



INDEPENDENT AUDITOR'S REPORT

To the Members of K2K Infrastructure India Private Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the Ind AS financial statements of K2K Infrastructure India Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2019, 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 on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements 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 Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India ("ICAI") together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.



Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sl. No.	Key Audit Matter	Auditor's Response
1	<p><u>Evaluation of uncertain tax positions</u></p> <p>The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p> <p>Refer Note 29 to the financial statements</p>	<p><u>Principal Audit Procedures</u></p> <p>Obtained details of completed tax assessments and demands for the year ended March 31, 2019 from management. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2018 to evaluate whether any change was required to management's position on these uncertainties.</p>
2	<p><u>Evaluation of the working capital position of the company</u></p> <p>On an analysis of movement of cash flow and fund flow, it was observed that short term funds have been utilised for long term investments (addition to fixed asset and capital work-in-progress to the extent of Rs.5,56,78,206/- and the working capital gap (Current asset less current liabilities) as on March 31, 2019 was negative Rs. 17,23,48,170/- results in verification of ability of the company to clear the outstanding dues.</p>	<p><u>Principal Audit Procedures</u></p> <p>We have obtained current order positions and future profit estimated by the management. The holding company M/s Prestige Estates Projects Limited has given assurance to fund the company in the form of debt/ equity to clear third party dues if need arises.</p>



3	<u>Accuracy and completeness of related party transactions and disclosures</u>	<u>Principal Audit Procedures</u>
	<p>The Company has undertaken transactions with its related parties in the normal course of business at arm's length. These include making new or additional investments in its subsidiaries, associates, joint ventures and other related parties and lending and borrowing of Inter-corporate deposits ('ICD') to or from the related parties.</p> <p>We identified the accuracy and completeness of the said related party transactions and its disclosure as set out in respective notes to the financial statements as a key audit matter due to the significance of transactions with related parties during the year ended March 31, 2019 and regulatory compliance thereon.</p> <p>Refer Note 37 to the financial statements</p>	<p>As part of our audit procedures, our procedures included the following:</p> <ul style="list-style-type: none"> - Obtained and read the Company's policies, processes and procedures in respect of identifying related parties, evaluation of arm's length, obtaining approval, recording and disclosure of related party transactions. - We tested, on a sample basis, related party transactions with the underlying contracts and other supporting documents and for appropriate authorization and approval for such transactions. - Agreed the related party information disclosed in the financial statements with the underlying supporting documents, on a sample basis. - Evaluated the adequacy of the disclosures in the financial statements through review of statutory information, books and records and other documents obtained during the course of our audit.

Management's Responsibility for Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the 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 financial



statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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 Financial Statements

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

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

1. 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.
2. 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.



3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. 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.
5. 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.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in



extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 Cash flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 3 of the Companies (Indian accounting standards) Rules, 2015.
 - e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - 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:

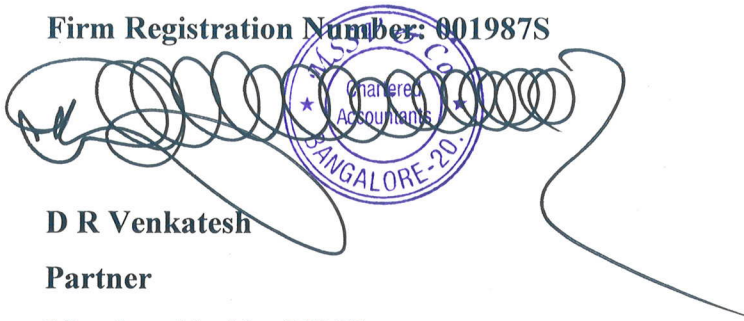


- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. There were no amounts which were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

for MSSV & Co.

Chartered Accountants

Firm Registration Number: 001987S

A handwritten signature in blue ink, consisting of a series of loops, is written over a circular blue stamp. The stamp contains the text "Chartered Accountants" and "BANGALORE-20".

D R Venkatesh

Partner

Membership No. 25087

Place: Bengaluru

Date: 24th May 2019

ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph "Report on other Legal and Regulatory Requirements" of our report of even date)

Based upon the information and explanations furnished to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we report that:

1. In respect of fixed assets:

- (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased manner, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification carried during the year.
- (c) According to the information and explanations given to us, the title deeds of immovable properties, as disclosed in Ind AS financial statements, are held in the name of the Company, except one property which is pending for registration.

2. In respect of its inventories:

As explained to us, inventories have been physically verified by the management at reasonable intervals. There were no material discrepancies noticed on physical verification of inventory as compared to the book records.

3. During the period covered by our audit, company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Hence commenting on paragraph 3(iii) of the order does not arise.

4. The Company has not made any loans, investments, guarantees and securities during the financial year in respect of which provisions of sections 185 and 186 of the Act are to be complied with. Hence, commenting on paragraph 3(iv) of the order does not arise.



5. During the year covered under our audit, the company has not accepted any deposits from the public. Hence, commenting on paragraph 3(v) of the order does not arise.

6. We have broadly reviewed the cost records maintained by the Company pursuant to Companies (Cost records and audit) Rules, 2014 prescribed by the Central Government under section 148(1) of the Act and are of the opinion that, prima facie, the prescribed cost records are maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

7. In respect of statutory dues:

(a) Undisputed statutory dues including employees' state insurance, sales tax, customs duty, excise duty, cess and other material statutory dues applicable to it have generally been regularly deposited with the appropriate authorities though there have been slight delays in remittance of provident fund contribution, tax deducted at source, value added tax, service tax and goods and services tax in a few cases.

According to the information and explanations given to us, no undisputed amounts payable in respect provident fund, employees' state insurance, sales tax, customs duty, excise duty, value added tax, service tax, goods and services tax, cess and other undisputed statutory dues were outstanding at the year end, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax, sales tax, customs duty, excise duty and cess which have not been deposited as on March 31, 2019 on account of any dispute except the following dues of service tax which have not been deposited by the Company on account of disputes:

Name of the statute	Nature of dues	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service tax	72,50,843/-	January 2013 to March 2014	The Customs, Excise and Service Tax Appellate Tribunal
	Penalty *	11,23,92,870/-		

* Paid under protest is Rs.89,74,100/-



8. According to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions. The Company does not have any borrowings from banks and government. Also, the Company has debentures which were issued during the year.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Hence, commenting on paragraph 3(ix) of the order does not arise.
10. To the best of our knowledge and according to the information and explanations given to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the year.
11. According to the information and explanations given to us and based on our examination of the records of the company, the company has not paid / provided for managerial remuneration during the year. Hence, commenting on paragraph 3(xi) of the order does not arise.
12. In our opinion and according to the information given to us, the company is not a Nidhi Company. Hence, commenting on paragraph 3(xii) of the order does not arise.
13. According to the information given to us and based on our examination of the records of the company, transactions with related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements as required by applicable accounting standard.
14. According to the information 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 during the year under review. However during the year the Company has made private placement of compulsorily convertible debentures during the year under review and requirement of section 42 of the Companies Act, 2013 has been complied with.
15. According to the information given to us and based on our examination of the records of the company, Company has not entered into any non-cash transactions with the directors or persons connected to them. Hence, commenting on paragraph 3(xv) of the order does not arise.



16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, obtaining registration does not arise.

for MSSV & Co.,

Chartered Accountants

Firm Registration No. 001987S



D R Venkatesh

Partner

Membership No. 25087

Place: Bengaluru

Date: 24th May 2019

ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph "Report on other Legal and Regulatory Requirements" of our report of even date)

Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**Management's Responsibility for Internal Financial Controls**

The Management of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting with respect 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 ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ('the Act').

