

INDEPENDENT AUDITOR'S REPORT

To the Members of

Khagaria Purnea Highway Project Limited

Report on the audit of the Standalone Ind AS Financial Statements

Qualified Opinion

We have audited the Standalone Ind AS financial statements of **Khagaria Purnea Highway Project Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022 and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us, except for the matter described in the "Basis for Qualified opinion" section of this report, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

Material uncertainty relating to going concern As mentioned in Note 44 to the financial statements, National Highways Authority of India(NHAI,or the Competent Authority) has granted In principle approval for Substitution of Current Concessionaire (the Company). However, the financial statements are continued to be prepared on going concern basis even though there exists a material uncertainty about the ability of the company to continue as a " Going Concern"

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



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

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

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

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

Based on the work we have performed, If, we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

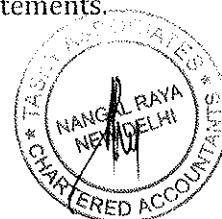
The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity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

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



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

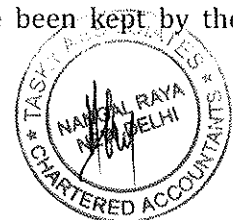
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.



c) The Balance Sheet, the Statement of Profit and Loss, the statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

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

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

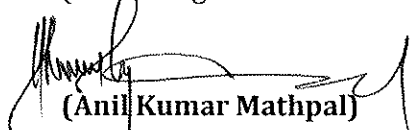
- i. The Company does not have any pending litigations which would impact its financial position except those disclosed in financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

3. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration has been paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

For Tasky Associates

Chartered Accountants

(Firm's Registration No. 008730N)


(Anil Kumar Mathpal)

Partner

Membership No. - 503011

Place: New Delhi

Date: 28 th September 2022

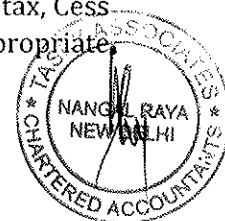
UDIN: 22503011AVXADN6049



**Annexure 'A' to the Independent Auditor's Report of Khagaria Purnea Highway Project
Limited for the Year ended as on 31st March 2022**

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

- i. a. The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- b. The Fixed Assets have been physically verified by the management at regular intervals and no material discrepancies were noticed on such verification.
- c. The title deeds of immovable properties are held in the name of the Company.
- ii. As the Company is engaged in the business of infrastructure development, operations and its maintenance and there is no inventory in hand at any point of time, hence paragraph 3(ii) of the Order is not applicable to the Company.
- iii. In our opinion and according to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liabilities partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, reporting under clause (a) to (c) of Para 3(iii) are not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has not entered into any transaction in respect of loans, investments, guarantee and securities, which attracts compliance to the provisions of the sections 185 and 186 of the Companies Act, 2013. Therefore, the paragraph 3(iv) of the Order is not applicable to the Company.
- v. According to the information and explanations given to us, the Company has not accepted deposits and the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable to the Company.
- vi. We have broadly reviewed the cost records maintained by the Company prescribed by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the Company and are of the opinion that prime-facie the prescribed records have been maintained. We have, however, not made a detailed examination of the cost records with the view to determine whether they are accurate or complete.
- vii. a. According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company has been generally regular in depositing undisputed statutory dues including provident fund, employee state insurance, income tax, Cess & Goods & service Tax and other statutory dues during the year with the appropriate



authorities. As on 31st March 2022, there are no undisputed statutory dues payables for period exceeding for a period more than six month from the date they become payable.

b. According to the information and explanation given to us, there are no dues of income tax, sales tax, Goods & Service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues which have not been deposited on account of dispute.

viii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not defaulted in repayment of dues to banks or financial institutions in respect of interest and principal during the year.

The Company has not taken any borrowing from the Government and has not issued any debentures during the year.

ix. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) and the term loan during the year. Hence reporting under this clause 3(ix) of the order is not applicable to the Company.

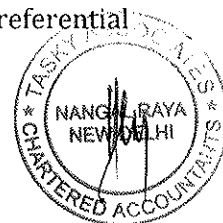
x. According to the information and explanation given to us by the management which have been relied by us, there were no frauds on or by the Company noticed or reported during the period under audit.

xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provision of section 197 read with schedule V of the Company Act,2013.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and hence clause3 (xii) of the Companies (Auditor's Report) Order 2016 is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the Standalone Ind AS financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential



allotment or private placement of shares or fully or partly convertible debentures during the year.

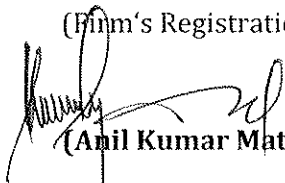
xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

According to the information provided to us, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Therefore, paragraph 3(xvi) of the Order is not applicable to the Company.

For Tasky Associates

Chartered Accountants

(Firm's Registration No. 008730N)



(Anil Kumar Mathpal)

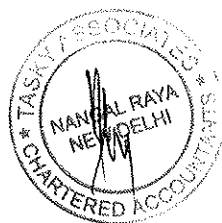
Partner

Membership No. - 503011

Place: New Delhi

Date: 28th September 2022

UDIN: 22503011AYXADN6049



ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in our Report of even date)

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

We have audited the internal financial controls with reference to financial statements of **Khagaria Purnea Highway Project Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

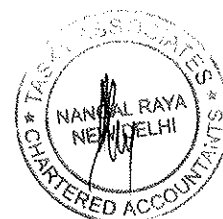
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 with reference to financial statements.



Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

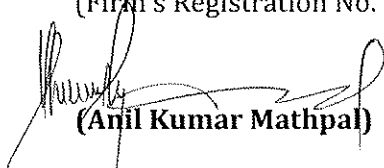
Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Tasky Associates

Chartered Accountants

(Firm's Registration No. 008730N)



(Anil Kumar Mathpal)

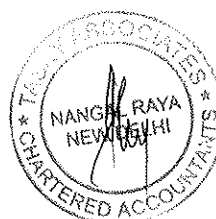
Partner

Membership No. - 503011

Place: New Delhi

Date: 28 th September 2022

UDIN: 22503011AVXADN6049



KHAGARIA PURNEA HIGHWAY PROJECT LIMITED

Balance Sheet as at March 31, 2022

CIN No. U45203DL2011PLC214857

(All amounts in INR Thousands, unless otherwise stated)

PARTICULARS	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	126	30
Investment property	4	3,989	3,989
Financial assets			
Receivable under Service Concession Agreement	5	2,910,566	3,205,575
Other non current financial assets	6	220	35,249
Current assets			
Financial assets			
Receivable under Service Concession Agreement	5	1,120,000	1,120,000
Cash & cash equivalents	7	397,214	56,311
Bank balances other than above	8	99,845	407,537
Other financial current assets	9	168	1,634
Current tax assets (net)	10	45,702	48,593
Other current assets	11	13,924	19,376
TOTAL		4,591,754	4,898,295

EQUITY AND LIABILITIES


Shareholder's funds			
Equity share capital	12	466,026	466,026
Other equity	13	352,838	97,998
Non-current liabilities			
Financial liabilities			
Borrowings	14	2,813,983	3,474,101
Long term Provisions	15	373	775
Current liabilities			
Financial Liabilities			
Trade payables	16	-	-
-total outstanding dues of micro enterprises and small enterprises		-	-
-total outstanding dues of creditors other than micro enterprises and small enterprises		8,286	14,326
Other financial liabilities	17	697,497	592,394
Short term provisions	15	251,853	251,911
Other current liabilities	18	898	765
TOTAL		4,591,754	4,898,295

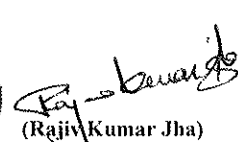
Summary of significant accounting policies 2.1


