

BALANCE SHEET AS AT 31 MARCH, 2020

(Rs. in lakhs)

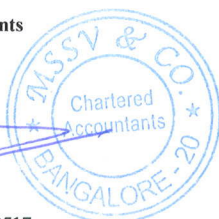
Particulars	Note No.	As at 31 March 2020	As at 31 March 2019
I. ASSETS			
1. Non current assets			
(a) Property, plant and equipment			
(i) Tangible assets	3	2,416.37	1,967.85
(ii) Capital work-in-progress	4	-	408.72
(b) Investment Property	5	393.69	279.59
(c) Deferred tax assets (net)	6	288.85	741.14
Total non-current assets		3,098.91	3,397.30
2. Current assets			
(a) Inventories	7	1,004.40	171.08
(b) Current Investment	8	-	130.85
(b) Financial assets			
(i) Trade receivables	9	4,588.05	6,598.31
(ii) Cash and cash equivalents	10	327.59	39.01
(c) Current tax assets (net)	11	1,379.40	1,060.38
(d) Other current assets	12	1,033.85	995.22
Total current assets		8,333.29	8,994.85
Total assets		11,432.20	12,392.15
II. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	13	149.69	149.69
(b) Other equity	14	1,020.23	442.41
Total equity		1,169.91	592.10
LIABILITIES			
1. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	31.80	-
(b) Provisions	16	117.38	69.86
(c) Other non-current liabilities	17	306.25	1,011.86
Total non-current liabilities		455.43	1,081.72
2. Current liabilities			
(a) Financial liabilities			
(i) Trade payables	18	7,582.79	6,930.91
(b) Other current liabilities	19	1,890.87	3,243.17
(c) Provisions	20	333.21	544.25
Total current liabilities		9,806.86	10,718.34
Total equity and liabilities		11,432.20	12,392.15

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

Shiv Shankar T R
Partner
Membership No. 220517



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

Irfan Razack
Director
DIN: 00209022

V Gopal
Director
DIN: 03570989

Place: Bangalore
Date: May 30, 2020

Place: Bangalore
Date: May 30, 2020

Place: Bangalore
Date: May 30, 2020

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2020

(Rs. in lakhs)

Particulars	Note No.	For the year ended 31 March 2020	For the year ended 31 March 2019
		Rs.	Rs.
Income			
I. Revenue from operations	21	12,771.89	15,980.53
II. Other income	22	278.73	62.80
III. Total income		13,050.62	16,043.33
Expenses			
Cost of materials consumed	23	10,456.06	12,105.84
Change in inventories of work in progress and stock in trade	24	(567.15)	1,716.55
Employee benefit expense	25	1,542.09	1,174.45
Finance costs	26	34.18	8.72
Depreciation, amortization and impairment expense	3	382.98	413.98
Other expenses	27	160.18	184.16
IV. Total expenses		12,008.33	15,603.70
V. Profit before exceptional items and tax (III - IV)		1,042.29	439.63
VI. Exceptional items		-	-
VII . Profit before tax (V-VI)		1,042.29	439.63
VIII. Tax expense			
(1) Current tax		-	-
(2) Deferred tax	6	452.29	98.57
(3) Tax of the earlier years		-	-
IX. Profit (loss) for the period from continuing operations (VII - VIII)		590.00	341.06
X. Profit (loss) for the period (IX + XII)		590.00	341.06
XI. Other comprehensive income			
(i) Items that will not be reclassified to profit and loss			
-Remeasurement of the net defined benefit obligation		(12.19)	(7.45)
(ii) Income tax relating to items that will not be reclassified to profit and loss		-	-
XII. Total comprehensive income for the period		577.81	333.61
XIII. Earnings per equity share (equity Shares of Rs. 10 each)			
(1) Basic	30	2.58	1.49
(2) Diluted	30	2.58	1.49

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 MSSV & Co.,
Chartered Accountants
FRN:001987S

