ in Lakhs)		
Particulars	As at March 31, 2019	As at March 31, 2018
Un-secured Considered good		
Capital advances	794.02	466.43
Security Deposits	189.11	183.08
Dues from Statutory authorities	10,850.30	7,591.72
Total	11,833.43	8,241.23

10. INVENTORIES

(₹ in Lakhs)		
Particulars	As at March 31, 2019	As at March 31, 2018
Raw materials	5,327.96	4,283.54
Goods-in transit	522.72	171.81
	5,850.68	4,455.35
Stores and spares	3,541.44	2,526.29
Goods-in transit	117.20	136.74
	3,658.64	2,663.03
Total	9,509.32	7,118.38

10.1 The above inventories are valued at weighted average cost or net realisable value whichever is less.

11. TRADE RECEIVABLES

(₹ in Lakhs)		
Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Unsecured, considered good		
Trade Receivables (Refer note : 11.1)	23,440.67	23,197.68
Total Current Trade Receivables	23,440.67	23,197.68
Total	23,440.67	23,197.68

11.1 Includes ₹ 19,045.98 lakhs (P.Y ₹ 7,209.55 lakhs) due from company/Joint Ventures in which Company/Directors are interested.

12. CASH AND CASH EQUIVALENTS

(₹ in Lakhs)		
Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks:		
In current accounts	537.40	3,673.77
Cash on hand	45.43	32.68
Total	582.83	3,706.45

Notes forming part of the Financial Statements (Contd.)

13. OTHER BANK BALANCES

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Margin Money & Other Deposits (Refer Note: 13.1)	716.59	675.30
Un-claimed Dividend	2.33	2.94
Total	718.92	678.24

13.1 Margin Money Deposits have been lodged with Banks against Guarantees / Letters of credit issued by them.

14. OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Un-secured Considered good		
Mobilisation Advance paid to Sub Contractors	-	700.10
Advances to Sub-contractors	10,584.69	9,782.49
Advances to Suppliers (Other than capital advances)	1,621.91	1,168.80
Staff Imprest & Salary Advances	274.98	185.33
Prepaid expenses	469.59	263.19
Due from Customers	22,106.00	14,124.28
Receivables from Others	84.88	324.74
Security Deposits	2.30	2.98
Considered doubtful		
Advances to Sub-contractors	-	520.00
Other Receivables	757.80	757.80
Less: Provision for doubtful receivables	(757.80)	(1,277.80)
Total	35,144.35	26,551.91

15. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Amount	No. of Shares	Amount
Authorised Share capital				
Equity Shares of ₹ 2/- each	17,50,00,000	3,500.00	17,50,00,000	3,500.00
Issued, subscribed & fully paid share capital				
Equity Shares of ₹ 2/- each	14,06,17,300	2,812.35	14,06,17,300	2,812.35
Total		2,812.35		2,812.35

Notes forming part of the Financial Statements (Contd.)

15. EQUITY SHARE CAPITAL (CONTD.)

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, 2019		As at March 31, 2018	
	No. of Shares	Amount	No. of Shares	Amount
Number of Equity Shares at the beginning of the year	14,06,17,300	2,812.35	14,06,17,300	2,812.35
Add:- Number of Shares Issued	-	-	-	-
Less: Number of Shares Brought Back	-	-	-	-
Number of Equity Shares at the end of the year	14,06,17,300	2,812.35	14,06,17,300	2,812.35

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 Board of Directors has proposed in their meeting held on May 30, 2019 dividend of ₹0.40/- per fully paid equity 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.

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, 2019 and March 31, 2018 is set out below:

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	% holding	No. of Shares	% holding
Kamidi Narsimha Reddy	4,57,43,595	32.53	4,57,43,595	32.53
Kamidi Jalandhar Reddy	1,96,29,605	13.96	1,96,29,605	13.96
HDFC Trustee Company Ltd	89,99,300	6.40	1,03,93,522	7.39
DSP Blackrock Balanced Fund	90,27,249	6.42	84,41,115	6.00
ICICI Prudential Equity & Debt Fund	93,79,988	6.67	-	-

16. OTHER EQUITY

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
a) Securities premium reserve	12,599.31	12,599.31
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	97,612.78	71,249.77
Add: Profit/(Loss) for the period	26,326.50	27,209.23
Less: Dividend paid /Payable	(562.47)	(703.09)
Dividend Tax paid / Payable	(115.62)	(143.13)
	1,23,261.19	97,612.78
d) Other Comprehensive Income - Gratuity	(90.96)	(90.19)
Total (a+b+c+d)	1,38,618.54	1,12,970.90

Notes forming part of the Financial Statements (Contd.)

17. BORROWINGS

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Non-current		
Secured loans		
Term Loans		
From banks		
Equipment and vehicle loans (Refer note 17.1)	1,664.00	-
	1,664.00	-
Unsecured loans		
From related parties (Refer note 17.2)	20,460.33	21,184.50
	20,460.33	21,184.50
Total non-current borrowings	22,124.33	21,184.50
Current		
Secured loans		
From banks (Refer note 17.3 & 17.4)		
Cash credits	1,694.14	-
Total current borrowings	1,694.14	-
Total	23,818.47	21,184.50

17.1 Details of Secured loans with rate of interest & Maturity Dates

(₹ in Lakhs)

Particulars	Effective Interest rate(p.a)	Maturity	As at March 31, 2019	As at March 31, 2018
Non-current Borrowings				
- From Banks				
- HDFC Bank Ltd	9.05%	7-Apr-21	1,400.03	-
- Axis Bank Ltd	8.75%	20-May-20	263.97	-
			1,664.00	-
Current maturities				
- From Banks				
- HDFC Bank Ltd	9.00% to 9.85%	7-Apr-21	1,090.06	405.29
- Axis Bank Ltd	8.75% to 10.01%	20-May-20	1,505.73	426.61
- ICICI Bank Ltd	9.50%	1-Nov-18	-	22.36
Total			2,595.79	854.26
Total Secured loans			4,259.79	854.26

Terms of Security**From Banks**

- i) HDFC Bank Ltd.
- Secured by Hypothecation of specific assets purchased out of the loan, comprising Plant & Machinery
- ii) Axis Bank Ltd.
- Secured by Hypothecation of specific assets purchased out of the loan, comprising Plant & Machinery
- iii) ICICI Bank Ltd.
- Secured by Hypothecation of specific assets purchased out of the loan, comprising Plant & Machinery

Notes forming part of the Financial Statements (Contd.)

17.2 Un-secured Loans

The Company availed un-secured loan from directors, which are repayable on demand and carries interest at 8.75% p.a w.e.f Dec'2018 to Mar'2019 (8.35% p.a for the period Apr' 2018 to May 2018 and 8.45% p.a for the period Jun'2018 to Aug'18 and 8.65% p.a. for the period Sep'18 to Oct' 18 and 8.70% p.a for the month of Nov'18) (P.Y 8.25% w.e.f Nov'2017 and 8.5% p.a for the period Apr'17 to Oct'17)

17.3 Working Capital Facilities Renewed Annually:

Cash Credit facilities from consortium of banks are secured by:

- Hypothecation of entire current assets on pari passu basis with other participating banks,
- First pari passu charge on equitable mortgage of certain land & buildings
- Hypothecation of certain equipment's of written down value as on 30.09.2018 is ₹ 65.03 Crores
- Personal guarantee of Director.

17.4 The interest rate for working capital demand loan and cash credit facilities varies from 8.70% to 10.20% per annum

18. TRADE PAYABLES

(₹ in Lakhs)		
Particulars	As at March 31, 2019	As at March 31, 2018
Non-current		
Bills Payable (Sub-contractors/Labour/Service)	-	827.27
Total non-current trade payables	-	827.27
Current		
Sundry Creditors (Suppliers)	14,380.42	10,831.21
Bills Payable (Sub-contractors/Labour/Service)	7,980.22	10,185.64
Total current trade payables	22,360.64	21,016.85
Total	22,360.64	21,844.12

18.1 The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2019 and March 31, 2018 has been made in the financial statements based on information received and available with the Company and the Total outstanding balance is ₹550.23 Lakhs (PY ₹ Nil). Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material.

Notes forming part of the Financial Statements (Contd.)

19. OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)		
Particulars	As at March 31, 2019	As at March 31, 2018
Non-current		
Retention Deposits and Withheld Amount	15.36	15.36
Advance Received From Related Parties		
- Subsidiaries	-	256.91
Total non-current other financial liabilities	15.36	272.27
Current		
Current maturities of long-term debts:		
Equipment and vehicle loans - from banks (Refer note: 17.1)	2,595.79	854.26
Interest accrued but not due (Refer note 19.1)	391.28	461.23
Unclaimed dividend (Refer note: 19.2)	2.41	3.02
Retention Deposits and With held	11,697.52	8,027.00
Security Deposits	481.89	380.29
Outstanding Expenses	1,418.59	1,619.22
Current account balances with JV's	75.51	367.65
Total current other financial liabilities	16,662.99	11,712.67
Total	16,678.35	11,984.94

19.1 Interest accrued includes interest on un-secured loans received from Directors ₹ 385.55 lakhs (March 31, 2018 ₹ 451.94 Lakhs)

19.2 During the current year, an un-paid dividend amount of ₹ 67,582 /- for relating to F.Y 2010-11 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.

20. PROVISIONS

(₹ in Lakhs)		
Particulars	As at March 31, 2019	As at March 31, 2018
Non-current		
Provision for employee benefits (Refer note : 40)		
- Gratuity	466.85	421.77
Total non -current provisions	466.85	421.77
Current		
Provision for Labour Cess	1,054.97	1,354.77
Provision for employee benefits (Refer note : 40)		
- Gratuity	120.97	66.33
Total current provisions	1,175.94	1,421.10
Total	1,642.79	1,842.87

Notes forming part of the Financial Statements (Contd.)

21. OTHER NON-CURRENT LIABILITIES

(₹ in Lakhs)		
Particulars	As at March 31, 2019	As at March 31, 2018
Advance received from clients	1,058.62	1,058.62
Security Deposits	265.91	265.91
Total	1,324.53	1,324.53

22. OTHER CURRENT LIABILITIES

(₹ in Lakhs)		
Particulars	As at March 31, 2019	As at March 31, 2018
Mobilisation Advance received from clients	7,082.27	700.10
Advance received from clients	89.10	331.26
Due to Customers	9,650.28	18,552.36
Security deposits	1,609.98	1,454.10
Dues to statutory authorities	823.60	1,269.78
Others	127.19	132.53
Total	19,382.42	22,440.13

23. TAX LIABILITY (NET)

(₹ in Lakhs)		
Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Provision for Income Tax	6,046.55	5,521.61
Less: Advance tax paid	(5,652.55)	(5,341.52)
	394.00	180.09
Total	394.00	180.09

24. REVENUE FROM OPERATIONS

(₹ in Lakhs)		
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Income from Contracts	2,10,289.46	1,87,563.54
Other Operating Income	3,436.16	5,601.91
Total	2,13,725.62	1,93,165.45

Notes forming part of the Financial Statements (Contd.)

25. OTHER INCOME

(₹ in Lakhs)		
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest Income	444.78	852.94
Un winding interest on fair value of un secured loans	16.43	14.77
Interest on Income tax refunds	-	1,021.35
Dividend Income on Mutual funds	297.28	153.76
Gain on foreign currency transactions	12.02	31.58
Other non-operating income		
Profit on Sale of Asset	846.75	631.85
Discount received from suppliers	639.73	370.82
Liabilities no longer required written back	1,514.95	657.63
Insurance claim received	74.60	50.67
Profit on Sale of Mutual Funds	336.12	10.19
Provision for Doubtful advances Written back	620.53	-
Miscellaneous Income	1,535.39	135.69
Total	6,338.58	3,931.25

26. COST OF MATERIALS CONSUMED

(₹ in Lakhs)		
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Construction Materials, Stores & Spares		
Opening Stock	7,118.38	5,735.51
Add: Net Purchases	66,711.08	51,934.34
	73,829.46	57,669.85
Less: Closing Stock	9,509.32	7,118.38
Total Consumption	64,320.14	50,551.47

Notes forming part of the Financial Statements (Contd.)

27. CONSTRUCTION EXPENSES

(₹ in Lakhs)		
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Sub-contract Expenses	17,550.87	41,503.33
Spreading & Assortment Exp.	56,938.65	36,489.28
Power and Fuel	703.34	559.76
Seigniorage charges / Royalty	7,439.94	3,325.86
Transport Charges	6,003.48	5,855.51
Hire Charges	1,698.43	1,058.48
Watch & Ward	355.03	292.87
Other Recoveries by Clients	50.29	416.96
Value Added Tax	12.01	1,147.82
Repairs to Buildings & Others	135.57	92.55
Repairs to Machinery	244.21	191.09
Repairs to Vehicles	293.71	162.17
Other Construction expenses	2,209.44	1,883.40
Total	93,634.97	92,979.08

28. EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)		
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, Wages and Other Benefits	8,978.38	6,941.51
Contribution to Provident and Other Funds	180.86	178.41
Staff welfare Expenses	126.49	91.68
Total	9,285.73	7,211.60

Note: The Hon'ble Supreme Court of India ("SC") by their order dated 28 February 2019, has delivered a judgement in the case of Surya Roshani Limited and Others vs EPFO wherein they have set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. The Company is reviewing the impact of this decision on its policies.

29. FINANCE COSTS

(₹ in Lakhs)		
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest Expense on		
Working Capital Demand Loans and Cash Credit	105.24	73.17
Term Loans	182.63	133.70
Loan from Directors	1,823.81	1,250.42
Interest on Mobilisation Advance	-	65.04
Others	20.29	5.32
	2,131.97	1,527.65

Notes forming part of the Financial Statements (Contd.)

29. FINANCE COSTS (CONTD.)

(₹ in Lakhs)		
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Other Borrowing Costs		
Processing Charges	145.37	121.64
BG / LC Charges	549.72	426.30
Bank and Other Financial Charges	83.19	17.08
Total	2,910.25	2,092.67

30. DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lakhs)		
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation & Amortisation	16,810.65	13,414.59
Total	16,810.65	13,414.59

31. OTHER EXPENSES

(₹ in Lakhs)		
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Travelling & Conveyance (includes Boarding & Lodging Expenses)	268.69	247.40
Postage, Telegrams and Telephones	80.10	80.94
Business promotion expenses	3.72	41.09
Advertisement and publicity	473.11	20.60
Legal & Professional Charges	648.55	531.27
Insurance	368.31	300.10
Rates and taxes excluding taxes of Income	365.36	505.40
Auditor's Remuneration (Refer note : 38)	13.10	13.25
Printing & Stationery	85.87	84.34
Tender expenses	20.83	51.51
Office maintenance	61.44	60.93
Rent expenses	439.01	401.32
Electricity charges	187.66	110.63
Directors Sitting Fees	37.00	33.00
Loss on sale of Assets	1.67	89.61
Bad Debts / Advances Written Off	346.94	424.12
Provision for Doubtful Advances, Receivables and Deposits	-	420.53
Donation	21.37	35.17
CSR expenses (Refer note : 31.1)	74.51	51.41
Derecognition of Financial Asset	-	189.94
Interest on Statutory dues	50.79	221.75
Miscellaneous expenses	240.29	117.92
Total	3,788.32	4,032.23

Notes forming part of the Financial Statements (Contd.)

31. OTHER EXPENSES (CONTD.)

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.

- Gross amount required to be spent by the Company during the year ₹ 374.12 Lakhs (P.Y ₹ 245.51 Lakhs)
- Amount spent during the year on :

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	In cash	Yet to be paid in cash	In cash	Yet to be paid in cash
1. Construction/ acquisition of any assets	-	-	-	-
2. On Purposes other than (1) above	74.51	641.70*	51.41	342.08*

* Including cumulative un-spent amount of previous years.

32. EXCEPTIONAL ITEMS

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	In cash	Yet to be paid in cash	In cash	Yet to be paid in cash
Investments written off (Refer note : 46)	-	-	-	-
Total	74.51	641.70*	51.41	342.08*

33. TAX EXPENSE

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	In cash	Yet to be paid in cash	In cash	Yet to be paid in cash
A - Current Tax				
Current tax on profits for the year	6,046.55	5,521.61		
Adjustments in respect of prior years (Refer note 33.1)	49.58	(19.49)		
Sub-Total	6,096.13	5,502.12		
B - Deferred Tax				
Deferred Tax Liability / (Asset) due to timing difference	(2,772.34)	(2,332.20)		
MAT credit entitlement	(591.11)	(3,564.09)		
Sub-Total	(3,363.45)	(5,896.29)		
Total	2,732.68	(394.17)		

Notes forming part of the Financial Statements (Contd.)

33. TAX EXPENSE (CONTD.)**33.1 Reconciliation of tax expenses to accounting profit**

(₹ in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Accounting profit before tax	29,059.18	26,815.06
Tax @ 34.944% (PY 34.608%)	10,154.44	9,280.16
Adjustments		
Effect of income exempt from taxation	(7,058.51)	(9,711.60)
Effect of expenses that are not deductible in determining taxable profit	2,241.05	2,375.36
Effect of capital gains	-	11.84
Short term capital gain on Mutual funds and Long Term Capital gains on lands	118.46	1.76
Earlier year taxes	49.58	(19.49)
Deferred tax	(2,772.34)	(2,332.20)
Tax Expenses recognised in the statement of profit and loss	2,732.68	(394.17)
Income tax credit/(expense) recognised in Other Comprehensive Income :		
Tax effect on actuarial gains/losses on defined benefit obligations	(0.41)	(67.32)

34. OTHER COMPREHENSIVE INCOME

(₹ in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Items that will not be reclassified to profit or loss		
i) Actuarial Gains & (Losses) on plan benefits	(1.18)	(194.52)
ii) Deferred Tax on above	0.41	67.32
Total	(0.77)	(127.20)

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, 2019 and March 31, 2018 was as follows:

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Total debt	26,805.54	22,499.99
Less: cash and cash equivalents	1,301.75	4,384.69
Adjusted net debt	25,503.79	18,115.30
Total equity	1,41,430.89	1,15,783.25
Adjusted equity	1,41,430.89	1,15,783.25
Adjusted net debt to adjusted equity ratio	0.18	0.16

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 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, 2019				(₹ 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 unobservable inputs)	Total
Financial assets							
Investments in Associates, Subsidiaries	-	11,916.71	11,916.71	-	-	11,916.71	11,916.71
Other Investments	9.99	52,548.76	52,558.75	9.99	-	52,548.76	52,558.75
Trade receivables	-	23,440.67	23,440.67	-	-	23,440.67	23,440.67
Cash and cash equivalents	-	1,301.75	1,301.75	-	-	-	-
Loans	-	654.75	654.75	-	-	654.75	654.75
Other financials assets	-	18,499.86	18,499.86	-	-	18,499.86	18,499.86
	9.99	1,08,362.50	1,08,372.49	9.99	-	1,07,060.75	1,07,070.74
Financial liabilities							
Secured Bank loans	-	5,953.93	5,953.93	-	-	5,953.93	5,953.93
Un Secured loans	-	20,460.33	20,460.33	-	-	20,460.33	20,460.33
Trade payables	-	22,360.64	22,360.64	-	-	22,360.64	22,360.64
Other financial liabilities	-	14,082.56	14,082.56	-	-	14,082.56	14,082.56
	-	62,857.46	62,857.46	-	-	62,857.46	62,857.46

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, 2018				(₹ 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 unobservable inputs)	Total
Financial assets							
Investments in Associates, Subsidiaries	-	1,765.16	1,765.16	-	-	1,765.16	1,765.16
Other Investments		51,795.66	51,795.66	-	-	51,795.66	51,795.66
Trade receivables	-	23,197.68	23,197.68	-	-	23,197.68	23,197.68
Cash and cash equivalents	-	4,384.69	4,384.69	-	-	-	-
Loans	-	2,617.04	2,617.04	-	-	2,617.04	2,617.04
Other financials assets	-	15,824.22	15,824.22	-	-	15,824.22	15,824.22
	-	99,584.45	99,584.45	-	-	95,199.76	95,199.76

Notes forming part of the Financial Statements (Contd.)

36. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTD.)

As at March 31, 2018

(₹ 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 unobservable inputs)	Total
Financial liabilities							
Secured Bank loans	-	854.26	854.26	-	-	854.26	854.26
Un Secured loans	-	21,184.50	21,184.50	-	-	21,184.50	21,184.50
Trade payables	-	21,844.12	21,844.12	-	-	21,844.12	21,844.12
Other financial liabilities	-	11,130.68	11,130.68	-	-	11,130.68	11,130.68
	-	55,013.56	55,013.56	-	-	55,013.56	55,013.56

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:

- Credit risk
- Liquidity risk
- 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.

In determining the allowance for trade receivables the Company use practical expedients based on financial condition of the customer, ageing of the customer receivables and over dues, availability of collaterals and historical experience of collections from customers. The concentration of risk with respect to trade receivables is reasonably low as most of the customers are Government organisations though there may be normal delays in collections.

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.

Notes forming part of the Financial Statements (Contd.)

36. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTD.)

As at March 31, 2019					(₹ 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	5,953.93	2,595.79	3,358.14	-	5,953.93
Un Secured loans	20,460.33	-	6,138.10	14,322.23	20,460.33
Trade payables	22,360.64	15,652.45	6,708.19	-	22,360.64
Other financial liabilities	14,082.56	2,112.38	4,936.30	7,033.87	14,082.56
	62,857.46	20,360.62	21,140.74	21,356.10	62,857.46

As at March 31, 2018					(₹ 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	854.26	854.26	-	0.00	854.26
Un Secured loans	21,184.50	-	6,355.35	14,829.15	21,184.50
Trade payables	21,844.12	15,290.88	5,725.97	827.27	21,844.12
Other financial liabilities	11,130.68	2,226.14	605.27	8,299.27	11,130.68
	55,013.56	18,371.28	12,686.59	23,955.69	55,013.56

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.

Notes forming part of the Financial Statements (Contd.)

36. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTD.)

the Company's risk management policy is to mitigate the risk by investments in diversified mutual funds.

the Company's exposure to price risk due to investments in mutual fund is as follows: (₹ in Lakhs)

Particulars	Note	March 31, 2019	March 31, 2018
Investments in Mutual Funds	4	9.99	-

Sensitivity analysis (₹ in Lakhs)

Price Rate Risk Analysis	Impact on profit/ loss after tax	
	Year Ended March 31, 2019	Year Ended March 31, 2018
Increase or decrease in NAV by 2%	0.20	-

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

37. CONTINGENT LIABILITY, COMMITMENTS AND CONTINGENT ASSETS

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
i) Contingent Liabilities		
a) Claims against the Company not acknowledged as debt #		
1. Disputed Income tax and Interest on TDS	4,697.07*	4,488.59*
2. Disputed Sales tax/ VAT/ Entry tax	554.28	513.60
3. Disputed Service tax	333.53	30.00
4. Others (Civil cases)	1,341.69	514.69
# 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		
Subsidiaries	6,220.10	-
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	13,146.67	5,546.88

* 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 ₹ 4,474.13 Lakhs, for the A.Y 2006-07 to 2012-13 the department has filed appeals against ITAT orders at the High Court of Judicature at Hyderabad for the State of Telangana and for the AY 2013-14 and AY 2014-15 department filed appeals against CIT (Appeals) at ITAT, Hyderabad.

The Company considers it appropriate not to create a liability for the above said amount on the basis of assessment made by the management.

ii) Commitments		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for	532.16	90.49
b) Other commitments		
Estimated amount of committed funding by way of equity/loans to subsidiary companies	50,704.50	44,536.73
Total	51,236.66	44,627.22
iii) Contingent Assets		
Arbitration claims awarded, but client not accepted	49,055.89	-

Notes forming part of the Financial Statements (Contd.)

38. REMUNERATION PAID TO THE STATUTORY AUDITORS

	(₹ in Lakhs)	
	2018-19	2017-18
Statutory Audit Fees	10.00	10.75
Taxation	1.00	1.00
Other services (including Out of pocket expenses)	2.10	1.50

39. DISCLOSURE PURSUANT TO IND AS 33 "EARNINGS PER SHARE(EPS)"

	(₹ in Lakhs)	
	2018-19	2017-18
i. Profit (loss) attributable to equity shareholders(basic)	26,326.50	27,209.23
ii. Weighted average number of equity shares (basic)	1,406.17	1,406.17
Basic EPS	18.72	19.35
i. Profit (loss) attributable to equity shareholders(diluted)	26,326.50	27,209.23
ii. Weighted average number of equity shares (diluted)	1,406.17	1,406.17
Diluted EPS	18.72	19.35

40. EMPLOYEE BENEFITS

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

Defined Benefit plans:

The Company operates gratuity plan through a trust wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement whichever is earlier. The benefit vests after five years of continuous service. During the period, the Company has made a contribution to the provident fund for ₹ 178.52 Lakhs (PY 2017-18 is ₹ 162.60 Lakhs).

Changes in the Present Value of Obligation

	(₹ in Lakhs)	
	March 31, 2019	March 31, 2018
Present value of obligations as at beginning of the year	508.75	216.75
Interest cost	34.12	17.34
Current Service cost	66.33	20.07
Benefits paid	(1.84)	(0.94)
Actuarial (gain)/loss on obligations		
- Due to change in financial obligations	(18.81)	(115.88)
- Due to experience adjustments	20.86	310.34
Past service cost	-	61.07
Present value of obligations as at end of year	609.41	508.75

Changes in Fair value of plan assets

	(₹ in Lakhs)	
	March 31, 2019	March 31, 2018
Fair value of plan assets at beginning of the year	20.65	19.18
Interest Income	0.91	1.53
Expected return on plan assets	0.87	(0.06)
Contributions	1.00	-
Benefits paid	(1.84)	-
Actuarial gain/(loss) on obligation	-	-
Fair value of plan assets at the end of year	21.59	20.65

Notes forming part of the Financial Statements (Contd.)

40. EMPLOYEE BENEFITS (CONTD.)**Assets recognised in the Balance Sheet**

(₹ in Lakhs)

	March 31, 2019	March 31, 2018
Liability at the end of the period / year	609.41	508.75
Fair value of plan assets at the end of the period /year	(21.59)	(20.65)
Amount to be recognised in Balance Sheet	587.82	488.10

Expenses recognised in the Statement of Profit & Loss

(₹ in Lakhs)

	March 31, 2019	March 31, 2018
Current service cost	66.33	20.07
Interest cost	33.21	15.81
Net Actuarial (gain)/loss recognised in the year	-	61.06
Expenses recognised in statement of profit and loss	99.54	96.94

Amount recognised in statement of other comprehensive income (OCI)

(₹ in Lakhs)

	March 31, 2019	March 31, 2018
Opening amount recognised in OCI	194.52	(78.36)
Remeasurement for the period - Obligation (gain)/loss	1.18	194.52
Remeasurement for the period - plan assets (gain)/loss	-	-
Total Remeasurement cost / (credit) for the period recognised in OCI	1.18	194.52

Assumptions

Discount Rate	7.80%	7.30%
Salary Escalation	10%	10%
Mortality rate	Indian assured lives mortality (2006-08) ultimate	Indian assured lives mortality (2006-08) ultimate
Average future working life time	23.60 years	22.53 years
Attrition rate	13%	13%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Quantities sensitivity analysis for significant assumptions is as below:

(₹ in Lakhs)

0.5%/1% increase	March 31, 2019	March 31, 2018
i. Discount rate	591.62	494.29
ii. Salary escalation rate- over a long-term	624.20	521.96
iii. Attrition rate	602.48	503.63
0.5%/1% increase		
i. Discount rate	628.22	524.06
ii. Salary escalation rate- over a long-term	594.30	495.94
iii. Attrition rate	616.59	514.38

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation, keeping all other actuarial assumptions constant.

Notes forming part of the 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.

(₹ in Lakhs)

S. No	Name of the Company	Balance as at		Maximum outstanding during the year	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
A	Subsidiaries				
1	KNR Agrotech & Beverages Pvt. Ltd.	173.66	204.34	207.74	204.34
2	KNR Energy Ltd.	138.35	130.85	138.35	191.22
3	KNRC Holdings and Investments Pvt. Ltd.	157.56	77.67	445.29	169.55
4	KNR Walayar Tollways Pvt Ltd -	27.82	35.00	52.20	35.00
5	Patel KNR Heavy Infrastructures Ltd.	59.60	1.01	59.60	71.36
6	KNR Muzaffarpur Barauni Tollway Pvt. Ltd.	1.47	0.83	36.03	245.07
7	KNRCL - FZE	-	43.25	43.25	43.25
8	KNR Infrastructure Projects Pvt. Ltd.	9.77	9.22	9.77	9.22
9	KNR Muzaffarpur Holdings Pvt. Ltd.	11.82	1.93	11.82	1.93
10	KNR Chidambaram Infra Pvt. Ltd.	8.97	0.16	118.55	0.16
11	KNR Srirangam Infra Pvt. Ltd.	3.46	0.16	61.92	0.16
12	KNR Tirumala Infra Pvt. Ltd.	20.47	-	280.81	-
13	KNR Shankarampet Projects Pvt. Ltd.	3.44	-	63.35	-
14	KNR Somwarpet Infra Project Pvt. Ltd.	0.23	-	0.23	-
15	KNR Palani Infra Pvt. Ltd.	0.14	-	0.14	-
B	Loans and Advances where there is no repayment schedule				
1	KNR Agrotech & Beverages Pvt. Ltd.	173.66	204.34	207.74	204.34
2	KNR Energy Ltd.	138.35	130.85	138.35	191.22
3	KNRC Holdings and Investments Pvt. Ltd.	157.56	77.67	445.29	169.55
4	KNR Walayar Tollways Pvt. Ltd.	27.82	35.00	52.20	35.00
5	Patel KNR Heavy Infrastructures Ltd.	59.60	1.01	59.60	71.36
6	KNR Muzaffarpur Barauni Tollway Pvt. Ltd.	1.47	0.83	36.03	245.07
7	KNRCL - FZE	-	43.25	43.25	43.25
8	KNR Infrastructure Projects Pvt. Ltd.	9.77	9.22	9.77	9.22
9	KNR Muzaffarpur Holdings Pvt. Ltd.	11.82	1.93	11.82	1.93
10	KNR Chidambaram Infra Pvt. Ltd.	8.97	0.16	118.55	0.16
11	KNR Srirangam Infra Pvt. Ltd.	3.46	0.16	61.92	0.16
12	KNR Tirumala Infra Pvt. Ltd.	20.47	-	280.81	-
13	KNR Shankarampet Projects Pvt. Ltd.	3.44	-	63.35	-
14	KNR Somwarpet Infra Project Pvt. Ltd.	0.23	-	0.23	-
15	KNR Palani Infra Pvt. Ltd.	0.14	-	0.14	-

Notes forming part of the Financial Statements (Contd.)

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 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 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, 2019	March 31, 2018
Receivables	23,440.67	23,197.68
Contract Assets	36,608.05	26,531.49
Contract Liabilities	16,821.65	20,392.34

43. VALUE OF IMPORTS CALCULATED ON CIF BASIS

			(₹ in Lakhs)
S No.	Particulars	March 31, 2019	March 31, 2018
a	Material Purchases	Nil	Nil
b	Stores & Spares	70.40	53.51
c	Capital goods	Nil	1,885.28

44. EXPENDITURE/REMITTANCE IN FOREIGN CURRENCY

			(₹ in Lakhs)
S No.	Particulars	March 31, 2019	March 31, 2018
a	On account of Travel/Other expenses (including boarding & lodging expenses)	-	13.30
b	On account of Advance/Loan	-	-
c	Income/Advances received	-	-

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.	8	KNR Shankarampet Project Pvt. Ltd.
2	KNR Infrastructure Projects Pvt. Ltd.	9	KNR Somwarpet Infra Project Pvt. Ltd.
3	KNR Energy Ltd.	10	KNR Palani Infra Pvt. Ltd.
4	KNR Walayar Tollways Pvt. Ltd.	11	KNRC Holdings and Investment Pvt. Ltd.
5	KNR Srirangam Infra Pvt. Ltd.	12	KNR – FZE *
6	KNR Chidambaram Infra Pvt. Ltd.	13	KNR Constructions LLC #
7	KNR Tirumala Infra Pvt. Ltd.		

* Foreign subsidiary closed on February 27, 2019

Foreign subsidiary closed on February 22, 2019

Notes forming part of the Financial Statements (Contd.)

45. DISCLOSURE OF RELATED PARTIES/ RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24: RELATED PARTY DISCLOSURE" (CONTD.)

(ii) Step-down Subsidiaries :

1	Mesmeric Software Solutions Pvt. Ltd.	5	Gradient Estates Pvt. Ltd.
2	Nag Talent Ventures & Infotech Pvt. Ltd.	6	Asara Construction & Projects Pvt. Ltd.
3	Roche Polymers and Additives Pvt. Ltd. *	7	KNR Muzaffarpur Holdings Pvt. Ltd.
4	Gradient Realty Ventures Pvt. Ltd. *	8	KNR Muzaffarpur-Barauni Tollway Pvt. Ltd.

* Subsidiaries closed on March 19, 2018

(iii) Associate Companies :

1. Patel KNR Infrastructures Ltd.
2. Patel KNR Heavy Infrastructures Ltd.

(iv) Joint Operations :

1	KNR – Patel JV	9	KNR-SLMI JV
2	Patel – KNR JV	10	KNR-TBCPL JV
3	NCC-KNR JV *	11	KNR-PBEPL JV
4	KNR – SLEC JV	12	KNR-SEW-GVR JV
5	KNR-BPL JV	13	PSK-KNR-GVRJV
6	KNR-GVR JV	14	BSCPL-KNRJV
7	KNR-JKM-KAMALA JV	15	KNR-HES-ACPLJV
8	KNR-JKM JV		

* JV closed on January 9, 2019.

(v) Joint Venture :

1. SEL-KNR-JV (At Bangladesh)

(vi) 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. B.V.Rama Rao	Independent Director
5	Sri. L.B.Reddy	Independent Director
6	Sri S.Vaikuntanathan	Executive Officer - VP (F&A)
7	Sri M.Venkata Rao	Company Secretary

(vii) Relatives of KMPs :

1	Sri. M.Rajesh Reddy	Son-in-law of Sri K.Narsimha Reddy
2	Sri. J.V Panindra Reddy	Son-in-law of Sri K.Narsimha Reddy
3	Sri. V.Krishna Reddy	Brother of Smt. K.Yashoda

(viii) Other Related parties :

1	KNR Constructions Ltd. Employees group gratuity fund	Post employment benefit plan
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Notes forming part of the 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 :**

(₹ in Lakhs)

Sl. No.	Particulars	Subsidiaries (including Step-down subsidiaries)		Associates		Joint Operations/ Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
1	Work contract receipts received	13,899.70	627.23	1,155.38	1,133.56	98,340.09	44,220.44	-	-	-	-
2	Interest Income on Inter corporate loans	16.43	14.76	-	-	-	-	-	-	-	-
3	Inter corporate Loans - (Investment/ Derecognition)	(30.74)	(189.93)	-	-	-	-	-	-	-	-
4	Inter corporate Loans given/ (repaid)	81.22	(164.99)	-	-	-	-	-	-	-	-
5	Investment in Equity Shares	10,406.50	20.00	-	-	-	-	-	-	-	-
6	Investment (Equity Nature)	880.70	3,194.69	-	-	-	-	-	-	-	-
7	Investment / (written off)	(254.95)	-	-	-	-	-	-	-	-	-
8	Advance received/ (written back)	(256.91)	-	-	-	-	-	-	-	-	-
9	Advance paid/ (written off)	(43.25)	-	-	-	-	-	-	-	-	-
10	Mobilisation advance received/ (recovered)	7,082.29	-	-	-	-	-	-	-	-	-
11	Corporate guarantee	6,220.10	-	-	-	-	-	-	-	-	-
12	Re-imbursment of expenditure incurred/ (recovered)	(6.54)	(8.20)	58.59	(4.96)	63.69	(92.12)	-	-	-	-
13	Advance paid/ (recovered)	5.89	9.31	-	-	87.31	(24.45)	-	-	-	-
14	Royalty reimbursement income	-	-	87.88	-	-	-	-	-	-	-

Notes forming part of the Financial Statements (Contd.)

45. DISCLOSURE OF RELATED PARTIES/ RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24: RELATED PARTY DISCLOSURE" (CONTD.)

Sl. No.	Particulars	Subsidiaries (including Step-down subsidiaries)		Associates		Joint Operations/ Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
15	Share of Profit/ (Loss)	-	-	-	-	188.10	1,100.12	-	-	-	-
16	Current account additions/ (drawings)	-	-	-	-	7.16	130.13	-	-	-	-
17	Trade receivable/ (received)	-	-	-	-	(125.60)	-	-	-	-	-
18	Trade payable/ (paid)	-	-	-	-	(20.01)	-	-	-	-	-
19	Other receivables/ (received)	-	-	-	-	(261.27)	363.44	-	-	-	-
20	Materials advance received/ (recovered)	-	-	89.09	-	(331.26)	(45.17)	-	-	-	-
21	Debit Balance written off	-	-	-	-	-	271.23	-	-	-	-
22	Credit balance written back	-	-	-	-	-	5.71	3.70	-	-	-
23	Advance paid for purchase of lands (through step down subsidiaries)	-	-	-	-	497.06	-	-	-	-	-
24	Retention deposit & Withheld deducted/ (released)	39.46	-	-	-	3,663.98	2,140.78	-	-	-	-
25	TDS refund share deducted/ (released)	-	-	-	-	97.72	132.66	-	-	-	-
26	Interest received on share of TDS refund	-	-	-	-	-	29.29	-	-	-	-
27	Short Term Employee Benefits	-	-	-	-	-	-	980.10	890.92	-	-

Notes forming part of the Financial Statements (Contd.)

45. DISCLOSURE OF RELATED PARTIES/ RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24: RELATED PARTY DISCLOSURE" (CONTD.)