As per our report of even date attached


 For Tasky Associates
Chartered Accountants
ICAI Regn No. 008730N

For & on behalf of Khagaria Purnea Highway Project Limited

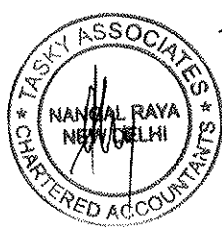

Anil Kumar Mathpal
 Partner
 M. No. 0303011
 Place : New Delhi
 Date : 28th September, 2022


(Rajiv Kumar Jha)
 CFO


(Shubham Kumar)
 Company
 Secretary


(Manoj Mangaine)
 Director
 Din - 09567941


(Chambayil Koppat Santosh Raj)
 Director
 Din - 09188304



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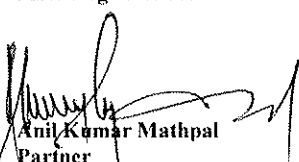
KHAGARIA PURNEA HIGHWAY PROJECT LIMITED
Statement for Profit & Loss for the year ended March 31, 2022
CIN No. U45203DL2011PLC214857
 (All amounts in INR Thousands, unless otherwise stated)

Particulars	Refer Note No.	Year Ended March 31, 2022	Year Ended March 31, 2021
Income			
Revenue from operations	19	368,365	245,328
Other income	20	491,750	554,459
Total Income (I)		860,115	799,787
Expenses:			
Employee benefits expense	21	8,081	6,822
Other Expenses	22	172,965	237,178
Total expenses (II)		181,045	244,000
Earning before interest,tax,depreciation and amortization (EBITDA) (I)-(II)		679,069	555,787
Finance costs	23	424,216	495,221
Depreciation and amortization expense	3	13	6
Profit before tax		254,841	60,560
Tax expenses			
Current tax		-	-
MAT credit entitlement		-	-
Deferred tax		-	-
Profit for the year		254,841	60,560
Earnings per equity share			
Basic and diluted earning per share	24	5.47	1.30
Summary of Significant accounting policies	2.1		

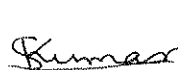
As per our report of even date attached

For Tasky Associates
 Chartered Accountants
 ICAI Regn No. 008730N

For & on behalf of Khagaria Purnea Highway Project Limited


Anil Kumar Mathpal
 Partner
 M. No. 0503011
 Place : New Delhi
 Date : 28 th September, 2022


(Rajiv Kumar Jha)
 CFO


(Shubham Kumar)
 Company
 Secretary


(Manoj Mangaine)
 Director
 Din -09567941


(Chambayil Koppat Santosh Raj)
 Director
 Din - 09188304



KHAGARIA PURNEA HIGHWAY PROJECT LIMITED

Cash Flow Statement for the year ended March 31, 2022

CIN No. U45203DL2011PLC214857

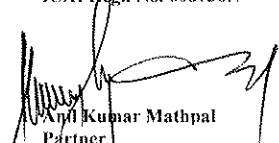
(All amounts in INR Thousands, unless otherwise stated)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Cash Flow from operating activities		
Profit before tax	254,841	60,560
Profit before tax (excluding extraordinary items)		
Adjustments for :		
Interest on fixed deposits	(18,797)	(32,032)
Interest Cost	405,633	487,238
Depreciation	13	6
Operating profit/Loss before working capital changes	641,690	515,772
Adjustments For :		
(Increase) / Decrease in trade and other receivables	300,462	340,578
(Increase) / Decrease in long term provisions	(402)	376
(Increase) / Decrease in Short Term term provisions	(57)	38,150
(Increase) / Decrease in Loans and Advances	1,003	360
Increase / (Decrease) in financial liabilities	(7,916)	7,479
Cash Generated from/(used in) Operating Activities	934,780	902,715
Direct taxes paid (net of refund)	3,355	28,165
Net Cash(used in)/from Operating Activities (A)	938,135	930,880
Cash flow from Investing activities :		
Interest received on fixed deposits	18,797	32,032
Purchase of fixed assets	(109)	(25)
Change in fixed deposits	342,721	(338,048)
Net cash (used in) / from investing activities	361,409	(306,041)
Cash flow from financing activities		
Interest paid	(372,321)	(433,965)
Repayment of term borrowings	(586,318)	(487,847)
Net cash (used in) / from financing activities	(958,639)	(921,813)
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	340,903	(296,974)
Cash and cash equivalents as at the beginning of the year	56,311	353,285
Cash and cash equivalents as at the end of the year	397,214	56,311
Component of Cash and Cash Equivalents as at year end		
Balances with Banks-		
-in Current Accounts	-	2,116
-In Escrow accounts	10,637	8,543
-in Term Deposits with Scheduled Banks	386,551	45,592
Cash in Hand	26	60
Total Cash and Cash Equivalents (also refer note 7)	397,214	56,311

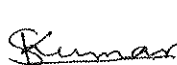
As per our report of even date attached

 For Tasky Associates
 Chartered Accountants
 ICAI Regn No. 008730N

For & on behalf of Khagaria Purnea Highway Project Limited

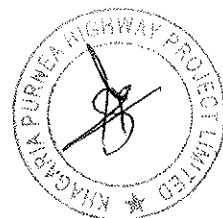

 Anil Kumar Mathpal
 Partner
 M. No. 0503011
 Place : New Delhi
 Date : 28 th September, 2022


 Rajiv Kumar Jha
 CFO


 (Shubham Kumar)
 Company
 Secretary


 (Manoj Mangaine)
 Director
 Din -09567941


 (Chambayil Koppat Santosh Raj)
 Director
 Din - 09188304



KHAGARIA PURNEA HIGHWAY PROJECT LIMITED
Other Equity For the year ended March 31, 2022
CIN No. U45203DL2011PLC214857
(All amounts in INR Thousands, unless otherwise stated)

Equity share of Rs. 10 each issued, subscribed and fully paid	Numbers	Amount
At 31, March 2021	46,603	466,026
At 31, March 2022	46,603	466,026

For the year ended March 31, 2021

Description	Reserves and Surplus			Total
	Equity Component of Financial Instrument	Securities Premium Account	Retained earning	
As at April 01, 2020	498,486	159,026	(620,073)	37,439
Profit for the year	-	-	60,560	60,560
Deemed Equity	-	-	-	-
Add: Exchange difference during the year on net investment in non-integral operations	-	-	-	-
Other comprehensive income	-	-	-	-
Total Comprehensive Income	498,486	159,026	(559,513)	97,999
As at March 31, 2021	498,486	159,026	(559,513)	97,999

For the Year ended March 31, 2022

Description	Reserves and Surplus			Total
	Equity Component of Financial Instrument	Securities Premium Account	Retained earning	
As at April 01, 2021	498,486	159,026	(559,513)	97,999
Profit for the year	-	-	254,840	254,840
Deemed Equity	-	-	-	-
Add: Exchange difference during the year on net investment in non-integral operations	-	-	-	-
Other comprehensive income	-	-	-	-
Total Comprehensive Income	498,486	159,026	(304,673)	352,839
As at March 31 2022	498,486	159,026	(304,673)	352,839

As per our report of even date attached

For Tasky Associates
Chartered Accountants
ICAI Regn No. 008730N

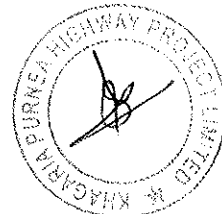
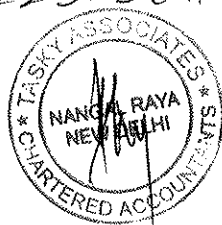
For & on behalf of Khagaria Purnea Highway Project Limited