Shiv Shankar T R
Partner
Membership No. 220517

Place: Bangalore

Date: May 30, 2020

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

Irfan Razaek
Director
DIN: 00209022

Place: Bangalore

Date: May 30, 2020

Gopal
Director
DIN: 03570989

Place: Bangalore

Date: May 30, 2020

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

(Rs. in lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
A. Cash from Operating Activities		
Net profit / (Loss) Before Tax	1,030.10	432.18
Adjustments for Non Cash and Non operating Items:		
Add:		
Depreciation and amortisation	382.98	413.98
(Profit)/ Loss on sale of asset	0.12	(0.51)
Interest Expenses	34.18	8.72
	417.28	422.18
Operating Profit before Working Capital Changes	1,447.38	854.36
Adjustments for Working Capital Changes:		
(Increase) / decrease in trade receivables	2,010.27	(1,576.40)
(Increase) / decrease in inventory and work in progress	(702.47)	1,905.51
(Increase) / decrease in loans and advances and other assets	(37.06)	(476.01)
Increase / (decrease) in current liabilities	(1,406.03)	216.53
Increase / (decrease) in provisions	(163.53)	14.57
Operating Profit before Income tax	1,148.55	938.56
Add: Advance tax / Tax deducted at source	(320.59)	(332.69)
Less : Tax Paid of earlier year	-	(18.49)
Net cash generated from/(used in) operations - A	827.96	587.38
B. Cash Flows from Investing Activities		
Proceeds from sale of fixed assets	0.69	2.58
Purchase of Fixed Assets	(946.40)	(186.32)
Capital work-in-progress	408.72	(370.46)
Net cash from/(used in) investing activities - B	(536.99)	(554.20)
C. Cash Flows from Financing Activities		
Proceeds from borrowing (net of repayment)	31.80	
Interest paid	(34.18)	(8.72)
Net cash from/(used in) financing activities - C	(2.39)	(8.72)
Total increase/(decrease) in cash & cash equivalents (A+B+C)	288.58	24.46
Cash & cash equivalents opening balance	39.01	14.54
Cash & cash equivalents closing balance	327.59	39.01

Cash & cash equivalents as per balance sheet (Refer Note 11)

327.59

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

Shiv Shankar T R
Partner
Membership No. 220517

Place: Bangalore

Date: May 30, 2020

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: May 30, 2020

Place: Bangalore

Date: May 30, 2020

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

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	
Balance as at 31 March 2018	149.69	2,093.11	(1,984.31)	258.49
Profit for the period	-	-	341.06	341.06
Other comprehensive income/(loss) for the year, net of income tax	-	-	(7.45)	(7.45)
Balance as at 31 March 2019	149.69	2,093.11	(1,650.70)	592.10
Profit for the period	-	-	590.00	590.00
Other comprehensive income/(loss) for the year, net of income tax	-	-	(12.19)	(12.19)
Balance as at 31 March 2020	149.69	2,093.11	(1,072.88)	1,169.91

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
FRN:001987S

Shiv Shankar T R
Partner
Membership No. 220517

Place: Bangalore

Date: May 30, 2020

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

Irfan Razack
Director
DIN: 00209022

Place: Bangalore

Date: May 30, 2020

V Gopal
Director
DIN: 03570989

Place: Bangalore

Date: May 30, 2020

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 as a company under the Companies Act, 1956 ("the 1956 Act"). The company is engaged in the business of civil construction and development of flats, townships, commercial building, etc.

The company is a private limited company incorporated and domiciled in India and has its registered office at No.83, 4th floor, Prestige Copper Arch, Infantry Road, Bengaluru - 560001.

The financial statements have been authorised for issuance by the Company's Board of Directors on **May 30, 2020**.

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 and accrual 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. 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 a straight-line basis over the lease term.

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.

a. Short-term obligations

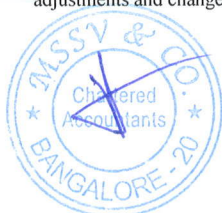
The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within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

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 liability is settled.

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:

Particulars	As at 31 March 2020
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.

2.14 Investment Property

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

Investment properties are depreciated using written-down value method over the useful lives. Investment properties generally have a useful life of 58-60 years. The useful life has been determined 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.

The fair value of investment property is disclosed in notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.



An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss in the period in which the property is derecognised.

2.15 Inventories

Material Stock unconsumed at site are taken as closing raw materials at cost or Net Realisable Value (whichever is Less)

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.

2.16 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.

2.17 Financial Instruments

2.17a 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.

2.17b 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.

2.17c 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.

2.17d 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.



2.18 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.

2.19 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.

2.20 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.

2.21 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.

2.22 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.

2.23 Statement of cash flows

Statement of Cash flows is prepared under Ind AS 7 'Statement of Cashflows' specified under Section 133 of the Act. Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature.



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NOTES FORMING PART OF FINANCIAL STATEMENTS

3. Property, plant and equipment

(Rs. in lakhs)

