



INDEPENDENT AUDITOR'S REPORT

**To the Members of
KNR Infrastructure Projects Private Limited**

Report on the audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the Standalone Ind AS financial statements of **KNR Infrastructure Projects Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019 and the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

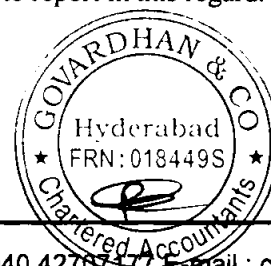
Information Other than the Ind AS Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Ind AS financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



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

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

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

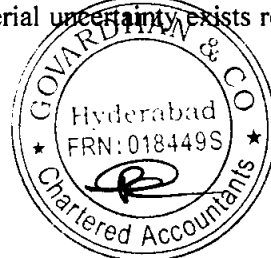
Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events



or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

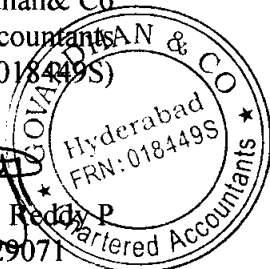

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, the statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The company does not have any pending litigations which would impact its financial position except those disclosed in financial statements;



- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Govardhan & Co
Chartered Accountants
(Firm's Registration No. 018449S)



CA Govardhan Reddy P
M No. 229071

Place: Hyderabad
Date : 13/05/2019

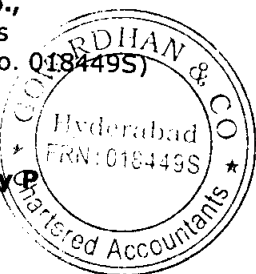
KNR Infrastructure Projects Pvt. Ltd
Balance Sheet as at March 31 ,2019

(Amount in Rs.)

Particulars	Note	March 31 ,2019	March 31 ,2018
I ASSETS			
1) Non-current Assets			
Total Non-Current Assets		-	-
2) Current Assets			
a) Financial assets			
Cash and cash equivalents	3	487,308	487,662
b) Other current assets	4	-	200,000
Total Current Assets		487,308	687,662
TOTAL ASSETS		487,308	687,662
II EQUITY AND LIABILITIES			
Equity			
a) Equity Share capital	5	100,000	100,000
b) Other equity	6	(595,258)	(340,214)
Total Equity		(495,258)	(240,214)
Liabilities			
1) Non-current Liabilities			
Total Non-Current Liabilities		-	-
2) Current Liabilities			
Financial liabilities			
Other financial liabilities	7	982,566	927,876
Total Current Liabilities		982,566	927,876
TOTAL EQUITY AND LIABILITIES		487,308	687,662
Corporate information and Significant accounting policies	1&2		

See accompanying notes forming part of the financial statements
 As per our report of even date attached

For Govardhan & Co.,
 Chartered Accountants
 (Firm's Registration No. 018449S)



CA Govardhan Reddy
 M. No: 229071

Place : Hyderabad
 Date : 13-05-2019

For and on behalf of the Board

V. Venu Gopal Reddy
 Director
 DIN No: 08089571

K. Yashoda
 Director
 DIN No: 05157487

KNR Infrastructure Projects Pvt. Ltd
Statement of Profit and Loss for the year ended March 31, 2019

(Amount in Rs.)

Particulars		Note	Year ended March 31, 2019	Year ended March 31, 2018
I	Revenue from Operations		-	-
II	Other income		-	-
III	Total Revenue (I + II)		-	-
IV	Expenses		-	-
	Finance costs		-	-
	Other expenses	8	354	469
	Total expenses (IV)	9	254,690	9,810
V	Profit before exceptional items and tax (III - IV)		255,044	10,279
VI	Exceptional items		(255,044)	(10,279)
VII	Profit/(Loss) before tax (V - VI)		-	-
VIII	Tax expense		(255,044)	(10,279)
	1) Current tax		-	-
	2) Adjustment of tax relating to earlier periods		-	-
	3) Deferred tax		-	-
IX	Profit (Loss) for the period (VII - VIII)		-	-
X	Other Comprehensive Income		(255,044)	(10,279)
	a) Items that will not be reclassified to profit or loss		-	-
	b) Items that will be reclassified to profit or loss		-	-
XI	Total Comprehensive Income for the period (XIII+XIV)		(255,044)	(10,279)
XII	Earnings per equity share : (In Rs.)	15		
	1) Basic		(25.50)	(1.03)
	2) Diluted		(25.50)	(1.03)