Anil Kumar Mathpal
Partner
M. No. 0503011
Place : New Delhi
Date : 28th September, 2022

(Rajiv Kumar Jha)
CFO

(Shubham Kumar) (Manoj Mangtane) (Chambayil Koppat Santosh Raj)
Company Director Director
Secretary Din - 09567941 Din - 09188304

22503011AVXADN6049



KHAGARIA PURNEA HIGHWAY PROJECT LIMITED
Standalone Statement of Ratio for the year ended March 31, 2022
CIN No. U45203DL2011PLC214857
 (All amounts in INR, Thousands, unless otherwise stated)

The ratios for the years ended March 31, 2022 and March 31, 2021 are as follows:

Particulars	Numerator	Denominator	Year ended March 31, 2022	Year ended March 31, 2021	Variance (in %)	Reason
Current Ratio	Current Assets	Current Liabilities	1.75	1.92	-9%	
Debt-Equity Ratio	Total Debts	Shareholder's Equity	4.61	7.68	-40%	Reduction in Debt
Debt Service Coverage Ratio	Earnings available for debts services	Debts paid during the year	0.62	0.52	19%	
Return on Equity Ratio	Net profit after tax	Average shareholder's equity	0.31	0.11	190%	Reduction in Direct Cost
Inventory turnover ratio	Cost of goods sold	Average Inventory	-	-	0%	
Trade Receivables turnover ratio	Total Income	Average Debtors	-	-	0%	
Trade payables turnover ratio *	Purchase of services and other expenses	Average trade payable	20.87	16.56	26%	
Net capital turnover ratio	Revenue	Working capital	1.20	1.01	19%	
Net profit ratio **	Net profit	Revenue	0.30	0.08		Increase in Profit as cost reduces significantly as no Major Maintenance activity
Return on Capital employed	Earning before interest and taxes	Capital Employed	0.18	0.14		Increase in EBIT as reduction of Cost due to no Major maintenance 34% this year

* Inventory Turnover Ratio and Trade receivables turnover ratio not applicable



Note No. 1- CORPORATE INFORMATION

Khagaria Purnea Highway Project Limited (the company) was incorporated under the Companies Act, 1956 (Revised) which has since been replaced with Companies Act, 2013, on 25th February, 2011 as a special purpose vehicle to undertake the Two-Laning with paved shoulder of Khagaria-Purnea section of NH-31 from km 270.00 to km 410.00 in the state of Bihar to be executed as BOT (Annuity) on Design, Build, Finance, Operate and Transfer (DBFOT) pattern under NHDP Phase III awarded by the National Highways Authority of India (NHA1). The company is a 100% subsidiary of Punj Lloyd Infrastructure Limited, herein after referred as the "Holding Company".

These financial statements are approved for issue by the Company's Board of Directors on 28th September, 2022.

Corporate Insolvency Resolution Process (CIRP) for Punj Lloyd Limited (The Ultimate Holding Company) under the insolvency and bankruptcy code, 2016 (IBC) has commenced with effect from March 08, 2019. Mr. Gaurav Gupta, Interim Resolution Professional (IRP) was appointed by Hon'ble National Law Tribunal (NCLT), Principal Bench, New Delhi vide its order dated March 08, 2019. Subsequently NCLT vide its order CA-971(PB)/2019 dated May 22, 2019 has appointed Mr. Ashwini Mehra as Resolution Professional (RP) and have taken over from IRP on May 27, 2019. Under CIRP, the powers of the Board of Directors of ultimate holding Company stand suspended. During the COC meeting held on March 30, 2021 in terms of Regulation 19 of IBC, the RP informed that the resolution plan which was put to E-vote under Corporate Insolvency Resolution Process of the Holding Company has not been approved by the COC members. Accordingly, the Holding Company is headed towards liquidation, and the COC members have recommended liquidation of the Holding Company as a going concern and that they will also simultaneously consider a scheme of arrangement under section 230 of the Companies Act, 2013, if any is presented. Necessary application in this regard has been filed by the RP with Hon'ble NCLT which has been accepted by the NCLT. Accordingly vide order dated 27th May, 2022, NCLT has ordered for the liquidation of Punj Lloyd Limited as a going concern and appointed Mr. Ashwini Mehra as the Liquidator.

2. Statement of compliance and Basis of preparation

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

The financial statements comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements have been prepared on an accrual basis and under historical cost convention, except for the assets and liabilities which have been measured at fair value or revalued amount for certain financial assets and liabilities.

2.1 Summary of significant accounting policies

a. Use of estimates

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring an adjustment to the carrying amounts of assets or liabilities in future periods.

Fair value measurements and valuation process

Some of the Companies assets and liabilities are measured at fair value for financial reporting purposes. The management of the Company has determine the appropriate valuation techniques an inputs for fair value measurements. In estimating the fair value of an asset or liability, the Company uses market-observable data to the extent it is available, wherever market observable data is not available, the Company engages third party qualified valuers to perform the valuation.

b. Revenue recognition

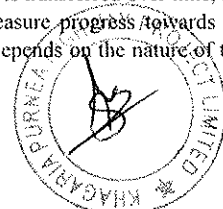
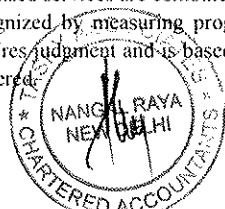
The Company derives revenue primarily from fixed price construction contracts. After the construction of the projects, company will receive annuity from the client, which will be recognise as revenue in the Statement of Profit and Loss over the concession period of the respective projects based on the implicit rate of return embedded in the projected cash flows.

Effective 01 April 2018, the Company has adopted Indian Accounting Standard 115 (Ind AS 115) - 'Revenue from contracts with customers' using the cumulative catch-up transition method, applied to contracts that were not completed as on the transition date i.e. 01 April 2018. Accordingly, the comparative amounts of revenue and the corresponding contract assets /liabilities have not been retrospectively adjusted. The effect on adoption of Ind-AS 115 was insignificant.

Accordingly, the policy for Revenue is amended as under:

The Company derives revenue primarily from construction contracts. To recognize revenue, the Company applies the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligation in the contract, and (5) recognize revenue when a performance obligation is satisfied.

At contract inception, the company assesses its promise to transfer services to a customer to identify separate performance obligations.. The Company applies judgment to determine whether each service promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised services are combined and accounted as a single performance obligation. For performance obligations where control is transferred over time, revenue are recognized by measuring progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgment and is based on the nature of the services to be provided. The method for recognizing revenues and cost depends on the nature of the services rendered.



Other income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable rate.
Fair value gains on current investments carried at fair value are included in other income.
Dividend income is recognised when the right to receive the same is established by the reporting date.
Other items of income are recognised as and when the right to receive arises.

(c) Property, plant and equipments (PPE)

Plant and Equipments are stated at cost, net off accumulated depreciation and impairment losses, if any. The cost comprises the purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the assets to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the Purchase Price. The Company considered the previous GAAP carrying cost of plant and equipments as deemed cost, as the fair value of these assets does not differ materially from its carrying cost.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing PPE, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of PPE are measured as the difference between the net disposal proceeds and the carrying amount of the PPE and are recognized in the statement of profit and loss when the PPE is derecognized.

(d) Depreciation

Depreciation on PPE is provided on Straight Line Method (SLM) at the rates and in the manner prescribed in the Schedule II of the Companies Act, 2013.

Depreciation on additions/ deductions is calculated pro-rata basis.

(e) Borrowing Cost

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the 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 takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

In compliance of AS-16 "Borrowing Cost", income earned on temporary investments, out of funds borrowed, which are inextricably linked with the project, are deducted from the related borrowing costs incurred.