Sl. No.	Particulars	Subsidiaries (including Step-down subsidiaries)		Associates		Joint Operations/ Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
28	Post-employment Benefits *			-	-	-	-	15.19	15.19	-	-
29	Other Long-term Benefits			-	-	-	-	-	-	-	-
30	Termination Benefits			-	-	-	-	-	-	-	-
31	Share based payment			-	-	-	-	-	-	-	-
32	Interest Paid on un-secured loans			-	-	-	-	1,823.81	1,250.42	-	-
33	Un-secured loan received			-	-	-	-	1,515.00	9,191.00	-	-
34	Un-secured loan (repaid)			-	-	-	-	(2,239.18)	(168.00)	-	-
35	Dividend paid			-	-	-	-	311.52	403.41	-	-
36	Land lease rent paid			-	-	-	-	17.29	18.07	-	-
37	Office rent paid			-	-	-	-	10.10	10.08	-	-
38	Purchase of quarry Land			-	-	-	-	-	36.00	-	-
39	Directors sitting fee paid			-	-	-	-	37.00	33.00	-	-
40	Contribution to Post-employment Benefit plans			-	-	-	-	-	-	1.00	-

Notes forming part of the 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)

Sl. No.	Particulars	Subsidiaries (including Stepdown subsidiaries)		Associates		Joint Operations/ Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
1	Debit balances outstanding										
	KNR Walayar Tollways Pvt. Ltd.	39,868.72	39,833.50	-	-	-	-	-	-	-	-
	KNR Muzaffarpur Barauni Tollway Pvt. Ltd.	5,507.21	5,323.23	-	-	-	-	-	-	-	-
	KNR Agrotech & Beverages Pvt. Ltd.	187.51	218.18	-	-	-	-	-	-	-	-
	KNR Energy Ltd.	178.24	170.74	-	-	-	-	-	-	-	-
	KNRC Holdings and Investments Pvt. Ltd.	41,43.95	3,304.11	-	-	-	-	-	-	-	-
	KNR Infrastructure Projects Pvt. Ltd.	10.77	10.22	-	-	-	-	-	-	-	-
	KNR Constructions - LLC, at Oman	-	206.07	-	-	-	-	-	-	-	-
	KNRCL - FZE, at Dubai	-	92.13	-	-	-	-	-	-	-	-
	KNR Muzaffarpur Holdings Pvt. Ltd.	11.82	1.94	-	-	-	-	-	-	-	-
	KNR Chidambaram Infra Pvt. Ltd.	843.97	10.16	-	-	-	-	-	-	-	-
	KNR Srirangam Infra Pvt. Ltd.,	1,103.46	10.16	-	-	-	-	-	-	-	-
	KNR Tirumala Infra Pvt. Ltd.	21,111.72	-	-	-	-	-	-	-	-	-
	KNR Shankarampet Projects Pvt. Ltd.	1,312.44	-	-	-	-	-	-	-	-	-
	KNR Palani Infra Pvt. Ltd.	10.14	-	-	-	-	-	-	-	-	-
	KNR Somwarpet Infra Project Pvt. Ltd.	10.23	-	-	-	-	-	-	-	-	-
	Patel KNR Heavy Infrastructures Ltd.	-	-	2,189.19	2,054.98	-	-	-	-	-	-
	Patel KNR Infrastructures Ltd.	-	-	1,807.28	1,790.24	-	-	-	-	-	-
	Patel-KNR JV	-	-	-	-	2,506.09	2,597.45	-	-	-	-

Notes forming part of the Financial Statements (Contd.)

45. DISCLOSURE OF RELATED PARTIES/ RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24: RELATED PARTY DISCLOSURE" (CONTD.)

Sl. No.	Particulars	Subsidiaries (including Stepdown subsidiaries)		Associates		Joint Operations/ Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
	KNR-BPL JV	-	-	-	-	362.50	232.13	-	-	-	-
	KNR-SEW-GVR JV	-	-	-	-	3,447.86	6,364.79	-	-	-	-
	PSK-KNR-GVR JV	-	-	-	-	1,901.37	1,077.12	-	-	-	-
	KNR-TBPCL JV	-	-	-	-	2.77	4.26	-	-	-	-
	KNR-PBEPL JV	-	-	-	-	48.07	134.76	-	-	-	-
	KNR-GVR JV	-	-	-	-	-	10.04	-	-	-	-
	KNR-PATEL JV	-	-	-	-	166.73	173.83	-	-	-	-
	NCC-KNR JV	-	-	-	-	-	0.66	-	-	-	-
	KNR-JKM JV	-	-	-	-	4,153.20	2,495.84	-	-	-	-
	KNR-JKM-KAMALA JV	-	-	-	-	125.03	125.03	-	-	-	-
	BSCPL-KNRCL JV	-	-	-	-	1,873.52	583.79	-	-	-	-
	KNR-SLMI JV	-	-	-	-	59.87	69.84	-	-	-	-
	KNR-HES-ACPL JV	-	-	-	-	1,994.33	1,096.82	-	-	-	-
	SEL-KNR JV	-	-	-	-	-	35.31	-	-	-	-
	M.Rajesh Reddy	-	-	-	-	-	-	16.83	16.83	-	-
2	Credit Balances outstanding										
	KNR Chidambaram Infra Pvt. Ltd.	454.55	-	-	-	-	-	-	-	-	-
	KNR Srirangam Infra Pvt. Ltd.	454.55	-	-	-	-	-	-	-	-	-
	KNR Tirumala Infra Pvt. Ltd.	5,718.64	-	-	-	-	-	-	-	-	-
	KNR Shankarampet Projects Pvt. Ltd.	454.55	-	-	-	-	-	-	-	-	-
	KNR Constructions - LLC, at Oman	-	256.91	-	-	-	-	-	-	-	-
	Patel KNR Infrastructures Ltd.	-	-	89.09	-	-	-	-	-	-	-
	Patel-KNR JV	-	-	-	-	28.38	292.76	-	-	-	-
	KNR-BPL JV	-	-	-	-	-	331.26	-	-	-	-
	KNR-SEW-GVR JV	-	-	-	-	-	24.74	-	-	-	-
	KNR-SLEC JV	-	-	-	-	40.05	23.34	-	-	-	-
	KNR-HES-ACPL JV	-	-	-	-	35.46	319.56	-	-	-	-
	K.Narsimha Reddy			-	-	-	-	20,400.81	21,190.66	-	-
	K.Jalandhar Reddy *			-	-	-	-	480.13	478.87	-	-
	S.Vaikuntanathan			-	-	-	-	1.62	1.57	-	-
	M.Venkata Rao *			-	-	-	-	0.87	1.08	-	-
	V.Krishna Reddy			-	-	-	-	0.57	0.57	-	-
	J.V. Panindra Reddy			-	-	-	-	-	3.70	-	-

Notes forming part of the Financial Statements (Contd.)

45. DISCLOSURE OF RELATED PARTIES/ RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24: RELATED PARTY DISCLOSURE" (CONTD.)

(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)

Sl. No.	Particulars	Subsidiaries (including Stepdown subsidiaries)		Associates		Joint Operations/ Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
1	Work contract receipts received										
	KNR Tirumala Infra Pvt. Ltd.	12,696.10	-	-	-	-	-	-	-	-	-
	KNR-JKM JV	-	-	-	-	13,302.10	3,117.70	-	-	-	-
	KNR-HES-ACPL JV	-	-	-	-	52,418.47	12,193.62	-	-	-	-
	BSCPL-KNRCL JV	-	-	-	-	21,376.92	6,219.82	-	-	-	-
2	Interest Income on Inter corporate loans										
	KNR Agrotech & Beverages Pvt. Ltd.	2.20	2.02	-	-	-	-	-	-	-	-
	KNR Energy Ltd.	6.98	7.08	-	-	-	-	-	-	-	-
	KNRC Holdings and Investments Pvt Ltd	7.25	5.66	-	-	-	-	-	-	-	-
3	Inter corporate Loans - (Investment/ Derecognition)										
	KNRC Holdings and Investments Pvt Ltd	(30.74)	(62.63)	-	-	-	-	-	-	-	-
4	Inter corporate Loans given/(repaid)										
	KNRC Holdings and Investments Pvt Ltd	81.22	(97.54)	-	-	-	-	-	-	-	-
5	Investment in Equity Shares										
	KNR Srirangam Infra Pvt Ltd	1,090.00	10.00	-	-	-	-	-	-	-	-
	KNR Tirumala Infra Pvt. Ltd.	7,162.50	-	-	-	-	-	-	-	-	-
	KNR Shankarampet Projects Pvt. Ltd.	1,309.00	-	-	-	-	-	-	-	-	-
6	Investment (Equity Nature)										
	KNRC Holdings and Investments Pvt Ltd	790.70	3,194.69	-	-	-	-	-	-	-	-

Notes forming part of the Financial Statements (Contd.)

45. DISCLOSURE OF RELATED PARTIES/ RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24: RELATED PARTY DISCLOSURE" (CONTD.)

(₹ in Lakhs)

Sl. No.	Particulars	Subsidiaries (including Stepdown subsidiaries)		Associates		Joint Operations/ Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
	KNR Tirumala Infra Pvt. Ltd.	90.00	-	-	-	-	-	-	-	-	-
7	Investment / (written off)										
	KNR Constructions - LLC	(206.07)	-	-	-	-	-	-	-	-	-
	KNRCL - FZE	(48.88)	-	-	-	-	-	-	-	-	-
8	Advance received/ (written back)										
	KNR Constructions - LLC	(256.91)	-	-	-	-	-	-	-	-	-
9	Advance paid/ (written off)										
	KNRCL - FZE	(43.25)	-	-	-	-	-	-	-	-	-
10	Mobilisation advance received/ (recovered)										
	KNR Tirumala Infra Pvt. Ltd.	5,718.64	-	-	-	-	-	-	-	-	-
11	Corporate guarantee										
	KNR Muzaffarpur Barauni Tollway Pvt. Ltd.	6,220.10	-	-	-	-	-	-	-	-	-
12	Re-imbursement of expenditure incurred/(Recovered)										
	Patel KNR Heavy Infrastructures Ltd.	-	-	58.59	(4.96)	-	-	-	-	-	-
	Patel-KNR JV	-	-	-	-	28.38	(98.04)	-	-	-	-
	SEL-KNR JV	-	-	-	-	35.31	15.92	-	-	-	-
13	Advance paid/ (recovered)										
	KNR Agrotech & Beverages Pvt. Ltd.	(32.87)	7.90	-	-	-	-	-	-	-	-
	KNR Muzaffarpur Holdings Pvt. Ltd.	9.88	0.11	-	-	-	-	-	-	-	-

Notes forming part of the Financial Statements (Contd.)

45. DISCLOSURE OF RELATED PARTIES/ RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24: RELATED PARTY DISCLOSURE" (CONTD.)

(₹ in Lakhs)

Sl. No.	Particulars	Subsidiaries (including Stepdown subsidiaries)		Associates		Joint Operations/ Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
	KNR Tirumala Infra Pvt. Ltd.	20.47	-	-	-	-	-	-	-	-	-
	Patel-KNR JV	-	-	-	-	87.31	(24.45)	-	-	-	-
14	Royalty reimbursement income										
	Patel KNR Heavy Infrastructures Ltd.	-	-	87.88	-	-	-	-	-	-	-
15	Share of Profit/ (Loss)										
	Patel-KNR JV	-	-	-	-	(165.98)	315.73	-	-	-	-
	KNR-GVR JV	-	-	-	-	34.93	71.07	-	-	-	-
	KNR-PATEL JV	-	-	-	-	-	686.24	-	-	-	-
	KNR-JKM JV	-	-	-	-	313.47	7.01	-	-	-	-
16	Current Account Additions/(drawings)										
	Patel-KNR JV	-	-	-	-	(122.88)	(944.65)	-	-	-	-
	KNR-SEW-GVR JV	-	-	-	-	65.96	(24.74)	-	-	-	-
	KNR-TBPCL JV	-	-	-	-	(3.84)	(9.68)	-	-	-	-
	KNR-PBEPL JV	-	-	-	-	(96.80)	(12.52)	-	-	-	-
	KNR-SLMI JV	-	-	-	-	(6.78)	(13.11)	-	-	-	-
	KNR-GVR JV	-	-	-	-	(44.97)	(95.47)	-	-	-	-
	KNR-SLEC JV	-	-	-	-	(16.66)	9.01	-	-	-	-
	KNR-JKM JV	-	-	-	-	34.05	1,456.07	-	-	-	-
	BSCPL-KNRCL JV	-	-	-	-	(84.66)	84.66	-	-	-	-
	KNR-HES-ACPL JV	-	-	-	-	284.10	(319.56)	-	-	-	-
17	Trade receivable/ (received)										
	Patel-KNR JV	-	-	-	-	(125.60)	-	-	-	-	-
18	Trade payable/ (paid)										
	Patel-KNR JV	-	-	-	-	(20.01)	-	-	-	-	-

Notes forming part of the Financial Statements (Contd.)

45. DISCLOSURE OF RELATED PARTIES/ RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24: RELATED PARTY DISCLOSURE" (CONTD.)

(₹ in Lakhs)

Sl. No.	Particulars	Subsidiaries (including Stepdown subsidiaries)		Associates		Joint Operations/ Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
19	Other receivables/ (received)										
	Patel-KNR JV	-	-	-	-	(261.27)	363.44	-	-	-	-
20	Materials advance received/(recovered)										
	Patel KNR Infrastructures Ltd.	-	-	89.09	-	-	-	-	-	-	-
	Patel-KNR JV	-	-	-	-	-	(272.75)	-	-	-	-
	KNR-BPL JV	-	-	-	-	(331.26)	227.58	-	-	-	-
21	Debit Balance written off										
	Patel-KNR-JV	-	-	-	-	-	271.23	-	-	-	-
22	Credit balance written back										
	Patel-KNR-JV	-	-	-	-	-	5.71	-	-	-	-
	J.V. Panindra Reddy	-	-	-	-	-	-	3.70	-	-	-
23	Advance paid for purchase of lands (through step down subsidiaries)										
	Patel-KNR JV	-	-	-	-	497.06	-	-	-	-	-
24	Retention deposit & Withheld deducted/ (released)										
	KNR-SEW-GVR JV	-	-	-	-	666.85	383.92	-	-	-	-
	KNR-JKM JV	-	-	-	-	1,018.38	235.43	-	-	-	-
	BSCPL-KNRCL JV	-	-	-	-	888.86	365.35	-	-	-	-
	KNR-HES-ACPL JV	-	-	-	-	824.90	961.16	-	-	-	-
25	TDS refund share deducted/(released)										
	KNR-BPL JV					33.67	4.23				
	KNR-HES-ACPL JV			-	-	72.61	135.66	-	-	-	-
26	Interest received on share of TDS refund										
	KNR-SLMI JV			-	-	-	29.29	-	-	-	-

Notes forming part of the Financial Statements (Contd.)

45. DISCLOSURE OF RELATED PARTIES/ RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24: RELATED PARTY DISCLOSURE" (CONTD.)

(₹ in Lakhs)

Sl. No.	Particulars	Subsidiaries (including Stepdown subsidiaries)		Associates		Joint Operations/ Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
27	Short Term Employee Benefits										
	K.Narsimha Reddy			-	-	-	-	558.00	504.00	-	-
	K.Jalandhar Reddy			-	-	-	-	372.00	336.82	-	-
28	Post-employment Benefits *										
	K.Jalandhar Reddy			-	-	-	-	14.40	14.40	-	-
29	Interest Paid on un-secured loans										
	K.Narsimha Reddy			-	-	-	-	1,784.18	1,211.67	-	-
30	Un-secured loan received										
	K.Narsimha Reddy			-	-	-	-	1,515.00	9,191.00	-	-
31	Un-secured loan (repaid)										
	K.Narsimha Reddy			-	-	-	-	(2,239.18)	(168.00)	-	-
32	Dividend paid										
	K.Narsimha Reddy			-	-	-	-	182.97	228.72	-	-
	K.Jalandhar Reddy			-	-	-	-	78.52	98.15	-	-
33	Land lease rent paid										
	K.Jalandhar Reddy			-	-	-	-	17.29	18.07	-	-
34	Office rent paid										
	K.Jalandhar Reddy			-	-	-	-	10.10	10.08	-	-
35	Purchase of quarry Land										
	K.Jalandhar Reddy			-	-	-	-	-	36.00	-	-
36	Directors sitting fee paid										
	K.Yashoda			-	-	-	-	6.00	5.00	-	-
	B.V.Rama Rao			-	-	-	-	15.50	14.00	-	-
	L.B.Reddy			-	-	-	-	15.50	14.00	-	-
37	Contribution to Post-employment Benefit plans										
	KNR Constructions Ltd. Employees group gratuity fund			-	-	-	-	-	-	1.00	-

Notes forming part of the Financial Statements (Contd.)

45. DISCLOSURE OF RELATED PARTIES/ RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24: RELATED PARTY DISCLOSURE" (CONTD.)**(e) Disclosure in respect of commitments(Equity/Capital Commitment) with related parties as on March 31, 2019 :**

(₹ in Lakhs)

Sl. No.	Particulars	Subsidiaries (including Step-down subsidiaries)		Associates		Joint Operations/ Joint Ventures	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
1	KNR Chidambaram Infra Pvt. Ltd.	3,715.00	4,550.00	-	-	-	-
2	KNR Srirangam Infra Pvt. Ltd.	8,523.00	9,550.00	-	-	-	-
3	KNR Tirumala Infra Pvt. Ltd.	7,162.50	14,324.00	-	-	-	-
4	KNR Shankarampet Projects Pvt. Ltd.	9,114.00	10,338.00	-	-	-	-
5	KNR Somwarpet Infra Project Pvt. Ltd.	12,200.00	5,336.00	-	-	-	-
6	KNR Palani Infra Pvt. Ltd.	9,990.00	-	-	-	-	-
7	KNR Muzaffarpur Barauni Tollway Pvt. Ltd.	-	438.73	-	-	-	-
	Total	50,704.50	44,536.73	-	-	-	-

* 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.

46. During the year the Company has written off its Investment in two non-operative foreign subsidiaries which is shown under exceptional items in the statement of profit and loss.

47. Reconciliation between the Opening and Closing balances in the financial statement for Financial Liabilities and Assets arising from Financing Activities (Ind AS – 7)

(₹ in Lakhs)

Particulars	Secured Loans	Unsecured Loans	Interest	Total
Opening Balance	854.26	21,184.50	461.23	22,499.99
Interest/Dividend Accrued during the year	-	-	2,910.25	2,910.25
Cash flows				
Received	5,305.99	1,515.00	-	6,820.99
Repayment	(1,900.46)	(2,239.17)	-	(4,139.63)
Interest/Dividend paid	-	-	(2,980.20)	(2,980.20)
Non Cash items				
Unwinding Interest	-	-	-	-
Closing Balance	4,259.79	20,460.33	391.28	25,111.40

48. SEGMENT INFORMATION

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

Notes forming part of the Financial Statements (Contd.)

49. The Company has entered into Share Purchase Agreements (the "SPAs") with Cube Highways and Infrastructure III Pte. Ltd. (the "Investor") for the following 3 wholly owned subsidiaries (the "SPVs") of HAM Projects

- 1) KNR Srirangam Infra Pvt. Ltd. on 28-01-2019
- 2) KNR Chidambaram Infra Pvt. Ltd. on 11-02-2019
- 3) KNR Tirumala Infra Pvt. Ltd. on 11-02-2019

Pursuant to SPAs, the Company will, in a phased manner (i.e on COD and on lifting of mandatory lock in period as specified in the Concession Agreement), sell to the Investor its entire shareholding in the SPVs, subject to the shareholding transfer restrictions set out in the concession agreement (s) executed between National Highway Authority of India and the respective SPVs and subject to various regulatory and lenders' approvals.

50. The Registered office of the Company has been shifted from the State of Delhi to the State of Telangana w.e.f 31.01.2019. New CIN of the Company is L74210TG1995PLC130199.

51. Approval of Financial Statements

The financial statements were approved for issue by the Board of Directors on May 30, 2019.

52. 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)

K. Viswanath

Partner,

Membership No: 022812

Place : Hyderabad

Date : May 30, 2019

For and on behalf of the Board

K.Narsimha Reddy

Managing Director,

DIN: 00382412

S.Vaikuntanathan

Vice President (F&A)

K. Jalandhar Reddy

Executive Director & CFO,

DIN: 00434911

M.V.Venkata Rao

Company Secretary

Independent Auditor's Report

To the Members of

KNR CONSTRUCTIONS LIMITED

REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated Ind AS financial statements of **KNR CONSTRUCTIONS LIMITED** ("the Holding Company") and its subsidiaries (collectively referred to as 'the Group') and its associates, which comprise the consolidated Balance Sheet as at 31 March, 2019, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Statement of Changes in Equity and consolidated Statement of Cash Flow for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated Ind AS financial statement').

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of joint operations, subsidiaries and associates, the aforesaid consolidated Ind AS 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 accounting principles generally accepted in India, of consolidated state of affairs of the Group and its associates as at March 31, 2019, of

their consolidated financial profit including, other comprehensive income, consolidated statement of changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the consolidated Ind AS 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.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>A) Revenue Recognition of long term contracts of Holding Company</p> <p>The Company has significant revenue from construction contracts and long-term operating and maintenance agreements. These long-term contracts are often complex customised solutions and meet the definition of a contract as per Ind AS 115.</p> <p>Revenue related to these construction contracts is recognised 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.</p> <p>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.</p>	<p>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.</p> <p>Our procedures included, among others things, the following:</p> <ul style="list-style-type: none"> • 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;

Independent Auditor's Report (Contd.)