Particulars	Plant & Machinery	Furniture & Fixtures	Vehicles	Computers	Building	Office Equipments	Computer Software	Labour hutment	Total
Gross Carrying Amount									
Balance as at 1 April 2018	4,719.32	42.53	124.04	56.97	-	33.15	62.15	-	5,038.16
Additions	32.01	-	-	0.50	-	12.02	54.3	87.49	186.32
Deletions	2.87	-	-	-	-	-	-	-	2.87
Deletions- due to impairment	137.94	-	0.45	0.55	-	-	32.29	-	171.22
Balance as at 31 March 2019	4,610.52	42.53	123.60	56.92	-	45.17	84.16	87.49	5,050.38
Additions	165.75	-	21.81	-	491.10	1.10	19.60	107.46	806.83
Deletions	1.60	-	-	-	-	-	-	-	1.60
Deletions- due to impairment	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2020	4,774.67	42.53	145.41	56.92	491.10	46.27	103.76	194.96	5,855.61
Accumulated depreciation									
Balance as at 1 April 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
Balance as at 31 March 2019	2,852.37	27.86	87.77	54.05	-	20.59	35.09	4.80	3,082.53
Charge for the period	262.15	2.66	10.55	1.16	23.12	3.46	24.85	29.57	357.51
Depreciation reversal- Deletions	0.79	-	-	-	-	-	-	-	0.79
Depreciation Reversal- Impairment	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2020	3,113.73	30.51	98.31	55.21	23.12	24.06	59.94	34.37	3,439.25
Net carrying amount									
Balance as at 1 April 2018	2,080.93	17.91	44.02	3.94	-	16.00	7.81	-	2,170.62
Balance as at 31 March 2019	1,758.14	14.68	35.83	2.87	-	24.57	49.07	82.69	1,967.85
Balance as at 31 March 2020	1,660.94	12.02	47.10	1.71	467.98	22.21	43.82	160.59	2,416.37



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4 Capital work-in-progress

Particulars	(Rs. in lakhs)	
	As at 31 March 2020	As at 31 March 2019
Construction in process	-	408.72
Total	-	408.72

5 Investment Property

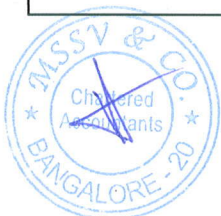
Particulars	(Rs. in lakhs)		
	Land	Buildings	Total
Gross carrying amount			
Balance as at 1 April 2018	-	-	-
Additions- transfer from current investment	36.92	269.64	306.55
Adjustments/Deletions	-	-	-
Balance as at 31 March 2019	36.92	269.64	306.55
Additions- transfer from current investment	20.43	119.14	139.57
Adjustments/Deletions	-	-	-
Balance as at 31 March 2020	57.35	388.78	446.13
Accumulated depreciation			
Balance as at 1 April 2018	-	-	-
Charge for the period	-	26.96372	26.96
Depreciation Reversal	-	-	-
Balance as at 31 March 2019	-	26.96	26.96
Charge for the period	-	25.48	25.48
Depreciation Reversal	-	-	-
Balance as at 31 March 2020	-	52.4388	52.44
Net carrying amount			
Balance as at 1 April 2018	-	-	-
Balance as at 31 March 2019	36.92	242.67	279.59
Balance as at 31 March 2020	57.35	336.34	393.69

Note:

- i. The investment properties consists of commercial properties in India.
- ii. As at 31st March 2020, the fair values of the properties are Rs. 529.2 lakhs respectively.
These valuations are based on the valuation performed by P.Kishore Rao, an approved wealth tax valuer.

Amounts recognised in statement of profit and loss related to investment properties

Particulars	(Rs. in lakhs)	
	As at 31 March 2020	As at 31 March 2019
Rental Income from Investment Property	9.62	3.56
Direct operating expenses arising from investment property that generated rental income during the year	1.23	-
Direct operating expenses arising from investment property that did not generate rental income during the year	5.96	-



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NOTES FORMING PART OF FINANCIAL STATEMENTS**6 Deferred Tax****(In Rs. Lakhs)**

Particulars	As at 31 March 2020	As at 31 March 2019
Deferred tax relates to the following		
Deferred Tax Assets		
Impact of difference in carrying amount of	-	-
Impact on disallowances as per Income Tax	113.41	111.45
Carried forward losses	216.17	549.49
	329.58	660.94
Deferred tax liabilities		
Impact of difference in carrying amount of	(40.73)	80.20
	(40.73)	80.20
Net deferred tax asset	288.85	741.14



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NOTES TO ACCOUNTS

7 Inventories (lower of cost or net realizable value)

(Rs. in lakhs)			
Particulars	Note No.	As at 31 March 2020	As at 31 March 2019
Raw Materials	7a	288.41	22.24
Work In Progress		715.99	148.84
Total		1,004.40	171.08

7a Work in progress is valued at cost by "Percentage of completion method" of accounting, by considering unbilled portion of work completed

8 Current Investments

(Rs. in lakhs)		
Particulars	As at 31 March 2020	As at 31 March 2019
Investment in immovable properties		
a) Land and buildings	-	130.85
Total	-	130.85

9 Trade receivables

(Rs. in lakhs)		
Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good	2,283.41	2,199.71
Unsecured, considered doubtful	-	59.28
	2,283.41	2,258.99
Less : Provision for doubtful debts	-	(59.28)
Unbilled debtors receivable	2,304.64	4,398.60
Total	4,588.05	6,598.31

10 Cash and cash equivalents

(Rs. in lakhs)		
Particulars	As at 31 March 2020	As at 31 March 2019
Balances with banks		
- in current accounts*	326.94	39.01
Cash in hand*	0.64	-
Total	327.59	39.01

* Of the above the balances that meet the definition of cash and cash equivalents as per cash flow statements are items marked (*) are Rs.3,27,58,629/- (PY : Rs. 39,00,588/-)