Corporate information and Significant accounting policies

See accompanying notes forming part of the financial statements

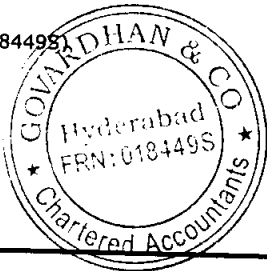
As per our report of even date attached

For Govardhan & Co.,

Chartered Accountants

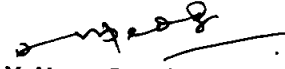
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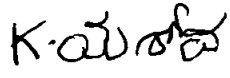

CA Govardhan Reddy P
 Membership No: 229074



Place : Hyderabad
 Date : 13-05-2019

For and on behalf of the Board


V. Venu Gopal Reddy
 Director
 DIN No: 08089571


K. Yashoda
 Director
 DIN No: 05157487

KNR Infrastructure Projects Pvt. Ltd
Statement of Changes in Equity for the Year ended March 31, 2019

A - Equity Share Capital

Particulars	Number of Shares	Amount in Rs.
Balance as at April 01, 2017		
Add: Equity shares allotted during the year	10,000	100,000
Balance as at March 31, 2018	-	-
Balance as at April 01, 2018	10,000	100,000
Add: Equity shares allotted during the year	10,000	100,000
Balance as at March 31, 2019	-	-
	10,000	100,000

B - Other Equity

Particulars	Reserves and Surplus	Items of other comprehensive income/(loss)	Total
	Surplus in the statement of profit and loss	Other items of Other Comprehensive Income	
Balance as at April 01, 2017	(329,935)	-	(329,935)
Total Comprehensive Income for the Year	(10,279)	-	(10,279)
Balance as at March 31, 2018	(340,214)	-	(340,214)
Balance as at April 01, 2018	(340,214)	-	(340,214)
Total Comprehensive Income for the Year	(255,044)	-	(255,044)
Balance as at March 31, 2019	(595,258)	-	(595,258)

(Amount in Rs.)

See accompanying notes forming part of the financial statements

As per our report of even date attached

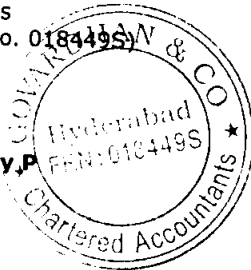
For Govardhan & Co.,

Chartered Accountants

(Firm's Registration No. 018449S)

CA Govardhan Reddy, P.
M. No: 229071

Place : Hyderabad
Date : 13-05-2019



For and on behalf of the Board

V. Venu Gopal Reddy
Director
DIN No: 08089571

K. Yashoda
Director
DIN No: 05157487

KNR Infrastructure Projects Pvt. Ltd

Cash Flow Statement for the year ended March 31, 2019

(Amount in Rs.)

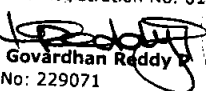
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A) Cash flow from Operating Activities		
Profit before tax		
Adjustments for:	(255,044)	(10,279)
Operating profit before working capital changes	-	-
Working capital adjustments:	(255,044)	(10,279)
(Increase)/Decrease in Trade and Other Receivables and prepayments	200,000	-
Increase/(Decrease) in Trade and other Payables	54,690	9,810
Cash generated/ (used) from Operations	(354)	(469)
Income Taxes (paid) / Refunds	-	-
Net Cash flows from / (used in) Operating Activities- (A)	(354)	(469)
B) Cash flow from Investing Activities		
Net Cash flows from / (used in) Investing Activities- (B)	-	-
C) Cash flow from Financing Activities		
Net Cash Flows from / (used in) Financing Activities- (C)	-	-
Net increase/(decrease) in cash and cash equivalents - (A+B+C)	(354)	(469)
Cash & Cash Equivalents at the beginning of the year	487,662	488,131
Cash & Cash Equivalents as at end of the year (Refer note 1)	487,308	487,662

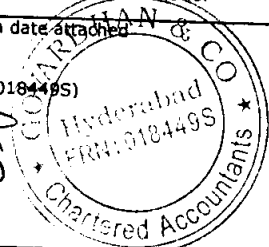
Note:

1 Cash & Cash equivalents includes:

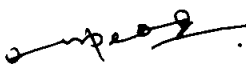
Cash in Hand		
Bank Balance -Current Account	5,123	5,123
	482,185	482,539

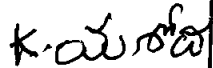
- 2 The Cash flow statement is prepared in accordance with the Indirect Method stated in Ind-AS7 on Cash Flow Statements and presents the
- 3 Previous year's figures have been rearranged, wherever necessary.
- 4 Figures in brackets represent cash outflows.