(f) Impairment of Assets

As at each Balance Sheet date, the carrying amount of assets are assessed for any indication of impairment so as to determine

- The provision for impairment loss, if any, required or
- The reversal, if any, required of impairment loss recognized in previous periods.

Impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- In the case of individual assets, at the higher of the net selling price and the value in use;
- In the cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of cash generating unit's net selling price and the value in use;

(Value in use is determined as the present value of estimated future cash flows from the continuing use of an asset from its disposal at the end of its useful life)

(g) Concessionary assets

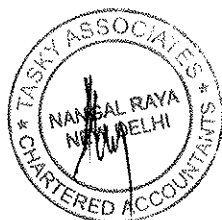
Concessions refer to administrative authorization granted by the public bodies for the construction and later maintenance of highways. Concession assets are classified as:

Financial assets: When the granting authority establishes an unconditional right to receive cash or other financial assets.

Intangible assets: Only in which contractual arrangements do not set an unconditional right to receive cash or other financial assets from granting authority.

The construction service counterpart is a receivable which also includes a financial remuneration. It is calculated based upon the projects's expected rate of return in line with its estimate flow, which includes inflation forecasts. Once the construction has finished, the Company re-estimate the fair value of the service rendered if circumstances have changed or uncertainties that are existed during construction have disappeared. Once the operational phase begins, the receivables are valued at amortized cost and any difference between actual and expected flows re recognized in the income statement. Unless the circumstances affecting concession asset flows significantly change (economical re-balances approved by the granting authority, contract enhancement, etc.,) the rate of return will not be modified. Economic rebalancing is only considered for calculating the value of a financial asset when the grantor has vested right to receive cash or other financial assets.

Financial remuneration in a concession financial assets is classified by the Company as operative revenue, since it is part of the Company's general activity, which is exercised on a regular basis and generates income periodically.



(h) Financial Instruments

Financial Instruments (assets and liabilities) are recognized when the Company becomes a party to a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, other than those designated as fair value through profit or loss (FVTPL), are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in statement of profit and loss.

Financial assets

(1) Subsequent measurement

Subsequent measurement depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its financial assets.

§ **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost using the Effective Interest Rate (EIR) method. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss.

§ **Fair value through other comprehensive income (FVTOCI):** The Company has investments which are not held for trading. The Company has elected an irrevocable option to present the subsequent changes in fair values of such investments in other comprehensive income. Amounts recognized in OCI are not subsequently reclassified to the statement of profit and loss.

§ **Fair value through profit and loss (FVTPL):** FVTPL is a residual category for financial assets in the nature of debt instruments. Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss. This category also includes derivative financial instruments, if any, entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

(2) Impairment of financial assets

The Company applies Ind AS 109 for recognizing impairment losses using Expected Credit Loss (ECL) model. Impairment is recognized for all financial assets subsequent to initial recognition, other than financial assets in FVTPL category. The impairment losses and reversals are recognized in statement of profit and loss.

(3) De-recognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or the same are transferred.

Financial liabilities

(a) Subsequent measurement

There are two measurement categories into which the Company classifies its financial liabilities.

§ **Amortised cost:** After initial recognition, interest-bearing borrowings and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

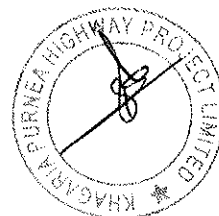
§ **Financial liabilities at FVTPL:** Financial liabilities are classified as FVTPL when the financial liabilities are held for trading or are designated as FVTPL on initial recognition. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the profit or loss.

(b) De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.



(i) Fair value measurement

The fair value of a financial asset or liability is measured using the assumption that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

Level 1 – Where fair value is based on quoted prices from active market.

Level 2 – Where fair value is based on significant direct or indirect observable market inputs.

Level 3 – Where fair value is based on one or more significant input that is not based on observable market data.

For financial assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers is required between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) (a) on the date of the event or change in circumstances or (b) at the end of each reporting period.

(j) Income taxes

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Deferred tax is provided using the liability method on temporary difference between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, to the extent that it is probable that taxable profit will be available against which the deduction temporary differences and the carry forward of unused tax credits and unused tax loss can be utilized.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of deferred tax assets to be utilized.

Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

(k) Segment reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

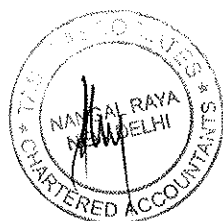
(l) Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for the events of bonus issue and share split.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(m) Cash and cash equivalents

Cash and cash equivalents, for the purposes of cash flow statement, comprise cash on hand, demand deposits, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.



(n) Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of 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.

Where the effect of the time value of money is expected to be material, 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. When discounting is used, the increase in the provision due to the passage of time is recognized as interest expense.

(o) Contingent liabilities and Contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. A disclosure is made for a contingent liability when there is a:

- possible obligation, the existence of which will be confirmed by the occurrence/non-occurrence of one or more uncertain events, not fully within the control of the Company;
- present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- present obligation, where a reliable estimate cannot be made.

Contingent assets are not recognized but disclosed where an inflow of economic benefits is probable.

(p) Functional Currency

The financial statements are presented in Indian Rupee, which is also the functional currency of the Company.

(q) Foreign currency transaction

The financial statements are presented in Indian Rupee, which is also the functional currency of the Company. The overseas branches of the Company separately determines the functional currency and items included in the financial statements of each branch are measured using the functional currency

FOREIGN CURRENCY TRANSACTIONS :

In preparing the financial statements of the Company, transactions in currencies other than the company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognized in profit or loss in the period in which they arise.

Foreign currency derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

Global Health Pandemic on COVID19:

The Company has taken into account all the possible impacts of COVID-19 in preparation of these standalone financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition owing to changes in cost budgets of fixed price contracts. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these standalone financial statements and believes that the impact of COVID-19 is not material to these standalone financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the standalone financial statements may differ from that estimated as at the date of approval of these standalone financial statements owing to the nature and duration of COVID-19.

Measurement of EBITDA

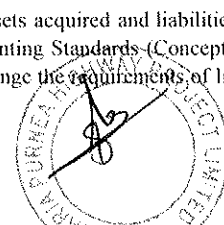
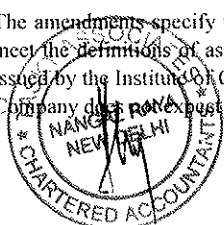
As permitted by the Guidance Note on the Division II of Schedule III to the Companies Act, 2013, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. In its measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense.

Recent accounting pronouncements:

Ministry of Corporate Affairs ('MCA') notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022 as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that no qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.



KHAGARIA PURNEA HIGHWAY PROJECT LIMITED
Notes to Financial Statements for the year ended March 31, 2022

Ind AS16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead an entity will recognize such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts – Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS-109 – Annual Improvements to Ind AS (2021)

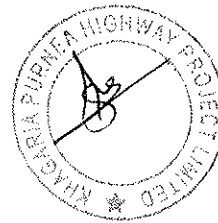
The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognize a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 116 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolved any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendments to have any significant impact in its financial statements.

Others

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified. The Company will give appropriate impact in its financial statements in the period in which the Code becomes effective and the related rules to determine the financial impact are published.