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NOTES TO ACCOUNTS

11 Income tax assets (net)

Particulars	(Rs. in lakhs)	
	As at 31 March 2020	As at 31 March 2019
Tax deducted at source	1,379.40	1,060.38
Total	1,379.40	1,060.38

12 Other current assets

Particulars	(Rs. in lakhs)	
	As at 31 March 2020	As at 31 March 2019
(a) Security deposits	349.94	366.36
(c) Others		
For materials & expenses	513.98	502.91
Advances to employees	5.02	3.62
Prepaid expenses	25.61	22.60
Service tax paid under protest	-	89.74
Other Advances	139.30	10.00
Total	1,033.85	995.22

13 Equity Share Capital

Particulars	(Rs. in lakhs)	
	As at 31 March 2020	As at 31 March 2019
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	(Rs. in lakhs)	
	As at 31 March 2020	As at 31 March 2019
Equity share capital	No. of shares (%)	No. of shares (%)
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%)



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

Particulars	As at 31 March 2020	As at 31 March 2019
Equity shares		
Number of shares at the beginning of the year	14,96,880	14,96,880
Number of shares issued\ (Bought Back) during the year	-	-
Number of shares outstanding at the end of the year	14,96,880	14,96,880

- 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.

14 Other equity

Particulars	(Rs. in lakhs)	
	As at 31 March 2020	As at 31 March 2019
Deficit in statement of profit and loss		
Opening balance	(1,650.70)	(1,984.31)
Add/Less : Net profit/(loss)	577.81	333.61
	(1,072.88)	(1,650.70)
Compulsory Convertible Debentures (CCDs)		
0 % compulsory convertible debentures	2,093.11	2,093.11
Total	1,020.23	442.41

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.

15 Borrowings

Particulars	(Rs. in lakhs)	
	As at 31 March 2020	As at 31 March 2019
Term Loans (Secured)		
- From Banks	31.80	-
Total	31.80	-

Security Details:

Hypothecation of vehicles & machinery.

Repayment and other terms:

The loan is subject to an interest rate of 10.5% per annum. Loan is repayable in equal monthly installments till August 2022.

Refer Note No.19 for Current Maturities of long term-debt



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NOTES TO ACCOUNTS

16 Non current provisions

(Rs. in lakhs)		
Particulars	As at 31 March 2020	As at 31 March 2019
Provision for employee benefits		
Gratuity 25a	93.16	68.58
Leave encashment 25b	24.22	1.28
Total	117.38	69.86

17 Other non-current liabilities

(Rs. in lakhs)		
Particulars	As at 31 March 2020	As at 31 March 2019
(a) Advances from related parties		
Mobilisation advance	306.25	508.45
Other advance	-	503.40
Total	306.25	1,011.86

18 Trade payables

(Rs. in lakhs)		
Particulars	As at 31 March 2020	As at 31 March 2019
Sundry creditors		
-For materials	2,709.41	2,140.31
-For expenses	3,125.18	3,200.09
-Retention money	1,462.41	1,349.30
-Others	285.79	241.21
Total	7,582.79	6,930.91

* Refer Note no.39 for dues to Micro, Small and Medium Enterprises.

19 Other current liabilities

(Rs. in lakhs)		
Particulars	As at 31 March 2020	As at 31 March 2019
(a) Revenue received in advance :		
<u>From related parties</u>		
Mobilisation advance	1,404.92	973.55
Other advances	-	1,579.05
<u>From other parties:</u>		
Mobilisation advance	-	100.00
Project advances	56.66	262.08
(b) Current Maturities of long term-debt (Refer Note 15)	19.78	-
(c) Interest accrued but not due on borrowings	0.47	-
(d) Deposits towards lease	18.72	7.80
(e) Withholding and other taxes and duties payable	373.56	305.30
(f) Employee benefits	16.76	15.40
Total	1,890.87	3,243.17



NOTES TO ACCOUNTS

19a Withholding and other taxes and duties payable

Particulars	(Rs. in lakhs)	
	As at 31 March 2020	As at 31 March 2019
- Tax deducted at source	128.74	53.61
- Goods and services tax payable (net of input)	237.42	216.52
- VAT payable	7.40	35.17
Total	373.56	305.30

20 Current Provisions

Particulars	(Rs. in lakhs)	
	As at 31 March 2020	As at 31 March 2019
(i) Provision for employee costs		
Leave encashment	25b 2.47	-
(ii) Other provisions		
Provision for anticipated loss on project	330.73	330.73
Provision for service tax liability	-	213.52
Total	333.21	544.25

20a Details of provision for future loss from contract

Nature of provision	(Rs. in lakhs)		
	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 Year			
For the year ended 31st March 2019	330.73	-	330.73



