

# KNR CONSTRUCTIONS LIMITED

CIN: L74210DL1995PLC238364

Regd. Office: C-125, Anand Niketan, New Delhi - 110021

Corp. Office: KNR House, 3rd & 4th Floor, Plot No: 114, Phase-I, Kavuri Hills, Hyderabad - 500 033

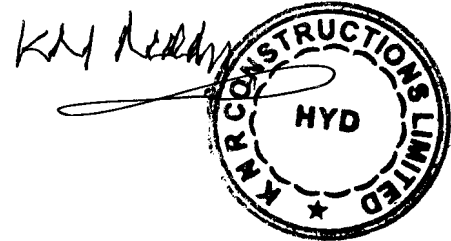
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## AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2017

(Rupees In Lakhs, except share data)

Sl. No.	PARTICULARS	STANDALONE					CONSOLIDATED	
		QUARTER ENDED			YEAR ENDED		YEAR ENDED	
		March 31	December 31	March 31	March 31	March 31	March 31	March 31
		2017	2016	2016	2017	2016	2017	2016
	Audited	Un-Audited	Audited	Audited	Audited	Audited	Audited	
1.	Revenue from operations	48,209.94	38,228.36	29,584.00	154,105.26	90,254.74	167,958.83	119,167.60
2.	Other income	97.94	1,022.38	1,564.09	3,027.57	3,172.18	3,295.56	4,302.36
3.	<b>Total income (1 + 2)</b>	<b>48,307.88</b>	<b>39,250.74</b>	<b>31,148.09</b>	<b>157,132.83</b>	<b>93,426.92</b>	<b>171,254.39</b>	<b>123,469.96</b>
4.	<b>Expenses</b>							
	a) Cost of materials consumed	9,746.75	8,055.79	7,066.69	33,508.87	27,917.35	36,184.72	31,786.16
	b) Sub contract expense	17,821.39	15,019.97	7,929.38	54,054.18	16,836.98	54,177.71	18,242.66
	c) Construction cost	-	-	-	-	-	3,707.85	19,655.19
	d) Spreading & assortment expense	7,287.36	4,652.40	5,298.46	23,887.54	15,874.93	24,619.45	16,488.73
	e) Changes in inventories of finished goods and work in progress	-	-	-	-	-	240.60	(632.96)
	f) Employee benefits expense	1,455.54	1,481.45	1,146.68	5,523.72	4,311.83	5,855.81	4,625.59
	g) Finance costs	542.04	663.93	415.01	2,189.88	1,323.74	7,266.89	5,699.70
	h) Depreciation and amortization expense	1,948.56	1,658.58	1,076.37	6,387.32	4,225.34	11,562.62	7,085.77
	i) Other expenses	4,676.68	3,249.68	3,858.04	14,172.99	10,023.40	16,776.50	11,827.23
	<b>Total Expenses (a to i)</b>	<b>43,478.32</b>	<b>34,781.80</b>	<b>26,790.63</b>	<b>139,724.50</b>	<b>80,513.57</b>	<b>160,392.15</b>	<b>114,778.07</b>
5.	<b>Profit / (loss) before exceptional items and tax (3 - 4)</b>	<b>4,829.56</b>	<b>4,468.94</b>	<b>4,357.46</b>	<b>17,408.33</b>	<b>12,913.35</b>	<b>10,862.24</b>	<b>8,691.89</b>
6.	Exceptional items (refer note no 5)	-	1,086.64	-	1,086.64	-	1,086.64	-
7.	<b>Profit / (loss) before tax (5 - 6)</b>	<b>4,829.56</b>	<b>3,382.30</b>	<b>4,357.46</b>	<b>16,321.69</b>	<b>12,913.35</b>	<b>9,775.60</b>	<b>8,691.89</b>
8.	Tax expense							
	a) Current tax	1,086.27	942.44	972.13	3,580.69	2,456.66	3,682.29	3,200.32
	b) MAT credit entitlement	(600.71)	(684.48)	(353.91)	(2,371.22)	(816.22)	(2,371.22)	(816.22)
	c) Prior period taxes	-	(2.49)	(1,818.35)	(2.49)	(4,372.26)	(2.49)	(4,111.58)
	d) Deferred tax	(899.27)	59.38	(181.46)	(610.39)	(462.17)	(610.39)	(462.17)
	<b>Total Tax Expense (a to d)</b>	<b>(413.71)</b>	<b>314.85</b>	<b>(1,381.59)</b>	<b>596.59</b>	<b>(3,193.99)</b>	<b>698.19</b>	<b>(2,189.65)</b>
9.	<b>Net Profit/(Loss) after tax (7 - 8)</b>	<b>5,243.27</b>	<b>3,067.45</b>	<b>5,739.05</b>	<b>15,725.10</b>	<b>16,107.34</b>	<b>9,077.41</b>	<b>10,881.54</b>
10.	Share of profit / (loss) of associates and joint Controlled Entity	-	-	-	-	-	797.57	328.89
11.	<b>Net Profit/(Loss) after tax and share of profit / (loss) of associates and joint controlled entity (9 + 10)</b>	<b>5,243.27</b>	<b>3,067.45</b>	<b>5,739.05</b>	<b>15,725.10</b>	<b>16,107.34</b>	<b>9,874.98</b>	<b>11,210.43</b>
	Attributable to:							
	Shareholders of the Company	-	-	-	-	-	11,489.82	11,213.01
	Non-Controlling Interest	-	-	-	-	-	(1,614.84)	(2.58)
12.	Other comprehensive income (OCI) [Net of tax]	81.21	(9.99)	(9.99)	51.24	(26.14)	48.04	(29.15)
13.	<b>Total comprehensive income (11 + 12)</b>	<b>5,324.48</b>	<b>3,057.46</b>	<b>5,729.06</b>	<b>15,776.34</b>	<b>16,081.20</b>	<b>9,923.02</b>	<b>11,181.28</b>
	Attributable to:							
	Shareholders of the Company	-	-	-	-	-	11,537.86	11,183.86
	Non-Controlling Interest	-	-	-	-	-	(1,614.84)	(2.58)
14.	Paid up equity share capital (Face Value Rs.2/- per share, w.e.f 14-12-2016)	2,812.35	2,812.35	2,812.35	2,812.35	2,812.35	2,812.35	2,812.35
15.	Earnings Per Share (EPS) of Rs. 2/- each, w.e.f 14-12-2016:							
	a. Basic EPS Rs.	3.73*	2.18*	4.08*	11.18	11.45	7.02	7.97
	b. Diluted EPS Rs.	3.73*	2.18*	4.08*	11.18	11.45	7.02	7.97