3 Property, plant and equipment

Particulars	Furniture and fixtures	Computer	Total
Gross Block at cost			
As at April 01, 2020		93	93
Additions	25		25
Disposals (-)	-	-	-
Other adjustments	-	-	-
As at March 31, 2021	25	93	118
Additions	23	86	109
Disposals (-)	-	-	-
Other adjustments	-	-	-
As at March 31 2022	48	180	228
Accumulated Depreciation			
As at April 01, 2020	-	83	83
Charge for the year	1	5	6
Disposals (-)	-	-	-
As at March 31, 2021	1	88	89
Charge for the year	3	10	13
Disposals (-)	-	-	-
As at March 31 2022	4	97	102
Net Block			
As at March 31, 2021	24	6	30
As at March 31 2022	44	82	126

4 Investment property

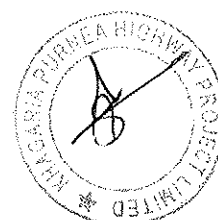
Particulars	As at March 31, 2022	As at March 31, 2021
Immovable property	3,989	3,989
	<u>3,989</u>	<u>3,989</u>

5 Receivable under Service Concession Agreement

Particulars	As at March 31, 2022	As at March 31, 2021
Long term receivable	2,910,566	3,205,575
Short term receivable	1,120,000	1,120,000
	<u>4,030,566</u>	<u>4,325,575</u>

6 Other non current financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
Fixed Deposits more than 12 months (including interest)	-	35,029
Security Deposit	220	220
	<u>220</u>	<u>35,249</u>



7 Cash & cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Cash and Cash Equivalents		
Cash on hand	26	60
Balances with banks:		
On current account	-	2,116
On escrow account	10,637	8,543
On bank deposits with less than 3 months maturity including interest	386,551	397,188
	<u>397,214</u>	<u>56,311</u>

8 Bank balances other than above

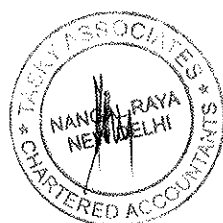
Particulars	As at March 31, 2022	As at March 31, 2021
Deposits with maturity for more than three months but less than 12 months including interest	99,845	407,537
	<u>99,845</u>	<u>407,537</u>

9 Other financial current assets

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured, Considered good)		
- Other receivables	-	-
- Receivable from NHAI	168	1,634
	<u>168</u>	<u>1,634</u>

10 Current tax assets (net)

Particulars	As at March 31, 2022	As at March 31, 2021
GST Recoverable	464	
Income tax receivables	45,238	48,593
Less: Income tax payables	-	-
	<u>45,702</u>	<u>48,593</u>



11 Other current assets

Particulars	As at March 31, 2022	As at March 31, 2021
Prepaid expenses	8,479	8,553
Advances given to the vendors	5,445	10,823
	13,924	19,376

12 Equity share capital

Particulars	As at March 31, 2022	As at March 31, 2021
Authorized shares 47,000 Equity Shares of Rs. 10/- each	470,000	470,000
Issued, subscribed and fully paid-up shares 46,603 (previous year 46,603) equity shares of Rs 10 each, fully paid up	466,026	466,026
	466,026	466,026

a) Reconciliation of shares outstanding at the beginning and at the end of the year

Equity shares

Particulars	As at March 31 2022		As at March 31 2021	
	Nos.	Amount	Nos.	Amount
At the beginning of the year	46,603	466,026	46,603	466,026
Issued during the year - Bonus issue	-	-	-	-
Issued during the year	-	-	-	-
Outstanding at the end of the year	46,603	466,026	46,603	466,026

b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company pays dividends in Indian rupees, if declared. The dividend, if any proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting.

During the year ended March 31, 2022, no dividend is declared by Board of Directors. (Previous year - Nil)

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

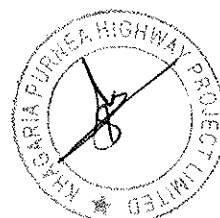
c) Shares held by Holding / Ultimate holding company and/or their subsidiaries/associates and its nominees

Out of equity shares issued by the Company, shares held by its holding company and its nominees are as below:

Particulars	Relationship	As at March 31, 2022	As at March 31, 2021
Punj Lloyd Infrastructure Limited & its Nominees	Holding Company	466,026	466,026
46,603 Equity Shares of Rs. 10/- each, fully paid up			

d) List of Shares held by Promoters for the equity share capital of the Company at the beginning and at the end of the reporting year:

Particulars	As at March 31 2022		As at March 31 2021		% change during the year
	Number	%	Number	%	
Equity Shares of Rs.10/- each fully paid					
Punj Lloyd Infrastructure Limited and its nominees	46,603	100	46,603	100	-
	46,603	100	46,603	100	-



13 Other equity

Particulars	As at March 31, 2022	As at March 31, 2021
Equity Component of Financial Instrument		
Opening	498,486	498,486
Add: Deemed equity on Loan from promoters	-	-
Closing Balance	498,486	498,486
Securities premium account		
Balance as per the last financial statements	159,026	159,026
Add: premium on issue of equity shares	-	-
Closing Balance	159,026	159,026
Surplus/(Deficit) in the statement of profit and loss		
Balance as per last financial statements	(559,513)	(620,073)
Profit for the year	254,840	60,560
Net deficit in the statement of profit and loss	(304,673)	(559,513)
Total reserves and surplus	352,838	97,998

14 Borrowings

Particulars	Non-current portion As at March 31, 2022	Current portion As at March 31, 2022	Non-current portion As at March 31, 2021	Current portion As at March 31, 2021
Term loans (Secured)				
From Banks				
Indian Rupee Loan	1,712,944	609,768	2,322,474	510,358
From Others				
India Infrastructure Finance Company Limited	364,318	17,723	381,927	17,723
L&T Infrastructure Finance Company Limited	387,523	65,193	452,536	57,491
Total Term Loans Secured	2,464,785	692,684	3,156,936	585,572
Other loans and advances (Unsecured)				
Punj Lloyd Infrastructure Ltd. (the Holding Company)	349,198	-	317,164	-
	2,813,983	692,684	3,474,101	585,572
The above amount includes				
Secured borrowings	-	(692,684)	-	(585,572)
Amount disclosed under the head "other current liabilities" (note 17)				
	2,813,983	-	3,474,101	-

The above term loan are secured by :

- (a) a first mortgage and charge on all the Company's movable and immovable properties, intangible assets, escrow Account and its sub-accounts & uncalled Capital, both present and future, save and except the Project Assets;
- (b) a pledge of 51% of the total paid up equity share capital of the Company held by Punj Lloyd Infrastructure Limited.
- provided that:

the aforesaid mortgages, charges, assignments and the pledge of equity shares shall in all respects rank pari-passu inter-se amongst the Lenders, in accordance with the financing documents, without any preference or priority to one over the other or others.

Terms of Repayment

Indian Rupee term loan from banks and financial institutions and carries interest @ 10.75% p.a (previous year 10.75% pa). The loan is repayable in 25 structured unequal semi-annual installments commencing from the month of first Annuity payment i.e, Oct-2014, and ending on 31st October, 2026 and ranging from Rs 128110 thousands to 289425 thousands

Unsecured Loan from Punj Lloyd Infrastructure Limited carries NIL rate of interest and is repayable only after discharge of all Secured Loans.