Auditor's Responsibility

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



Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting with respect to financial statements included obtaining an understanding of internal financial controls over financial reporting with respect 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of 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 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; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting with respect 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 with respect to financial statements to future periods are subject



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

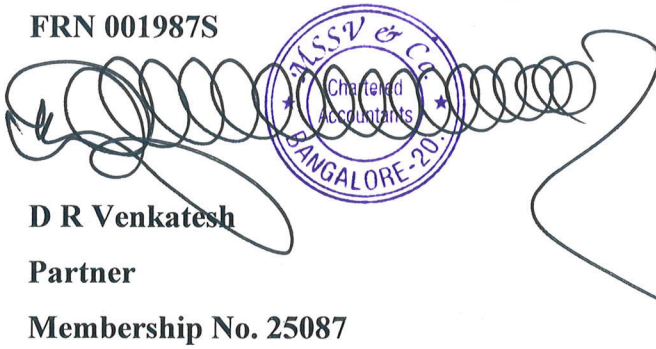
Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting with respect to financial statements were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for MSSV & Co.,

Chartered Accountants

FRN 001987S



D R Venkatesh

Partner

Membership No. 25087

Place: Bangalore

Date: 24th May 2019

BALANCE SHEET AS AT 31 MARCH, 2019

(Rs. In Lakhs)

Particulars	Note No.	As at 31 March 2019	As at 31 March 2018
I. ASSETS			
1. Non current assets			
(a) Property, plant and equipment			
(i) Tangible assets	4	1,967.85	2,170.62
(ii) Capital work-in-progress	5	408.72	38.26
(b) Investment Property	6	279.59	-
(c) Deferred tax assets (net)	7	741.14	839.71
Total non-current assets		3,397.30	3,048.58
2. Current assets			
(a) Inventories	8	171.08	2,076.59
(b) Current Investment	9	130.85	437.40
(b) Financial assets			
(i) Trade receivables	10	6,598.31	5,021.91
(ii) Cash and cash equivalents	11	39.01	14.54
(c) Current tax assets (net)	12	1,060.38	765.35
(d) Other current assets	13	995.22	463.07
Total current assets		8,994.85	8,778.85
Total assets		12,392.15	11,827.44
I. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	14	149.69	149.69
(b) Other equity	15	442.41	108.80
Total equity		592.10	258.49
LIABILITIES			
1. Non-current liabilities			
(a) Provisions	16	69.86	53.59
(b) Other non-current liabilities	17	1,011.86	3,788.14
Total non-current liabilities		1,081.72	3,841.73
2. Current liabilities			
(a) Financial liabilities			
(i) Trade payables	18	6,930.91	6,323.79
(b) Other current liabilities	19	3,243.17	857.48
(c) Provisions	20	544.25	545.95
Total current liabilities		10,718.34	7,727.22
Total equity and liabilities		12,392.15	11,827.44

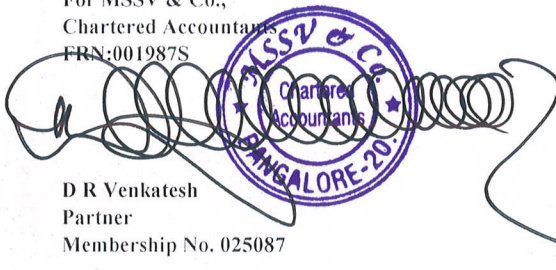
Significant accounting policies and notes form an integral part of the financial statements

This is the Balance Sheet referred to in our report of even date

For MSSV & Co.,

Chartered Accountants

FRN:001987S


D R Venkatesh
Partner
Membership No. 025087

Place: Bangalore
Date: 24th May 2019

For and on behalf of the Board of Directors of
K2K Infrastructure India Private Limited


Irfan Razack
Director
DIN: 00209022

Place: Bangalore
Date: 24th May 2019


V Gopal
Director
DIN: 03570989

Place: Bangalore
Date: 24th May 2019

K2K INFRASTRUCTURE INDIA PRIVATE LIMITED
No. 83, 4th Floor, Prestige Copper Arch, Infantry Road, Bangalore - 560 001
CIN : U45200TG2007PTC054531

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2019

(Rs. In Lakhs)

Particulars	Note No.	For the year ended 31 March 2019	For the year ended 31 March 2018
		Rs.	Rs.
Income			
I. Revenue from operations	21	15,980.53	15,313.73
II. Other income	22	62.80	270.52
III. Total income		16,043.33	15,584.24
Expenses			
Cost of materials consumed	23	12,105.84	11,339.92
Change in inventories of work in progress and stock in trade	24	1,716.55	3,691.20
Employee benefit expense	25	1,174.45	1,213.25
Finance costs	26	8.72	44.52
Depreciation, amortization and impairment expense	3 & 5	413.98	351.40
Other expenses	27	184.16	162.39
IV. Total expenses		15,603.70	16,802.66
V. Profit before exceptional items and tax (III - IV)		439.63	(1,218.42)
VI. Exceptional items		-	-
VII . Profit before tax (V-VI)		439.63	(1,218.42)
VIII. Tax expense			
(1) Current tax		-	-
(2) Deferred tax		98.57	(408.26)
(3) Tax of the earlier years		-	-
IX. Profit (loss) for the period from continuing operations (VII - VIII)		341.06	(810.16)
X. Profit (loss) for the period (IX + XII)		341.06	(810.16)
XI. Other comprehensive income			
(i) Items that will not be reclassified to profit and loss			
-Remeasurement of the net defined benefit obligation		(7.45)	3.54
(ii) Income tax relating to items that will not be reclassified to profit and loss		-	(1.10)
XII. Total comprehensive income for the period		333.61	(807.71)
XIII. Earnings per equity share (equity Shares of Rs. 10 each)			
(1) Basic	30	1.49	(3.60)
(2) Diluted	30	1.49	(3.60)

Significant accounting policies and notes form an integral part of the financial statements

This is the statement of profit and loss referred to in our report of even date

For MSSI & Co.,
Chartered Accountants
FRN:001987S

D R Venkatesh
Partner
Membership No. 025087

Place: Bangalore
Date:24th May 2019

For and on behalf of the Board of Directors of
K2K Infrastructure India Private Limited