As per our report of even date attached
For Govardhan & Co.,
 Chartered Accountants
 (Firm's Registration No. 018449S)

CA Govardhan Reddy
 M. No: 229071
 Place : Hyderabad
 Date : 13-05-2019



For and on behalf of the Board


V. Venu Gopal Reddy
 Director
 DIN No: 08089571


K. Yashoda
 Director
 DIN No: 05157487

KNR Infrastructure Projects Pvt. Ltd
Notes forming part of the financial statements

3 Cash and Cash Equivalents

	(Amount in Rs.)	
	As at	
	March 31, 2019	March 31, 2018
Balances with banks:		
in current accounts	482,185	482,539
Cash on hand	5,123	5,123
Total	487,308	487,662

4 - Other Current Assets

	(Amount in Rs.)	
	As at	
	March 31, 2019	March 31, 2018
Staff Imprest & Salary Advances	-	200,000
Total	-	200,000

5 Equity Share Capital

	(Amount in Rs.)	
	As at	
	March 31, 2019	March 31, 2018
Authorised Share capital		
50,000 Equity Shares of Rs. 10/- each	500,000	500,000
Issued, subscribed & fully paid share capital		
10,000 Equity Shares of Rs. 10/- each (Wholly Owned subsidiary of KNR Constructions Limited)	100,000	100,000
Total	100,000	100,000

5.1 The Company has only one class of shares referred to as equity shares having a par value of Rs. 10/- . Each holder of equity shares is entitled to one vote per share.

5.2 The details of shareholder holding more than 5% shares as at March 31, 2019 and March 31, 2018 is set out below:

Name of the shareholder	March 31, 2019		March 31, 2018	
	No. of Shares	% held	No. of Shares	% held
	KNR Constructions Ltd & its Nominees	10,000	100%	10,000

5.3 The reconciliation of the number of shares outstanding at the beginning and at the end of the year is set out below:

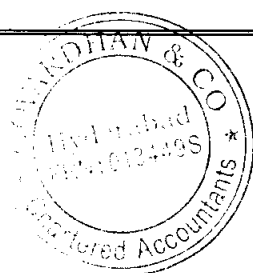
	March 31, 2019		March 31, 2018	
	No. of Shares	Amount in Rupees	No. of Shares	Amount in Rupees
	Number of Equity Shares at the beginning	10,000	100,000	10,000
Add:- Number of Shares Issued	-	-	-	-
Less: Number of Shares Bought Back	-	-	-	-
Number of Equity Shares at the end of the year	10,000	100,000	10,000	100,000

6 Other Equity

	(Amount in Rs.)	
	As at	
	March 31, 2019	March 31, 2018
Surplus in the statement of profit and loss		
Balance at the beginning of the period	(340,214.01)	(329,935.01)
Add: (Loss)/ Profit for the period	(255,044.00)	(10,279.00)
Total	(595,258)	(340,214.01)

7 Other Financial Liabilities

	(Amount in Rs.)	
	As at	
	March 31, 2019	March 31, 2018
Non-current		
Current		
Advance Received From Related Parties (Refer note : 16)	976,667	921,977
Outstanding Expenses	5,899	5,899
Total	982,566	927,876



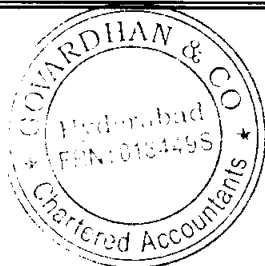
KNR Infrastructure Projects Pvt. Ltd
Notes forming part of the financial statements

8 Finance Costs

	(Amount in Rs.)	
	Year ended	Year ended
	March 31, 2019	March 31, 2018
Other Borrowing Costs		
Bank and Other Financial Charges	354	469
Total	354	469

9 Other Expenses

	(Amount in Rs.)	
	Year ended	Year ended
	March 31, 2019	March 31, 2018
Legal & Professional Charges	37,820	3,500
Payments to the auditor	5,900	5,900
Other Expenses	10,970	410
Debit balances written off	200,000	-
Total	254,690	9,810



KNR Infrastructure Projects Pvt. Ltd**Notes forming part of the financial statements****10 Capital management**

The Company's policy is to maintain a strong capital base so as to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and for the future development of the Company. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return on capital to shareholders or issue of new shares.