KHAGARIA PURNEA HIGHWAY PROJECT LIMITED
Notes to Financial Statements as at March 31, 2022
(All amounts in INR Thousands, unless otherwise stated)

15 Long term Provisions

Particulars	Long-term		Short-term	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Provision for major maintenance	-	-	251,851	251,851
Provision for Gratuity	373	216	2	1
Provision for Leave Encashment	-	558	-	58
	373	775	251,853	251,911

16 Trade payables

Particulars	Long-term		Short-term	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
-total outstanding dues of micro enterprises and small enterprises	-	-	-	-
-total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	8,286	14,326
	-	-	8,286	14,326

Trade payables ageing schedule as on 31st March 2022

Particulars	Outstanding for the following periods from due date of payment			
	Less than 1 year	1-2 years	2-3 years	Total
(I) MSME	-	-	-	-
(II) OTHERS	7,647	640	-	8,286
(III) Disputed dues- MSME	-	-	-	-
(IV) Disputed dues- OTHERS	-	-	-	-

Trade payables ageing schedule as on 31st March 2021

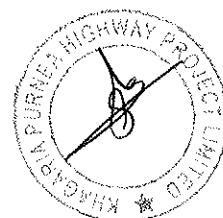
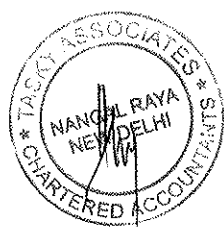
Particulars	Outstanding for the following periods from due date of payment			
	Less than 1 year	1-2 years	2-3 years	Total
(I) MSME	-	-	-	-
(II) OTHERS	13,940	377	9	14,326
(III) Disputed dues- MSME	-	-	-	-
(IV) Disputed dues- OTHERS	-	-	-	-

17 Other financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Current maturities of long term borrowings (note 14)	692,684	585,572
Other Payables		
Audit Fee Payable	117	124
Due to Holding Company	497	497
Salary and Wages Payable	1,530	480
PF Payable	234	-
Bonus Payable	531	92
Other Expenses Payable	1,905	5,630
	697,497	592,394

18 Other current liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory Dues		
TDS Payable	729	630
Labour Cess Payable	170	135
	899	765



19 Revenue from operations

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Contract Revenue	368,365	245,328
	<u>368,365</u>	<u>245,328</u>

20 Other income

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Other Income	14,511	-
Interest on Income Tax Refund	1,815	2,917
Finance Income from SCA	456,626	519,510
Interest on Fixed Deposit	18,797	32,032
	<u>491,750</u>	<u>554,459</u>

21 Employee benefit expenses

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Salaries, wages and bonus	6,692	6,146
Contribution to provident fund	863	-
Gratuity expense	233	120
Compensated absences	-	295
Staff welfare expenses	292	262
	<u>8,081</u>	<u>6,822</u>

22 Other Expenses

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Travelling and conveyance	52	85
Consultancy and professional charges	13,898	12,383
Office expenses	46	98
Operation and Maintenance charges	103,227	1,744
Major maintenance of carriageway	42,353	213,731
Auditor remuneration (refer note no.32)	130	130
Insurance	11,836	8,241
Fee & Taxes	172	166
Corporate social responsibility (CSR) expenditure	1,250	600
	<u>172,965</u>	<u>237,178</u>

Payments to auditors:

Audit Fee	130	130
	<u>130</u>	<u>130</u>

23 Finance costs

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Interest on Term Loan	372,321	433,965
Deemed interest	33,311	53,273
Bank charges	13,119	2,520
Other borrowing cost	5,463	5,463
	<u>424,216</u>	<u>495,221</u>

24 Earnings per share

Basic and diluted earnings

	Year Ended March 31, 2022	Year Ended March 31, 2021
Calculation of weighted average number of equity shares of Rs. 10 each		
Number of equity shares at the Beginning of the year	46,603	46,603
Equity shares at the end of the year	46,603	46,603
Weighted average number of equity shares outstanding during the year	46,603	46,603
Net loss after tax available for equity share holders (Rs.)	254,841	60,560
Basic and diluted earnings per share (Rs.)	5.47	1.30
Nominal value of share (Rs.)	10	10



KHAGARIA PURNEA HIGHWAY PROJECT LIMITED
Notes to Financial Statements for the year ended March 31, 2022
(All amounts in INR Thousands, unless otherwise stated)

25 Related Party Disclosures

A. Name of the related parties and nature of relations

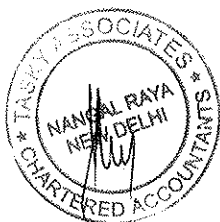
Name	Relationship
1) Punj Lloyd Limited (under Liquidation)	Ultimate Holding Company
2) Punj Lloyd Infrastructure Limited	Holding Company
3) Key Management personnel :-	
Mr. Rahul Maheshwari	Director (upto November 01, 2021)
Mr. Swatantar Kumar Goyal	Director (upto March 16, 2022)
Mr. Gaurav Kapoor	Director (up to April 11, 2022)
Mr. Santosh Raj	Director (from November 01, 2021)
Mr. Shibu Joseph	Director (from March 16, 2022 upto 27 July 2022)
Mr. Manoj Mangaine	Director (from April 15, 2022)
Mr. Shubham Kumar	Company Secretary
Mr. Rajiv Kumar Jha	CFO
Mr. Umesh Sharma	Manager

B. Transactions with related parties

Name / Relationship/ Nature of transaction	Amount of transaction		Due to		Due from	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
<u>Punj Lloyd Limited (under Liquidation)</u>						
Major maintenance of carriageway	6,161	23,834	-	-	-	-
Corporate Guarantee	3,157,468	3,742,508	-	-	-	-
<u>Punj Lloyd Infrastructure Limited</u>						
Equity Share Capital	-	-	466,026	466,026	-	-
Share premium	-	-	159,026	159,026	-	-
Other Payables	-	-	497	497	-	-
Unsecured Loan**	-	-	564,948	564,948	-	-
<u>Key managerial personnel-Remuneration</u>						
Mr. Umesh Sharma - Manager	1,750	1,462	-	-	-	-
Mr. Shibu Joseph - Director	645	574	-	-	-	-

The Term Loans are secured by a pledge of 51% of the total paid up equity share capital of the Company held by Punj Lloyd Infrastructure Limited.

** Non discounting figures.



26 Breakup of financial assets and financial liabilities carried at amortized cost

Group of financial assets and financial liabilities carried at amortized cost					
		As at	As at	As at	As at
		31 March 2022	31 March 2022	31 March 2021	31 March 2021
	Level	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Financial assets					
Cash and cash equivalents	3	397,214	397,214	56,311	56,311
Bank balances other than above	3	99,845	99,845	407,537	407,537
Other financial current assets	3	388	388	36,884	36,884
Receivable under Service Concession Agreement	3	4,030,566	4,030,566	4,325,575	4,325,575
Total		4,528,013	4,528,013	4,826,307	4,826,307
Financial liabilities					
Borrowings	3	3,506,666	3,506,666	4,059,673	4,059,673
Trade payables	3	8,286	8,286	14,326	14,326
Other financial liabilities	3	4,813	4,813	6,822	6,822
Total		3,519,766	3,519,766	4,080,821	4,080,821

Fair value technique

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values:-

The fair value of cash and cash equivalents, trade receivables, current trade payables, current financial liabilities and borrowings approximate their carrying amount largely due to the short-term nature of these instruments. The Board considers that the carrying amounts of financial assets and financial liabilities recognised at cost/amortized cost in the financial statements approximate their fair values.

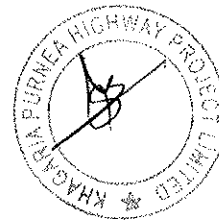
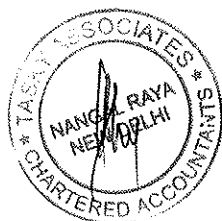
Long-term debt has been contracted at floating rates of interest, which are reset at short intervals. Fair value of variable interest rate borrowings approximates their carrying value of such long-term debt approximates fair value subject to adjustments made for transaction cost.

27 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.