Irfan Razaek
Director
DIN: 00209022

Place: Bangalore
Date:24th May 2019

V Gopal
Director
DIN: 03570989

Place: Bangalore
Date:24th May 2019

K2K INFRASTRUCTURE INDIA PRIVATE LIMITED

No. 83, 4th Floor, Prestige Copper Arch, Infantry Road, Bangalore - 560 001

CIN : U45200TG2007PTC054531

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2019

(Rs. In Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
A. Cash from Operating Activities		
Net profit / (Loss) Before Tax	432.18	(1,214.88)
Adjustments for Non Cash and Non operating Items:		
Add:		
Depreciation and amortisation	413.98	351.40
(Profit)/ Loss on sale of asset	(0.51)	(1.24)
Interest on income tax refund	-	(29.42)
Interest Expenses	8.72	38.74
	422.18	359.47
Operating Profit before Working Capital Changes	854.36	(855.41)
Adjustments for Working Capital Changes:		
(Increase) / decrease in trade receivables	(1,576.40)	409.83
(Increase) / decrease in inventory and work in progress	1,905.51	3,665.51
(Increase) / decrease in loans and advances and other assets	(476.01)	(128.50)
Increase / (decrease) in current liabilities	216.53	(3,656.41)
Increase / (decrease) in provisions	14.57	215.21
Operating Profit before Income tax	938.56	(349.77)
Add: Advance tax / Tax deducted at source	(332.69)	335.78
Add: Interest on income tax refund	-	29.42
Less : Tax Paid of earlier year	(18.49)	-
Cash Inflow (Outflow) from Operating Activities	587.38	15.43
B. Cash Flows from Investing Activities		
Add: Proceeds from sale of fixed assets	2.58	8.82
Less: Purchase of Fixed Assets	(186.32)	(106.95)
Capital work-in-progress	(370.46)	(38.26)
Investment Property and Current investment	-	(437.40)
Net Cash Inflow (Outflow) from Investing Activity	(554.20)	(573.79)
C. Cash Flows from Financing Activities		
Proceeds from borrowing (net of repayment)		(3.21)
Interest Paid	(8.72)	(38.74)
Net Cash Inflow (Outflow) From Financing Activities	(8.72)	(41.95)
Net increase (Decrease) in Cash & Cash Equivalents (A+B+C)	24.46	(600.31)
Cash & Bank Balances at the beginning of the year	14.54	614.84
Cash & Bank Balances at the end of the year	39.01	14.54

Significant accounting policies and notes form an integral part of the financial statements

This is the Cash Flow Statement referred to in our report of even date

For MSSV & Co.,
Chartered Accountants

FRN:001987S

D R Venkatesh
Partner
Membership No. 25087



For and on behalf of the Board of Directors of
K2K Infrastructure Private Limited

Irfan Razack
Director
DIN: 00209022

V Gopal
Director
DIN: 3570989

Place: Bangalore
Date: 24th May 2019

Place: Bangalore
Date: 24th May 2019

Place: Bangalore
Date: 24th May 2019

STATEMENT OF CHANGES IN EQUITY

(Rs in Lakhs)

Particulars	Equity Share Capital	Instruments entirely equity in nature	Other Equity	Total Equity
		Compulsorily Convertible Debentures	Retained Earnings	
As at 01 April 2017	149.69	-	(1,176.60)	(1,026.91)
Profit/ (loss) for the year			(810.16)	(810.16)
Other comprehensive income/(loss) for the year, net of income tax	-		2.45	2.45
Changes in compulsorily convertible debentures during the period		2,093.11	-	2,093.11
As at 31 March 2018	149.69	2,093.11	(1,984.31)	258.49
Profit / (Loss) for the year			341.06	341.06
Other comprehensive income/(loss) for the year, net of income tax			(7.45)	(7.45)
As at 31 March 2019	149.69	2,093.11	(1,650.70)	592.10

Significant accounting policies and notes form an integral part of the financial statements

This is the statement of changes in equity referred to in our report of even date

For MSSV & Co.,
Chartered Accountants
PRN-001987S

D R Venkatesh
Partner
Membership No. 025087

Place: Bangalore
Date: 24th May 2019

For and on behalf of the Board of Directors of
K2K Infrastructure India Private Limited

Irfan Razack
Director
DIN: 00209022

Place: Bangalore
Date: 24th May 2019

V Gopal
Director
DIN: 03570989

Place: Bangalore
Date: 24th May 2019

NOTES FORMING PART OF FINANCIAL STATEMENTS

1 Corporate Information

M/s K2K Infrastructure India Private Limited (Formerly Known as M/s Team United Engineers (India) Private Limited) was incorporated on June 19, 2007. The company is carrying on the business of civil construction and development of flats, townships, commercial building, etc.

The financial statements are approved for issue by the Company's Board of Directors on May 24, 2019.

2 Significant accounting policies

2.1 Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS"), the provisions of the Companies Act, 2013 ("the Act") (to the extent notified). The Ind AS are prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendments Rules, 2016.

Ind AS 115 Revenue from Contracts with Customers, mandatory for reporting periods beginning on or after April 1, 2018, replaces existing revenue recognition requirements. The application of Ind AS 115 has no impact on Financial statements.

2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

2.3 Use of Estimates

The preparation of the financial statements in conformity with Ind AS requires the Management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities), income and expenses and accompanying disclosures. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.4 Fair value measurement

Fair value is the price 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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.5 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below:

a. Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer. Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, credits, concessions and incentives, if any, as specified in the contract with the customer.



NOTES FORMING PART OF FINANCIAL STATEMENTS

The Company presents revenue from contracts with customers net of indirect taxes in its statement of profit and loss.

b. Dividend income

Revenue is recognised when the shareholders' or unit holders' right to receive payment is established, which is generally when shareholder approve the dividend.

c. Interest income

Interest income, including income arising from other financial instruments, is recognised using the effective interest rate method except for interest on delayed payment by customers are accounted on receipt basis.

2.6 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

a. The Company as lessor

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease except where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on

b. The Company as lessee

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease except where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

2.7 Borrowing Cost

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset, is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

A qualifying asset is an asset that necessarily takes a 12 months or more to get ready for its intended use or sale and includes the real estate properties developed by the Company.

2.8 Foreign Currency Transactions

All transactions in foreign currency are recorded on the basis of the exchange rate prevailing as on the date of transaction. The difference, if any, on actual payment / realisation is recorded to the Statement of Profit and Loss. Monetary assets and liabilities denominated in foreign currency are restated at rates prevailing at the year-end. The net loss or gain arising out of such conversion is dealt with in the Statement of Profit and Loss.

2.9 Employee Benefits

Employee benefits include provident fund and employee state insurance scheme, gratuity and compensated absences.



NOTES FORMING PART OF FINANCIAL STATEMENTS

a. Short-term obligations

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under :

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

b. Other Long-term employee benefit obligations

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefit are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer the settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

c. Post-employment obligations

The Company operates the following post-employment schemes:

i. Defined Contribution Plan:

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made. The Company has no further payment obligations once the contributions have been paid.

ii. Defined Benefit Plan:

The liability or assets recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of the plan assets. The defined benefit obligation is calculated by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in the employee benefit expenses in the statement of profit or loss.

Remeasurement gains and loss arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

2.10 Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.



NOTES FORMING PART OF FINANCIAL STATEMENTS

a. Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

b. Deferred tax

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill.

Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax

Deferred income assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current tax and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

c. Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the entity will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the entity.

2.11 Property, plant and equipment

All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition and installation, including interest on borrowing for the project / property, plant and equipment's up to the date the asset is put to use. Any cost incurred relating to settlement of claims regarding titles to the properties is accounted for and capitalised as incurred.

Subsequent cost are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Depreciation method, estimated useful lives and residual values

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on property, plant and equipment's is provided using written-down value method over the useful lives of assets estimated by the Management. The Management estimates the useful lives for the fixed assets as follows:



NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at 31 March 2019
Plant and machinery *	20 Years
Office equipment*	20 Years
Furniture and fixtures *	15 Years
Vehicles*	10 Years
Buildings*	60 Years
Computers and accessories*	6 Years
Computer Software*	3 Years
Labour hutment*	3 Years

* For these class of assets, based on internal assessment and independent technical evaluation carried out by external valuers, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, the Management believes that the useful lives as given above best represent the period over which the Management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II to the Companies Act, 2013.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in statement of profit and loss.

2.12 Capital work-in-progress

Projects under which tangible assets are not yet ready for their intended use are carried at cost comprising direct cost, related incidental expenses and attributable interest.

Depreciation is not provided on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

2.13 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.