\* Not annualised

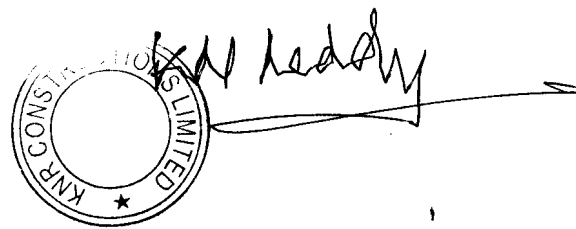


**KNR CONSTRUCTIONS LIMITED**

STANDALONE STATEMENT OF ASSETS AND LIABILITIES AS AT March 31, 2017

(Rupees in Lakhs)

PARTICULARS	STANDALONE			CONSOLIDATED		
	Audited			Audited		
	As At March 31, 2017	As At March 31, 2016	As At April 01, 2015	As At March 31, 2017	As At March 31, 2016	As At April 01, 2015
<b>I ASSETS</b>						
<b>1) NON-CURRENT ASSETS</b>						
a) Property, plant and equipment	26,068.89	17,620.66	16,094.57	26,308.87	18,066.37	16,557.11
b) Capital work-in-progress	152.93	593.79	263.04	266.25	710.65	383.44
c) Investment property	6,147.75	6,461.73	6,332.23	6,445.41	7,063.94	6,934.44
d) Other Intangible assets	1.67	3.30	0.70	90,090.09	55,712.67	0.70
e) Intangible assets under development	-	-	-	8,859.73	42,160.79	88,794.58
f) Financial Assets						
i) Investments in Associates	398.85	398.85	398.85	1,033.69	1,033.69	1,033.69
ii) Other Investments	46,229.61	33,229.61	14,803.11	-	-	-
iii) Loans	313.15	760.93	699.38	-	-	-
iv) Other financial assets	1,389.01	2,256.49	2,226.35	1,389.01	2,256.49	2,226.35
g) Deferred tax assets (net)	4,321.04	3,737.70	3,261.70	4,425.91	3,812.86	3,336.86
h) Non current tax assets (Net)	7,892.72	4,662.86	3,914.02	8,578.54	4,662.85	3,914.02
i) Other non-current assets	2,753.66	2,492.33	2,305.54	3,201.57	2,946.37	2,579.12
<b>Total non-current assets</b>	<b>95,669.28</b>	<b>72,218.25</b>	<b>50,299.49</b>	<b>1,50,599.07</b>	<b>1,38,426.68</b>	<b>1,25,760.31</b>
<b>2) CURRENT ASSETS</b>						
a) Inventories	5,735.51	3,534.98	3,590.59	8,053.96	6,183.34	5,572.58
b) Financial assets						
i) Investments in Associates held for sale	1,346.31	-	-	1,782.55	-	-
ii) Other Investments	5,533.72	4,894.68	3,537.52	4,542.76	2,489.17	2,162.25
iii) Trade receivables	16,395.99	12,936.34	17,650.15	18,169.06	13,459.80	11,013.29
iv) Cash and cash equivalents	2,464.05	1,508.55	1,572.60	3,360.36	4,395.35	4,354.58
v) Bank balances, other than (iii) above	-	105.25	-	20.89	126.14	-
vi) Loans	3,177.35	877.35	1,051.26	3,177.35	877.35	1,051.26
vii) Other financial assets	13,155.13	8,463.14	8,266.75	13,245.30	7,910.56	10,173.89
c) Current tax assets (Net)	474.53	4,140.74	1,517.37	1,168.30	4,572.73	2,248.97
