

## INDEPENDENT AUDITORS' REPORT

**To the Members of SSPDL Infratech Private Limited**

**Report on the Ind AS Financial Statements**

### **Opinion**

We have audited the accompanying Ind AS financial statements of **SSPDL Infratech Private Limited** ('the Company') which comprise the Balance Sheet as at 31<sup>st</sup> March, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), and statement of changes in equity and the statement of Cash Flows for the year ended on that date and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2020, the loss including other comprehensive income, 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 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 there under, 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 on the financial statements.

### **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 Board's Report including Annexure 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 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 for the 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibility for the Audit of the Financial Statements**

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

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.

## Report on Other Legal and Regulatory Requirements

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 paragraphs 3 and 4 of the Order, to the extent applicable.

As required by section 143 (3) of the Act, we report that:

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.

- a) 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.
- b) The balance Sheet, the statement of profit and loss including other comprehensive income, statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
- c) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- d) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2020, from being appointed as a director in terms of Section 164(2) of the Act.
- e) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure-B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and according to the information and explanations given to us, the Company is not a public limited Company. Accordingly reporting on managerial remuneration paid or provided in accordance with section 197 is not applicable.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note 20 to the 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For KARVY & CO.**

Chartered Accountants

ICAI Firm Registration No: 01757S

**(AJAYKUMAR KOSARAJU)**

Partner

Membership No. 021989

UDIN: 20021989AAAACQ4062

Place: Hyderabad

Date: 11/08/2020

11/08/2020

## **“Annexure - A” to the Auditors’ Report**

The Annexure referred to in Independent Auditors’ Report to the members of the Company on the Ind AS financial statements for the year ended 31<sup>st</sup> March 2020, we report that:

- i. In respect of the Company’s fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) As explained to us, the management has physically verified a substantial portion of the fixed assets during the year and in our opinion frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies noticed on physical verification of fixed assets as compared to the books of account were not material and have been properly dealt with in the books of accounts.
  - (c) In our opinion and according to the information and explanations given to us, all the title deeds of immovable properties are held in the name of the Company. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- ii. According to the information and explanations given to us, the inventories have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on physical verification of inventory as compared to the books of account were not material and have been properly dealt with in the books of accounts.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act.
- iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made investments or provide guarantees and hence reporting under clause (iv) of the Order is not applicable.
- v. According to the information and explanations given to us, the Company has not accepted deposits from the public within the meaning of Section 73 and 76 or any other relevant provisions of the Act and the rules framed there under.
- vi. In respect of the Company, maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Act in respect of activities of the Company.
- vii. In respect of Statutory dues:
  - (a) According to the information and explanations given to us on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees state insurance, income tax, goods and service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
  - (b) According to the information and explanations given to us, there are no dues of income-tax, goods and service tax that have not been deposited by the Company on account of any dispute.
- 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 the repayment of dues to banks and financial institutions.
- ix. Based on the information and explanations given to us by the management, the Company has not raised any moneys by way of initial public offer or further public offer of equity shares, convertible securities and debt securities. No term loans were taken during the year by the Company.
- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no material

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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. In our opinion and according to the information and explanations given to us, the Company is not a public limited Company. Accordingly reporting under paragraph 3(xi) regarding managerial remuneration paid or provided in accordance with section 197 is not applicable.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- 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 sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- 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, paragraph 3 (xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For KARVY & CO.**

Chartered Accountants

ICAI Firm Registration No: 01757S

**(AJAYKUMAR KOSARAJU)**

Partner

Membership No. 021989

UDIN: 20021989AAAACQ4062

Place: Hyderabad

Date: 11/08/2020

## **Annexure - B to the Our Report of even date on the Ind AS Financial Statements of SSPDL Infratech Private Limited**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **SSPDL Infratech Private Limited** ("the Company") as of 31<sup>st</sup> March, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year 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 authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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 31<sup>st</sup> March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For KARVY & CO.**

Chartered Accountants

ICAI Firm Registration No: 01757S

**(AJAYKUMAR KOSARAJU)**

Partner

Membership No. 021989

UDIN: 20021989AAAACQ4062

Place: Hyderabad

Date: 11/08/2020

**SSPDL INFRA TECH PRIVATE LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2020**  
(All amounts are in Indian Rupees unless otherwise specified)