NOTES FORMING PART OF FINANCIAL STATEMENTS

2.14 Inventories

Material Stock unconsumed at site are taken as closing raw materials at cost or Net Realisable Value (which ever is Lesser)

Closing work in progress is valued at cost by "Percentage of completion method"(POC) of accounting, by considering unbilled portion of work completed .

Inventory is carried at the lower of cost and net realisable value. Cost includes all expenses incurred in bringing the goods to the point of sale and is determined on a Weighted Average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

2.15 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

2.16 Financial Instruments

2.16a Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

2.16b Subsequent measurement

a. Non-derivative financial instruments

Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

b. Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are recognized as a deduction from equity, net of any tax effects.



NOTES FORMING PART OF FINANCIAL STATEMENTS

2.16c Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

2.16d Impairment of financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in statement of profit and loss.

2.17 Operating cycle and basis of classification of assets and liabilities

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

2.18 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.19 Earnings per share

Basic earnings per share has been computed by dividing net income by the weighted average number of shares outstanding during the year. Diluted earnings per share has been computed using the weighted average number of shares and dilutive potential shares, except where the result would be anti-dilutive.

2.20 Dividends

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the company's Board of Directors.



NOTES FORMING PART OF FINANCIAL STATEMENTS

3 Recent accounting pronouncements

a. Ind AS 116 Leases

On 30 March 2019, MCA notified Ind AS 116 Leases and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17.

The Company will adopt Ind AS 116 effective from April 1, 2019. As at the date of issuance of the Company's standalone financial statements, the Company is in the process of evaluating the requirements of the said standard and the impact on its standalone financial statements in the period of initial application.

b. Amendments to existing issued Ind-AS

The MCA has also carried out amendments of the following accounting standards:

- i) Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment
- ii) Ind AS 109: Prepayment Features with Negative Compensation
- iii) Ind AS 19: Plan Amendment, Curtailment or Settlement

The amendment will come into force from April 1, 2019. The Company has evaluated the effect of this on the financial statements and the impact is not material.



K2K INFRASTRUCTURE INDIA PRIVATE LIMITED

No. 83, 4th Floor, Prestige Copper Arch, Infantry Road, Bangalore - 560 001

CIN : U45200TG2007PTC054531

NOTES FORMING PART OF FINANCIAL STATEMENTS

4. Property, plant and equipment

Particulars	Plant & Machinery	Furniture & Fixtures	Vehicles	Computers	Office Equipments	Computer Software	Labour hutment	Total
Cost								
As at 1 April 2017	4,615.68	42.33	161.31	56.97	30.39	62.15	-	4,968.83
Additions	103.99	0.21	-	-	2.75	-	-	106.95
Adjustments/Deletions	0.35	-	37.27	-	-	-	-	37.62
As at 31 March 2018	4,719.32	42.53	124.04	56.97	33.15	62.15	-	5,038.16
Additions	32.01	-	-	0.50	12.02	54.30	87.49	186.32
Deletions	2.87	-	-	-	-	-	-	2.87
Deletions- due to impairment	137.94	-	0.45	0.55	-	32.29	-	171.22
As at 31 March 2019	4,610.52	42.53	123.60	56.92	45.17	84.16	87.49	5,050.38
Accumulated depreciation								
As at 1 April 2017	2,313.01	20.48	98.25	49.31	15.14	49.99	-	2,546.19
Charge for the period	325.45	4.15	11.75	3.72	2.00	4.34	-	351.40
Deletion	0.07	-	29.97	-	-	-	-	30.04
As at 31 March 2018	2,638.39	24.62	80.02	53.03	17.14	54.33	-	2,867.54
Charge for the period	293.93	3.23	8.05	1.56	3.45	10.41	4.80	325.43
Depreciation reversal- Deletions	0.80	-	-	-	-	-	-	0.80
Depreciation Reversal- Impairment	79.15	-	0.31	0.54	-	29.65	-	109.65
As at 31 March 2019	2,852.37	27.86	87.77	54.05	20.59	35.09	4.80	3,082.53
Net Block								
As at 1 April 2017	2,302.67	21.85	63.06	7.66	15.25	12.15	-	2,422.64
As at 31 March 2018	2,080.93	17.91	44.02	3.94	16.00	7.81	-	2,170.62
As at 31 March 2019	1,758.14	14.68	35.83	2.87	24.57	49.07	82.69	1,967.85



NOTES FORMING PART OF FINANCIAL STATEMENTS

5 Capital work-in-progress

(Rs in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Construction in process	408.72	38.26
	408.72	38.26

6 Investment Property

(Rs in Lakhs)

Particulars	Land	Buildings	Total
Cost			
As at 1 April 2017	-	-	-
Additions	-	-	-
Adjustments/Deletions	-	-	-
As at 31 March 2018	-	-	-
Additions- transfer from current investment	36.92	269.64	306.55
Adjustments/Deletions	-	-	-
As at 31 March 2019	36.92	269.64	306.55
Accumulated depreciation			
As at 1 April 2017	-	-	-
Charge for the period	-	-	-
Deletion	-	-	-
As at 31 March 2018	-	-	-
Charge for the period	-	26.96	26.96
Depreciation Reversal	-	-	-
As at 31 March 2019	-	26.96	26.96
Net Block			
As at 1 April 2017	-	-	-
As at 31 March 2018	-	-	-
As at 31 March 2019	36.92	242.67	279.59



NOTES FORMING PART OF FINANCIAL STATEMENTS

7 Deferred Tax

(In Rs. Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Deferred tax relates to the following		
Deferred Tax Assets		
Impact of difference in carrying amount of Property, plant and equipment as per tax accounts and books.	-	-
Impact on disallowances as per Income Tax	111.45	119.28
Carried forward losses	549.49	767.98
	660.94	887.26
Deferred tax liabilities		
Impact of difference in carrying amount of Property, plant and equipment as per tax accounts and books.	80.20	(47.55)
	80.20	(47.55)
Net deferred tax asset	741.14	839.71



K2K INFRASTRUCTURE INDIA PRIVATE LIMITED
No. 83, 4th Floor, Prestige Copper Arch, Infantry Road, Bangalore - 560 001
CIN : U45200TG2007PTC054531

NOTES FORMING PART OF FINANCIAL STATEMENTS

8 Inventories (lower of cost or net realizable value) (Rs in Lakhs)

Particulars	Note No.	As at 31 March 2019	As at 31 March 2018
Raw Materials	8a	22.24	211.19
Work In Progress		148.84	1,865.40
		171.08	2,076.59

8a Work in progress is valued at cost by "Percentage of completion method" of accounting, by considering unbilled portion of work completed

9 Current Investments (Rs in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Investment in immovable properties		
a) Land and buildings	130.85	437.40
	130.85	437.40

10 Trade receivables (Rs in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Unsecured, considered good	2,199.71	3,593.08
Unsecured, considered doubtful	59.28	-
	2,258.99	3,593.08
Less : Provision for doubtful debts	(59.28)	-
Unbilled debtors receivable	4,398.60	1,428.83
	6,598.31	5,021.91

11 Cash and cash equivalents (Rs in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Balances with banks		
- in current accounts*	39.01	14.29
Cash in hand*	-	0.25
	39.01	14.54

* Of the above the balances that meet the definition of cash and cash equivalents as per cash flow statements are items marked (*) are Rs.39,00,588/- (PY : Rs. 14,54,137/-)



K2K INFRASTRUCTURE INDIA PRIVATE LIMITED
No. 83, 4th Floor, Prestige Copper Arch, Infantry Road, Bangalore - 560 001
CIN : U45200TG2007PTC054531