Key Audit Matter	How our audit addressed the Key Audit Matter
B) Litigations and Claims of Holding Company 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.	Our audit procedures included the following: <ul style="list-style-type: none"> 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 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.

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

The Holding Company's Board of Directors are 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 Report, Corporate Governance and Shareholder's Information, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Act, with respect to the preparation of these consolidated Ind AS Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Company 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 Board of Directors of the companies included in the group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its associates 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective board of directors of the companies included in the group and of its associates 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the group and of its associates are also responsible for overseeing the financial reporting process of the group and its associates.

Independent Auditor's Report (Contd.)

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS 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 Ind AS 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 Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to 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 consolidated Ind AS 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 consolidated Ind AS financial statements including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, its joint operations, associates 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.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS 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. We did not audit the financial statements and other financial information, in respect of 11 subsidiaries (including one consolidated subsidiary for the period ended 31st March 2019) and 14 joint operations whose financial statements include total assets of ₹ 1,58,795.84 lakhs and net assets of ₹ 50,875.87 lakhs as at March 31, 2019, and total revenues of ₹ 1,75,391.51 lakhs for the year ended on that date. These financial statements and other financial information have been audited by other auditors, whose financial statements, other financial information and auditor's reports have been furnished to us by the management.

Independent Auditor's Report (Contd.)

The consolidated Ind AS financial statements also include the Group's share of net loss of ₹ 214.23 lakhs for the year ended March 31, 2019, in respect of 2 associates located in India. In respect of these associates, the financial statements and other financial information have been audited by other auditors and auditor's report have been furnished to us by the management.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

2. The consolidated Ind AS financial statements also include the Group's share of net Profit of ₹ 522.83 lakhs for the year ended March 31, 2019, 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 group as at end of the year. In our opinion and according to the information and explanations given to us by the Management, the financial information of the joint venture is not material to the Group.

Our opinion on the consolidated Ind AS financial statements is not modified in respect of the above matters with respect to our reliance on the financial information certified by the management.

3. The financial statements and financial information of one joint operation included in the consolidated Ind AS financial statements, whose financial statements and financial information reflect total assets of ₹ 658.25 lakhs as at 31st March, 2019 and total net asset of ₹ (73.63) lakhs, and total revenue of ₹ 2282.93 lakhs, for the year ended on that date have not been audited. These financial statements and financial information have been reviewed and certified by the Management. In our opinion and according to the information and explanations given to us by the Management, the financial information of the joint operation is not material to the Group.

Our opinion on the consolidated Ind AS financial statements is not modified in respect of the above matters with respect to our reliance on the financial information certified by the management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of

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.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss (including other comprehensive income) the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards 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.
- e) On the basis of the written representations received from the directors of the Holding company as on March 31, 2019, taken on record by the Board of Directors of the Holding Company, and the reports of the statutory auditors of its subsidiary companies, associate companies, none of the directors are disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in **"Annexure 1"**, which is based on auditor's report of the parent and its subsidiary companies, associate companies. Our Report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's financial controls over financial reporting.
- 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 based on the consideration of reports of the other statutory auditors of the subsidiaries and associates the managerial remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 read with Schedule V to the Act.

Independent Auditor's Report (Contd.)

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated Ind AS Financial Statements disclose the impact if any, of pending litigations as at March 31, 2019 on its financial position in its consolidated Ind

AS Financial Statements – Refer Note No. 37.

- 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 Holding Company, and its subsidiaries, associate companies.

For K.P. Rao & Co.,
Chartered Accountants
Firm's Registration No. 003135S

K. Viswanath
Partner
Membership No. 022812

Place: Hyderabad
Date: May 30, 2019

Annexure 1

to the Independent Auditor's Report of even date on the Consolidated Ind AS Financial Statements of KNR Constructions Limited

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

We have audited the internal financial controls over financial reporting of **KNR CONSTRUCTIONS LIMITED** ("the Holding Company") its subsidiary companies and its associate companies, which are incorporated in India, as of March 31, 2019 in conjunction with our audit of the consolidated Ind AS financial statements of the Group for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies and its associate 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 Company considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting with reference to these consolidated Ind AS 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated Ind AS 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 system over financial reporting with reference to these consolidated Ind AS Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated Ind AS 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 consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting with reference to these consolidated Ind AS financial statements.

Meaning of Internal Financial Controls over Financial Reporting With Reference to these Consolidated Ind AS Financial Statements

A company's internal financial control over financial reporting with reference to these consolidated Ind AS 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 over financial reporting with reference to these consolidated Ind AS 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 authorisations of management and directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over

Annexure 1 to the Independent Auditor's Report of even date on the Consolidated Ind AS Financial Statements of KNR Constructions Limited (Contd.)

Financial Reporting With Reference to these Consolidated Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Consolidated Ind AS Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiary companies and its associate companies, which are companies incorporated

in India, have maintained in all material respects, an adequate internal financial controls system over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2019, based on the Internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India".

Other Matter

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financials controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company, insofar as it relates to these 11 subsidiary companies, and 2 associate companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary and associate companies.

For K.P. Rao & Co.,
Chartered Accountants
Firm's Registration No. 003135S

K. Viswanath
Partner
Membership No. 022812

Place: Hyderabad
Date: May 30, 2019

Consolidated Balance Sheet

as at March 31, 2019

(₹ in Lakhs)

Particulars	Note	As at March 31, 2019	As at March 31, 2018
I ASSETS			
1) Non-current assets			
a) Property, plant and equipment	3	37,459.68	33,369.31
b) Capital work-in-progress	3.1	0.99	115.07
c) Investment property	3.2	6,516.41	6,501.42
d) Other Intangible assets	3.3	88,075.44	94,264.00
e) Financial Assets			
i) Investments	4	3,297.18	3,511.41
ii) Other financial assets	5	14,167.51	254.98
f) Deferred tax assets (net)	6	17,476.91	14,077.18
g) Non-Current tax assets (net)	7	1,904.76	1,213.74
h) Other non-current assets	8	16,017.92	8,770.37
Total Non-current assets		1,84,916.80	1,62,077.48
2) Current assets			
a) Inventories	9	10,118.55	7,504.61
b) Financial assets			
i) Investment	4	1,896.24	1,755.22
ii) Trade receivables	10	9,680.10	26,913.75
iii) Cash and cash equivalents	11	990.11	4,498.73
iv) Bank balances, other than (iv) above	12	1,757.33	699.13
v) Loans	13	394.18	2,454.12
vi) Other financial asset	5	17,420.03	16,241.45
c) Current tax assets (net)	7	1,351.87	1,993.35
d) Other current assets	14	44,380.28	36,659.76
Total Current assets		87,988.69	98,720.12
Total Assets		2,72,905.49	2,60,797.60
II EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	15	2,812.35	2,812.35
b) Instruments entirely equity in nature	15.3	850.00	850.00
c) Other equity	16	1,27,420.26	1,01,114.26
Equity attributable to the share holders of the Company		1,31,082.61	1,04,776.61
Non-controlling Interests		4,276.60	5,005.93
Total equity		1,35,359.21	1,09,782.54
Liabilities			
1) Non-current liabilities			
a) Financial liabilities			
i) Borrowings	17	68,991.99	74,192.99
ii) Trade payables	18	-	827.27
iii) Other financial liabilities	19	177.90	87.69
b) Provisions	20	2,844.31	1,732.48
c) Other non-current liabilities	21	1,324.53	1,324.53
Total Non-current liabilities		73,338.73	78,164.96
2) Current liabilities			
a) Financial liabilities			
i) Borrowings	17	1,694.14	-
ii) Trade payables	18	23,060.00	24,761.59
iii) Other financial liabilities	19	20,067.92	15,894.19
b) Provisions	20	1,917.55	2,162.72
c) Other current liabilities	22	17,071.47	29,851.13
d) Current tax liability (Net)	23	396.47	180.47
Total Current liabilities		64,207.55	72,850.10
Total Equity and Liabilities		2,72,905.49	2,60,797.60
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)

K. Viswanath
Partner,
Membership No: 022812

Place : Hyderabad
Date : May 30, 2019

For and on behalf of the Board

K.Narsimha Reddy
Managing Director,
DIN: 00382412

S.Vaikuntanathan
Vice President (F&A)

K. Jalandhar Reddy
Executive Director & CFO,
DIN: 00434911

M.V.Venkata Rao
Company Secretary

Consolidated Statement of Profit and Loss

for the year ended March 31, 2019

(₹ in Lakhs)

Particulars	Note	Year ended March 31, 2019	Year ended March 31, 2018
I Gross Revenue from Operations	24	2,29,150.32	2,06,959.61
II Other income	25	7,434.40	5,579.05
III Total Revenue (I + II)		2,36,584.72	2,12,538.66
IV EXPENSES			
Cost of materials consumed	26	64,378.29	50,686.40
Construction expenses	27	96,783.13	97,453.48
Change in work in progress		(130.75)	597.57
Construction cost under service concession arrangements		446.59	1,436.59
Employee benefits expense	28	9,477.35	7,396.28
Finance costs	29	8,906.55	8,026.66
Depreciation and amortization expense	30	23,013.23	19,360.47
Other expenses	31	4,528.14	4,764.59
Total expenses (IV)		2,07,402.53	1,89,722.04
V Profit/(Loss) before share of (Profit)/Loss from investment in associates (III-IV)		29,182.19	22,816.62
VI Share of Profit/(Loss) from associates and joint controlled entities		308.60	5.75
VII Profit/(Loss) before exceptional items and tax (V + VI)		29,490.79	22,822.37
VIII Exceptional items	32	254.96	-
IX Profit/(Loss) before tax (VII-VIII)		29,235.83	22,822.37
X Tax expense	33		
1) Current tax		6,067.59	5,756.06
2) Adjustment of tax relating to earlier periods		52.38	(22.69)
3) Deferred tax		(3,373.36)	(5,805.70)
		2,746.61	(72.33)
XI Profit/(Loss) for the year(IX- X)		26,489.22	22,894.70
XII Other comprehensive income/(loss)	34		
a) Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		(0.25)	(190.28)
Deferred tax on above items		0.41	67.32
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)		26,489.38	22,771.74
Profit/(loss) attributable to (XI):			
Owners of the Company		27,051.12	24,347.65
Non-controlling interests		(561.90)	(1,452.95)
		26,489.22	22,894.70
Total comprehensive income attributable to (XIII):			
Owners of the Company		27,051.28	24,224.69
Non-controlling interests		(561.90)	(1,452.95)
		26,489.38	22,771.74
XIV Earnings per equity share : (In ₹)			
1) Basic		19.24	17.31
2) Diluted		19.24	17.31
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)

K. Viswanath
Partner,
Membership No: 022812

Place : Hyderabad
Date : May 30, 2019

For and on behalf of the Board

K.Narsimha Reddy
Managing Director,
DIN: 00382412

S.Vaikuntanathan
Vice President (F&A)

K. Jalandhar Reddy
Executive Director & CFO,
DIN: 00434911

M.V.Venkata Rao
Company Secretary

Consolidated Statement of Changes in Equity

for the year ended March 31, 2019

A - Equity Share Capital

(₹ in Lakhs)

Particulars	Number of Shares	Amount
As at April 01, 2017	14,06,17,300	2,812.35
Issue of equity shares	-	-
As at March 31, 2018	14,06,17,300	2,812.35
Issue of equity shares	-	-
As at March 31, 2019	14,06,17,300	2,812.35

B - Other Equity

(₹ in Lakhs)

Particulars	Attributable to the shareholders of the Company				Items of other comprehensive income/ (loss)	Instrument entirely equity in nature	Total Attributable to the shareholders of the Company	Non-con- trolling interests	Total
	Reserves and Surplus				Other items of Other Compre- hensive Income				
	Securities Premium Reserve	General Reserves	Exchange difference on transaction & translation	Retained Earnings					
Balance as at April 01, 2017	12,599.31	2,849.00	61.68	62,189.49	30.80	850.00	78,580.28	6,458.88	85,039.16
Profit for the year	-	-	-	24,347.65	-	-	24,347.65	(1,452.95)	22,894.70
Other Comprehensive income/ (loss) for the year	-	-	-	-	(122.96)	-	(122.96)	-	(122.96)
Dividends & Dividend tax paid	-	-	-	(846.22)	-	-	(846.22)	-	(846.22)
Exchange Differences on translation of foreign operations	-	-	5.51	-	-	-	5.51	-	5.51
Balance as at March 31, 2018	12,599.31	2,849.00	67.19	85,690.92	(92.16)	850.00	1,01,964.26	5,005.93	1,06,970.19
Balance as at April 01, 2018	12,599.31	2,849.00	67.19	85,690.92	(92.16)	850.00	1,01,964.26	5,005.93	1,06,970.19
Profit for the year	-	-	-	27,051.12	-	-	27,051.12	(561.90)	26,489.22
Other Comprehensive income/ (loss) for the year	-	-	-	-	-	0.16	0.16	-	0.16
Dividends & Dividend tax paid	-	-	-	(678.09)	-	-	(678.09)	-	(678.09)
Exchange Differences on translation of foreign operations	-	-	(67.19)	-	-	-	(67.19)	(167.43)	(234.62)
Balance as at March 31, 2019	12,599.31	2,849.00	0.00	1,12,063.95	(92.16)	850.16	1,28,270.26	4,276.60	1,32,546.86

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)

For and on behalf of the Board

K. Viswanath

Partner,

Membership No: 022812

K.Narsimha Reddy

Managing Director,

DIN: 00382412

K. Jalandhar Reddy

Executive Director & CFO,

DIN: 00434911

Place : Hyderabad

Date : May 30, 2019

S.Vaikuntanathan

Vice President (F&A)

M.V.Venkata Rao

Company Secretary

Consolidated Cash Flow Statement

for the Year Ended March 31, 2019

(₹ in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A) Cash Flow from Operating Activities		
Profit before tax	29,235.83	22,822.37
Adjustments for :		
Depreciation and Amortisation expense	23,013.23	19,360.47
Liabilities no longer required written back	(1,515.45)	(685.82)
Provision for Doubtful Advances written back	(620.53)	-
Bad debts/advances written off	348.95	572.70
(Gain)/Loss on sale of property, plant and equipment	(865.99)	(540.47)
(Gain)/Loss on sale of Mutual funds	10.50	-
(Gain) / Loss on Fair value of Financial instruments	(398.80)	(74.52)
Provision for Doubtful Advances and Other Receivables	-	420.53
Provision for Periodic maintenance	931.45	842.00
Dividend received on current investments	(297.28)	(153.76)
Un Winding Interest on Deferment of NHAI Premium	455.48	394.07
Un Winding Interest on Provision for MMR	133.50	40.23
Un Amortized Processing fee	41.12	26.72
Finance costs	8,276.45	7,788.51
Interest Income	(447.03)	(2,169.07)
	29,065.60	25,821.59
Operating profit before working capital changes	58,301.43	48,643.96
Working capital adjustments:		
(Increase)/Decrease in Trade and Other Receivables and prepayments	(11,931.66)	(33,347.12)
(Increase)/Decrease in Inventories	(2,613.94)	549.35
Increase/(Decrease) in Trade and other Payables	(11,719.18)	9,173.19
Cash generated / (Used in) From Operations	32,036.65	25,019.38
Share of profit/(loss) of an associate and a joint venture	(308.60)	(5.75)
Income Taxes (paid) / Refunds	(6,136.60)	(2,957.06)
Net Cash Flows from/(used in) Operating Activities - (A)	25,591.45	22,056.57
B) Cash Flow from Investing Activities		
Proceeds from sale of property, plant and equipment	1,428.43	2,392.22
Purchase of property, plant and equipment and Capital Work-in-Progress	(21,954.50)	(24,045.54)
Purchase of investments	770.11	2,172.64
Interest Received	400.85	2,139.16
Bank Balances not considered as cash and cash equivalents	(1,058.20)	159.54
Loans to Joint Venture Partners	2,059.94	723.23
Foreign Exchange Translation	(67.19)	5.51
Non Controlling Interest	(167.43)	-
Dividend received on current investments	297.28	153.76
TDS on Interest Received	(58.87)	(28.39)
Net Cash Flow from/ (used in) Investing Activities - (B)	(18,349.58)	(16,327.87)

Cash Flow Statement for the Year Ended March 31, 2019 (Contd.)

(₹ in Lakhs)		
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
C) Cash Flow from Financing Activities		
Proceeds from long term borrowings	13,165.42	10,291.00
Increase/(Decrease) from Short term borrowings	1,694.14	-
Repayment of borrowings	(16,575.44)	(5,785.32)
Finance cost paid	(8,356.52)	(7,412.01)
Dividends paid and Dividend Tax Paid	(678.09)	(846.22)
Net Cash Flow / (used in) Financing Activities - (C)	(10,750.49)	(3,752.55)
Net increase/ (decrease) in Cash and Cash Equivalents - (A+B+C)	(3,508.62)	1,976.15
Cash & Cash Equivalents at the beginning of the year	4,498.73	2,522.58
Cash & Cash Equivalents as at the end of the year (Refer Note 1)	990.11	4,498.73

Note:

- 1 Cash & Cash equivalents

(₹ in Lakhs)		
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Cash in Hand	172.49	111.07
Bank Balance - current account	807.62	4,387.66
Cheques on hand	10.00	-

- 2 The Consolidated 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.

As per our report of even date attached

For **K. P. Rao & Co.,**
Chartered Accountants.
(Firm Regn. No.003135S)

K. Viswanath
Partner,
Membership No: 022812

Place : Hyderabad
Date : May 30, 2019

For and on behalf of the Board

K.Narsimha Reddy
Managing Director,
DIN: 00382412

S.Vaikuntanathan
Vice President (F&A)

K. Jalandhar Reddy
Executive Director & CFO,
DIN: 00434911

M.V.Venkata Rao
Company Secretary

Notes

forming part of the Consolidated Financial Statements

1) REPORTING ENTITY INFORMATION:

KNR Constructions Ltd. ('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) SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of Compliance

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

2.2 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 recognised 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, 2019.

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

Notes forming part of the Consolidated Financial Statements (Contd.)

- 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 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

Notes forming part of the Consolidated Financial Statements (Contd.)

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 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 ₹ 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 *
	Heavy Lift equipment's		
	- Cranes < 100 tons	15 Years	7 Years *
	- Earth-moving equipment's	9 Years	7 Years *
	Construction Accessories	12 Years	3 Years **
	Others including Material Handling / Pipeline / Welding Equipment's	12 Years	7 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
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.

Notes forming part of the Consolidated Financial Statements (Contd.)

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 NHAI 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".

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.

Notes forming part of the Consolidated Financial Statements (Contd.)

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.

Notes forming part of the Consolidated Financial Statements (Contd.)

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 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 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

Notes forming part of the Consolidated Financial Statements (Contd.)

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.

2.20 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.

2.21 Revenue Recognition

Accounting for Construction contracts

The Group has adopted Ind AS 115 "Revenue from Contracts with Customers" with the date of initial application being April 1, 2018. Ind AS 115, revenue from contracts with customers, mandatory for reporting period beginning on or after April 1, 2018 replaced existing revenue recognition requirements i.e. Ind AS 18 Revenue Recognition and Ind AS 11 Construction Contracts. There were no significant

adjustments required to the retained earnings as on April 1, 2018.

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.

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

Notes forming part of the Consolidated Financial Statements (Contd.)

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 NHAI for the construction services.

The Financial Asset due from the NHAI 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.

2.22 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.

Notes forming part of the Consolidated Financial Statements (Contd.)

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.

2.23 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.