d) Other current assets	17,841.16	17,176.06	12,939.12	20,099.53	20,121.25	15,084.19
<b>Total current assets</b>	<b>66,123.75</b>	<b>53,637.09</b>	<b>50,125.36</b>	<b>73,620.06</b>	<b>60,135.69</b>	<b>51,661.01</b>
<b>TOTAL ASSETS</b>	<b>1,61,793.03</b>	<b>1,25,855.34</b>	<b>1,00,424.85</b>	<b>2,24,219.13</b>	<b>1,98,562.37</b>	<b>1,77,421.32</b>
<b>II EQUITY AND LIABILITIES</b>						
<b>EQUITY</b>						
a) Equity Share capital	2,812.35	2,812.35	2,812.35	2,812.35	2,812.35	2,812.35
b) Other equity	86,735.09	70,958.75	55,552.86	78,580.28	67,049.84	56,524.92
Equity attributable to share holders of the company	89,547.44	73,771.10	58,365.21	81,392.63	69,862.19	59,337.27
Non-Controlling Interests	-	-	-	6,458.88	8,073.72	9,060.47
<b>Total Equity</b>	<b>89,547.44</b>	<b>73,771.10</b>	<b>58,365.21</b>	<b>87,851.51</b>	<b>77,935.91</b>	<b>68,397.74</b>
<b>LIABILITIES</b>						
<b>1) NON - CURRENT LIABILITIES</b>						
a) Financial liabilities						
i) Borrowings	13,027.50	8,548.13	2,813.14	66,618.30	69,895.40	65,481.01
ii) Trade Payables	827.27	827.27	827.27	827.27	827.27	827.27
iii) Other financial liabilities	321.19	333.61	361.67	3,283.78	98.87	141.78
b) Provisions	173.18	230.62	171.82	604.25	233.99	171.82
c) Other non-current liabilities	1,822.97	1,858.31	1,710.45	1,822.97	1,858.31	1,710.45
<b>Total non-current liabilities</b>	<b>16,172.11</b>	<b>11,797.94</b>	<b>5,884.35</b>	<b>73,156.57</b>	<b>72,913.84</b>	<b>68,332.33</b>
<b>2) CURRENT LIABILITIES</b>						
a) Financial liabilities						
i) Borrowings	-	2,702.51	6,004.61	0.00	2,702.51	6,004.61
ii) Trade Payables	13,438.83	10,380.98	6,223.24	16,462.12	11,062.86	6,717.00
iii) Other financial liabilities	17,845.43	16,207.09	5,284.24	20,391.88	21,186.25	7,500.97
b) Provisions	1,281.19	1,118.89	1,063.63	1,281.19	1,118.89	1,063.63
c) Current tax liabilities (Net)	-	-	-	5.71	-	-
d) Other current liabilities	23,508.03	9,876.83	17,599.57	25,070.15	11,642.11	19,405.04
<b>Total current liabilities</b>	<b>56,073.48</b>	<b>40,286.30</b>	<b>36,175.29</b>	<b>63,211.05</b>	<b>47,712.62</b>	<b>40,691.25</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,61,793.03</b>	<b>1,25,855.34</b>	<b>1,00,424.85</b>	<b>2,24,219.13</b>	<b>1,98,562.37</b>	<b>1,77,421.32</b>