NOTES FORMING PART OF FINANCIAL STATEMENTS

12 Income tax assets (net)	(Rs in Lakhs)	
Particulars	As at 31 March 2019	As at 31 March 2018
Tax deducted at source	1,060.38	783.83
Less: Provision for tax	-	18.49
	1,060.38	765.35

13 Other current assets	(Rs in Lakhs)	
Particulars	As at 31 March 2019	As at 31 March 2018
(a) Security deposits	366.36	176.55
(c) Others		
For materials & expenses	502.91	175.48
Advances to employees	3.62	1.04
Prepaid expenses	22.60	20.26
Service tax paid under protest	89.74	89.74
Other Advances	10.00	-
	995.22	463.07

14 Equity Share Capital	(Rs in Lakhs)	
Particulars	As at 31 March 2019	As at 31 March 2018
Authorised capital		
1,500,000 (P.Y. 1,500,000) equity shares of Rs.10 each	150.00	150.00
33,00,000 (P.Y. 33,00,000) Preference shares of Rs.10 each	330.00	330.00
	480.00	480.00
Issued, subscribed and paid up capital		
1,496,880 (P.Y. 14,96,880) equity shares of Rs 10 each, fully paid up (for cash)	149.69	149.69
[Of the above 11,22,660 (P.Y 11,22,660) equity shares of Rs. 10 each are held by the holding company Prestige Estates Projects Limited (PEPL)]		
	149.69	149.69

List of persons holding more than 5 percent shares in the company

Name of the share holder	As at 31 March 2019	As at 31 March 2018
	No. of shares (%)	No. of shares (%)
Equity share capital		
Prestige Estates Projects Limited (PEPL)	11,22,660 (75%)	11,22,660 (75%)
Ace Investments	3,74,220 (25%)	3,74,220 (25%)
	14,96,880 (100%)	14,96,880 (100%)

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March 2019	As at 31 March 2018
Equity shares		
Number of shares at the beginning of the year	1,496,880	1,496,880
Number of shares issued\ (Bought Back) during the year	-	-
Number of shares outstanding at the end of the year	1,496,880	1,496,880



K2K INFRASTRUCTURE INDIA PRIVATE LIMITED
No. 83, 4th Floor, Prestige Copper Arch, Infantry Road, Bangalore - 560 001
CIN : U45200TG2007PTC054531

NOTES FORMING PART OF FINANCIAL STATEMENTS

- There have been no buy back of shares, issue of shares by way of bonus shares for the period of five years immediately preceding the balance sheet date.
- Since inception there are no equity shares allotted pursuant to contract(s) without payment being received in cash.
- In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

15 Other equity

(Rs in Lakhs)		
Particulars	As at 31 March 2019	As at 31 March 2018
Deficit in statement of profit and loss		
Opening balance	(1,984.31)	(1,176.60)
Add/Less : Net profit/(loss)	333.61	(807.71)
	(1,650.70)	(1,984.31)
<u>Compulsory Convertible Debentures (CCDs)</u>		
0 % compulsory convertible debentures	2,093.11	2,093.11
	442.41	108.80

Compulsory Convertible Debentures - Unsecured include:

2,09,31,091, 0% Unsecured Compulsory Convertible Debentures of Rs.10 each aggregating Rs. 20,93,10,910 , allotted on March 31, 2018 are convertible on March 31, 2023 i.e at the end of the 5th year from the date of allotment.

Conversion Ratio: 100 debentures of Rs.10/- will be converted into one equity share of Rs.10/- each.

16 Non current provisions

(Rs in Lakhs)		
Particulars	As at 31 March 2019	As at 31 March 2018
Provision for employee benefits		
Gratuity 25a	68.58	38.92
Leave encashment 25b	1.28	14.67
	69.86	53.59

17 Other non-current liabilities

(Rs in Lakhs)		
Particulars	As at 31 March 2019	As at 31 March 2018
(a) Advances from related parties		
Mobilisation advance	508.45	-
Other advance	503.40	3,788.14
	1,011.86	3,788.14



K2K INFRASTRUCTURE INDIA PRIVATE LIMITED
No. 83, 4th Floor, Prestige Copper Arch, Infantry Road, Bangalore - 560 001
CIN : U45200TG2007PTC054531

NOTES FORMING PART OF FINANCIAL STATEMENTS

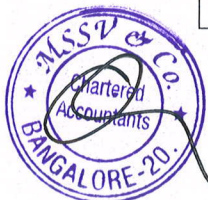
18 Trade payables	(Rs in Lakhs)	
Particulars	As at 31 March 2019	As at 31 March 2018
Sundry creditors		
-For materials	2,140.31	1,971.67
-For expenses	3,200.09	2,517.41
-Retention money	1,349.30	1,280.63
-Others	241.21	554.07
	6,930.91	6,323.79

* Refer Note no.40 for dues to Micro, Small and Medium Enterprises.

19 Other current liabilities	(Rs in Lakhs)	
Particulars	As at 31 March 2019	As at 31 March 2018
(a) Revenue received in advance :		
From related parties		
Mobilisation advance	973.55	448.53
Other advances	1,579.05	-
From other parties:		
Mobilisation advance	100.00	-
Project advances	262.08	25.31
(b) Other advances	7.80	6.10
(c) Withholding and other taxes and duties payable	270.14	316.32
(d) Employee benefits	15.40	13.97
(e) Other liabilities	35.17	47.24
	3,243.17	857.48

19a Withholding and other taxes and duties payable	(Rs in Lakhs)	
Particulars	As at 31 March 2019	As at 31 March 2018
- Tax deducted at source	53.61	44.62
- Goods and services tax payable (net of input)	216.52	271.70
	270.14	316.32

20 Current Provisions	(Rs in Lakhs)	
Particulars	As at 31 March 2019	As at 31 March 2018
(i) Provision for employee costs		
Leave encashment	-	1.70
(ii) Other provisions		
Provision for anticipated loss on project	330.73	330.73
Provision for service tax liability	213.52	213.52
	544.25	545.95



K2K INFRASTRUCTURE INDIA PRIVATE LIMITED

No. 83, 4th Floor, Prestige Copper Arch, Infantry Road, Bangalore - 560 001

CIN : U45200TG2007PTC054531

NOTES FORMING PART OF FINANCIAL STATEMENTS**20a Details of provision for future loss from contract**

Nature of provision	Provision outstanding at the beginning of the year	Provision made/ (utilised/reversed) during the year	Provision outstanding at the end of the year
Anticipated losses on projects	330.73	-	330.73
Previous Years			
For the year ended 31st March 2018	330.73	-	330.73
For the year ended 31st March 2017	87.39	243.34	330.73



NOTES FORMING PART OF FINANCIAL STATEMENTS

21 Revenue from operations		(Rs in Lakhs)	
Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018	
(a) Project revenue			
- From holding company - PEPL	8,565.95	9,383.74	
- From others	4,442.36	7,041.13	
- Unbilled revenue (net)	2,969.78	(1,111.14)	
	15,978.09	15,313.73	
(b) Other operating revenue	2.45	-	
	2.45	-	
	15,980.53	15,313.73	

22 Other income		(Rs in Lakhs)	
Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018	
Rental income	3.56	0.38	
Interest on income tax refund	-	29.42	
Amounts no longer payable	28.71	143.73	
Miscellaneous income	30.53	44.29	
Provision no longer required written back	-	51.45	
Profit on sale of fixed assets	-	1.24	
	62.80	270.52	