28 Financial risk management objectives and policies

The company's activities expose it to variety of financial risks : market risk, credit risk and liquidity risk. The company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established a risk management policy to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management systems are reviewed periodically to reflect changes in market conditions and the Company's activities. The Board of Directors oversee compliance with the Company's risk management policies and procedures, and reviews the risk management framework.

a) Market Risk:

The Company's activities expose it primarily to the financial risks of changes in interest rates. There has been no change to the company's exposure to market risks or the manner in which these risks are managed and measured.

b) Interest rate risk

The company is exposed to interest rate risk because it borrows funds primarily at floating interest rates. However, the interest rates are dependant on base rates/prime lending rates of the lead bank which are not expected to change very frequently and the estimate of the management is that these will not have significant upward trend.

c) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The Company has adopted a policy of only dealing creditworthy counterparties. The management believes that the credit risk is negligible since its mail receivable is from the grantors of the concession which is Government Authority.

d) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets.

The Company manages liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through an adequate amount of committed credit lines. Management regularly monitors the position of cash and cash equivalents vis-à-vis projections. Assessment of maturity profiles of financial assets and financial liabilities including debt financing plans and maintenance of Balance Sheet liquidity ratios are considered while reviewing the liquidity position.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking damage to the Company's reputation. The Company ensures that it has sufficient fund to meet expected operational expenses, servicing of financial obligations.

The table below summarises the maturity profiles of the Company's financial Liabilities based on contractual undiscounted payments as at March 31, 2022:

Particulars	Carrying Amount	Upto 1 year	1-2 years	3-5 years	more than 5 years
Non Derivative Financial Liability					
Borrowings - From banks/ financial institutions	3,157,468	692,684	764,147	1,187,754	512,883
Borrowings - From related parties	349,198	-	-	-	564,948
Other Financial Liabilities	4,813	4,813	-	-	-
Trade Payable	8,286	7,646	640	-	-
Total	3,519,766	705,142	764,786	1,187,754	1,077,831

The table below summarises the maturity profiles of the Company's financial Liabilities based on contractual undiscounted payments as at March 31, 2021:

Particulars	Carrying Amount	Upto 1 year	1-2 years	3-5 years	more than 5 years
Non Derivative Financial Liability					
Borrowings - From banks/ financial institutions	3,742,508	585,572	692,684	2,034,555	512,352
Borrowings - From related parties	317,164	-	-	-	564,948
Other Financial Liabilities	6,822	6,822	-	-	-
Trade Payable	14,326	14,326	-	-	-
Total	4,080,821	606,720	692,684	2,034,555	1,077,300

e) Foreign Currency Risk

Foreign currency risk is the risk that fair value or future cash flows 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 in foreign currency.



KHAGARIA PURNEA HIGHWAY PROJECT LIMITED

Notes to financial statements for the year ended March 31, 2022

(All amounts in INR Thousands, unless otherwise stated)

29 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

The following table summarises the capital of the Company:

Particulars	March 31, 2022	March 31, 2021
Equity	818,864	564,024
Short-term borrowings and current portion of long-term debt	692,684	585,572
Long-term debt	2,813,983	3,474,101
Cash and cash equivalents	497,059	463,849
Net debt	3,009,607	3,595,824
Total capital (equity + net debt)	3,828,472	4,159,849
Gearing ratio	79%	86%



30 Disclosure pursuant to Ind AS 19 "Employee benefits":

Asset and liability (balance sheet position)

Particulars	Gratuity		Leave Encashment	
	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2022	Year Ended March 31, 2021
Present value of obligation	375	217	-	617
Fair value of plan assets	-	-	-	-
Surplus / (deficit)	(375)	(217)	-	(617)
Effects of asset ceiling, if any	-	-	-	-
Net Asset / (Liability)	(375)	(217)	-	(617)

Expenses recognised during the period

Particulars	Gratuity		Leave Encashment	
	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2022	Year Ended March 31, 2021
In income statement	233	120	-	295
In other comprehensive income	-	-	-	-

Plan features (Characteristics & Risks)

Particulars	Gratuity
Benefits offered	15/26 X Salary X Duration of Service
Salary definition	Basic Salary including Dearness Allowance (If any)
Benefit ceiling	Rs. 20,00,000 was applied
Vesting conditions	5 years of continuous service (not applicable in case of death/disability)
Benefit eligibility	Upon death or Resignation/Withdrawal or Retirement
Retirement age	60 years

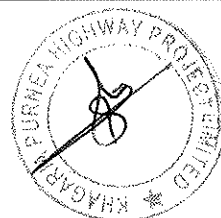
Particulars	Leave encashment
Salary for encashment	Basic plus DA
Salary for availment	Cost to Company
Benefit payable on	Upon death or Resignation/Withdrawal or Retirement
Maximum accumulation	Employee -
Encashment Formula	(Leave days) x (Salary) / (Leave denominator)
Leave denominator	Employee -
Leaves credit annually	Employee -
Retirement age	60 Years

Changes in the present value of obligation

Particulars	Gratuity		Leave Encashment	
	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2022	Year Ended March 31, 2021
Net opening provision in book of accounts	217	97	617	331
Current service cost	222	76	-	82
Interest expense or cost	15	7	-	22
Re-measurement of actuarial (gain) / loss arising from:				
- change in financial assumptions	(22)	(2)	-	(2)
- change in demographic assumptions	-	-	-	-
- experience adjustments	18	39	-	184
Past Service Cost	-	-	-	-
Loss(gain) on curtailments	-	-	-	-
Liabilities extinguished on settlements	-	-	-	-
Benefits Paid	(76)	-	(617)	-
Closing provision in books of accounts	375	217	(0)	617

Bifurcation of net liability

Particulars	Gratuity		Leave Encashment	
	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2022	Year Ended March 31, 2021
Current liability	2	1	-	58
Non-current liability	373	216	-	558
Total liability	375	217	-	617



KHAGARIA PURNEA HIGHWAY PROJECT LIMITED
Notes to financial statements for the year ended March 31, 2022
(All amounts in INR Thousands, unless otherwise stated)

Expenses recognised in the income statement

Particulars	Gratuity		Leave Encashment	
	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2022	Year Ended March 31, 2021
Current Service Cost	222	76	-	82
Past Service Cost	-	-	-	-
Loss / (Gain) on settlement	(4)	-	-	-
Expected return on Asset	-	-	-	-
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	15	7	-	22
Actuarial Gain/Loss	-	37	-	182
Expenses Recognised in the Income Statement	233	120	-	286

Financial Assumptions

Particulars	Gratuity		Leave Encashment	
	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2022	Year Ended March 31, 2021
Discount rate (per annum)	7.25%	6.85%	-	6.80%
Withdrawal rates (per annum)	4.00%	4.00%	-	4.00%
Salary growth rate (per annum)	Not applicable	Not applicable	-	-

Demographic Assumptions

Particulars	Gratuity		Leave Encashment	
	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2022	Year Ended March 31, 2021
Mortality rates (per annum)				
20 years	0.09%	0.09%	-	0.09%
30 years	0.10%	0.10%	-	0.10%
40 years	0.17%	0.17%	-	0.17%
50 years	0.44%	0.44%	-	0.44%
60 years	1.12%	1.12%	-	1.12%

Availment and Encashment rates

Particulars	Leave Encashment	
	Year Ended March 31, 2022	Year Ended March 31, 2021
Leave availment rate (p.a.)	5%	5%
Encashment in service (p.a.)	0%	0%

Expected cashflows based on past service liability

Particulars	Gratuity		Leave Encashment	
	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2022	Year Ended March 31, 2021
Year 1 cash flow	2.01	1	-	58
Distribution (%)	0.2%	0.1%	-	5.3%
Year 2 cash flow	2.21	1	-	58
Distribution (%)	0.2%	0.2%	-	5.2%
Year 3 cash flow	2.51	1	-	57
Distribution (%)	0.2%	0.2%	-	5.2%
Year 4 cash flow	2.85	1	-	56
Distribution (%)	0.2%	0.2%	-	5.1%
Year 5 cash flow	3.14	2	-	55
Distribution (%)	0.2%	0.2%	-	5%
Year 6 to year 10 cash flow	200.07	92	-	349
Distribution (%)	15.60%	13.80%	-	31.7%