11 Financial instruments - Fair values and risk management**A. Accounting classifications and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

March 31, 2019

Particulars	Carrying amount (Amount in Rs.)		
	FTPL	Amortised Cost	Total carrying amount
Financial assets			
Cash and cash equivalents	-	487,308	487,308
	-	487,308	487,308
Financial liabilities			
Other financial liabilities	-	982,566	982,566
	-	982,566	982,566

(Amount in Rs.)

Fair Value (Amount in Rs.)			
Level 1	Level 2	Level 3	Total
-	-	-	-
-	-	-	-
-	-	982,566	982,566
-	-	982,566	982,566

The management assessed the financial assets and liabilities measured at amortised cost are approximate to the fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

March 31, 2018

Particulars	Carrying amount (Amount in Rs.)		
	FTPL	Amortised Cost	Total carrying amount
Financial assets not measured at fair value			
Cash and cash equivalents	-	487,662	487,662
	-	487,662	487,662
Financial liabilities not measured at fair value			
Other financial liabilities	-	927,876	927,876
	-	927,876	927,876

(Amount in Rs.)

Fair Value (Amount in Rs.)			
Level 1	Level 2	Level 3	Total
-	-	-	-
-	-	-	-
-	-	927,876	927,876
-	-	927,876	927,876

The management assessed the financial assets and liabilities measured at amortised cost are approximate to the fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.



11 Financial instruments - Fair values and risk management (Contd..)

B. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- a) credit risk
- b) liquidity risk
- c) market risk

The company's focus is to estimate a vulnerability of financial risk and to address the issue to minimize the potential adverse effects of its financial performance.

a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers; loans and investments in debt securities.

The Company is not exposed to Credit risk as it don't have any trade receivables and loans and Investments.

b) Liquidity risk

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

Exposure to liquidity risk

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

As at March 31, 2019

(Amount in Rs.)

Particulars	Contractual Cash flows				Total
	Carrying Amount	Upto 1 year	1 to 3 Years	More than 3 years	
Non-derivative financial liabilities					
Other financial liabilities	982,566	5,899	-	976,667	982,566
	982,566	5,899	-	976,667	982,566

As at March 31, 2018

(Amount in Rs.)

Particulars	Contractual Cash flows				Total
	Carrying Amount	Upto 1 year	1 to 3 Years	More than 3 years	
Non-derivative financial liabilities					
Other financial liabilities	927,876	5,899	-	921,977	927,876
	927,876	5,899	-	921,977	927,876

c) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

i) Foreign currency risk

Foreign Currency risk is the risk that fair value or future cash flow of a financial instrument will fluctuate because of changes in foreign exchange rate.

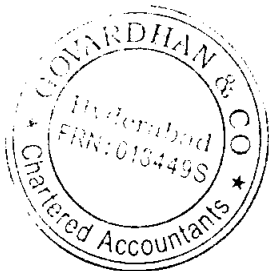
The Company is not exposed to foreign currency risk as it has no borrowing or no material payables in foreign currency

ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to Interest rate risk as it has no variable interest bearing borrowings.

iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).The Company is not exposed to Price risk as it has no investments.



KNR Infrastructure Projects Pvt. Ltd

Notes forming part of the financial statements

1. Corporate Information:

The company has been incorporated in February 10, 2005 as a private limited company and its registered office at KNR House, 3rd Floor, Plot No. 114, Phase-I, Kavuri Hills Hyderabad. This company is subsidiary of KNR Constructions Limited.

2. Significant Accounting Policies

2.1 Statement of Compliance

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

2.2 Basis of Preparation & Presentation

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

2.3 Current and non-current classification

All the assets and liabilities have been classified as current or non-current, wherever applicable, as per the operating cycle of the Company as per Schedule III to the Act.