23 Cost of material consumed		(Rs in Lakhs)	
Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018	
Opening stock of materials	211.19	185.50	
Add : Direct cost incurred			
- Materials purchased	3,839.91	4,646.82	
Less : Closing stock of materials	22.24	211.19	
Materials consumed	4,028.86	4,621.14	
Add:			
Labour charges	7,145.49	5,954.86	
Site expenses	13.11	7.52	
Transportation charges	51.57	32.74	
Hire charges	251.86	142.60	
Lab charges	4.99	4.86	
Repairs and maintenance	28.52	31.53	
Security charges	97.59	119.08	
Safety material	42.51	42.43	
Labour colony rent and other expenses	178.73	147.86	
Electricity & water charges	234.99	232.44	
Other direct expense	27.61	2.85	
	12,105.84	11,339.92	



NOTES FORMING PART OF FINANCIAL STATEMENTS

24 Changes in inventories of work in progress

(Rs in Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Opening stock of work in progress	1,865.40	5,556.60
Less : Closing stock of work in progress	148.84	1,865.40
	1,716.55	3,691.20

25 Employee benefit expense

(Rs in Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Salaries and wages	904.98	936.78
Contribution to provident and other funds		
- Provident funds & ESIC	115.20	119.68
- Gratuity (Refer note 25a)	22.21	14.08
- Leave encashment (Refer note 25b)	4.72	0.96
Staff welfare expenses	127.35	141.74
	1,174.45	1,213.25

25a Gratuity

In accordance with Indian Accounting Standard 19 actuarial valuation based on projected unit credit method as on 31st March 2019 has been carried out in respect of the aforesaid defined benefit plan of Gratuity, the details thereon is given below:

(Rs in Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Change in Defined Benefit Obligations		
Defined Benefit obligations at the beginning	0.00	60.86
Service cost	17.07	12.36
Interest expense	6.89	4.87
Remeasurements of Defined benefit obligation- actuarial (gains)/ losses	7.36	(5.80)
Actual benefit payments	(2.77)	(4.41)
Defined Benefit obligations at the end	28.56	67.87
Change in plan assets		
Fair value of plan assets at the beginning	0.00	22.66
Interest income	2.23	2.12
Administration expenses	(0.47)	1.03
Remeasurements of plan assets	(0.09)	(2.26)
Contributions	-	9.81
Benefits paid	(2.77)	(4.41)
Fair value of plan assets at the end	(1.10)	28.95
Funded status- (surplus)/deficit	29.66	38.92



K2K INFRASTRUCTURE INDIA PRIVATE LIMITED
No. 83, 4th Floor, Prestige Copper Arch, Infantry Road, Bangalore - 560 001
CIN : U45200TG2007PTC054531

NOTES FORMING PART OF FINANCIAL STATEMENTS

Amount for the year ended 31st March 2019 and 31st March 2018 recognised in the statement of profit and loss under employee benefit expenses

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Service cost	17.07	12.36
Interest cost	4.66	2.75
Administration expenses	0.47	(1.03)
Expected return on plan assets	-	-
Actuarial losses/(gains)	-	-
Total expense/(income) recognised in the statement of profit & loss	22.21	14.08

Amount for the year ended 31st March 2019 and 31st March 2018 recognised in statement of other comprehensive income :

(Rs in Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Remeasurement of defined benefit obligation	7.36	(5.80)
Remeasurement of plan assets	0.09	2.26
Remeasurement of asset ceiling	-	-
Expense/(Income) recognised as other comprehensive income	7.45	(3.54)

Actuarial assumptions	As at March 31, 2019	As at March 31, 2018
Discount rate	7.70%	7.25%
Salary Escalation rate	7.00%	7.00%
Employee attrition rates	Table a	Table a
Mortality rates*	100% of IAL	100% of IAL

*IAL : Indian assured lives mortality (2006-08) modified ultimate

Table a employee attrition rates

31-Mar-19		31-Mar-18	
Age	Rate	Age	Rate
Up to 30	10.00%	Up to 30	10%
31-40	5.00%	31-40	5%
41-50	3.00%	41-50	3%
Above 50	2.00%	Above 50	2%

Discount rate for this valuation is based on yield to maturity (YTM) on high quality corporate bonds having term similar to that of the liability. However, in countries where a deep market for corporate bonds does not exist, which is the case in India, IAS 19 prescribes that the government bonds should be used for setting the discount rate [IAS19.83].

For valuation as at 31st March 2019 , the estimated duration of liabilities is 13.9 years, corresponding to which the yield on government bonds is 7.70 %



K2K INFRASTRUCTURE INDIA PRIVATE LIMITED
No. 83, 4th Floor, Prestige Copper Arch, Infantry Road, Bangalore - 560 001
CIN : U45200TG2007PTC054531

NOTES FORMING PART OF FINANCIAL STATEMENTS

Defined benefit obligation sensitivities

(Rs in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Defined benefit obligation - Base assumptions Impact of :	28.56	67.87
1 Discount rate: 1 % increase	(2.77)	(6.72)
2 Discount rate: 1 % decrease	3.29	7.99
3 Salary escalation rate: 1% increase	3.44	8.35
4 Salary escalation rate: 1% decrease	(2.94)	(7.13)
5 Employee attrition rate: 10 % increase	(0.00)	-
6 Employee attrition rate: 10 % decrease	-	-

As of March 31, 2019 and March 31, 2018, the plan assets have been completely invested in insurer-managed funds.

25b Leave encashment

In accordance with Indian Accounting Standard 19 actuarial valuation based on projected unit credit method as on 31st March 2019 has been carried out in respect of the aforesaid defined benefit plan of leave encashment, the details thereon is given below:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Amount recognised in balance sheet		
Defined benefit obligation	1.21	16.37
Fair value of plan assets	-	-
Liability /(asset) recognised in balance sheet	1.21	16.37

Amount recognised in the statement of profit & loss		
Increase in the net liability	(12.80)	0.96
Employer contributions	-	-
Benefits paid directly by the employer	-	-
Benefits paid as salaries	17.52	-
Total employer expense	4.72	0.96

Reconciliation of defined benefit obligation (DBO)		
Defined benefit obligation at the beginning of the year	16.37	15.40
Current service cost	2.20	3.15
Interest cost	0.82	1.22
Actuarial (gains)/losses due to change in assumptions	1.70	(0.55)
Actuarial (gains)/losses due to plan experience	-	(1.61)
Actual benefit payments	(19.81)	(1.25)
Defined benefit obligations at the end of the year	1.28	16.37

Reconciliation of balance sheet amount		
Net liability as on beginning of the year	16.37	15.40
Employer expense for the period	4.72	2.21
Benefit payments made directly by sponsor	(19.81)	(1.25)
Actual contributions by sponsor	-	-
Net asset/(liability) recognized in balance sheet	1.28	16.37

Actuarial assumptions	As at March 31, 2019	As at March 31, 2018
Discount rate	7.70%	7.30%
Expected return on plan assets	N/A	N/A
Salary escalation rate	7.00%	7.00%
Employee attrition rates	Table a	Table a
Mortality rates*	100% of IAL	100% of IAL
Leave availment over the next year (surge leaves) **	5.00%	5.00%

*IAL : Indian assured lives mortality (2006-08) modified ultimate

** The valuation is done using the LIFO method and this assumption is used to reflect the leave consumption in excess of annual entitlement for the next year. No availment liability exists in subsequent years.