| Particulars                       | Note No. | For the Year Ended<br>March 31, 2020 | As at<br>March 31, 2019 |
|-----------------------------------|----------|--------------------------------------|-------------------------|
| <b>I. ASSETS</b>                  |          |                                      |                         |
| <b>1 Non-current Assets</b>       |          |                                      |                         |
| (a) Property, Plant and Equipment | 3a       | 13,79,735                            | 19,51,344               |
| (b) Other Intangible assets       | 3b       | -                                    | -                       |
|                                   |          | <b>13,79,735</b>                     | <b>19,51,344</b>        |
| <b>2 Current Assets</b>           |          |                                      |                         |
| <b>(a) Financial Assets</b>       |          |                                      |                         |
| (i) Trade Receivables             | 4        | 5,80,89,151                          | 5,81,41,216             |
| (ii) Cash and cash equivalents    | 5        | 10,75,140                            | 19,63,955               |
| (iii) Other Financial Assets      | 6        | 1,22,05,321                          | 1,21,84,979             |
| (b) Other Current Assets          | 7        | 12,54,742                            | 12,59,469               |
|                                   |          | <b>7,26,24,355</b>                   | <b>7,35,49,620</b>      |
| <b>TOTAL</b>                      |          | <b>7,40,04,090</b>                   | <b>7,55,00,964</b>      |
| <b>II. EQUITY AND LIABILITIES</b> |          |                                      |                         |
| <b>1 Equity</b>                   |          |                                      |                         |
| (a) Equity Share Capital          | 8        | 11,96,000                            | 11,96,000               |
| (b) Other equity                  |          | 6,73,74,792                          | 6,84,89,633             |
|                                   |          | <b>6,85,70,792</b>                   | <b>6,96,85,633</b>      |
| <b>LIABILITIES</b>                |          |                                      |                         |
| <b>2 Non-current Liabilities</b>  |          |                                      |                         |
| Provisions                        | 9        | -                                    | -                       |
| <b>3 Current Liabilities</b>      |          |                                      |                         |
| <b>Financial liabilities</b>      |          |                                      |                         |
| (i) Trade payables                | 10       | 33,20,848                            | 34,95,227               |
| (ii) Other Financial liabilities  | 11       | 21,12,450                            | 23,20,104               |
|                                   |          | <b>54,33,298</b>                     | <b>58,15,331</b>        |
| <b>Total</b>                      |          | <b>7,40,04,090</b>                   | <b>7,55,00,964</b>      |

**Summary of significant accounting policies**

1 & 2

As per our report of even date  
**For Karvy & Co.,**  
Chartered Accountants  
Firm Registration Number : 001757S

Sd/-

**Ajay Kumar Kosaraju**  
Partner  
Membership No. : 021989

**For and on behalf of the Board of Directors**

Sd/-

**Prakash Challa**  
Director  
(Din: 02257638)

Sd/-

**B. Lokanath**  
Director  
(Din: 00037303)

**Place : Hyderabad**

**Date : 11-08-2020**



**SSPDL INFRATECH PRIVATE LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020**  
(All amounts are in Indian Rupees unless otherwise specified)

|   | Note No  | For the Year Ended<br>March 31, 2020 | For the Year Ended<br>March 31, 2019 |
|---|----------|--------------------------------------|--------------------------------------|
| <b>Revenue:</b>   |          |                                      |                                      |
| Revenue from Operations   | 12       | -                                    | -                                    |
| Other Income  | 13       | 1,163                                | 51,93,080                            |
| <b>Total Revenue</b>  |          | <b>1,163</b>                         | <b>51,93,080</b>                     |
| <b>Expenses:</b>  |          |                                      |                                      |
| a) Construction Expenses  | 14       | -                                    | 44,000                               |
| b) Employee Benefits Expense  | 15       | 1,49,328                             | 1,35,272                             |
| c) Finance Costs  | 16       | -                                    | -                                    |
| d) Depreciation and Amortization Expense  | 3 a & 3b | 5,71,609                             | 6,50,809                             |
| e) Other Expenses   | 17       | 3,95,067                             | 7,11,027                             |
| <b>Total Expenses</b>   |          | <b>11,16,004</b>                     | <b>15,41,108</b>                     |
| <b>Profit / (Loss) before Tax</b>   |          | <b>(11,14,841)</b>                   | <b>36,51,972</b>                     |
| Tax Expense:  |          |                                      |                                      |
| (a) Current Tax   |          |                                      |                                      |
| (b) Deferred Tax for the year   |          |                                      |                                      |
| <b>Tax expense for the Year</b>   |          | -                                    | -                                    |
| <b>Profit/ (Loss) for the Year</b>  |          | <b>(11,14,841)</b>                   | <b>36,51,972</b>                     |
| <b>Other Comprehensive income</b>   |          |                                      |                                      |
| <b>Items that will not be reclassified subsequently to profit or loss (Net of</b> |          |                                      |                                      |
| <b>Items that will be reclassified subsequently to profit or loss (Net of</b>     |          |                                      |                                      |
| <b>Total other comprehensive income, net of tax</b>                               |          | -                                    | -                                    |
| <b>Total Comprehensive income for the period</b>                                  |          | <b>(11,14,841)</b>                   | <b>36,51,972</b>                     |
| <b>Earnings Per Share (Face value of ₹1 each)</b>                                 |          |                                      |                                      |
| - Basic and Diluted   | 18       | (9.32)                               | 30.53                                |
| <b>Summary of significant accounting policies</b>                                 |          |                                      |                                      |