Handwritten signature: *K. N. Reddy*

Circular stamp: KNR CONSTRUCTIONS LIMITED

## PART II

PARTICULARS		3 months ended
A	Investor Complaints	
	Pending at the beginning of the quarter	Nil
	Complaints received during the quarter	2
	Disposed of during the quarter	2
	Remaining unresolved at the end of the quarter	Nil

## Notes:

- The Company adopted Indian Accounting Standard ("Ind AS") from April 1, 2016 with transition date of April 1, 2015 and accordingly these financial results have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard as prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India, as applicable.
- The above results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meeting held on May 30, 2017.
- The Board of Directors at its meeting held on May 30, 2017 have recommended a dividend of Rs. 0.50 per equity share for the financial year 2016-17, which is subject to approval of the share holders.
- The company, its Subsidiaries and Associates are primarily engaged in "Construction and Engineering activities" and there are no other reportable segments under Ind AS 108 "Operating Segments".
- Exceptional items (net)

(Rupees in Lakhs)

Sl. No.	Particulars	STANDALONE				CONSOLIDATED	
		QUARTER ENDED		YEAR ENDED		YEAR ENDED	
		31-03-2017	31-12-2016	31-03-2016	31-03-2017	31-03-2016	31-03-2016
	The exceptional items (net) are stated as under						
i.	Provision for impairment of investments	-	1,086.64	-	1,086.64	-	1,086.64
	Total	-	1,086.64	-	1,086.64	-	1,086.64

- The Company has availed the exemption under Ind AS 101 in respect of Property, Plant & equipment. As per the principles, the previous GAAP carrying values have been considered as the deemed cost on the transition date.
- Under the Previous GAAP, the Company measured its intangible asset in respect of the road projects at cost less accumulated depreciation and accumulated impairment loss, if any. The cost comprised the direct and attributable expenses for the construction of the road project. Further, the borrowing costs incurred in relation to the project was added to the project asset during the development phase of the project. Under Ind AS, Company has accounted for the service concession arrangement in accordance with Appendix A to Ind AS 11 Service Concession Arrangements. As per the principles of this Appendix, where the Company has the contractual right to receive cash from the user/grantor of the services of the concession, it has recognised a financial/intangible asset in exchange for the construction services. Further, in accordance with the principles in this Appendix, the Company is treated as a service provider for the construction services, operation and maintenance services, and overlay services. Consequently, Company recognised Construction, operation and maintenance and overlay costs and revenue.
- On account of transition from the previous Indian Generally Accepted Accounting Principles (IGAAP) to Ind AS, the reconciliations of Equity, Statement of Profit and Loss and Other Comprehensive income in accordance with the requirements of Ind AS 101-First-time Adoption of Indian Accounting Standards are under:

## a) Equity Reconciliation

(Rupees in Lakhs)

Sl. No.	Particulars	Standalone (Audited)		Consolidated (Audited)	
		As at 31-03-16	As at 31-03-15	As at 31-03-16	As at 31-03-15
	Net Equity as per IGAAP	72,696.05	56,920.55	69,696.22	78,847.74
i.	IPO Expenses (Unamortized) - Miscellaneous Asset	(89.09)	(178.19)	(89.00)	(178.19)
ii.	Prior Period Adjustments	-	288.22	-	288.22
iii.	Interest on fair value of Financial instruments	185.89	126.31	3.99	8.80
iv.	Proposed dividend and related distribution tax	-	338.48	-	338.48
v.	Deemed Equity of an secured loan	-	-	850.00	850.00
vi.	Pre-operative expenses w/off	-	-	(6.37)	(6.06)
vii.	Change in Share Associates	-	-	799.19	(209.67)
viii.	Goodwill written off	-	-	(1.83)	(1.83)
ix.	Capital grant adjusted with intangible asset	-	-	-	(21,470.06)
x.	Additional depreciation accounted	-	-	(2,368.26)	-
xi.	Deferred tax adjustments	978.25	869.84	978.25	869.84
	Equity reportable under Ind AS	73,771.10	58,365.21	69,862.19	59,337.27