NOTES TO ACCOUNTS

21 Revenue from operations

Particulars	(Rs. in lakhs)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
(a) Project revenue		
- From holding company - PEPL	9,701.22	8,565.95
- From others	4,858.94	4,442.36
- Unbilled revenue (net)	(2,093.97)	2,969.78
	12,466.20	15,978.09
(b) Other operating revenue	305.69	2.45
	305.69	2.45
Total	12,771.89	15,980.53

22 Other income

Particulars	(Rs. in lakhs)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Rental income	9.62	3.56
Amounts no longer payable	196.19	28.71
Miscellaneous income	72.92	30.53
Total	278.73	62.80

22a Provision no longer required written back

Particulars	(Rs. in lakhs)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
- On account of Sabka Vishwas Scheme, 2019	123.78	-
- Others	72.41	28.71
Total	196.19	28.71

23 Cost of material consumed

Particulars	(Rs. in lakhs)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Opening stock of materials	22.24	211.19
Add : Direct cost incurred		
- Materials purchased	3,691.03	3,839.91
Less : Closing stock of materials	288.41	22.24
Materials consumed	3,424.85	4,028.86
Add:		
Sub-contract charges	6,187.52	7,145.49
Site expenses	13.71	13.11
Transportation charges	42.56	51.57
Hire charges	222.83	251.86
Lab charges	4.91	4.99
Repairs and maintenance	36.36	28.52
Security charges	60.17	97.59
Safety material	25.53	42.51
Labour colony rent and other expenses	201.06	178.73
Electricity & water charges	228.12	234.99
Other direct expense	8.42	27.61
Total	10,456.06	12,105.84



NOTES TO ACCOUNTS

24 Changes in inventories of work in progress

Particulars	(Rs. in lakhs)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Opening stock of work in progress	148.84	1,865.40
Less : Closing stock of work in progress	715.99	148.84
Total	(567.15)	1,716.55

25 Employee benefit expense

Particulars	(Rs. in lakhs)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries and wages	1,102.15	904.98
Contribution to provident and other funds		
- Provident funds & ESIC		
- Gratuity (Refer note 25a)	203.92	115.20
- Leave encashment (Refer note 25b)	27.01	22.21
Staff welfare expenses	27.11	4.72
	181.89	127.35
Total	1,542.09	1,174.45

25a Gratuity

In accordance with Indian Accounting Standard 19 actuarial valuation based on projected unit credit method as on 31st March 2020 has been carried out in respect of the aforesaid defined benefit plan of Gratuity, the details thereon is given below:

Particulars	(Rs. in lakhs)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Change in Defined Benefit Obligations		
Defined Benefit obligations at the beginning		
Service cost	96.43	67.87
Interest expense	19.51	17.07
Remeasurements of Defined benefit obligation- actuarial (gains)/ losses	8.63	6.89
Actual benefit payments	12.26	7.36
	(3.66)	(2.77)
Defined Benefit obligations at the end	133.18	96.43
Change in plan assets		
Fair value of plan assets at the beginning		
Interest income	27.85	28.95
Administration expenses	2.91	2.23
Remeasurements of plan assets	(1.78)	(0.47)
Contributions	0.07	(0.00)
Benefits paid	15.73	-
	(4.77)	(2.77)
Fair value of plan assets at the end	40.02	27.94
Funded status- (surplus)/deficit	93.16	68.49



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NOTES TO ACCOUNTS

Amount for the year ended 31st March 2020 and 31st March 2019 recognised in the statement of profit and loss under employee benefit expenses

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Service cost	19.51	17.07
Interest cost	5.72	4.66
Administration expenses	1.78	0.47
Total expense/(income) recognised in the statement of profit & loss	27.01	22.21

Amount for the year ended 31st March 2020 and 31st March 2019 recognised in statement of other comprehensive income :

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Remeasurement of defined benefit obligation	12.26	7.36
Remeasurement of plan assets	(0.07)	0.09
Expense/(Income) recognised as other comprehensive income	12.19	7.45

Actuarial assumptions	As at March 31, 2020	As at March 31, 2019
Discount rate	6.70%	7.70%
Salary Escalation rate	7.00%	7.00%
Employee attrition rates	Table	Table
Mortality rates*	100% of IAL	100% of IAL

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

Table a employee attrition rates

31-Mar-20		31-Mar-19	
Age	Rate	Age	Rate
Up to 30	10.00%	Up to 30	10.00%
31-40	5.00%	31-40	5.00%
41-50	3.00%	41-50	3.00%
Above 50	2.00%	Above 50	2.00%

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 2020 , the estimated duration of liabilities is 17.98 years, corresponding to which the yield on government bonds is 6.66 %



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NOTES TO ACCOUNTS

Defined benefit obligation sensitivities

Particulars		(Rs. in lakhs)	
		As at 31 March 2020	As at 31 March 2019
Defined benefit obligation - Base assumptions Impact of :		133.18	96.43
1	Discount rate: 1 % increase	(13.41)	(9.35)
2	Discount rate: 1 % decrease	16.03	11.12
3	Salary escalation rate: 1% increase	16.57	11.63
4	Salary escalation rate: 1% decrease	(14.10)	(9.93)
5	Employee attrition rate: 10 % increase	(0.49)	(0.01)
6	Employee attrition rate: 10 % decrease	0.51	-

