

INDEPENDENT AUDITORS' REPORT

TO,
THE MEMBERS OF
K P I GLOBAL INFRASTRUCTURE LIMITED.

Report on the Financial Statements

We have audited the accompanying Financial Statements of K.P.I. GLOBAL INFRASTRUCTURE LIMITED ("the company"), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss, the Cash Flow Statement for the period then ended, and a summary of significant accounting policies and other explanatory information

Opinion

We have audited the accompanying financial statements of K P I GLOBAL INFRASTRUCTURE LIMITED ("the company"), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2019;
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Basis of 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 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 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.

Key Audit Matters

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

Sr. No	Key Audit Matter	Auditor's response
I	Evaluation of uncertain Tax positions The group has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of the said dispute.	Obtained details of completed income tax assessment and demand for the year ended March 31, 2019 from management. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and the possible outcome of the dispute. Our internal experts also considered legal precedence and other rulings in evaluating management's position on this uncertain tax position. Additionally, we considered the effect of new information in respect of uncertain tax position as at 01.04.2018 to evaluate whether any change was required to management's position on this uncertainties.

Information other than the 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 but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Audit of the 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 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(l) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, 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 ability of the group 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 group 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the financial statements.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure-A" a statement on the matters specified in the paragraph 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 appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid 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 written representations received from the directors as on 31 March, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2019, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - g) With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us:
 - I. The Company has pending litigations under the Income Tax Act, 1961 and the details of the same are given in Annexure A to this report read with Note 47 to the financial statements which may impact its financial position to the extent of the demand raised by the IT Department.
 - II. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses and
 - III. The company is not required to transfer amounts, required to be transferred, to Investor Education and Protection fund by the Company.

for **K A SANGHAVI AND CO LLP**
Chartered Accountants
FRN : 120846W/W100289

Place : SURAT
Date : 28/05/2019

Sd/-
AMISH ASHVINBHAI SANGHAVI
DESIGNATED PARTNER
M. NO. 101413
1001, 1002, 1003, RAJHANS BONISTA,
RAM CHOWK, GHOD DOD ROAD,
SURAT-395007 GUJARAT

Annexure A referred to in paragraph I under the heading Report on other legal and regulatory requirements of our report of even date

Re: K.P.I. GLOBAL INFRASTRUCTURE LIMITED

- I.
- The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - All fixed assets have been physically verified by the management during the period but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - According to the information and explanations given by the management, the title deeds of immovable properties included in fixed assets are held in the name of the Company.
- II.
- The management has conducted physical verification of inventory except goods-in-transit at reasonable intervals during the period. The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- III. According to the information and explanations given to us, the Company has not granted loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, provisions of clauses 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- IV. In our opinion and according to the information and explanations given to us, the company does not have any transactions to which the provisions of Section 185 apply. The company has complied with the provisions of Section 186 of the Act, with respect to the loans, investments, guarantees and security.
- V. The Company has not accepted deposits from public. Hence, the provisions of Sections 73 to 76 or any other relevant provisions of The Companies Act and rules framed there under are not applicable. Therefore, the provisions of clause (v) of the order is not commented upon.
- VI. The provisions of the Companies (Cost Records and Audit) Rules, 2014 as amended by the Companies (Cost Records and Audit) Amendment Rules, 2016 read with provisions of Sec. 148(1) of The Companies Act, 2013 for the maintenance of cost records are not applicable to the company hence the company is not required to maintain cost records and hence not required to get the cost audit done as per provisions of the Companies (Cost Records and Audit) Rules, 2014.
- VII.
- The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, customs duty, GST, cess and other material statutory dues applicable to it, though there has been a slight delay in few cases.
 - According to the information and explanations given to us, during the period company has not deposited undisputed statutory dues in respect of provident fund, employees' state insurance, income-tax, goods and services tax, TDS etc. in time.
 - According to the information and explanations given to us, the following dues of Income Tax Act, 1961 have not been deposited by the company on account of disputes :

Nature of statute	Nature of Dues	Amount unpaid	Period to which the amount relates (Assessment Year)	Forum where Dispute is pending
Income Tax Act, 1961	Income Scrutiny Tax Assessment U/S. 143(3)	3,08,77,550/-	2016-2017	Commissioner Of Income Tax- (Appeals)-I, Surat
Income Tax Act, 1961	Income Scrutiny Tax Assessment U/S. 143(3)	74,22,428/- (87,74,553 - 13,52,125)	2015-2016	Commissioner Of Income Tax- (Appeals)-I, Surat
Income Tax Act, 1961	Income Scrutiny Tax Assessment U/S. 143(3)	25,31,800 (2979800- 448000 paid)	2014-2015	Commissioner Of Income Tax- (Appeals)-I, Surat

- VIII. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks and Financial Institution. The Company had no Debentures issued or outstanding during the period.
- IX. The company has raised money by way of Initial Public offer and Unsecured Loans during the period. In our opinion and according to the information and explanations given to us the money raised by the Company have been applied for the purposes for which they were raised.
- X. According to the information and explanations given to us, no fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.
- XI. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- XII. In our opinion and according to the information and explanations given to us, the company is not a Nidhi company. Accordingly, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- XIII. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the notes to the financial statements as required by the applicable accounting standards.
- XIV. According to the information and explanations given to us and based on our examinations of the records of the Company, the Company has issue equity share through preferential allotment and the Company has not made any preferential allotment or private placement of fully or partly convertible debentures during the period.
- XV. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly the provisions of clause 3(xv) of the Order are not applicable and hence not commented upon.
- XVI. According to the information and explanations given to us, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and hence not commented upon.

for K A SANGHAVI AND CO LLP
Chartered Accountants
FRN : 120846W/W100289

Place : SURAT
Date : 28/05/2019

Sd/-
AMISH ASHVINBHAI SANGHAVI
DESIGNATED PARTNER
M. NO. 101413
1001, 1002, 1003, RAJHANS BONISTA,
RAM CHOWK, GHOD DOD ROAD,
SURAT-395007 GUJARAT

ANNEXURE - B TO THE AUDITORS' REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of Our report to the Members of K P I GLOBAL INFRASTRUCTURE Limited of even date)

We have audited the internal financial controls over financial reporting of K.P.I. GLOBAL INFRASTRUCTURE LIMITED ("The Company") as of 31 March 2019 in conjunction with our audit of the Financial Statements of the Company for the period ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 30 September 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. However, we are of the opinion that the company can make the Internal Controls on Financial Reporting more adequate and more effective considering the inherent risk and nature and size of the business activities carried out by the company.

for **K A SANGHAVI AND CO LLP**
Chartered Accountants
FRN : 120846W/W100289

Place : SURAT
Date : 28/05/2019

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