Summary of valuation data

Particulars	Gratuity	
	Year Ended March 31, 2022	Year Ended March 31, 2021
Number of employees	66	11
Total monthly pay (Rs.)	983	180
Average monthly salary (Rs.)	15	16
Average age (years)	38.76	43.46
Average past service (years)	1.05	3.19
Average future service (years)	21.24	16.54
Average outstanding term of obligation (years)	15.07	15.37



KHAGARIA PURNEA HIGHWAY PROJECT LIMITED
Notes to financial statements for the year ended March 31, 2022
(All amounts in INR Thousands, unless otherwise stated)

Particulars	Leave Encashment	
	Year Ended March 31, 2022	Year Ended March 31, 2021
Number of employees	-	11.00
Total Monthly encashment salary (Rs.)	-	180.37
Total Monthly availment salary (Rs.)	-	522.93
Average age (years)	-	43.46
Total leave days*	-	606.02
Average leave days	-	55.00

*Leave balances are reported after considering maximum leave accumulation

Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below:

Particulars	Gratuity		Leave Encashment	
	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2022	Year Ended March 31, 2021
Discount rate sensitivity				
Increase by 0.5%	349.55	202.13	-	595.70
% change	-6.74%	-6.89%	-	-3.43%
Decrease by 0.5%	402.65	233.49	-	639.39
% change	7.43%	7.56%	-	3.65%
Salary growth rate sensitivity				
Increase by 0.5%	403.40	233.84	-	639.91
% change	7.62%	7.72%	-	3.73%
Decrease by 0.5%	348.71	201.70	-	595.03
% change	-6.97%	-7.08%	-	-3.54%
Withdrawal rate sensitivity				
W.R. x 105%	374.82	217.08	-	616.88
% change	0.00%	0.00%	-	0.00%
W.R. x 95%	374.82	217.08	-	616.88
% change	0.00%	0.00%	-	0.00%



31 Remuneration of the Auditors:

S.No	Particulars	As at March 31, 2022	As at March 31, 2021
1	Statutory Audit Fee	130	130
	Total	130	130

32 Disclosures pursuant to Ind AS 1 - "Presentation of Financial Statements"

For the purpose of the company's capital management, capital includes issued equity capital, Interest free loan from promoters, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the company's capital management is to maximise shareholder value.

33 The Company does not have any transaction to which the provision of AS-2 relating to Valuation of Inventories applies.

34 Disclosure pursuant to Ind AS 115 - "Construction Contracts"

Amount of contract revenue recognised in the year : Rs. Nil

Method used to recognise the constructions revenue - Work executed during the year and remaining to be executed

35 Disclosure pursuant to Ind AS 23 "Borrowing Costs"

Borrowing cost capitalised during the year Nil. (previous year : Nil).

36 Corporate Social Responsibility (CSR)

CSR amount required to be spent by the Company as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof during the year is INR.1233 thousands (Previous year INR.580 thousands). Expenditure incurred to Corporate Social Responsibility is INR.1250 thousands (previous year INR.600 thousands).

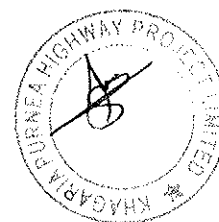
37 There have been no claimed transactions during the year with Micro, Small and Medium Enterprises covered under the Micro, Small and Medium Enterprises Development (MSMED) Act 2006.

38 Foreign Currency Transactions

Particulars	FY 2021-2022	FY 2020-2021
Interest	-	-
Commitment Fees	-	-
Others	-	-
Total	-	-

39 Impairment of Financial assets

The credit risk on the financial assets has not increased since the initial recognition, therefore company measure the loss allowance for the financial assets at an amount equal to 12 month expected credit losses. Since the financial assets are expected to be realised within the contractual period of the invoice raised, as such, there is no ECL (expected credit loss) envisaged in the value of financial assets under SCA (Service Concession agreement) by the management.



40 Disclosure of segment information pursuant to Ind AS 108 "Operating Segments"

The Company is engaged in the business of construction, operation and maintenance of Toll road projects on a Build Operate Transfer basis in a single business segment. Hence reporting of operating segments does not arise. The Company does not have operations outside India. Hence, disclosure of geographical segment information does not arise.

41 In the opinion of the Board, the current assets, loans & advances, have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.

42 There were no litigation pending against the company which could be materially impact its financial position as at the end of the year.

43 Reconciliation of cash flows from financial activities (Ind AS – 7)

Particulars	Term borrowings	Interest	Total
Opening balance as on 01-04-21	3,742,508	-	3,742,508
Interest accrued during the year	-	372,321	372,321
Cash flows			
Received	-	-	-
Repayment	(586,318)	-	(586,318)
Interest paid	-	(372,321)	(372,321)
Non cash items			
Impact of EIR	1,278	-	1,278
Closing Balance as on 31-03-22	3,157,468	0	3,157,468

44 Notice of Event of Default under the Facility Agreement dated 30 September 2011 issued vide letter reference no. SBI/OBND/AMT-II/20-21/109 dt 14/09/2020. Clause 28 of Facility Agreement prescribes certain specified events, which are termed as "Event of Default" under the Facility Agreements and one of the specified Event of Default being Clause 28.10(b) provides as follows:

28.10 (b) If an insolvency proceeding against an Obligor has been commenced under any applicable bankruptcy, insolvency, winding up or other similar law now or hereafter in effect, or in any case, proceeding or other action for the appointment of a trustee, receiver, liquidator, assignee (or similar official) for any part of its assets and/or property, or for the winding up or liquidation of its affairs, or other action has been presented to a court or other Government Authority"

The term 'Obligor' is defined in the Facility Agreements to mean and inter alia include the Borrower, the Sponsored the Pledgor(s) and the term 'Sponsor' is defined in the Facility Agreements to mean Punj Lloyd Limited, under liquidation and Punj Lloyd Infrastructure Limited. (Also refer Note No.1 Corporate Information)

Basis above reference Senior Lender (State Bank of India) vide their letter reference no. SBI/OBND/AMT-2/2022-23/46 dt 10th May 2022 issued a Representation/Notice to National Highway Authority of India (NHAI/Competent Authority) to substitute the current concessionaire (KPHPL) in terms of clause 3.4 of the substitution agreement dated 12 December 2011 between NHAI, KPHPL and SBI (Lender's Representative). The competent authority vide its letter dated 13/09/2022 has granted In Principal approval of the proposal for Substitution of Current Concessionaire (the Company).

The company alongwith Punj Lloyd Infrastructure Limited (holding company) and Punj Lloyd limited (the ultimate holding company, under Liquidation) file an application under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 read with Rule 11 of the National Company Law Tribunal (NCLT) Rules, 2016 seeking appropriate directions from NCLT. The matter is under hearing at NCLT and next date of hearing is 11th November 2022.

45 Previous year figures have been re-grouped, re-worked and re-classified wherever necessary, to make them comparable with current year figures.

46 Note No. - 1 to 45 form an integral part of financial statements.

As per our report of even date attached

For Tasky Associates
Chartered Accountants
ICAI Regn No. 008730N

For & on behalf of Khagaria Purnea Highway Project Limited

Anil Kumar Mathpal
Partner

M. No. 0503011

Place: New Delhi

Date: 28th September, 2022

(Rajiv Kumar Jha)
CFO

(Shubham Kumar)
Company
Secretary

(Manoj Mangaike)
Director
Din - 09567941

(Chambayil Koppat Santosh Raj)
Director
Din - 09188304