## b) Reconciliation of statement of Profit and Loss and other comprehensive income.

(Rupees in Lakhs)

Sl. No.	Particulars	Standalone		
		Quarter ended 31-03-2016	Year ended 31-03-2016	Year ended 31-03-2016
	Net Profit under previous IGAAP	5,795.02	16,112.33	12,639.01
1	Finance Income on Financial Instruments	14.88	59.59	(4.80)
2	Reclassification of net actuarial gain/(loss) on employee defined benefit obligations to OCI	9.99	39.97	42.98
3	Reversal of IPO Expenses & Preliminary Expenses	22.27	89.09	88.86
4	Prior Period Items	(237.60)	(288.22)	(288.22)
5	Construction Income as per Service concession arrangements	-	-	19,655.19
6	Construction Cost as per Service concession arrangements	-	-	(19,655.19)
7	Share of Profit/(Loss) from Associates	-	-	1,008.86
8	Additional Depreciation accounted	-	-	(2,368.26)
9	Deferred tax on above adjustments (net)	134.49	94.58	94.58
	Net Profit under IND AS	5,739.05	16,107.34	11,213.01
	Other comprehensive income (net of tax)	(9.99)	(26.14)	(29.15)
	Total comprehensive income as per Ind AS	5,729.06	16,081.20	11,183.86

9. The figures for the quarter ended March 31, 2017 and March 31, 2016 are the balancing figures between the audited figures of the full financial year years ended Mar 31, 2017 and March 31, 2016 (Ind AS) respectively and the published year to date Ind AS figures up to the Nine months ended December 31, 2016 and December 31, 2015 respectively.

10. During the quarter, the Company has entered a Share Purchase Agreement for sale of its equity in two BOT annuity projects and correspondingly impairment in value of investment has been provided under exceptional item

11. The company's Equity shares has been splitted on December 14, 2016 from face value of Rs. 10/- to Rs. 2/- each.

12. The figures have been regrouped and/or rearranged wherever considered necessary.

For KNR Constructions Ltd.,

*K.N. Reddy*  
K. Narasimha Reddy  
Managing Director



Place: Hyderabad  
Date: 30-05-2017

## INDEPENDENT AUDITORS' REPORT

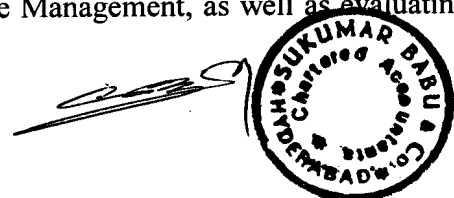
To The Board of Directors of,  
KNR Constructions Limited

1. We have audited the accompanying Statement of Standalone and Consolidated Financial Results of **KNR Constructions Limited** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") and its share of the Profit of its associates and Joint controlled entity for the year ended March 31, 2017 ("the Statement") in which are incorporated the Returns for the year ended on that date which includes 13 Joint Operations and 1 Joint controlled entity of the Group, being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular no. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement, which is the responsibility of the Parent's Management and approved by the Board of Directors, has been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder ("Ind AS") and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such standalone and consolidated financial statements.

2. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Parent's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.



# Sukumar Babu & Co.

CHARTERED ACCOUNTANT

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We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in paragraph 5 below, is sufficient and appropriate to provide a basis for our audit opinion.

3. The consolidated financial results includes:

(a) The unaudited financial statements of two (2) subsidiaries, whose financial statements reflect total assets of Rs. 147.62 lakhs as at March 31, 2017, total revenue of Rs. Nil, total net profit after tax of Rs. Nil and total comprehensive income of Rs. Nil for the year ended March 31, 2017, and six (6) joint operations, whose financial statements reflect total assets of Rs. 5673.28 lakhs as at March 31, 2017, total revenue of Rs. 3920.50 Lakhs, total net (loss) after tax of Rs. 563.25 lakhs and total comprehensive loss of Rs. 563.25 lakhs as considered in the consolidated financial results, in respect of one(1) joint controlled entity is based on financial results prepared by the management and not audited by their auditors.