2.24 Leases

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

2.25 Foreign Currencies

Foreign Currency transaction and translation expenditure

- The Functional Currency of the Group is Indian Rupees (₹), and these financial statements are presented in Indian rupees (Lakhs)
- 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 adjusts 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 labor costs and productivity efficiencies. Because the financial reporting of these contracts depends on estimates

Notes forming part of the Consolidated Financial Statements (Contd.)

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 financial 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) 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.

e) 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.

f) 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.

g) 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

New and amended accounting standards and interpretations issued but not yet effective

New Accounting Standards Applicable from April 1, 2019

On March 30th, 2019, the Ministry of Corporate Affairs (MCA) notified Ind AS 116-Leases which is applicable from April 1st, 2019. Ind AS 116 changes the method of accounting for leases. Excluding short-term and small ticket leases, the lessee would have to account for all other leases as a right-to-use asset in their financial statements and recognise a corresponding liability to pay the lessor. The Group would be implementing Ind AS 116 with effect from Q1 2019-20 and not expecting any material impact.

Amendments to Accounting Standards

On March 30th, 2019, the MCA made the amendments to following accounting standards:

Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

Ind AS 109 – Prepayment Features with Negative Compensation

Ind AS 19 – Employee Benefits Plan Amendment, Curtailment or Settlement

Ind AS 23 – Borrowing Costs

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

Ind AS 103 – Business Combinations

Ind AS 111 – Joint Arrangements

The Group does not expect these amendments to have any impact on its financial statements.

Notes forming part of the Consolidated Financial Statements (Contd.)

3. PROPERTY, PLANT AND EQUIPMENT

Particulars		(₹ in Lakhs)	
		As at March 31, 2019	As at March 31, 2018
Tangible Assets			
Land - Free Hold *		3,421.81	1,203.32
Buildings		1,474.59	1,376.50
Plant and Equipment		31,421.47	29,907.73
Furniture and Fixtures		75.73	65.55
Vehicles		894.08	697.78
Office equipment		129.95	90.35
Computers & Accessories		42.05	28.08
		37,459.68	33,369.31

Particulars	Tangible Assets						Total
	Land - Free Hold *	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Computers & Accessories
Cost or Deemed cost							
As at April 01, 2017	902.73	2,281.00	59,242.77	271.67	1,593.91	176.13	112.94
Additions	300.59	147.37	21,526.80	13.54	255.07	64.48	28.71
Disposals/adjustments	-	-	(4,840.10)	(2.80)	(23.77)	(5.92)	(1.78)
As at March 31, 2018	1,203.32	2,428.37	75,929.47	282.41	1,825.21	234.69	139.87
Depreciation							
As at April 01, 2017	-	828.92	36,163.45	195.27	882.29	108.53	93.82
Charge for the period #	-	222.95	12,862.68	21.83	260.01	37.99	18.91
Disposals/adjustments	-	-	(3,004.39)	(0.24)	(14.87)	(2.18)	(0.94)
As at March 31, 2018	-	1,051.87	46,021.74	216.86	1,127.43	144.34	111.79
Net block							
As at March 31, 2018	1,203.32	1,376.50	29,907.73	65.55	697.78	90.35	28.08
As at March 31, 2017	902.73	1,452.08	23,079.32	76.40	711.62	67.60	19.12
							26,308.87

Note: Refer note 17 for details of assets pledged.

Notes forming part of the Consolidated Financial Statements (Contd.)

3. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

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, 2018	1,203.32	2,428.37	75,929.47	282.41	1,825.21	234.69	139.87	82,043.34
Additions	2,291.92	282.13	18,076.63	29.42	472.87	84.24	37.88	21,275.09
Disposals/adjustments	(73.43)	-	(1,565.49)	-	-	-	-	(1,638.92)
As at March 31, 2019	3,421.81	2,710.50	92,440.61	311.83	2,298.08	318.93	177.75	1,01,679.51
Depreciation								
As at April 01, 2018	-	1,051.87	46,021.74	216.86	1,127.43	144.34	111.79	48,674.03
Charge for the period	-	184.04	16,269.05	19.24	276.57	44.64	23.91	16,817.45
Disposals/adjustments	-	-	(1,271.65)	-	-	-	-	(1,271.65)
As at March 31, 2019	-	1,235.91	61,019.14	236.10	1,404.00	188.98	135.70	64,219.83
Net block								
As at March 31, 2019	3,421.81	1,474.59	31,421.47	75.73	894.08	129.95	42.05	37,459.68
As at March 31, 2018	1,203.32	1,376.50	29,907.73	65.55	697.78	90.35	28.08	33,369.31

Note: Refer note 17 for details of assets pledged.

Notes forming part of the Consolidated Financial Statements (Contd.)

3.1 CAPITAL WORK-IN-PROGRESS

(₹ in Lakhs)		
Particulars	As at March 31, 2019	As at March 31, 2018
Capital work-in-progress	0.99	115.07
	0.99	115.07

As at March 31, 2019	
(₹ in Lakhs)	
Particulars	Amount
Cost/ Deemed cost	
As at April 01, 2018	122.15
Additions	-
Disposal/capitalized	(121.16)
As at March 31, 2019	0.99
Depreciation	
As at April 01, 2018	7.08
Charge for the period	-
Disposal/adjusted	(7.08)
As at March 31, 2019	-
Net block	
As at March 31, 2019	0.99
As at March 31, 2018	115.07

As at March 31, 2018	
(₹ in Lakhs)	
Particulars	Amount
Cost/ Deemed cost	
As at April 01, 2017	273.33
Additions	-
Disposal/capitalized	(151.18)
As at March 31, 2018	122.15
Depreciation	
As at April 01, 2017	7.08
Charge for the period	-
Disposal/adjusted	-
As at March 31, 2018	7.08
Net block	
Net block As at March 31, 2018	115.07
As at March 31, 2017	266.25

3.2 INVESTMENT PROPERTY

(₹ in Lakhs)		
Particulars	As at March 31, 2019	As at March 31, 2018
Investment Property *	6,516.41	6,501.42
Total	6,516.41	6,501.42

* Land and investment property includes ₹ 798.42 lakhs (P.Y ₹ 762.07 lakhs) held in the name of Directors, relatives of Directors for and on behalf of the Company.

As at March 31, 2019	
(₹ in Lakhs)	
Particulars	Amount
As at April 01, 2018	6,501.42
Additions	96.08
Disposals	(81.09)
As at March 31, 2019	6,516.41
Depreciation	
As at April 01, 2018	-
Charge for the period	-
Disposal/adjusted	-
As at March 31, 2019	-
Net block	
As at March 31, 2019	6,516.41
As at March 31, 2018	6,501.42

As at March 31, 2018	
(₹ in Lakhs)	
Particulars	Amount
As at April 01, 2017	6,445.41
Additions	56.01
Disposals	-
As at March 31, 2018	6,501.42
Depreciation	
As at April 01, 2017	-
Charge for the period	-
Disposal/adjusted	-
As at March 31, 2018	-
Net block	
As at March 31, 2018	6,501.42
As at March 31, 2017	6,445.41

Notes forming part of the Consolidated 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, 2019 and March 31, 2018 is given below :

(₹ in Lakhs)

	Fair value Hierarchy	As at March 31, 2019	As at March 31, 2018
Investment Property	Level 3	11,976.03	11,646.60
		11,976.03	11,646.60

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 except assets pledged. Refer Note 17 for details of assets pledged.

3.3 OTHER INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Computer Software	10.95	15.48
Carriage way	88,064.49	94,248.52
Total	88,075.44	94,264.00

(₹ in Lakhs)

Particulars	Computer software	Carriage way	Intangible assets under development	Total
Cost or Deemed cost				
As at April 01, 2017	10.82	98,052.69	8,859.73	1,06,923.24
Additions	20.02	10,090.02	1,230.29	11,340.33
Disposals	(0.03)	-	(10,090.02)	(10,090.05)
As at March 31, 2018	30.81	1,08,142.71	-	1,08,173.52
Amortisation				
As at April 01, 2017	9.06	7,964.36	-	7,973.42
Charge for the period	6.27	5,929.83	-	5,936.10
Disposals	-	-	-	-
As at March 31, 2018	15.33	13,894.19	-	13,909.52
Net block				
As at March 31, 2018	15.48	94,248.52	-	94,264.00
As at March 31, 2017	1.76	90,088.33	8,859.73	98,949.82

(₹ in Lakhs)

Particulars	Computer software	Carriage way	Intangible assets under development	Total
Cost or Deemed cost				
As at April 01, 2018	30.81	1,08,142.71	-	1,08,173.52
Additions	7.25	-	-	7.25
Disposals	-	(0.03)	-	(0.03)
As at March 31, 2019	38.06	1,08,142.68	-	1,08,180.74
Amortisation				
As at April 01, 2018	15.33	13,894.19	-	13,909.52
Charge for the period	11.78	6,184.00	-	6,195.78
Disposals	-	-	-	-
As at March 31, 2019	27.11	20,078.19	-	20,105.30
Net block				
As at March 31, 2019	10.95	88,064.49	-	88,075.44
As at March 31, 2018	15.48	94,248.52	-	94,264.00

Notes forming part of the Consolidated Financial Statements (Contd.)

4. INVESTMENTS

			(₹ in Lakhs)	
Particulars		As at March 31, 2019	As at March 31, 2018	
Non-Current				
Trade - Unquoted				
a) Investment In Associate (Fair Value of Inter corporate Loans)				
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				
Patel KNR Infrastructures Ltd.				
1,48,00,000 (1,48,00,000) equity shares of ₹ 10/- each, fully paid		1,480.00	1,480.00	
Add/(Less): Cumulative Share of Profit		204.24	65.33	
Net Investment (I)		1,684.24	1,545.33	
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		(47.06)	306.08	
Net Investment (II)		905.89	1,259.03	
Total Equity investment on associates (I + II)		2,590.13	2,804.36	
Less : Impairment Made		1,086.64	1,086.64	
Total		1,503.49	1,717.72	
Total Non-current investment (a+b)		3,297.18	3,511.41	
Current				
Trade - Quoted - at fair value				
c) Investments in Mutual Funds				
	Units			
ICICI Bank Mutal Funds	46,211.94 (PY 5,14,719)	110.16	1,292.92	
UTI Mutual Funds	26,168.535 (PY Nil)	800.95	-	
Total		911.11	1,292.92	
Trade - Unquoted				
d) Current Accounts in Joint Venture				
SEL - KNR JV		985.13	462.30	
Total Current Investments (c+d)		1,896.24	1,755.22	
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 investments - Non - Current (b)		2,590.13	2,804.36	
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)		911.11	1,292.92	
v) Aggregate amount of unquoted investments - Current (d)		985.13	462.30	
		5,193.42	5,266.63	

Note : Aggregate market value of quoted investments is ₹911.11 lakhs (March 31, 2018 ₹ 1,292.92 lakhs)

Notes forming part of the Consolidated Financial Statements (Contd.)

5. OTHER FINANCIAL ASSETS

(₹ in Lakhs)		
Particulars	As at March 31, 2019	As at March 31, 2018
Non-current		
Un-secured Considered good		
Financial Asset Receivable	13,912.53	-
Retention deposit & With Held	59.50	59.50
Advances to Sub-contractors	195.48	195.48
Total Non-Current Other Financial Asset	14,167.51	254.98
Current		
Un-secured Considered good		
Advances to related parties (Refer note : 40)	67.39	1.01
Retention Deposits & Withheld	13,538.50	13,476.95
Interest receivable	214.30	168.12
Security Deposits	1,640.89	1,373.97
Others Receivable	1,797.62	976.68
TDS Refund Receivable from Joint Ventures	161.33	244.72
Total Current Other Financial Asset	17,420.03	16,241.45
Total	31,587.54	16,496.43

6. DEFERRED TAX ASSETS (NET)

(₹ in Lakhs)		
Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax assets	17,593.33	14,188.03
Deferred tax liability	(116.42)	(110.85)
Total	17,476.91	14,077.18

6.1 Components of deferred income tax assets and liabilities arising on account of temporary differences are:

(₹ in Lakhs)		
Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax asset		
Expenditure disallowed under Income Tax Act, 1961	521.65	586.91
Provision for doubtful advances	264.81	477.02
Deferred tax on fair value of investment of properties	1,285.74	1,195.66
Property, plant and equipment	7,548.14	4,572.52
MAT credit entitlement	7,972.99	7,355.92
	17,593.33	14,188.03
Deferred tax liability		
Interest income recognised on Intercompany loans	(48.03)	(41.88)
On OCI (Gratuity)	(68.39)	(67.32)
Gain / (Loss) on Fair value of Mutual Funds	-	(1.65)
	(116.42)	(110.85)
Total	17,476.91	14,077.18

Notes forming part of the Consolidated Financial Statements (Contd.)

7. TAX ASSETS (NET)

(₹ in Lakhs)		
Particulars	As at March 31, 2019	As at March 31, 2018
Non-current		
Advance Tax	1,904.76	1,213.74
	1,904.76	1,213.74
Current		
Advance Tax	1,351.87	4,425.92
Less: Provision for Income Tax	-	(3,591.04)
Income Tax Refund Receivable	-	1,158.47
	1,351.87	1,993.35
Total	3,256.63	3,207.09

8. OTHER NON-CURRENT ASSETS

(₹ in Lakhs)		
Particulars	As at March 31, 2019	As at March 31, 2018
Un-secured Considered good		
Capital advances	1,067.54	491.43
Security Deposits	421.39	183.33
GST/WCT Receivable	14,525.17	7,944.11
Other Receivables	3.82	151.50
Total	16,017.92	8,770.37

9. INVENTORIES

(₹ in Lakhs)		
Particulars	As at March 31, 2019	As at March 31, 2018
Raw materials	5,374.24	4,299.22
Goods-in transit	522.72	171.81
Stores and spares	3,541.44	2,526.29
Goods-in transit	117.20	136.74
Work in Progress	562.95	370.55
Total	10,118.55	7,504.61

10. TRADE RECEIVABLES

(₹ in Lakhs)		
Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Unsecured, considered good		
Trade Receivables	9,680.10	26,913.75
Total Current Trade Receivables	9,680.10	26,913.75
Total	9,680.10	26,913.75

Notes forming part of the Consolidated Financial Statements (Contd.)

11. CASH AND CASH EQUIVALENTS

(₹ in Lakhs)		
Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks:		
In current accounts	807.62	4,387.66
Cheques on hand	10.00	-
Cash on hand	172.49	111.07
Total	990.11	4,498.73

12. OTHER BANK BALANCES

(₹ in Lakhs)		
Particulars	As at March 31, 2019	As at March 31, 2018
Earmarked balances with Banks		
Margin Money & Other Deposits (Refer Note: 12.1)	1,755.00	696.19
Un-claimed Dividend	2.33	2.94
Total	1,757.33	699.13

12.1 Margin Money Deposits have been lodged with Banks against Guarantees / Letters of credit issued by them.

13. LOANS

(₹ in Lakhs)		
Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Unsecured, considered good:		
Loans to		
- Joint Venture Partners	394.18	2,454.12
Total Current Loans	394.18	2,454.12
Total	394.18	2,454.12

Notes forming part of the Consolidated Financial Statements (Contd.)

14. OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Un-secured Considered good		
Mobilization & Material Advance paid to Sub Contractors	4,994.60	7,512.30
Advances to Sub-contractors	14,228.29	12,928.86
Advances to Suppliers (Other than capital advances)	1,687.30	1,235.80
Staff Imprest & Salary Advances	301.01	209.70
Prepaid expenses	657.51	282.63
Due from Customers	22,106.00	14,124.28
Receivables from Others	405.57	366.19
Considered doubtful		
Advances to Sub-contractors	-	520.00
Other Receivables	757.80	757.80
Less: Provision for doubtful trade receivables	(757.80)	(1,277.80)
Total	44,380.28	36,659.76

15. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Amount	No. of Shares	Amount
Authorised Share capital				
Equity Shares of ₹ 2/- each	17,50,00,000	3,500.00	17,50,00,000	3,500.00
Issued, subscribed & fully paid share capital				
Equity Shares of ₹ 2/- each	14,06,17,300	2,812.35	14,06,17,300	2,812.35
Total		2,812.35		2,812.35

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, 2019		As at March 31, 2018	
	No. of Shares	Amount	No. of Shares	Amount
Number of Equity Shares at the beginning	14,06,17,300	2,812.35	14,06,17,300	2,812.35
Add:- Number of Shares Issued	-	-	-	-
Less: Number of Shares Brought Back	-	-	-	-
Number of Equity Shares at the end of the year	14,06,17,300	2,812.35	14,06,17,300	2,812.35

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 Board of Directors has proposed in their meeting held on May 30, 2019 dividend of ₹0.40/- per fully paid equity 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.

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.

Notes forming part of the Consolidated Financial Statements (Contd.)

15. EQUITY SHARE CAPITAL (CONTD.)**15.2** The details of shareholder holding more than 5% shares as at March 31, 2019 and March 31, 2018 set out below:

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	% holding	No. of Shares	% holding
Kamidi Narsimha Reddy	4,57,43,595	32.53	4,57,43,595	32.53
Kamidi Jalandhar Reddy	1,96,29,605	13.96	1,96,29,605	13.96
HDFC Trustee Company Ltd	89,99,300	6.40	1,03,93,522	7.39
DSP Blackrock Balanced Fund	90,27,249	6.42	84,41,115	6.00
ICICI Prudential Equity & Debt Fund	93,79,988	6.67	-	-

15.3 INSTRUMENTS ENTIRELY EQUITY IN NATURE

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Loan from Promotor of SPV	850.00	850.00
Total	850.00	850.00

16. OTHER EQUITY

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
a) Securities premium reserve	12,599.31	12,599.31
b) General reserve	2,849.00	2,849.00
c) Foreign Currency Translation Reserve	-	67.19
d) Surplus in the statement of profit and loss		
Balance at the beginning of the period	85,690.92	62,189.49
Add: (Loss)/ Profit for the period	27,051.12	24,347.65
Less:		
Proposed Dividend	(562.47)	(703.09)
Dividend Tax	(115.62)	(143.13)
	1,12,063.95	85,690.92
e) Other Comprehensive Income - Gratuity	(92.00)	(92.16)
Balance at the end of the period (a+b+c+d+e)	1,27,420.26	1,01,114.26

Notes forming part of the Consolidated Financial Statements (Contd.)

17. BORROWINGS

(₹ in Lakhs)		
Particulars	As at March 31, 2019	As at March 31, 2018
Non-current		
Secured loans		
From banks		
Term loans (Refer note : 17.5)	42,820.78	49,417.09
Equipment and vehicle loans (Refer note : 17.1)	1,664.00	-
	44,484.78	49,417.09
Unsecured loans		
From related parties (Refer note : 17.2)	20,460.33	21,184.50
Deferred Payment Liability - NHAI Premium	4,046.88	3,591.40
	24,507.21	24,775.90
Total non-current borrowings	68,991.99	74,192.99
Current		
Secured loans		
From banks (Refer note : 17.3 and 17.4)		
Cash credits	1,694.14	-
Total current borrowings	1,694.14	-
Total	70,686.13	74,192.99

17.1 Details of Secured loans with Rate of interest (ROI) & Maturity Dates

(₹ in Lakhs)				
Particulars	Effective Interest rate(p.a)	Maturity	As at March 31, 2019	As at March 31, 2018
Non-current Borrowings				
- From Banks				
- HDFC Bank Ltd	9.05%	7-Apr-21	1,400.03	-
- Axis Bank Ltd	8.75%	20-May-20	263.97	-
			1,664.00	-
Current maturities				
- From Banks				
- HDFC Bank Ltd	9.00% to 9.85%	7-Apr-21	1,090.06	405.29
- Axis Bank Ltd	8.75% to 10.01%	20-May-20	1,505.73	426.61
- ICICI Bank Ltd	9.50%	1-Nov-18	-	22.36
Total			2,595.79	854.26
Total Secured loans			4,259.79	854.26

Terms of Security

From Banks

- i) HDFC Bank Ltd.
- Secured by Hypothecation of specific assets purchased out of the loan, comprising Plant & Machinery
- ii) Axis Bank Ltd.
- Secured by Hypothecation of specific assets purchased out of the loan, comprising Plant & Machinery
- iii) ICICI Bank Ltd.
- Secured by Hypothecation of specific assets purchased out of the loan, comprising Plant & Machinery

Notes forming part of the Consolidated Financial Statements (Contd.)