As of March 31, 2020 and March 31, 2019, 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 2020 has been carried out in respect of the aforesaid defined benefit plan of leave encashment, the details thereon is given below:

Particulars		(Rs. in lakhs)	
		For the year ended 31 March 2020	For the year ended 31 March 2019
Amount recognised in balance sheet			
Defined benefit obligation		26.69	1.28
Fair value of plan assets		-	-
Liability /(asset) recognised in balance sheet		26.69	1.28
Amount recognised in the statement of profit & loss			
Increase in the net liability		2.33	(12.80)
Service Cost		36.47	-
Remeasurement of DBO		2.76	-
Benefits paid as salaries		(14.45)	17.52
Total employer expense		27.11	4.72
Reconciliation of defined benefit obligation (DBO)			
Defined benefit obligation at the beginning of the year		1.28	16.37
Current service cost		36.47	2.20
Interest cost		2.33	0.82
Actuarial (gains)/losses due to change in assumptions		2.76	1.70
Actual benefit payments		(16.15)	(19.81)
Defined benefit obligations at the end of the year		26.69	1.28
Reconciliation of balance sheet amount			
Net liability as on beginning of the year		1.28	16.37
Employer expense for the period		41.56	4.72
Benefit payments made directly by sponsor		(16.15)	(19.81)
Net asset/(liability) recognized in balance sheet		26.69	1.28



NOTES TO ACCOUNTS

Classification:

Expected benefit payments during the next 12 months:	
1. Expected benefit payments upon exit of service	1.17
2. Expected benefit payments while in service	-
3. Expected salaries in respect of compensated advances	1.31
Current Liability	2.47
Non-Current Liability	24.22

Actuarial assumptions	As at March 31, 2020	As at March 31, 2019
Discount rate	6.70%	7.70%
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.

Table a employee attrition rates

31-Mar-20		31-Mar-19	
Age	Rate	Age	Rate
Up to 30	10.00%	Up to 30	10.00%
31-40	5.00%	31-40	5.00%
41-50	3.00%	41-50	3.00%
Above 50	2.00%	Above 50	2.00%

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 2020 , the estimated duration of liabilities is 18.14 years, corresponding to which the yield on government bonds is 6.66 %

26 Finance costs

Particulars	(Rs. in lakhs)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
<u>Interest expense</u>		
- Others (interest on unsecured loan)	4.56	-
<u>Interest on delayed remittances of statutory dues</u>		
a. Interest on Delayed Payment of GST	2.64	-
a. Interest on TDS	26.98	8.72
Total	34.18	8.72



NOTES TO ACCOUNTS

27 Other expenses

(Rs. in lakhs)			
Particulars	Note No.	For the year ended 31 March 2020	For the year ended 31 March 2019
Postage, telephone & courier charges	27a	14.53	9.93
Traveling and conveyance		15.48	12.02
Legal & professional charges		46.81	17.52
Auditors' remuneration		4.63	4.63
Power and water expenses		6.92	4.91
Information technology cost		13.21	7.41
Rent		15.01	14.27
Office expenses		13.85	7.15
Printing & stationery		5.81	5.06
Rates & taxes		4.71	10.01
Repair & maintenance		4.45	7.23
Bank charges		0.71	1.24
Insurance		7.49	13.41
Donations		0.20	0.50
Miscellaneous expenses		0.30	9.09
Loss on sale of fixed assets		0.12	0.51
Bad debts		1.80	59.28
Property tax		0.75	-
Commission		3.39	-
Total		160.18	184.16

27a Auditors' Remuneration

(Rs. in lakhs)		
Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Payment to Auditors for : (net of Service tax/ GST) *		
Statutory Audit	2.50	2.50
Tax Audit	1.00	1.00
Limited Review	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 2020	For the year ended 31 March 2019
Rent expenses included in statement of profit and loss towards operating lease	15.01	14.27
Rent expenses included in employee benefit expenses towards operating lease	24.49	25.84
Rent expenses included in labour colony expense towards operating lease	145.65	139.38
	185.15	179.48

As at 31st March 2020, the future minimum lease rentals payable and receivable towards non-cancellable operating lease are

(Rs. in lakhs)		
Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Not Later than 1 year	194.41	188.46
Later than 1 year but not later than 5 years	-	-
	194.41	188.46



NOTES TO ACCOUNTS

29 Contingent liabilities (to the extent not provided for)

(Rs. in lakhs)		
Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Contingent liabilities		
Claims/disputed liabilities against the company not acknowledged as debts *	-	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 in the previous year. Against the said order, company had filed an appeal before CESTAT (Customs, Excise and Service Tax Appellate Tribunal)

The company has settled the above i.e. for the period from 01/01/2013 to 01/03/2014 through Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019. The company has also received the discharge certificate in Form No. SVLDRS-4.