(b) The comparative financial information for the year ended March 31, 2016 in respect of two (2) subsidiaries, six (6) joint operations and one (1) joint controlled entity included in this Statement are prepared in accordance Ind AS have not been audited by their auditors.

4. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on separate financial statements and the other financial information of joint operations of the Group, subsidiaries and associates referred to in paragraph 5 below, except for the effect/possible effect of the matters described in paragraph 3 above, the statement:

a. includes the results of the following entities:

Subsidiaries: (a) KNR Agrotech & Beverages Pvt Ltd.,; (b) KNR Infrastructure Projects Pvt Ltd.,; (c) KNR Energy Ltd.,; (d) KNR Walayar Tollways Pvt. Ltd.,; (e) KNR – FZE; (f) KNR Constructions LLC; (g) KNRC Holdings and Investment Pvt. Ltd.,(including its subsidiaries) (g) KNR Muzaffarpur Holdings Pvt. Ltd., (including its subsidiary).

Joint Operations: (a) KNR-SEW-GVR-JV; (b) PSK-KNR-GVR-JV; (c) NCC-KNR-JV; (d) KNR-PBEPL-JV; (e) KNR SLMI JV; (f) KNR-JKM-KAMALA-JV; (g) PATEL-KNR-JV; (h) KNR-JKM-JV; (i) KNR-TBPCL-JV; (j) KNR-BPL-JV; (k) KNR-GVR-JV; (l) KNR-SLEC-JV; (m) KNR-PATEL-JV.



# Sukumar Babu & Co.

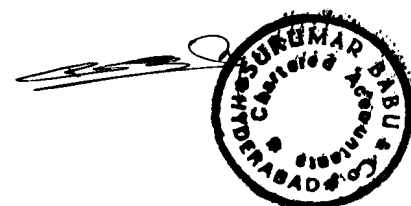
CHARTERED ACCOUNTANT

513, 'B' Block, Aditya Enclave,  
Ameerpet, Hyderabad – 500038  
Phone: +91 40 23731173

Joint Controlled Entity: SEL-KNR-JV

Associates: (a) Patel KNR Infrastructures Ltd.,; (b) Patel KNR Heavy Infrastructures Ltd.,

- b. is presented in accordance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016; and
- c. gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net profit, total comprehensive income and other financial information of the Group for the year ended March 31, 2017.
5. We did not audit the financial statements of six (6) joint operations included in the consolidated financial results, whose financial statements reflect total assets of Rs.4494.06 lakhs as at March 31, 2017, total revenues of Rs. 989.68 lakhs, total net profit of Rs. 42.12 lakhs and total comprehensive income of Rs. 42.12 lakhs for the year ended on that date, and two (2) subsidiaries which reflects total assets of Rs.102587.63 lakhs for the year ended on that date, total revenues of Rs. 10006.72 lakhs, net loss of Rs.4030.64 lakhs and total comprehensive loss of Rs. 4033.03 lakhs for the year ended March 31, 2017, and two (2) associates in respect of and the consolidated financial results also include the Group's share of net profit of Rs. 405.86 and total comprehensive income of Rs. 405.86 lakhs for the year ended March 31, 2017, as considered in the consolidated financial results, in respect of, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, is based solely on the reports of the other auditors.



# Sukumar Babu & Co.

CHARTERED ACCOUNTANT

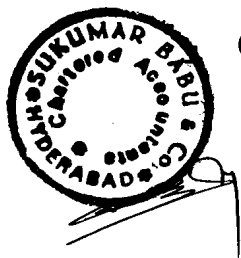
513, 'B' Block, Aditya Enclave,  
Ameerpet, Hyderabad – 500038  
Phone: +91 40 23731173

Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of other auditors.