17. BORROWINGS (CONTD.)

17.2 Un-secured Loans

The Company availed un-secured loan from directors, which are repayable on demand and carries interest at 8.75% p.a w.e.f Dec'2018 to Mar'2019 (8.35% p.a for the period Apr' 2018 to May 2018 and 8.45% p.a for the period Jun'2018 to Aug'18 and 8.65% p.a. for the period Sep'18 to Oct' 18 and 8.70% p.a for the month of Nov'18) (P.Y 8.25% w.e.f Nov'2017 and 8.5% p.a for the period Apr'17 to Oct'17)

17.3 Working Capital Facilities:

Cash Credit facilities from consortium of banks are secured by:

- Hypothecation of entire current assets on pari passu basis with other participating banks,
- First pari passu charge on equitable mortgage of certain land & buildings.
- Hypothecation of certain equipment's of written down value as on 30.09.2018 is ₹ 65.03 Crores
- Personal guarantee of Director.

17.4 The interest rate for working capital demand loan and cash credit facilities varies from 8.70% to 10.20% per annum

17.5 Term Loans of Subsidiaries:

a) For KNR Muzaffarpur Barauni Tollway Pvt. Ltd.

Project Loan of ₹31,800.00 Lakhs sanctioned by Banks to this fellow subsidiary, and as on 31.03.2019 the the total amount availed is ₹ 31,325.00 Lakhs and sanctioned an additional loan of ₹ 3,500.00 lakhs for Change of Scope (COS) Work, and the outstanding amount as on March 31, 2019 is ₹ 30,675.70 lakhs (including loan for COS of ₹ NIL) and the Company has commenced its commercial operations in the FY 16-17, and achieved 100% PCOD on 24th August 2017.

Terms of security and repayment

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

The above loan is repayable in fifty quarterly unequal installments ranging from ₹ 0.16 Crores to ₹ 10.94 Crores beginning from 1st January, 2017 to 1st April, 2028. The numbers of balance installments as on 31st March, 2019 are 41. The interest charged by the lenders is at 12%. Interest is payable monthly.

b) For KNR Walayar Tollways Pvt. Ltd.

Project Loan of ₹50,000 lakhs sanctioned by banks, and the outstanding as on March 31, 2019 is ₹ 15,607 lakhs and the Company has commenced its commercial operations in the FY 2015-16. During the FY 2015-16 and 2016-17 the Company has repaid its debt of ₹ 26,150 lakhs by taking an unsecured loan in the form of Subordinated debt from its holding company.

Notes forming part of the Consolidated Financial Statements (Contd.)

17. BORROWINGS (CONTD.)

Terms of security and repayment

- A first mortgage on all immovable assets (if any) and first charge by way of hypothecation on all moveable assets (including but not limited to all current/non-current assets) both present and future, ranking Pari-Passu with other lenders save and except assets forming part of the project assets as defined in the Concession Agreement
- First-charge /assignment on all intangible assets (other than Project Assets as defined in the concession agreement) including but not limited to the goodwill, rights, undertakings and uncalled capital both present and future, ranking pari-passu with other lenders to be availed in the manner and to the extent permissible under the Concession Agreement save and except assets forming part of the Project Assets as defined in the Concession Agreement
- First-charge on all bank accounts including, without limitation, TRA/Escrow Account, and any other bank account to be established by company and each of the other accounts required to be created by the Company. Provided that the charge on the retention account and other bank accounts as mentioned above shall always be subject to and the payments from the accounts shall always be in the manner and only to the extent of order of priorities of payments as permitted under the Escrow Agreement
- A first Charge over all rights, title and interest of the Company related to the project from all contracts, insurances, licenses in to and under all project agreement (including the Concession Agreement) to which the borrower is party to including contractor guarantees, liquidated damages and all other contracts relating to the project, provided such charge shall be limited to and to arise to the extent provided under Substitution agreement.
- A pledge of 51% (fifty one percent) of the total issued, paid up and voting equity share capital of the Company held by the Sponsor till final settlement date.

All term loans from banks are repayable in 48 balloned quarterly installments ranging from ₹ 100 Lakhs to ₹ 1750 Lakhs beginning from 1st April 2016 to 31st March 2028. The rate of interest is lead bank 1 year MCLR rate + 0.10%.

18. TRADE PAYABLES

(₹ in Lakhs)		
Particulars	As at March 31, 2019	As at March 31, 2018
Non-current		
Bills Payable (Sub-contractors/Labour/Service)	-	827.27
Total non-current trade payables	-	827.27
Current		
Trade payables		
Sundry Creditors (Suppliers) (Refer note : 18.1)	14,381.50	10,839.02
Bills Payable (Sub-contractors/Labour/Service)	8,678.50	13,922.57
Total current trade payables	23,060.00	24,761.59
Total	23,060.00	25,588.86

18.1 The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2019 and March 31, 2018 has been made in the financial statements based on information received and available with the Company and the Total outstanding balance is ₹550.23 Lakhs (PY ₹ Nil). Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material.

Notes forming part of the Consolidated Financial Statements (Contd.)

19. OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)		
Particulars	As at March 31, 2019	As at March 31, 2018
Non-current		
Retention Deposits and Withheld Amount	15.36	15.36
Interest on NHAI Premium Payable	140.37	50.16
Other Payables	22.17	22.17
Total non-current other financial liabilities	177.90	87.69
Current		
Current maturities of long-term debts:		
- Term loans - Banks (Refer note: 17.5)	2,539.15	1,993.10
- Equipment and vehicle loans - from banks (Refer note: 17.1)	2,595.79	854.26
Interest accrued but not due (Refer note 19.1)	391.28	461.23
Interest accrued and due	-	10.12
Advance Received from Related Parties (Refer note : 40)	21.50	21.50
Unclaimed dividend (Refer note : 19.2)	2.41	3.02
Retention Deposits and With held	12,411.01	10,174.03
Security Deposits	492.03	533.52
Outstanding Expenses	1,614.75	1,843.41
Total current other financial liabilities	20,067.92	15,894.19
Total	20,245.82	15,981.88

19.1 Interest accrued includes interest on un-secured loans received from Directors ₹ 385.55 lakhs (March 31, 2018 ₹ 451.94 Lakhs)

19.2 During the current year, an un-paid dividend amount of ₹ 67,582 /- for relating to F.Y 2010-11 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.

20. PROVISIONS

(₹ in Lakhs)		
Particulars	As at March 31, 2019	As at March 31, 2018
Non-current		
Provision for employee benefits		
Gratuity (Refer note : 39)	473.65	426.76
Provision for contractual obligations (Refer note : 20.1)	2,370.66	1,305.72
Total non -current provisions	2,844.31	1,732.48
Current		
Provision for Capital expenditure (Refer note : 20.2)	741.50	741.50
Provision for Labour Cess	1,054.97	1,354.77
Provision for employee benefits: Gratuity (Refer note : 39)	121.08	66.45
Total current provisions	1,917.55	2,162.72
Total	4,761.86	3,895.20

Notes forming part of the Consolidated Financial Statements (Contd.)

20. PROVISIONS (CONTD.)

20.1 In respect of subsidiaries, KNR Walayar Tollways Pvt. Ltd. and KNR Muzaffarpur Barauni Tollway Pvt. Ltd. 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 provisions:

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	1,305.72	423.49
Provision made during the year	931.45	842.00
Un winding Interest on MMR	133.49	40.23
Provision utilised during the year	-	-
Provision reversed during the year	-	-
Balance as at end of the year	2,370.66	1,305.72

20.2 In respect of subsidiary, KNR Muzaffarpur Barauni Tollway Pvt. Ltd. has received the 100% PCOD, and ₹ 741.50 lakhs pending for certification, hence provision has been made and capitalised

21. OTHER NON-CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Security Deposits	265.91	265.91
Advance received from clients	1,058.62	1,058.62
Total	1,324.53	1,324.53

22. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Mobilisation Advance	4,994.59	7,373.60
Advance received from clients	365.25	636.83
Due to Customers	8,369.50	18,552.36
Security deposits	1,609.98	1,454.10
Dues to statutory/government authorities	1,620.62	1,701.71
Others	111.53	132.53
Total	17,071.47	29,851.13

Notes forming part of the Consolidated Financial Statements (Contd.)

23. CURRENT TAX LIABILITY (NET)

(₹ in Lakhs)		
Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Income Tax Provision	6,046.55	5,721.76
Less: Advance tax paid	(5,650.08)	(5,541.29)
Total Current Tax Liability	396.47	180.47
Total	396.47	180.47

24. REVENUE FROM OPERATIONS

(₹ in Lakhs)		
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Income from Contracts & Services	2,25,890.25	2,02,441.85
Other Operating Income	3,260.07	4,517.76
Total	2,29,150.32	2,06,959.61

25. OTHER INCOME

(₹ in Lakhs)		
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest Income	447.03	2,169.07
Interest on Income Tax refunds	3.04	1,050.26
Income from Demonetisation	-	198.87
Dividend Income on Mutual funds	297.28	153.76
Profit on sale of mutual Funds	392.52	10.19
Repairs & maintainane income	431.86	-
Gain on foreign currency transactions	12.02	-
Other non-operating income		
Profit on Sale of Asset	867.66	631.85
Scrap Sales	-	49.86
Discount Received from suppliers	641.13	371.32
Liabilities no longer required Written Back	1,515.45	685.82
Insurance Claim Received	74.60	50.67
Change of Scope Income	350.80	-
Gain on fair value of Mutual funds	6.28	64.33
Provision for Doubtful advances written back	620.53	-
Miscellaneous Income	1,774.20	143.05
Total	7,434.40	5,579.05

Notes forming part of the Consolidated Financial Statements (Contd.)

26. COST OF MATERIALS CONSUMED

(₹ in Lakhs)		
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Construction Materials, Stores & Spares		
Opening Stock	7,123.77	5,737.81
Add: Net Purchases	66,799.82	52,072.36
	73,923.59	57,810.17
Less: Closing Stock	9,545.30	7,123.77
Total Consumption	64,378.29	50,686.40

27. CONSTRUCTION EXPENSES

(₹ in Lakhs)		
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Sub-contract expenses	18,401.27	44,526.22
Spreading & Assortment exp.	57,418.23	36,657.90
Power and Fuel	845.01	629.95
Seigniorage charges / Royalty	7,440.17	3,353.85
Transport Charges	6,003.63	5,855.52
Hire Charges	1,727.48	1,062.55
Watch & Ward	402.79	292.87
Other Recoveries by Clients	54.80	416.96
Value Added Tax	26.75	1,224.62
Repairs to Buildings & others	155.49	92.55
Repairs to Machinery	244.45	224.44
Repairs to Vehicles	306.64	162.17
Toll Maintenance Expenses	163.75	149.73
Periodic maintenance expenditure	931.45	842.00
Premium expenses	-	4.90
Repairs & Maintenance - DLP	413.93	-
Other Construction Expenses	2,247.29	1,957.25
Total	96,783.13	97,453.48

28. EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)		
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, Wages and Other Benefits	9,158.01	7,109.48
Contribution to Provident and Other Funds (Refer note : 39)	189.40	184.96
Staff welfare Expenses	129.94	101.84
Total	9,477.35	7,396.28

Note: The Hon'ble Supreme Court of India ("SC") by their order dated 28 February 2019, has delivered a judgement in the case of Surya Roshani Limited and Others vs EPFO wherein they have set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. The Group is reviewing the impact of this decision on its policies.

Notes forming part of the Consolidated Financial Statements (Contd.)

29. FINANCE COSTS

(₹ in Lakhs)		
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest Expense on		
Working Capital Demand Loans and Cash Credit	105.24	73.17
Term Loans	5,325.23	5,468.12
Loan from Directors	1,823.81	1,250.42
Un Winding interest	630.10	418.59
Others	155.76	162.23
	8,040.14	7,372.53
Other Borrowing Costs		
Processing charges	145.37	121.64
BG / LC charges	551.57	428.22
Bank and Other Financial Charges	169.47	104.27
Total	8,906.55	8,026.66

30. DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lakhs)		
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation & Amortisation	23,013.23	19,360.47
Total	23,013.23	19,360.47

31. OTHER EXPENSES

(₹ in Lakhs)		
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Travelling & Conveyance (includes Boarding & Lodging expenses)	291.90	276.69
Postage, Telegrams and Telephones	87.96	88.70
Business Promotion expenses	3.72	41.09
Advertisement and publicity	476.54	37.92
Legal & Professional charges	998.40	1,087.25
Insurance	436.64	348.65
Rates and taxes excluding taxes of Income	406.00	517.28
Payments to the Auditor	24.57	27.51
Printing & Stationery	93.03	138.63
Tender expenses	20.83	51.51
Office maintenance	61.44	60.93
Rent expenses	439.01	401.32
Electricity charges	187.66	112.17
Directors Sitting fees	37.00	33.00

Notes forming part of the Consolidated Financial Statements (Contd.)

31. OTHER EXPENSES (CONTD.)

(₹ in Lakhs)		
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Loss on sale of Assets	1.67	91.38
Bad Debts / Advances Written off	348.95	572.70
Provision for Doubtful Advances, Receivables and Deposits	-	420.53
Donation	21.37	40.27
(Gain) / Loss on Fair value of Mutual funds	10.50	-
CSR Expenses (Refer note 31.1)	74.51	51.41
Interest on Statutory Dues	77.01	222.87
Miscellaneous expenses	429.43	142.78
Total	4,528.14	4,764.59

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.

- Gross amount required to be spent by the Company during the year ₹374.12 Lakhs (P.Y ₹ 245.51 Lakhs)
- Amount spent during the year on :

(₹ in Lakhs)				
Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	In cash	Yet to be paid in cash	In cash	Yet to be paid in cash
1. Construction/ acquisition of any assets	-	-	-	-
2. On Purposes other than (1) above	74.51	641.70*	51.41	342.08*

* Including cumulative un-spent amounts of previous years.

32. EXCEPTIONAL ITEMS

(₹ in Lakhs)		
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Investment Written off (Refer Note 45)	254.96	-
Total	254.96	-

Notes forming part of the Consolidated Financial Statements (Contd.)

33. TAX EXPENSE

(₹ in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A - Current Tax		
Current tax on profits for the year	6,067.59	5,756.06
Adjustments in respect of prior years (Refer note 33.1)	52.38	(22.69)
Sub-Total	6,119.97	5,733.37
B - Deferred Tax		
Deferred Tax Liability / (Asset) due to timing difference	(2,782.25)	(2,241.61)
MAT credit entitlement	(591.11)	(3,564.09)
Sub-Total	(3,373.36)	(5,805.70)
Total	2,746.61	(72.33)

33.1 Reconciliation of tax expenses to accounting profit

(₹ in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Accounting profit before tax	29,235.83	22,822.37
Tax @ 34.944% (PY 34.608%)	10,216.17	7,898.37
Adjustments		
Effect of income exempt from taxation	(6,992.79)	(9,437.99)
Effect of expenses that are not deductible in determining taxable profit	2,633.17	3,722.27
Effect of capital gains	-	11.84
Earlier year taxes	52.38	(22.69)
Deferred tax	(2,782.25)	(2,241.61)
Short term capital gain on Mutual funds and Long Term Capital gains on lands	118.46	1.76
Others	(498.53)	(4.28)
Tax Expenses recognised in the statement of profit and loss	2,746.61	(72.33)
Income tax credit/(expense) recognised in Other Comprehensive Income :		
Tax effect on actuarial gains/losses on defined benefit obligations	0.41	67.32

34. OTHER COMPREHENSIVE INCOME

(₹ in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Items that will not be reclassified to profit or loss		
i) Actuarial Gains & Losses	(0.25)	(190.28)
ii) Deferred tax	0.41	67.32
Total	0.16	(122.96)

Notes forming part of the Consolidated Financial Statements (Contd.)

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 Group may adjust the amount of dividend payment, return on capital to shareholders or issue of new shares.

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

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Total debt	72,165.47	73,920.30
Less: cash and cash equivalents	2,747.44	5,197.86
Adjusted net debt	69,418.03	68,722.44
Total equity	1,31,082.61	1,04,776.61
Adjusted equity	1,31,082.61	1,04,776.61
Adjusted net debt to adjusted equity ratio	0.53	0.66

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, 2019

(₹ 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	-	3,297.18	3,297.18	-	-	3,297.18	3,297.18
Other Investments	911.11	985.13	1,896.24	911.11	-	985.13	1,896.24
Trade receivables	-	9,680.10	9,680.10	-	-	9,680.10	9,680.10
Cash and cash equivalents	-	2,747.44	2,747.44	-	-	-	-
Loans	-	394.18	394.18	-	-	394.18	394.18
Other financial assets	-	31,587.54	31,587.54	-	-	31,587.54	31,587.54
	911.11	48,691.57	49,602.68	911.11	-	45,944.13	46,855.24
Financial liabilities							
Secured Bank loans	-	51,313.86	51,313.86	-	-	51,313.86	51,313.86
Un Secured loans	-	20,460.33	20,460.33	-	-	20,460.33	20,460.33
Deferred Payment Liability - NHAI Premium	-	4,046.88	4,046.88	-	-	4,046.88	4,046.88
Trade payables	-	23,060.00	23,060.00	-	-	23,060.00	23,060.00
Other financial liabilities	-	15,110.88	15,110.88	-	-	15,110.88	15,110.88
	-	1,13,991.95	1,13,991.95	-	-	1,13,991.95	1,13,991.95

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, 2018

(₹ 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	-	3,511.41	3,511.41	-	-	3,511.41	3,511.41
Other Investments	1,292.92	462.30	1,755.22	1,292.92	-	462.30	1,755.22
Trade receivables	-	26,913.75	26,913.75	-	-	26,913.75	26,913.75
Cash and cash equivalents	-	5,197.86	5,197.86	-	-	-	-
Loans	-	2,454.12	2,454.12	-	-	2,454.12	2,454.12
Other financials assets	-	16,496.43	16,496.43	-	-	16,496.43	16,496.43
	1,292.92	55,035.87	56,328.79	1,292.92	-	49,838.01	51,130.93
Financial liabilities							
Secured Bank loans	-	52,264.45	52,264.45	-	-	52,264.45	52,264.45
Un Secured loans	-	21,184.50	21,184.50	-	-	21,184.50	21,184.50
Deferred Payment Liability - NHAI Premium	-	3,591.40	3,591.40	-	-	3,591.40	3,591.40
Trade payables	-	25,588.86	25,588.86	-	-	25,588.86	25,588.86
Other financial liabilities	-	13,134.52	13,134.52	-	-	13,134.52	13,134.52
	-	1,15,763.73	1,15,763.73	-	-	1,15,763.73	1,15,763.73

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:

- Credit risk
- Liquidity risk
- 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.

In determining the allowance for trade receivables the Group use practical expedients based on financial condition of the customer, ageing of the customer receivables and over dues, availability of collaterals and historical experience of collections from customers. The concentration of risk with respect to trade receivables is reasonably low as most of the customers are Government organisations though there may be normal delays in collections.

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

Notes forming part of the Consolidated Financial Statements (Contd.)

36. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTD.)

b) Liquidity risk

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

Exposure to liquidity risk

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

As at March 31, 2019					(₹ 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	51,313.86	6,446.17	13,242.61	31,625.08	51,313.86
Un Secured loans	20,460.33	-	6,138.10	14,322.23	20,460.33
Deferred Payment Liability - NHAI Premium	4,046.88	-	-	4,046.88	4,046.88
Trade payables	23,060.00	16,142.00	6,918.00	-	23,060.00
Other financial liabilities	15,110.88	3,022.18	4,464.20	7,624.51	15,110.88
	1,13,991.95	25,610.35	30,762.91	57,618.70	1,13,991.95

As at March 31, 2018					(₹ 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	52,264.45	2,847.36	6,690.00	42,727.09	52,264.45
Un Secured loans	21,184.50	-	6,355.35	14,829.15	21,184.50
Deferred Payment Liability - NHAI Premium	3,591.40	-	-	3,591.40	3,591.40
Trade payables	25,588.86	17,912.20	6,849.39	827.27	25,588.86
Other financial liabilities	13,134.52	2,626.90	296.06	10,211.56	13,134.52
	1,15,763.73	23,386.46	20,190.80	72,186.47	1,15,763.73

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.

Notes forming part of the Consolidated Financial Statements (Contd.)

36. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTD.)**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, 2019	March 31, 2018
Borrowings outstanding	17	42,820.78	49,417.09
Borrowings Current maturities	19	2,539.15	1,993.10

Sensitivity analysis

(₹ in Lakhs)

Interest Rate Risk Analysis	Impact on profit/ loss after tax	
	Year Ended March 31, 2019	Year Ended March 31, 2018
Increase or decrease in Interest by 25bp	113.40	132.40

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

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, 2019	March 31, 2018
Investments in Mutual Funds	4	911.11	1,292.92

Sensitivity analysis

(₹ in Lakhs)

Price Rate Risk Analysis	Impact on profit/ loss after tax	
	Year Ended March 31, 2019	Year Ended March 31, 2018
Increase or decrease in NAV by 2%	18.22	25.86

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

Notes forming part of the Consolidated Financial Statements (Contd.)

37. CONTINGENT LIABILITY, COMMITMENTS AND CONTINGENT ASSETS

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
i) Contingent Liabilities		
a) Claims against the Group not acknowledged as debt #		
1. Disputed Income tax and Interest on TDS	5,027.75*	4,492.16*
2. Disputed Sales tax/ VAT/ Entry tax	554.28	513.60
3. Disputed Service tax	333.53	30.00
4. Others (Civil cases)	1,341.69	514.69
# 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	7,257.25	5,550.45

* 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 ₹ 4,474.13 lakhs, for the A.Y 2006-07 to 2012-13 the department has filed appeals against ITAT orders at the High Court of Judicature at Hyderabad for the State of Telangana and for the AY 2013-14 and AY 2014-15 department filed appeals against CIT(Appeals) at ITAT, Hyderabad.

The Company considers it appropriate not to create a liability for the above said amount on the basis of legal opinion and decided cases.

ii) Commitments		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for	532.16	90.49
b) Other commitments		
Estimated amount of committed funding by way of equity/deemed equity to subsidiary companies	-	-
Total	532.16	90.49
iii) Contingent Assets		
Arbitration claims awarded for various projects, but client not accepted (including insurance claims)	49,055.89	-

38. DISCLOSURE PURSUANT TO IND AS 33 "EARNINGS PER SHARE(EPS)"

(₹ in Lakhs)

	2018-19	2017-18
i. Profit (loss) attributable to equity shareholders (basic)	27,051.12	24,347.65
ii. Weighted average number of equity shares (basic)	1,406.17	1,406.17
Basic EPS	19.24	17.31
i. Profit (loss) attributable to equity shareholders (diluted)	27,051.12	24,347.65
ii. Weighted average number of equity shares (diluted)	1,406.17	1,406.17
Diluted EPS	19.24	17.31

Notes forming part of the Consolidated Financial Statements (Contd.)

39. EMPLOYEE BENEFITS

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

Defined Benefit plans:

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

Changes in the Present Value of Obligation

(₹ in Lakhs)

	March 31, 2019	March 31, 2018
Present value of obligations as at beginning of the year	513.86	224.33
Interest cost	34.51	17.95
Current Service cost	68.67	21.23
Benefits paid	(1.84)	(0.94)
Actuarial (gain)/loss on obligations		
- Due to change in financial obligations	(18.92)	(115.68)
- Due to experience adjustments	20.04	305.90
Past service cost	-	61.07
Present value of obligations as at end of year	616.32	513.86

Assets recognised in the Balance Sheet

(₹ in Lakhs)

	March 31, 2019	March 31, 2018
Liability at the end of the period / year	616.32	513.86
Fair value of plan assets at the end of the period /year	(21.59)	(20.65)
Amount to be recognised in Balance Sheet	594.73	493.21

Expenses recognised in the Statement of Profit & Loss

(₹ in Lakhs)

	March 31, 2019	March 31, 2018
Current service cost	68.67	21.23
Interest cost	33.6	16.42
Expected return on plan assets	(0.87)	0.06
Net Actuarial (gain)/loss recognised in the year	-	61.06
Expenses recognised in statement of profit and loss	101.40	98.77

Amount recognised in statement of other comprehensive income (OCI)

(₹ in Lakhs)

	March 31, 2019	March 31, 2018
Remeasurement for the period - Obligation (gain)/loss	0.25	190.28
Remeasurement for the period - plan assets (gain)/loss	-	-
Total Remeasurement cost / (credit) for the period recognised in OCI	0.25	190.28
Closing amount recognised in OCI	0.25	190.28

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"

(a) List of related parties

(i) Associate Companies :

1. Patel KNR Infrastructures Ltd.
2. Patel KNR Heavy Infrastructures Ltd.

(iv) Joint Operations :

1	KNR – Patel JV	9	KNR-SLMI JV
2	Patel – KNR JV	10	KNR-TBCPL JV
3	NCC-KNR JV *	11	KNR-PBEPL JV
4	KNR – SLEC JV	12	KNR-SEW-GVR JV
5	KNR-BPL JV	13	PSK-KNR-GVRJV
6	KNR-GVR JV	14	BSCPL-KNRJV
7	KNR-JKM-KAMALA JV	15	KNR-HES-ACPLJV
8	KNR-JKM JV		

* JV closed on January 9, 2019.

(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. B.V.Rama Rao	Independent Director
5	Sri. L.B.Reddy	Independent Director
6	Sri S.Vaikuntanathan	Executive Officer - VP (F&A)
7	Sri M.Venkata Rao	Company Secretary

(v) Relatives of KMPs :

1	Sri. M.Rajesh Reddy	Son-in-law of Sri K.Narsimha Reddy
2	Sri. J.V Panindra Reddy	Son-in-law of Sri K.Narsimha Reddy
3	Sri. V.Krishna Reddy	Brother of Smt. K.Yashoda

(vi) Other Related parties :

1	KNR Constructions Ltd. Employees group gratuity fund	Post employment benefit plan
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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.)**(b) Disclosure of related party transactions :**

(₹ in Lakhs)

Sl. No.	Particulars	Associates		Joint Operations/ Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
1	Work contract receipts received	1,155.38	1,133.56	23,753.93	44,220.44	-	-	-	-
2	Re-imbursement of expenditure incurred/(Recovered)	58.59	(4.96)	42.90	(38.01)	-	-	-	-
3	Advance paid/(recovered)	-	-	43.66	(12.23)	-	-	-	-
4	Royalty reimbursement income	87.88	-	-	-	-	-	-	-
5	Trade receivable/(received)	-	-	(89.96)	-	-	-	-	-
6	Trade payable/ (paid)	-	-	(10.01)	-	-	-	-	-
7	Other receivables/(received)	-	-	(139.82)	181.72	-	-	-	-
8	Materials advance received/ (recovered)	89.09	-	(168.94)	(20.31)	-	-	-	-
9	Credit balance written back	-	-	-	-	3.70	-	-	-
10	Advance paid for purchase of lands (through step down subsidiaries)	-	-	248.53	-	-	-	-	-
11	Retention deposit & Withheld deducted/(released)	-	-	(338.35)	1,052.86	-	-	-	-
12	TDS refund share deducted/ (released)	-	-	(125.46)	83.97	-	-	-	-
13	Interest received on share of TDS refund	-	-	-	11.72	-	-	-	-
14	Short term employee benefits	-	-	-	-	980.10	890.92	-	-
15	Post-employment benefits *	-	-	-	-	15.19	15.19	-	-
16	Other long-term benefits	-	-	-	-	-	-	-	-
17	Termination benefits	-	-	-	-	-	-	-	-
18	Share based payment	-	-	-	-	-	-	-	-
19	Interest Paid on un-secured loans	-	-	-	-	1,823.81	1,250.42	-	-
20	Un-secured loan received	-	-	-	-	1,515.00	9,191.00	-	-
21	Un-secured loan (repaid)	-	-	-	-	(2,239.18)	(168.00)	-	-
22	Dividend paid	-	-	-	-	311.52	403.41	-	-
23	Land lease rent paid	-	-	-	-	17.29	18.07	-	-
24	Office rent paid	-	-	-	-	10.10	10.08	-	-
25	Purchase of quarry Land	-	-	-	-	-	36.00	-	-
26	Directors sitting fee paid	-	-	-	-	37.00	33.00	-	-
27	Contribution to Post-employment benefit plans	-	-	-	-	-	-	1.00	-

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.)

(c) Related party balances outstanding are as follows :

(₹ in Lakhs)

Sl. No.	Particulars	Associates		Joint Operations/ Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
1	Debit balances outstanding								
	Patel KNR Heavy Infrastructures Ltd.	2,189.19	2,054.98	-	-	-	-	-	-
	Patel KNR Infrastructures Ltd.	1,807.28	1,790.24	-	-	-	-	-	-
	Patel-KNR JV	-	-	1,153.28	1,093.97	-	-	-	-
	KNR-BPL JV	-	-	7.13	0.34	-	-	-	-
	KNR-SEW-GVR JV	-	-	431.35	3,118.75	-	-	-	-
	PSK-KNR-GVR JV	-	-	92.62	527.79	-	-	-	-
	KNR-PBEPL JV	-	-	0.20	-	-	-	-	-
	KNR-JKM JV	-	-	839.66	-	-	-	-	-
	BSCPL-KNRCL JV	-	-	285.33	249.57	-	-	-	-
	KNR-SLMI JV	-	-	0.37	25.56	-	-	-	-
	KNR-HES-ACPL JV	-	-	293.48	537.44	-	-	-	-
	SEL-KNR JV	-	-	-	35.31	-	-	-	-
	M.Rajesh Reddy	-	-	-	-	16.83	16.83	-	-
2	Credit balances outstanding								
	Patel KNR Infrastructures Ltd.	89.09	-	-	-	-	-	-	-
	Patel-KNR-JV	-	-	12.73	10.01	-	-	-	-
	KNR-BPL-JV	-	-	-	168.94	-	-	-	-
	K.Narsimha Reddy	-	-	-	-	20,400.81	21,190.66	-	-
	K.Jalandhar Reddy *	-	-	-	-	480.13	478.87	-	-
	S.Vaikuntanathan	-	-	-	-	1.62	1.57	-	-
	M.Venkata Rao *	-	-	-	-	0.87	1.08	-	-
	V.Krishna Reddy	-	-	-	-	0.57	0.57	-	-
	J.V. Panindra Reddy	-	-	-	-	-	3.70	-	-

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.)

(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)

Sl. No.	Particulars	Associates		Joint Operations/ Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
1	Work contract receipts received								
	KNR-JKM JV	-	-	6,358.32	-	-	-	-	-
	KNR-HES-ACPL JV	-	-	15,036.79	12,193.62	-	-	-	-
	KNR-SEW-GVR JV	-	-	-	20,478.04	-	-	-	-
	BSCPL-KNRCL JV	-	-	-	6,219.82	-	-	-	-
2	Re-imbursement of expenditure incurred/(Recovered)								
	Patel KNR Heavy Infrastructures Ltd.	58.59	(4.96)	-	-	-	-	-	-
	Patel-KNR JV	-	-	12.73	(49.03)	-	-	-	-
	SEL-KNR JV	-	-	35.31	15.92	-	-	-	-
3	Advance paid/(recovered)								
	Patel-KNR JV	-	-	43.66	(12.23)	-	-	-	-
4	Royalty reimbursement income								
	Patel KNR Heavy Infrastructures Ltd.	87.88	-	-	-	-	-	-	-
5	Trade receivable/(received)								
	Patel-KNR JV	-	-	(89.96)	-	-	-	-	-
6	Trade payable/ (paid)								
	Patel-KNR JV	-	-	(10.11)	-	-	-	-	-
7	Other receivables/(received)								
	Patel-KNR JV	-	-	(139.82)	181.72	-	-	-	-
8	Materials advance received/ (recovered)								
	Patel KNR Infrastructures Ltd.	89.09	-	-	-	-	-	-	-
	Patel-KNR JV	-	-	-	(136.38)	-	-	-	-
	KNR-BPL JV	-	-	(168.94)	116.07	-	-	-	-
9	Credit balance written back								
	J.V. Panindra Reddy	-	-	-	-	3.70	-	-	-
10	Advance paid for purchase of lands (through step down subsidiaries)								
	Patel-KNR JV	-	-	248.53	-	-	-	-	-
11	Retention deposit & Withheld deducted/(released)								
	KNR-SEW-GVR JV	-	-	(174.58)	188.12	-	-	-	-
	PSK-KNR-GVR JV	-	-	(157.30)	-	-	-	-	-
	KNR-JKM JV	-	-	263.11	115.36	-	-	-	-
	BSCPL-KNRCL JV	-	-	-	182.68	-	-	-	-
	KNR-HES-ACPL JV	-	-	(247.79)	470.97	-	-	-	-

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)

Sl. No.	Particulars	Associates		Joint Operations/ Joint Ventures		Key Management personnel (KMP) & Relatives of KMP		Other related party	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
12	TDS refund share deducted/ (released)								
	KNR-SEW-GVR JV	-	-	(104.10)	99.30	-	-	-	-
	KNR-SLMI JV	-	-	(25.19)	(83.96)	-	-	-	-
	KNR-HES-ACPL JV	-	-	-	66.47	-	-	-	-
13	Interest received on share of TDS refund								
	KNR-SLMI JV	-	-	-	11.72	-	-	-	-
14	Short term employee benefits								
	K.Narsimha Reddy	-	-	-	-	558.00	504.00	-	-
	K.Jalandhar Reddy	-	-	-	-	372.00	336.82	-	-
15	Post-employment benefits *								
	K.Jalandhar Reddy	-	-	-	-	14.40	14.40	-	-
16	Interest paid on un-secured loans								
	K.Narsimha Reddy	-	-	-	-	1,784.18	1,211.67	-	-
17	Un-secured loan received								
	K.Narsimha Reddy	-	-	-	-	1,515.00	9,191.00	-	-
18	Un-secured loan (repaid)								
	K.Narsimha Reddy	-	-	-	-	(2,239.18)	(168.00)	-	-
19	Dividend paid								
	K.Narsimha Reddy	-	-	-	-	182.97	228.72	-	-
	K.Jalandhar Reddy	-	-	-	-	78.52	98.15	-	-
20	Land lease rent paid								
	K.Jalandhar Reddy	-	-	-	-	17.29	18.07	-	-
21	Office rent paid								
	K.Jalandhar Reddy	-	-	-	-	10.10	10.08	-	-
22	Purchase of quarry land								
	K.Jalandhar Reddy	-	-	-	-	-	36.00	-	-
23	Directors sitting fee paid								
	K.Yashoda	-	-	-	-	6.00	5.00	-	-
	B.V.Rama Rao	-	-	-	-	15.50	14.00	-	-
	L.B.Reddy	-	-	-	-	15.50	14.00	-	-
24	Contribution to post-employment benefit plans								
	KNR Constructions Ltd. Employees group gratuity fund	-	-	-	-	-	-	1.00	-

* 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.

Notes forming part of the Consolidated Financial Statements (Contd.)

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	102.80%	1,39,146.14	104.03%	27,557.32	(481%)	(0.77)	104.03%	27,556.55
Indian Subsidiary companies								
KNR Agrotech & Beverages Pvt. Ltd.	0.03%	34.87	0.00%	0.47	0%	-	0.00%	0.47
KNR Infrastructure Projects Pvt. Ltd.	0.00%	(5.95)	(0.01%)	(2.55)	0%	-	(0.01%)	(2.55)
KNR Energy Ltd.	0.02%	20.63	(0.03%)	(7.60)	0%	-	(0.03%)	(7.60)
KNR Walayar Tollways Pvt. Ltd.	(5.81%)	(7,864.09)	(0.96%)	(255.24)	705%	1.13	(0.96%)	(254.11)
KNRC Holdings and Investments Pvt. Ltd.	(2.00%)	(2,706.50)	(2.21%)	(584.74)	(125%)	(0.20)	(2.21%)	(584.94)
KNR Srirangam Infra Pvt Ltd	0.00%	(0.22)	0.00%	-	0%	-	0.00%	-
KNR Tirumala Infra Pvt Ltd	0.95%	1,280.78	0.00%	-	0%	-	0.00%	-
KNR Shankarampet Infra Projects Pvt Ltd	0.00%	-	0.00%	-	0%	-	0.00%	-
KNR Somwarpet Infra Project Pvt Ltd	0.00%	-	0.00%	-	0%	-	0.00%	-
KNR Palani Infra Pvt Ltd	0.00%	-	0.00%	-	0%	-	0.00%	-
KNR Chidambaram Infra Pvt Ltd	0.00%	(0.22)	0.00%	-	0%	-	0.00%	-
Non-controlling interest in all subsidiaries	3.16%	4,276.60	(2.12%)	(561.90)	0%	-	(2.12%)	(561.90)
Indian Associates (Investment as per the equity method)								
Patel KNR Infrastructures Ltd.	0.15%	204.24	0.52%	138.91	0%	-	0.52%	138.91
Patel KNR Heavy Infrastructures Ltd.	(0.03%)	(47.06)	(1.33%)	(353.14)	0%	-	(1.33%)	(353.14)
Joint Operations								
KNR – Patel JV	(0.01%)	(7.40)	(0.03%)	(7.40)	0%	-	(0.03%)	(7.40)
Patel – KNR JV	(0.12%)	(165.98)	(0.63%)	(165.98)	0%	-	(0.63%)	(165.98)
NCC-KNR JV	0.00%	-	0.00%	-	0%	-	0.00%	-
KNR – SLEC JV	0.00%	(0.05)	0.00%	(0.05)	0%	-	0.00%	(0.05)
KNR-BPL JV	0.00%	-	0.00%	-	0%	-	0.00%	-

Notes forming part of the Consolidated Financial Statements (Contd.)

41. DISCLOSURE MANDATED BY SCHEDULE III BY WAY OF ADDITIONAL INFORMATION (CONTD.)

(₹ 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
KNR-GVR JV	0.03%	36.00	0.14%	36.00	0%	-	0.14%	36.00
KNR-JKM-KAMALA JV	0.00%	(0.12)	0.00%	(0.12)	0%	-	0.00%	(0.12)
KNR-JKM JV	0.12%	159.87	0.60%	159.87	0%	-	0.60%	159.87
KNR-SLMI JV	0.00%	1.48	0.01%	1.48	0%	-	0.01%	1.48
KNR-TBCPL-JV	0.00%	1.77	0.01%	1.77	0%	-	0.01%	1.77
KNR-PBEPL-JV	0.01%	9.30	0.04%	9.30	0%	-	0.04%	9.30
KNR-SEW-GVR-JV	0.00%	-	0.00%	-	0%	-	0.00%	-
PSK-KNR-GVR-JV	0.00%	-	0.00%	-	0%	-	0.00%	-
BSCPL-KNR JV	0.00%	-	0.00%	-	0%	-	0.00%	-
KNR-HES-ACPL JV	0.00%	-	0.00%	-	0%	-	0.00%	-
Joint ventures (investment as per the equity method)								
SEL-KNR-JV	0.73%	985.13	1.97%	522.83	0.00%	-	1.97%	522.83
Total	100.00%	1,35,359.21	100.00%	26,489.22	100.00%	0.16	100.00%	26,489.38

42. INVESTMENT IN ASSOCIATES AND JOINT VENTURE

Assets and liabilities statement

(₹ In Lakhs)

Particulars	Associates		Joint Venture	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Current assets	31,482.49	29,158.10	27,174.02	16,702.76
Non-current assets	53,182.29	58,890.22	1,389.86	961.36
Current liabilities	13,359.64	9,260.27	12,251.26	16,720.65
Non-current liabilities	60,725.58	67,672.90	14,302.16	-
Equity	10,579.56	11,115.15	2,010.46	943.47
Proportion of the group's ownership interest	40%	40%	49%	49%
Carrying amount of the group's interest	4,231.82	4,446.05	985.13	462.30

Notes forming part of the Consolidated Financial Statements (Contd.)