Commitments:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Bank Guarantees (Performance Guarantee)	222.75	222.75

30 Earnings per share

(Rs. in lakhs)		
Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
a) Net profit/ (loss) for the year available to equity shareholders	577.81	333.61
b) Weighted average number of equity shares	224.28	224.28
c) Nominal value of shares	10	10
d) Basic earnings per share	2.58	1.49
e) Diluted earnings per share *	2.58	1.49

* Since diluted earnings per share will decrease when taking the compulsory convertible debentures into account, the compulsory convertible debentures are anti-dilutive and are ignored in the calculation of diluted earnings per share. Therefore, diluted earnings per share is Rs.2.58/-

31 Foreign exchange transactions

There are no foreign currency exposure as on 31 March 2020 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/ realstate risk. Financial instruments affected by market risk include loans and borrowings and refundable deposits.



NOTES TO ACCOUNTS

a. Interest rate risk

The company has also sourced its fund requirements from Bank loans with fixed rate of interest. 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.

	(Rs. in lakhs)				
	On demand	< 1 year	1 to 5 years	> 5 years	Total
As at 31st March 2020					
Borrowings	-	19.78	31.81	-	51.60
Trade Payables	-	7,582.79	-	-	7,582.79
As at 31 March 2019					
Borrowings	-	-	-	-	-
Trade Payables	-	6,930.91	-	-	6,930.91

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 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.

	(Rs. in lakhs)	
Particulars	For the year ended 31 March 2020	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	315.32	6.01
Revenue from goods or services transferred over time	12,466.20	15,978.09
	12,781.51	15,984.09



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(i) Contract balances and performance obligations

Particulars	(Rs. in lakhs)	
	As at 31 March 2020	As at 31 March 2019
Trade receivables	4,588.05	6,598.31
	4,588.05	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	(Rs. in lakhs)	
	For the year ended 31 March 2020	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	3,410.47	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 **	30,259.73	7,024.80

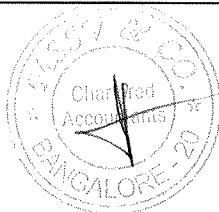
**The entity expects to satisfy the said performance obligations when (or as) the underlying real estate projects to which such performance relate are completed. Such real estate projects are in various stages of development as at March 31, 2020.

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

Particulars	(Rs. in lakhs)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue as per contracted price	12,466.20	15,978.09
Adjustments	-	-
Discount	-	-
Revenue from contract with customers	12,466.20	15,978.09

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

Particulars	(Rs. in lakhs)	
	As at 31 March 2020	As at 31 March 2019
Inventories	1,004.40	171.08
	1,004.40	171.08



NOTES TO ACCOUNTS

36 Related party disclosure :

(i) **List of related parties and relationships -**

a) Controlling Enterprise

Prestige Estates Projects Limited

b) Entities under common control

Silver Oak Projects

Hi-Tech Projects

Prestige Property Management & Services

Sai Chakra Hotels Private Limited

Prestige Habitat Ventures

Prestige Sunrise Investments

Sublime

Prestige Fashions Private Limited

Prestige Shantiniketan Leisures Private Limited

Prestige AAA Investments

Prestige Southcity Holdings

Dashanya Tech parkz Private Limited

Prestige Mangalore Retail Ventures Private Limited

Prestige Whitefield Investment & Developers LLP

Northland Holding Company Private Limited

Prestige Exora Business Parks Limited

Prestige Office Ventures

Apex Realty Ventures LLP

Razack Family Trust

c) Key Management Personnel

Mr. Irfan Razack, Director

Mr. Rezwan Razack, Director

Mr. Jagadeesh K. Reddy, Director

Mr. Pangal Ranganath Nayak, Director

Mr. Venkatesaiya Gopal, Director

(ii) **Transactions with Related Parties during the period**

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2020	Year ended 31 March 2019
Mobilisation and other advances received		
<u>Received</u>		
<i>Controlling Enterprise</i>		
Prestige Estates Projects Limited	3,385.50	4,764.19
<i>Entities under common control</i>		
Prestige Southcity Holdings	1,054.52	6.91
Prestige Whitefield Investment & Developers LLP	571.55	1,560.84
Sublime	6.00	-
Northland Holding Company Private Limited	98.10	-