2.4 Fair Value Measurement

The company measures certain financial instruments and other items in its financial statements at fair value at each balance sheet date.

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

Level 1 – Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (observable inputs).

Level 3 – Inputs for the assets and liabilities that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.5 Financial instruments

i. Classification and subsequent measurement

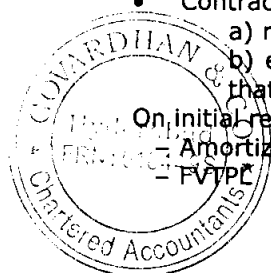
Financial assets

Financial asset is

- Cash / Equity Instrument of another Entity,
- Contractual right to –
 - a) receive Cash / another Financial Asset from another Entity, or
 - b) exchange Financial Assets or Financial Liabilities with another Entity under conditions that are potentially favourable to the Entity.

On initial recognition, a financial asset is classified as measured at Amortized cost;

– FVTPL



KNR Infrastructure Projects Pvt. Ltd

Notes forming part of the financial statements

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial liabilities

Financial liability is Contractual Obligation to

- deliver Cash or another Financial Asset to another Entity, or
- exchange Financial Assets or Financial Liabilities with another Entity under conditions that are potentially unfavourable to the Entity

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on de-recognition is also recognized in profit or loss.

ii. De-recognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

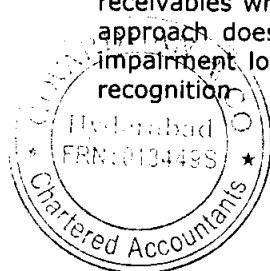
iii. Impairment

Impairment of financial instruments

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are measured at amortized cost
- Trade receivables

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component. The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.



KNR Infrastructure Projects Pvt. Ltd

Notes forming part of the financial statements

Impairment of non-financial assets

The Company's non-financial assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognized, if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss. Impairment loss recognized in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

2.6 Cash and cash equivalents

Cash and bank balances are considered as cash and cash equivalents.

2.7 Provisions

Provisions are recognised only when:

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

Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

2.8 Contingent liability, Contingent Assets and Commitments

Contingent liability is disclosed in case of

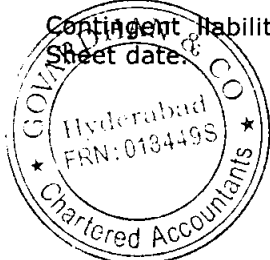
- a) A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation
- b) A present obligation arising from past events, when no reliable estimate is possible.

Contingent assets are disclosed where an inflow of economic benefits is probable.

Commitments are future liabilities for contractual expenditure. Commitments are classified and disclosed as follows:

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for
- b) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.
- c) Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

Contingent liabilities, Contingent assets and Commitments are reviewed at each Balance Sheet date.



KNR Infrastructure Projects Pvt. Ltd

Notes forming part of the financial statements

2.9 Revenue recognition

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

To recognize revenue, the Company applies the following five step approach:

- (1) Identify the contract with a customer
- (2) Identify the performance obligations in the contract
- (3) Determine the transaction price
- (4) Allocate the transaction price to the performance obligation in the contract, and
- (5) Recognize revenue when a performance obligation is satisfied.

Revenue can be recognised when

- (a) the amount of revenue can be measured reliably;
- (b) it is probable that the economic benefits associated with the transaction will flow to the company;

Other Income

Interest income: Finance income is accrued on a time proportion basis, by reference to the principal outstanding and the applicable Effective interest rate (EIR). Other income is accounted for on accrual basis. Where the receipt of income is uncertain, it is accounted for on receipt basis.

Other Items of Income: Other items of income are accounted as and when the right to receive arises and it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.

2.10 Cash Flow Statement

The Cash flow statement is prepared in accordance with Ind AS 7 by using indirect method by segregating as cash flows from operating, investing and financing activities. Under the Cash flow from operating activities, the net profit is adjusted for the effects of Non-cash items, Changes in working capital and other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) are reflected as such in the Cash Flow Statement. Those amounts which are not considered in cash and cash equivalents as on the date of Balance Sheet are included in investing activities.

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition).