42. INVESTMENT IN ASSOCIATES AND JOINT VENTURE (CONTD.)

Statement of profit and loss

(₹ In Lakhs)

Particulars	Associates		Joint Venture	
	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
Revenue	12,032.44	12,643.91	20,323.69	6,625.04
Operating & Maintenance expenses	3,939.13	3,961.05	-	-
Construction Expenses	-	-	15,651.22	4,663.21
Employee benefits expense	4.00	2.80	258.11	142.06
Finance costs	8,033.85	8,067.36	934.99	703.65
Depreciation and amortisation expense	12.37	10.42	520.31	293.40
Other expenses	574.12	649.27	175.11	89.49
Profit/(Loss) before tax	(531.03)	(46.99)	2,783.95	733.23
Tax expense	134.25	115.08	1,716.96	589.19
Profit/(Loss) for the year	(665.28)	(162.07)	1,066.99	144.04
Group's share of profit for the year	(266.12)	(64.82)	522.83	70.58
Group's share of other comprehensive income for the year	51.89	-	-	-
Group's total comprehensive income for the year	(214.23)	(64.82)	522.83	70.58
Dividend received from the associates during the year	-	-	-	-

43. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES CONSIDERED FOR CONSOLIDATION

S. No.	Particulars	Country	Holding as at	
			March 31, 2019	March 31, 2018
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 Walayar Tollways Pvt. Ltd.	India	100%	100%
5	KNR Srirangam Infra Pvt. Ltd.	India	100%	100%
6	KNR Chidambaram Infra Pvt. Ltd.	India	100%	100%
7	KNR Tirumala Infra Pvt. Ltd.	India	100%	NA
8	KNR Shankarampet Projects Pvt. Ltd.	India	100%	NA
9	KNR Somwarpet Infra Project Pvt. Ltd.	India	100%	NA
10	KNR Palani Infra Pvt. Ltd.	India	100%	NA
11	KNR – FZE *	Dubai	-	100%
12	KNR Constructions LLC @	Oman	-	65%
13	KNRC Holdings and Investments Pvt. Ltd.	India	100%	100%

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, 2019	March 31, 2018
II)	Step-down Subsidiaries			
	14 Mesmeric Software Solutions Pvt. Ltd.	India	100%	100%
	15 Nag Talent Ventures & Infotech Pvt. Ltd.	India	100%	100%
	16 Roche Polymers and Additives Pvt. Ltd. #	India	-	-
	17 Gradient Estates Pvt. Ltd. #	India	-	-
	18 Gradient Realty Ventures Pvt. Ltd.	India	100%	100%
	19 Asara Construction & Projects Pvt. Ltd.	India	100%	100%
	20 KNR Muzaffarpur Holdings Pvt. Ltd.	India	100%	100%
	21 KNR Muzaffarpur-Barauni Tollway Pvt. Ltd.	India	51%	51%
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 NCC-KNR JV ^	India	-	Project specific
	4 KNR – SLEC JV	India	60%	60%
	5 KNR-BPL JV	India	49%	49%
	6 KNR-GVR JV	India	51%	51%
	7 KNR-JKM-KAMALA JV	India	50%	50%
	8 KNR-JKM JV	India	51%	51%
	9 KNR-SLMI JV	India	Project specific	Project specific
	10 KNR-TBCPL-JV	India	51%	51%
	11 KNR-PBEPL-JV	India	75%	75%
	12 KNR-SEW-GVR-JV	India	51%	51%
	13 PSK-KNR-GVR-JV	India	51%	51%
	14 BSCPL-KNR-JV	India	50%	50%
	15 KNR -HES -ACPL – JV	India	51%	51%
V)	Joint Venture			
	1 SEL-KNR-JV	Bangladesh	49%	49%

* Foreign subsidiary closed on February 27th, 2019

@ Foreign subsidiary closed on February 22nd, 2019

Subsidiaries closed on March 19th, 2018.

^ JV closed on January 9th, 2019.

Notes forming part of the Consolidated Financial Statements (Contd.)

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 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	31st March 2019	31st March 2018
Receivables	9,680.10	26,913.75
Contract Assets	35,704.00	27,660.73
Contract Liabilities	13,729.34	26,562.79

45. During the year the group has written off its Investment in two non-operative foreign subsidiaries which is shown under exceptional items in the statement of profit and loss.

46. Reconciliation between the Opening and Closing balances in the financial statement for Financial Liabilities and Assets arising from Financing Activities (Ind AS – 7)

Particulars	Secured Loans	Unsecured Loans	Deferred Payment of Liability	Finance cost
Opening Balance	52,264.45	21,184.50	3,591.40	471.35
Interest/Dividend Accrued during the year	-	-	-	8,906.55
Cash flows				
Received	13,344.56	1,515.00	-	-
Repayment	(14,336.27)	(2,239.17)	-	(8,356.52)
Interest/Dividend paid	-	-	-	-
Non-Cash items				
Unwinding Interest	41.12	-	455.48	(630.10)
Closing Balance	51,313.86	20,460.33	4,046.88	391.28

47. SEGMENT INFORMATION

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

48. The Group has entered into Share Purchase Agreements (the "SPAs") with Cube Highways and Infrastructure III Pte. Ltd. (the "Investor") for the following 3 wholly owned subsidiaries (the "SPVs") of HAM Projects

- 1) KNR Srirangam Infra Pvt. Ltd. on 28-01-2019
- 2) KNR Chidambaram Infra Pvt. Ltd. on 11-02-2019
- 3) KNR Tirumala Infra Pvt. Ltd. on 11-02-2019

Pursuant to SPAs, the Company will, in a phased manner (i.e on COD and on lifting of mandatory lock in period as specified in the Concession Agreement), sell to the Investor its entire shareholding in the SPVs, subject to the shareholding transfer restrictions set out in the concession agreement (s) executed between National Highway Authority of India and the respective SPVs and subject to various regulatory and lenders' approvals.

Notes forming part of the Consolidated Financial Statements (Contd.)

49. The Registered office of the Company has been shifted from the State of Delhi to the State of Telangana w.e.f 31.01.2019. New CIN of the Company is L74210TG1995PLC130199.

50. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by the Board of Directors on May 30, 2019.

51. 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)

For and on behalf of the Board

K. Viswanath
Partner,
Membership No: 022812

K.Narsimha Reddy
Managing Director,
DIN: 00382412

K. Jalandhar Reddy
Executive Director & CFO,
DIN: 00434911

Place : Hyderabad
Date : May 30, 2019

S.Vaikuntanathan
Vice President (F&A)

M.V.Venkata Rao
Company Secretary

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies /joint ventures

Part "A" : Subsidiaries

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	Turnover	Profit/ (Loss) before taxation	Provision for taxation	Profit/ (Loss) after taxation	Proposed Dividend	% of share-holding
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
KNR Agrotech & Beverages Pvt. Ltd.	March 31, 2019	INR	1.00	45.52	220.58	174.06	-	12.00	0.47	-	0.47	-	100%
KNR Infrastructure Projects Pvt. Ltd.	March 31, 2019	INR	1.00	(5.95)	4.87	9.82	-	-	(2.55)	-	(2.55)	-	100%
KNR Energy Ltd.	March 31, 2019	INR	5.00	48.55	192.05	138.50	-	-	(7.60)	-	(7.60)	-	100%
KNRC Holdings and Investments Pvt. Ltd.	March 31, 2019	INR	1.00	4,039.67	203.04	162.81	4,000.44	-	(17.96)	-	(17.96)	-	100%
KNR Muzaffarpur-Barauni Tollway Pvt. Ltd. *	March 31, 2019	INR	7,060.00	3,232.67	47,170.27	37,678.55	800.95	7,534.28	(1,146.70)	-	(1,146.70)	-	0.65%
KNR Walaray Tollways Pvt. Ltd.	March 31, 2019	INR	90.00	30,803.07	48,105.47	17,312.57	100.17	6,155.94	(254.11)	-	(254.11)	-	100%
KNR Tirumala Infra Pvt. Ltd.	March 31, 2019	INR	7,162.50	90.00	21,608.61	14,356.11	-	13,142.69	-	-	-	-	100%
KNR Srirangam Infra Pvt. Ltd.	March 31, 2019	INR	1,100.00	(0.22)	1,113.85	14.07	-	-	-	-	-	-	100%
KNR Chidambaram Infra Pvt. Ltd.	March 31, 2019	INR	835.00	(0.22)	850.26	15.48	-	-	-	-	-	-	100%
KNR Somwarapet Infra Projects Pvt. Ltd.	March 31, 2019	INR	10.00	-	10.28	0.28	-	-	-	-	-	-	100%
KNR Palani Infra Pvt. Ltd.	March 31, 2019	INR	10.00	-	10.14	0.14	-	-	-	-	-	-	100%
KNR Muzaffarpur Holdings Pvt. Ltd.	March 31, 2019	INR	2,760.10	4,441.74	2.87	39.22	7,238.19	-	(10.02)	-	(10.02)	-	100%
Mesmeric Software Solutions Pvt. Ltd.	March 31, 2019	INR	1.00	(0.12)	21.92	21.04	-	-	(2.09)	-	(2.09)	-	100%
Nag Talent Ventures & Infotech Pvt. Ltd.	March 31, 2019	INR	1.00	0.46	33.63	32.17	-	-	(3.01)	-	(3.01)	-	100%
Gradient Estates Pvt. Ltd.	March 31, 2019	INR	1.00	173.46	246.64	72.18	-	-	9.04	-	9.04	-	100%
Asara Construction & Projects Pvt. Ltd.	March 31, 2019	INR	1.00	179.32	251.65	71.33	-	-	23.92	-	23.92	-	100%

* KNR Constructions Ltd., holds 0.65% and KNR Muzaffarpur Holdings Pvt. Ltd., a 100% subsidiary of KNR Constructions Ltd., holds 50.35%.

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FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies /joint ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Joint Ventures

Part "B" : Joint Ventures

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 consolidated	ii) Not considered in Consolidation
	(1)	(2)			(3)	(4)	(5)	(6)	
I - Associates									
Patel KNR Infrastructures Ltd.,	March 31, 2019	14,800,000	1,480.00	40%	SPV Agreement	Consolidated	1,684.24	138.90	-
Patel KNR Heavy Infrastructures Ltd.,	March 31, 2019	9,529,500	952.95	40%	SPV Agreement	Consolidated	2,547.58	(353.14)	-
II - Joint Ventures									
Patel-KNR JV	March 31, 2019	N.A	120.66	50%	Joint Venture Agreement	Consolidated	120.66	(165.98)	-
KNR-Patel JV	March 31, 2019	N.A	166.72	51%	Joint Venture Agreement	Consolidated	166.72	(7.40)	-
KNR-SLEC JV	March 31, 2019	N.A	(40.04)	60%	Joint Venture Agreement	Consolidated	(40.04)	(0.05)	-
KNR-BPL JV	March 31, 2019	N.A	1.93	49%	Joint Venture Agreement	Consolidated	1.93	-	-
NCC-KNR JV \$	March 31, 2019	N.A	-						
KNR-GVR JV *	March 31, 2019	N.A	-	51%	Joint Venture Agreement	Consolidated	-	34.93	-
KNR-JKM-Kamala JV	March 31, 2019	N.A	125.03	50%	Joint Venture Agreement	Consolidated	125.03	-	-
KNR-JKM JV	March 31, 2019	N.A	1,958.18	51%	Joint Venture Agreement	Consolidated	1,958.18	313.47	-
KNR-SLMI JV	March 31, 2019	N.A	0.64	60% & 51%	Two Joint Venture Agreements	Consolidated	0.64	1.48	-
KNR-TBCPL-JV	March 31, 2019	N.A	2.77	51%	Joint Venture Agreement	Consolidated	2.77	2.35	-
KNR-PBEPL-JV	March 31, 2019	N.A	47.26	75%	Joint Venture Agreement	Consolidated	47.26	9.30	-
KNR-SEW-GVR-JV	March 31, 2019	N.A	41.23	51%	Joint Venture Agreement	Consolidated	41.23	-	-
PSK-KNR-GVR-JV	March 31, 2019	N.A	-	51%	Joint Venture Agreement	Consolidated	-	-	-
BSCPL-KNRCL-JV	March 31, 2019	N.A	-	50%	Joint Venture Agreement	Consolidated	-	-	-
KNR-HES-ACPL-JV	March 31, 2019	N.A	(35.46)	51%	Joint Venture Agreement	Consolidated	(35.46)	-	-

\$ - JV closed on January 09, 2019.

* As per the Unaudited financial statements.



KNR CONSTRUCTIONS LIMITED

CIN:L74210TG1995PLC130199

Regd. Off: KNR House, 3rd & 4th Floor, Plot No. 114, Phase -I,
Kavuri Hills, Hyderabad - 500033

Tel:+91-40 40268761/62, Fax:+91 40 40268760

E-mail:investors@knrcl.com Website:www.knrcl.com

ATTENDANCE SLIP FOR ANNUAL GENERAL MEETING

(to be surrendered at the venue of the meeting)

I certify that I am a registered shareholder/proxy/representative for the registered shareholder(s) of KNR Constructions Limited. I hereby record my presence at the 24th Annual General Meeting of the shareholders of KNR Constructions Limited on Monday, the 30th day of September, 2019 at 10.00 A.M. at Hotel Lemon Tree, HITECH City, Madhapur, Hyderabad

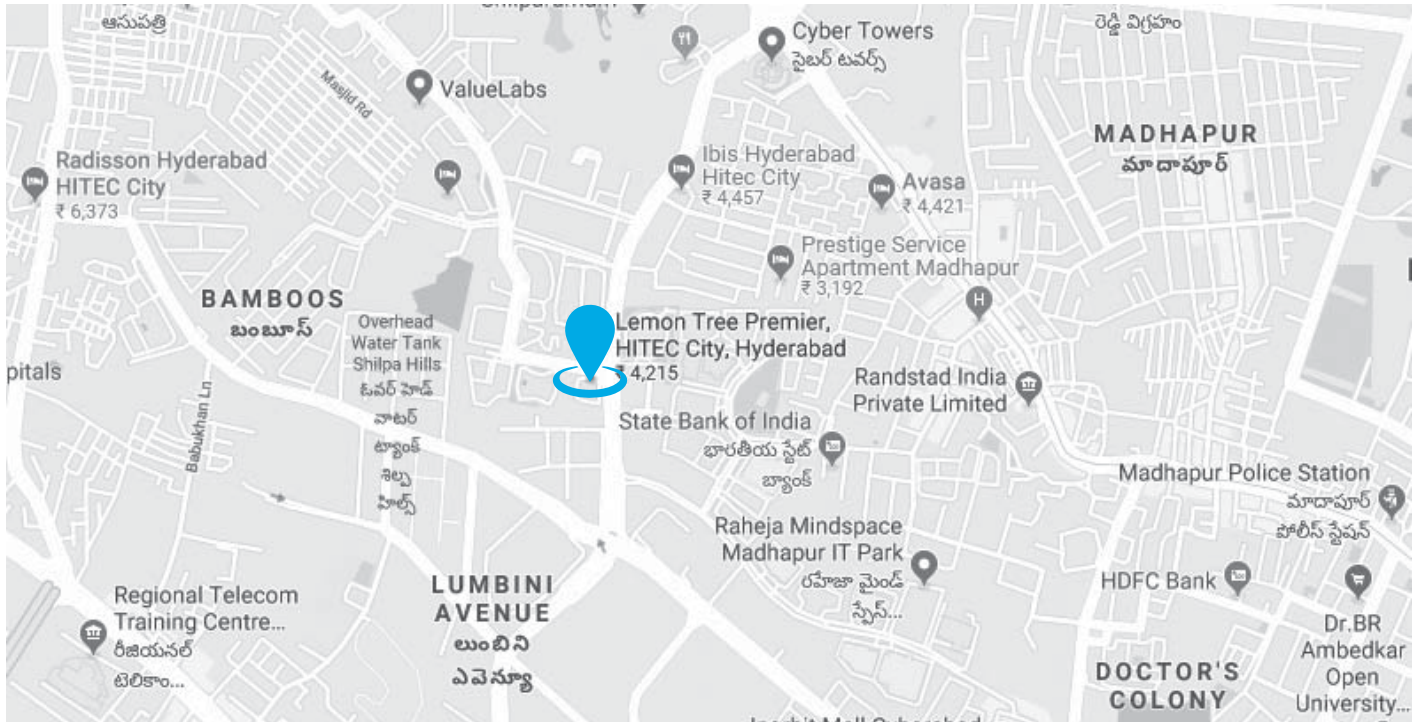
DP ID *	Reg. Folio No.
Client ID *	No. of Shares

* Applicable if shares are held in electronic form

Name & Address of Members

Signature of Shareholder / Proxy /
Representative (Please specify)

Route Map to the AGM Venue





FORM NO. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

KNR CONSTRUCTIONS LIMITED

CIN:L74210TG1995PLC130199

Regd. Off: KNR House, 3rd & 4th Floors, Plot No. 114, Phase –I, Kavuri Hills, Hyderabad - 500033

E-mail:investors@knrcl.com Website:www.knrcl.com

Name of the Member(s)	
Registered Address	
E-mail Id	
Folio No /Client ID	
DP ID	

I/We, being the member(s) of _____ shares of the above named company, hereby appoint

Name :	E-mail Id:
Address:	
Signature	

or failing him

Name :	E-mail Id:
Address:	
Signature	

as my/ our proxy to attend and vote(on a poll) for me/us and on my/our behalf at the Annual General Meeting of the company, to be held on the Monday the 30th September 2019 at 10:00 a.m. at Hotel Lemon Tree, HITECH City, Madhapur, Hyderabad and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

Sl. No.	Resolution(S)	Vote	
		For	Against
1.	Adoption of Balance Sheet, statement of Profit & Loss ,report of Director's and Auditor's for the financial year ended March 31, 2019		
2.	Approval of Dividend at ₹ 0.40 per Equity Share for the Financial Year ended March 31 2019		
3	To Appoint a Director in place of Shri K Jalandhar Reddy who retires by rotation and being eligible, offers himself for reappointment		
4	Approval of Remuneration to Cost Auditors		

Signed this _____ day of _____ 2019

Affix
Revenue
Stamps

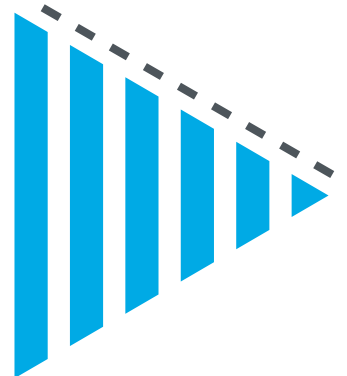
Signature of Shareholder:

Signature of Proxy holder

Signature of the shareholder
across Revenue Stamp

Note:

- 1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- 2) The proxy need not be a member of the company



If undelivered, please return to:

KNR Constructions Limited

CIN: L74210TG1995PLC130199

“KNR House”, 3rd & 4th Floors, Plot No. 114,
Phase I, Kavuri Hills, Hyderabad - 500033

www.knrcl.com