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<u>Adjusted</u>		
<i>Controlling Enterprise</i>		
Prestige Estates Projects Limited	4,126.88	5,268.56
<i>Entities under common control</i>		
Prestige Southcity Holdings	1,475.16	1,042.71
Prestige Whitefield Investment & Developers LLP	1,360.91	692.88
Sublime	6.00	-
Rent Expense		
<i>Controlling Enterprise</i>		
Prestige Estates Projects Limited	9.11	12.14
Management Services		
<i>Entities under common control</i>		
Prestige Property Management Services	12.87	4.67
Contract Income		
<i>Controlling Enterprise</i>		
Prestige Estates Projects Limited	9,701.22	8,565.95
Prestige Estates Projects Limited (Unbilled)	(1,740.19)	1,866.51
<i>Entities under common control</i>		
<u>Billed :</u>		
Sai Chakra Hotels Private Limited	37.79	23.45
Prestige AAA Investments	0.87	-
Prestige South City Holdings	227.11	1,622.01
Prestige Whitefield Investment & Developers LLP	2,142.24	1,710.62
Prestige Mangalore Retail Ventures Private Limited	-	0.17
Dashanya Techparkz Private Limited	1,213.38	591.55
Silver Oak Projects	5.22	-
Prestige Office Ventures	32.26	-
Apex Realty Ventures LLP	6.46	-
Sublime	14.73	-
Northland Holding Company Private Limited	3.30	-
Prestige Exora Business Parks Limited	159.08	-
Razack Family Trust	51.26	-
<u>Unbilled Revenue/ (Reversal):</u>		
Sai Chakra Hotels Private Limited	(35.00)	(34.91)
Prestige Office Ventures	0.23	-
Hi-Tech Projects	(272.97)	-
Prestige South City Holdings	215.36	685.91
Dashanya Techparkz Private Limited	207.53	-
Silver Oak Projects	8.69	-
Northland Holding Company Private Limited	(3.30)	-
Prestige Exora Business Parks Limited	118.79	-
Sublime	(3.03)	-
Prestige Whitefield Investment & Developers LLP	(85.58)	1,183.34

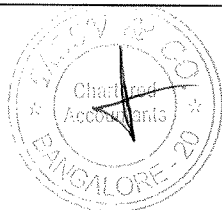


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NOTES TO ACCOUNTS

(iii) **Balances outstanding as at the balance sheet date**

Particulars	(Rs. in lakhs)	
	As at 31 March 2020	As at 31 March 2019
Trade Receivables		
<i>Controlling Enterprise</i>		
Prestige Estates Projects Limited	1,248.26	1,146.08
Prestige Estates Projects Limited (Unbilled)	1,725.45	3,432.94
<i>Entities under common control</i>		
<u>Billed :</u>		
Sai Chakra Hotels Private Limited	83.29	95.89
Prestige Shantiniketan Leisures Private Limited	6.21	6.21
Prestige Sunrise Investments	5.91	5.91
Prestige South City Holdings	62.46	151.57
Northland Holding Company Private Limited	3.83	31.92
Prestige Whitefield Investment & Developers LLP	86.92	176.75
Dashanya Techparkz Private Limited	241.96	396.20
Silver Oak Projects	6.06	-
Prestige Office Ventures	2.07	-
Prestige AAA Investments	1.02	-
Prestige Exora Business Parks Limited	7.95	-
Razack Family Trust	59.46	-
<u>Unbilled :</u>		
Dashanya Techparkz Private Limited	207.53	-
Silver Oak Projects	8.69	-
Prestige Office Ventures	0.23	-
Northland Holding Company Private Limited	(3.30)	-
Prestige Exora Business Parks Limited	118.79	-
Sublime	(3.03)	-
Sai Chakra Hotels Private Limited	-	35.00
Hi-Tech Projects	-	272.97
Prestige South City Holdings	-	(215.36)
Prestige Whitefield Investment & Developers LLP	-	85.58
Lease Deposit		
<i>Controlling Enterprise</i>		
Prestige Estates Projects Limited	4.76	4.76
Compulsorily Convertible Debentures		
<i>Controlling Enterprise</i>		
Prestige Estates Projects Limited	2,093.11	2,093.11
Trade Payables		
<i>Controlling Enterprise</i>		
Prestige Estates Projects Limited	7.20	7.13
<i>Entities under common control</i>		
Prestige Property Management & Services	19.63	7.00
Advance/Mobilisation Received		
<i>Controlling Enterprise</i>		
Prestige Estates Projects Limited	1,459.87	2,201.25



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<i>Entities under common control</i>		
Prestige Whitefield Investment & Developers LLP	153.20	942.57
Northland Holding Company Private Limited	98.10	-
Prestige South City Holdings	-	420.64

37 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.

38 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.

- 39 There are 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.

(Rs. in lakhs)	
Particulars	As at 31 March 2020
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting year	-
Principal	50.50
Interest	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (the Act) along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the said Act;	-
The amount of interest accrued and remaining unpaid at the end of the year; and	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	-

- 40 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


Shiv Shankar T R
Partner
Membership No. 220517

Place: Bangalore

Date: May 30, 2020

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


Irfan Razack
Director
DIN: 00209022

Place: Bangalore

Date: May 30, 2020


V Gopal
Director
DIN: 03570989

Place: Bangalore

Date: May 30, 2020