6. The consolidated financial results includes the unaudited financial statements of two (2) subsidiaries , whose financial statements reflect total assets of Rs.147.62 lakhs as at March 31, 2017, total revenue of Rs. Nil, total net loss after tax of Rs. Nil and total comprehensive loss of Rs. Nil for the year ended March 31, 2017, and six (6) joint operations, whose financial statements reflect total assets of Rs.5673.28 lakhs as at March 31, 2017, total revenue of Rs. 3920.50 lakhs, total net loss after tax of Rs. 563.25 lakhs and total comprehensive loss of Rs.563.25 lakhs for the year ended March 31, 2017, as considered in the consolidated financial results, whose financial statements have not been audited by us. These financial statements are have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these joint operations, is based solely on such audited/unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the financial statements certified by the Management.

7. The Statement includes the standalone results for the Quarter ended March 31, 2017 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the nine months ended of the current financial year which were subject to limited review by us.
8. The comparative financial information for the year ended March 31, 2017 respect of:
- (a) Two (2) Subsidiaries; six (6) Joint Operations, and two (2) associates included in this Statement prepared in accordance with the Ind AS have been audited by other auditors and have been relied upon by us.
- (b) Two (2) Subsidiaries and one (1) Joint controlled entity, included in this Statement prepared in accordance accounting principles generally accepted in their respective countries and which have been un-audited. The parent's management has converted the financial statements of such joint controlled entity operations located outside India from accounting principles generally accepted in their respective countries to accounting



# Sukumar Babu & Co.

CHARTERED ACCOUNTANT


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principles generally accepted in India. We have audited these conversion adjustments made by the Parent's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India and the conversion adjustments prepared by the management of the parent and audited by us.

- (c) One (1) joint operation included in this Statement prepared in accordance Ind AS have not been audited by their auditors. According to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our report is not qualified in respect of these matters.

For Sukumar Babu & Co.,  
Chartered Accountants  
(Registration No. 004188S)

  
C SUKUMAR BABU  
(Partner)  
Membership No. 024293

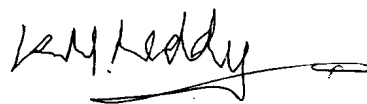
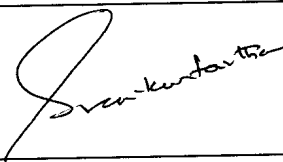
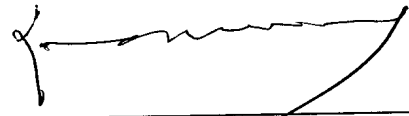




Place: Hyderabad  
Date: 30.05.2017





	<p><b>e. For Audit Qualifications(s) where the impact is not quantified by the auditor:</b></p> <p>The said financials are pending approval by the Board of Directors of these Companies and/or Joint Ventures Partners. As the Company is required to submit its consolidated results to the stock exchange, within 60 days from the end of the financial year, the financials as certified by the management of respective subsidiaries / joint operation / joint controlled entity have been considered for the purpose of such consolidation.</p> <p>However, the Company has appropriately evaluated the correctness of the income and assets of these subsidiaries, joint operation and joint controlled entity, before deciding upon to include them in the consolidated financials. The Company is certain, that, there would be no material change in the amounts considered in the Consolidated Financials, even after the accounts are audited and approved by the Board of Directors of the respective Subsidiary joint operation / joint controlled entity.</p>
	<p><b>(i) Management's estimation on the impact of audit qualification:</b> The financial impact of the audit qualification is already factored in the consolidated financial statements and no further financial impact is envisaged by the Company.</p>
	<p><b>(ii) If management is unable to estimate the impact, reasons for the same:</b> - Not Applicable -</p>
	<p><b>(i) Auditor's Comments on (i) or (ii) above:</b> We have reviewed the above and have no comments</p>

<p><b>III</b></p>	<p><b>Signatories</b></p>	
	<p>K.Narasimha Reddy Managing Director</p>	
	<p>S.Vaikuntanathan Vice President (F&amp;A)</p>	
	<p>L.Balaram Reddy Audit Committee Chairman</p>	
	<p>Statutory Auditors</p>	<p>Refer our audit report dated May 30<sup>th</sup>, 2017 on the Financial Results of the Company.</p> <p><b>For Sukumar Babu &amp; Co.,</b> Chartered Accountants (Firm's Registration No. 004188S)</p>  <p>C.Sukumar Babu Partner Membership No. 024293</p> 
	<p>Place:</p>	<p>Hyderabad</p>
	<p>Date:</p>	<p>May 30, 2017</p>