2.11 Earnings per share

a) Basic Earnings per share

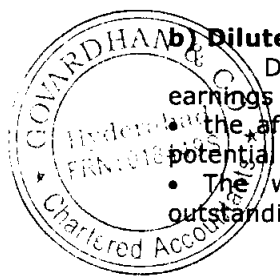
Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury share.

b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.



KNR Infrastructure Projects Pvt. Ltd
Notes forming part of the financial statements

2.12 Borrowing Costs

Borrowing costs include interest expense calculated using the effective interest method. Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.13 Key accounting estimates and judgements

The preparation of these financial statements in conformity with Ind AS requires the management to make estimates and assumptions considered in the reported amounts of assets, liabilities (including contingent liabilities), income and expenses. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize. Estimates include the property plant and equipment, inventory, future obligations in respect of retirement benefit plans, provisions, fair value measurement and taxes etc.

Fair value measurement of financial instruments

When the fair values of financials assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.



KNR Infrastructure Projects Pvt. Ltd
Notes forming part of the financial statements

12. Contingent Liability and Commitments: Nil

13. Segment Reporting

There are no reportable segments as per Ind As 108.

14. Auditor's remuneration charged to the accounts:

Particulars	(Amt. In Rs.)	
	Year ended March 31, 2019	Year Ended March 31, 2018
Audit fees	5,900	5,900

15. Disclosure pursuant to Ind AS 33 "Earnings Per Share(EPS)"

Particulars	(Amount in Rs.)	
	March 31, 2019	March 31, 2018
i. Profit (loss) attributable to equity shareholders(basic)	(2,55,044)	(10,279)
ii. Weighted average number of equity shares (basic)	10,000	10,000
Basic EPS	(25.50)	(1.03)
i. Profit (loss) attributable to equity shareholders(diluted)	(2,55,044)	(10,279)
ii. Weighted average number of equity shares (diluted)	10,000	10,000
Diluted EPS	(25.50)	(1.03)

16. As per Ind AS 24, "Related Party Disclosure" issued by the Institute of Chartered Accountants of India, the disclosures of transactions with the Related Parties as defined in the Accounting Standard are as follows:

A. List of related parties and relationships:

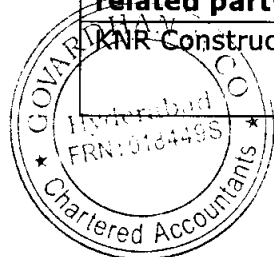
S. No.	Name of the related party	Nature of relationship
1	KNR Constructions Limited	Holding Company
2	Mr. M. Rajesh Reddy	Director
3	Mr. V. Venu Gopal Reddy	Director (appointed w.e.f 19-03-2018)
4	Mrs. K. Yashoda	Director (appointed w.e.f 19-03-2018)
5	Mr. K. Jalandhar Reddy	Director (resigned w.e.f 28-03-2018)

B. Transactions with related parties during the year ended

Name of the related party	Nature of transactions	(Amount in Rs.)	
		March 31, 2019	March 31, 2018
KNR Constructions Limited	Advance received	54,690	13,911

C. Balances outstanding

Name of the related party	Nature transactions	(Amount in Rs.)	
		March 31, 2019	March 31, 2018
KNR Constructions Limited	Equity Share Capital	1,00,000	1,00,000
	Advance payable	9,76,667	9,21,977



KNR Infrastructure Projects Pvt. Ltd
Notes forming part of the financial statements

17. Approval of Financial Statements

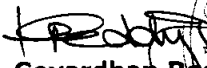
The financial statements were approved for issue by the Board of Directors on May 13, 2019

18. Previous year's figures have been regrouped/reclassified wherever necessary.

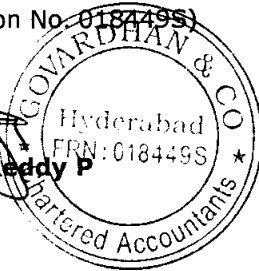
For Govardhan & Co.,

Chartered Accountants

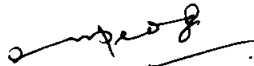
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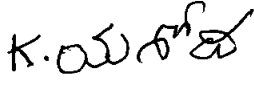

CA Govardhan Reddy P
M. No: 229071

Place: Hyderabad
Date : 13-05-2019



For and on behalf of the Board


V. Venu Gopal Reddy
Director
DIN No: 08089571


K. Yashoda
Director
DIN No: 05157487