K2K INFRASTRUCTURE INDIA PRIVATE LIMITED
No. 83, 4th Floor, Prestige Copper Arch, Infantry Road, Bangalore - 560 001
CIN : U45200TG2007PTC054531

NOTES FORMING PART OF FINANCIAL STATEMENTS

Table a employee attrition rates

31-Mar-19		31-Mar-18	
Age	Rate	Age	Rate
Up to 30	10.00%	Up to 30	10%
31-40	5.00%	31-40	5%
41-50	3.00%	41-50	3%
Above 50	2.00%	Above 50	2%

Discount rate for this valuation is based on yield to maturity (YTM) on high quality corporate bonds having term similar to that of the liability. However, in countries where a deep market for corporate bonds does not exist, which is the case in India, IAS 19 prescribes that the government bonds should be used for setting the discount rate [IAS19.83].

For valuation as at 31st March 2019 , the estimated duration of liabilities is 13.0 years, corresponding to which the yield on government bonds is 7.70 %

26 Finance costs

(Rs in Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest expense		
- Others (interest on secured loan)	-	0.18
Interest on delayed remittances of statutory dues		
- Interest on statutory payment	8.72	38.56
Bank guaranty expenses		
- Bank guaranty charges - PEPL	-	5.47
- Bank guaranty charges - Others	-	0.31
	8.72	44.52

27 Other expenses

(Rs in Lakhs)

Particulars	Note No.	For the year ended 31 March 2019	For the year ended 31 March 2018
Postage, telephone & courier charges		9.93	13.67
Traveling and conveyance		12.02	19.40
Legal & professional charges		17.52	15.26
Auditors' Remuneration	27a	4.63	4.63
Power and water expenses		4.91	5.76
Information technology cost		7.41	6.99
Rent		14.27	19.02
Office expenses		7.15	7.94
Printing & stationery		5.06	19.27
Rates & taxes		10.01	8.40
Repair & maintenance		7.23	9.83
Bank charges		1.24	1.73
Insurance		13.41	16.06
Donations		0.50	0.50
Miscellaneous expenses		9.09	13.93
Loss on sale of fixed assets		0.51	-
Provision for doubtful debts		59.28	-
		184.16	162.39



K2K INFRASTRUCTURE INDIA PRIVATE LIMITED
No. 83, 4th Floor, Prestige Copper Arch, Infantry Road, Bangalore - 560 001
CIN : U45200TG2007PTC054531

NOTES FORMING PART OF FINANCIAL STATEMENTS

27a Auditors' Remuneration

(Rs in Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Payment to Auditors for : (net of Service tax/ GST) *		
Statutory Audit	2.50	2.50
Tax Audit	1.00	1.00
Others	1.13	1.13
	4.63	4.63

* The company avails input credit for service tax/ GST and hence no service tax/ GST expenses is accrued

28 Operating Lease

The company has operating leases for office premises, guest houses and place of business / site offices located in different parts of India that are cancellable by giving notice period ranging from 1 month to 3 months.

- The amount of security deposit and rent escalation clauses vary from contract to contract.
- The details of lease rent paid against the above agreements during the period is as follows:

(Rs in Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Rent expenses included in statement of profit and loss towards operating lease	14.27	19.02
Rent expenses included in employee benefit expenses towards operating lease	25.84	16.76
Rent expenses included in labour colony expense towards operating lease	139.38	86.32
	179.48	122.10

As at 31st March 2019, the future minimum lease rentals payable and receivable towards non-cancellable operating lease are

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Not Later than 1 year	188.46	128.20
Later than 1 year but not later than 5 years	-	-
	188.46	128.20

29 Contingent liabilities (to the extent not provided for)

(Rs in Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Contingent liabilities		
Claims/disputed liabilities against the company not acknowledged as debts *	982.92	982.92

* The Office of the Commissioner of Central tax levied penalty of Rs. 11,23,92,780/- for the period relating to the period Jan 2013 to March 2014 for delay in payment of service tax. Company has already discharged liability along with interest. Further, company has created a provision to the extent of Rs. 2,13,52,061/- towards the liability and balance of Rs. 9,82,91,652/- is shown as a contingent liability. Against the said order, company has filed an appeal before CESTAT (Customs, Excise and Service Tax Appellate Tribunal)

30 Earnings per share

In Rs. except number of shares

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
a) Net profit/ (loss) for the year available to equity shareholders	333.61	(807.71)
b) Weighted average number of equity shares - basic	224.28	224.28
d) Weighted average number of equity shares-diluted	224.28	224.28
e) Nominal value of shares	10.00	10.00
f) Basic earnings per share	1.49	(3.60)
g) Diluted earnings per share *	1.49	(3.60)



NOTES FORMING PART OF FINANCIAL STATEMENTS

31 Foreign exchange transactions

There are no foreign currency exposure as on 31 March 2019 therefore no disclosures have been given thereof.

32 Fair values

None of financial assets are measured at fair values.

The fair value of the financial assets and liabilities will approximate to its carrying amounts.

33 Financial risk management objectives and policies

The company's risk management is carried out by Board of directors in accordance with the policies laid down. The board of directors of the company identifies, evaluates and manages risk in close co-operation with the holding company's management.

The objectives, policies and process of managing the each type of risk is detailed as below:

I Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and other price risk, such as equity price risk and commodity/ realestate risk. Financial instruments affected by market risk include loans and borrowings and refundable deposits.

a. Interest rate risk

The company has sourced its fund requirements from Inter Corporate deposits with fixed rate of interest and are repayable on demand. Hence, the company is not exposed to interest rate risk.

b. Commodity price

The Company has no exposure to commodity prices as it does not deal in derivative instruments whose underlying is a commodity.

c. Equity price risk

The Company's exposure to equity price risk is not material as at all the reporting periods presented in the financial statements.

II 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 with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The company's exposure is mainly with regard to capital advance paid to a single party towards acquisition of multiple land units. The credit exposure is controlled by the Board of Directors through continuous review of the status of such advances.

III Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they become due. The company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient funds to meet its liabilities as and when they are due. The Company's Board undertakes this responsibility and supervises the liquidity ratios at regular intervals.

34 Capital management

The company manages its capital in such a way to ensure that there is timely availability of funds for the operations. The capital structure of the Company consists of equity and short term debt (Inter corporate Deposits). Till 31st March 2018, the operations of the company are predominantly funded by means of Inter corporate deposits. The Company is not subject to any externally imposed capital requirements. The Company's Board reviews the capital structure and determines the appropriate composition of debt and equity.

35 Construction Contracts

(Rs in Lakhs)	
Particulars	For the year ended 31 March 2018
Contract revenue recognised as revenue for the year	15,327.03
Aggregate amount of contract costs incurred and recognised profit (less recognised losses) upto reporting date for contracts in progress	22,075.69
Amount of customer advances outstanding for contracts in progress	4,261.98



NOTES FORMING PART OF FINANCIAL STATEMENTS

36 Revenue from contracts with customers:

(i) Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers by timing of transfer of goods or services.

Particulars	For the year ended 31 March 2019
Timing of transfer of goods or services	
Revenue from goods or services transferred to customers at a point in time	6.01
Revenue from goods or services transferred over time	15,978.09
	15,984.09

(i) Contract balances and performance obligations

Particulars	As at 31 March 2019
Trade receivables	6,598.31
	6,598.31

Trade receivables represent amounts due from customer based on the contractual milestone for sale to person where the agreements are executed with such customers for performance of works contract. The terms of agreements executed with customer requires the customer to make a payment of consideration on achievement of contracted milestone/ certification of work which normally coincides with transfer of control over such portion of work to the customer. The company is liable for any defects in the commercial units as per the terms of agreement executed with the customers.

Set out below is the amount of revenue recognised from:

Particulars	For the year ended 31 March 2019
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	3,712.59
Revenue recognised in the reporting period from performance obligations satisfied in previous periods	-
Aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as of the end of the reporting period **	7,024.80

**The entity expects to satisfy the said performance obligations when (or as) the underlying real estate projects to which such performance relate are completed. Such real estate projects are in various stages of development as at March 31, 2019.

(i) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Particulars	For the year ended 31 March 2019
Revenue as per contracted price	15,978.09
Adjustments	-
Discount	-
Revenue from contract with customers	15,978.09

(i) Assets recognised from the costs to obtain or fulfil a contract with a customer

Particulars	As at 31 March 2019
Inventories	171.08
	171.08



NOTES FORMING PART OF FINANCIAL STATEMENTS

37 Related party disclosure :

(i) List of related parties and relationships -

a) Controlling Enterprise

Prestige Estates Projects Limited

b) Entities under common control

Silveroak Projects
Hitech Properties
Prestige Property Management Services
Sai Chakra Hotels Private Limited
Prestige Habitat Venture
Prestige Sunrise Investments
Sublime
Prestige Fashions Private Limited
Prestige Shantikethan Leisures Private Limited
Prestige AAA investment
Prestige Southcity Holdings
M/s Dashanya Techparkz Private Limited
Prestige Mangalore Retail Ventures Private Limited
Prestige Whitefield Investment & Developers Private Limited

c) Key Management Personnel

Mr. Irfan Razack, Director
Mr. Rezwan Razack, Director
Mr. Jagdeesh Reddy, Director
Mr. Ranganath Pangal Nayak, Director
Mr. Venkatesaiya Gopal, Director

(ii) Transactions with Related Parties during the period

	(Rs in Lakhs)	
Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Intercompany deposits repaid/adjusted		
<i>Controlling Enterprise</i>		
Prestige Estates Projects Limited	-	811.85
Compulsory convertible debentures		
<i>Controlling Enterprise</i>		
Prestige Estates Projects Limited	-	2,093.11
Mobilisation and other advances received		
<u>Received</u>		
<i>Controlling Enterprise</i>		
Prestige Estates Projects Limited	4,764.19	1,109.18
<i>Entities under common control</i>		
Hitech Properties	-	-
Prestige Southcity Holdings	6.91	334.70
Prestige Whitefield Investment & Developers LLP	1,560.84	20.55
Prestige Sunrise Investments	-	-
<u>Adjusted</u>		
<i>Controlling Enterprise</i>		
Prestige Estates Projects Limited	5,268.56	3,873.30
<i>Entities under common control</i>		
Hitech Properties	-	30.74
Prestige Southcity Holdings	1,042.71	685.39
Prestige Whitefield Investment & Developers LLP	692.88	481.13
Prestige Sunrise Investments	-	2.04



K2K INFRASTRUCTURE INDIA PRIVATE LIMITED
No. 83, 4th Floor, Prestige Copper Arch, Infantry Road, Bangalore - 560 001
CIN : U45200TG2007PTC054531

NOTES FORMING PART OF FINANCIAL STATEMENTS

Rent Expense		
<i>Controlling Enterprise</i>		
Prestige Estates Projects Limited	12.14	14.04
Management Services		
<i>Entities under common control</i>		
Prestige Property Management Services	4.67	4.22
Contract Income		
<i>Controlling Enterprise</i>		
Prestige Estates Projects Limited	8,565.95	9,383.74
Prestige Estates Projects Limited (Unbilled)	1,866.51	290.05
<i>Entities under common control</i>		
<u>Billed :</u>		
Sai Chakra Hotels Private Limited.	23.45	139.74
Prestige AAA investment	-	15.14
Prestige South City Holdings	1,622.01	2,052.50
Exora Business Parks Private Limited	-	1.24
Prestige Whitefield Investment & Developers LLP	1,710.62	4,237.64
Prestige Mangalore Retail Ventures Private Limited	0.17	-
M/s Dashanya Techparkz Private Limited	591.55	-
<u>Unbilled :</u>		
Sai Chakra Hotels Private Limited.	(34.91)	286.60
Hitech Properties	-	10.12
Prestige South City Holdings	685.91	(609.10)
Prestige Whitefield Investment & Developers LLP	1,183.34	(1,390.19)

(iii) Balances outstanding as at the balance sheet date

Particulars	As at 31 March 2019	As at 31 March 2018
Trade Receivables		
<i>Controlling Enterprise</i>		
Prestige Estates Projects Limited	1,146.08	1,533.58
Prestige Estates Projects Limited (Unbilled)	3,432.94	1,566.43
<i>Entities under common control</i>		
<u>Billed :</u>		
Sai Chakra Hotels	95.89	142.69
Prestige Shantikethan Leisures Private Limited	6.21	6.21
Prestige Sunrise Investments	5.91	5.91
Prestige South City Holdings	151.57	514.03
Northland Holding Company Private Limited	31.92	31.92
Prestige Whitefield Investment & Developers LLP	176.75	1,002.03
M/s Dashanya Techparkz Private Limited	396.20	-
<u>Unbilled :</u>		
Sai Chakra Hotels Private. Limited.	35.00	69.91
Hitech Properties	272.97	272.97
Prestige South City Holdings	(215.36)	(901.27)
Prestige Whitefield Investment & Developers LLP	85.58	(1,097.76)
Lease Deposit		
<i>Controlling Enterprise</i>		
Prestige Estates Projects Limited	4.76	4.76
Compulsory Convertible Debenture		
<i>Controlling Enterprise</i>		
Prestige Estates Projects Limited	2,093.11	2,093.11
Trade Payables		
<i>Controlling Enterprise</i>		
Prestige Estates Projects Limited	7.13	357.18



K2K INFRASTRUCTURE INDIA PRIVATE LIMITED
No. 83, 4th Floor, Prestige Copper Arch, Infantry Road, Bangalore - 560 001
CIN : U45200TG2007PTC054531

NOTES FORMING PART OF FINANCIAL STATEMENTS

<i>Entities under common control</i>		
Prestige Property Management & Services	7.00	4.40
Advance/Mobilisation Received		
<i>Controlling Enterprise</i>		
Prestige Estates Projects Limited	2,201.25	2,705.62
<i>Entities under common control</i>		
Prestige Whitefield Investment & Developers LLP	942.57	74.61
Prestige South City Holdings	420.64	1,456.44

38 Segment reporting

The operations of the company include business of civil construction and development of flats, townships, commercial building etc., constituting a single segment and has restricted to one geographical area. Hence the disclosure of segment information as per Ind AS 108 (Operating Segement) is not applicable.

39 Litigations

Company has filed some cases against debtors of the company for recovery of balances and materials laying in the site. Company is confident of favorable verdict and recovery, hence company has not made any provisions in the books of accounts.

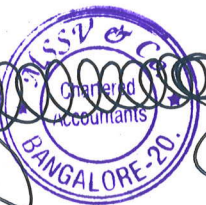
40 There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding at the Balance Sheet date, computed on unit wise basis, determined to the extent such parties identified on the basis of information available with the Company. This has been relied upon by the auditors.

41 Previous year's figures have been re-grouped / re-classified wherever necessary to facilitate comparison with those for the current period

for MSSV and Co.,
Chartered Accountants,
FRN: 001987S

D R Venkatesh
Partner
Membership No. 025087

Place: Bangalore
Date: 24th May 2019



For and on behalf of the Board of Directors of
K2K Infrastructure India Private Limited

Irfan Razack
Director
DIN: 00209022

Place: Bangalore
Date: 24th May 2019

V Gopal
Director
DIN: 03570989

Place: Bangalore
Date: 24th May 2019