As per our report of even date

**For Karvy & Co.,**

Chartered Accountants

Firm Registration Number : 001757S

**For and on behalf of the Board of Directors**

Sd/-

Ajay Kumar Kosaraju

Partner

Membership No. : 021989

**Place : Hyderabad**

**Date : 11-08-2020**

Sd/-

**Prakash Challa**

Director

(Din: 02257 Sd/-

Sd/-

**B. Lokanath**

Director

(Din: 00037303)

**SSPDL INFRA TECH PRIVATE LIMITED****Statement Of Changes In Equity**

(All amounts are in Indian Rupees unless otherwise specified)

| Particulars   | Reserves and surplus |                            |                       | Total              |
|---|----------------------|----------------------------|-----------------------|--------------------|
|   | Equity               | Securities Premium Reserve | Retained Earnings     |                    |
| <b>Balance as at April 01, 2018</b>                 | <b>11,96,000</b>     | <b>39,13,14,000</b>        | <b>(32,64,76,339)</b> | <b>6,60,33,661</b> |
| Changes in accounting policy or prior period errors | -                    | -                          | -                     | -                  |
| Restated Balance at the beginning of the period     | -                    | -                          | -                     | -                  |
| Total comprehensive income for the period           | -                    | -                          | -                     | -                  |
| Dividends   | -                    | -                          | -                     | -                  |
| Transfer to retained earnings                       | -                    | -                          | -                     | -                  |
| Profit/(Loss) for the period                        | -                    | -                          | 36,51,972             | 36,51,972          |
| <b>Balance as at March 31, 2019</b>                 | <b>11,96,000</b>     | <b>39,13,14,000</b>        | <b>(32,28,24,367)</b> | <b>6,96,85,633</b> |
| Changes in accounting policy or prior period errors | -                    | -                          | -                     | -                  |
| Restated Balance at the beginning of the period     | -                    | -                          | -                     | -                  |
| Total comprehensive income for the period           | -                    | -                          | -                     | -                  |
| Dividends   | -                    | -                          | -                     | -                  |
| Transfer to retained earnings                       | -                    | -                          | -                     | -                  |
| Profit/(Loss) for the period                        | -                    | -                          | (11,14,841)           | (11,14,841)        |
| <b>Balance as at the March 31, 2020</b>             | <b>11,96,000</b>     | <b>39,13,14,000</b>        | <b>(32,39,39,208)</b> | <b>6,85,70,792</b> |

**Nature and purpose of the Reserves****i) Securities Premium**

Securities Premium is used to record the premium on the issue of Shares. The reserve is used for the purposes as specified in the Companies Act, 2013

As per our report of even date

**For Karvy & Co.,**

Chartered Accountants

Firm Registration Number : 001757S

**For and on behalf of the Board of Directors**

Sd/-

Sd/-

Sd/-

Ajay Kumar Kosaraju

Partner

Membership No. : 021989

**Prakash Challa**

Director

(Din: 02257638)

**B. Lokanath**

Director

(Din: 00037303)

**Place : Hyderabad****Date : 11-08-2020**

**SSPDL INFRATECH PRIVATE LIMITED**

**Cash flow statement for the period ended March 31, 2020**

(All amounts are in Indian Rupees unless otherwise specified)

| Particulars  | For the Year Ended<br>March 31, 2020 | For the Year Ended<br>March 31, 2019 |
|--|--------------------------------------|--------------------------------------|
| <b>A CASH FLOWS FROM OPERATING ACTIVITIES</b>              |                                      |                                      |
| Net Profit before Tax and Extraordinary Items              | (11,14,841)                          | 36,51,972                            |
| Adjustments for:   |                                      |                                      |
| Depreciation   | 5,71,609                             | 6,50,809                             |
| Amortisation of intangible assets                          | -                                    | -                                    |
| Interest income  | (1,163)                              | (791)                                |
| Liabilities & Provisions no longer required - written back | -                                    | (26,04,009)                          |
| Provision for Bad and doubtful debts - Provided            | -                                    | -                                    |
| Loss on sale of fixed assets                               | -                                    | -                                    |
| Profit on sale of fixed assets                             | -                                    | (23,571)                             |
|  | <b>(5,44,395)</b>                    | <b>16,74,410</b>                     |
| <b>Operating Profit before Working Capital Changes</b>     |                                      |                                      |
| Adjustments for:   |                                      |                                      |
| Decrease/(increase) in trade receivables                   | 52,065                               | (1,49,458)                           |
| Decrease/(increase) in other current assets                | 4,727                                | 21,565                               |
| Decrease/(increase) in Short Term loans and advances       | (20,342)                             | 1,43,399                             |
| Increase/(decrease) in trade payables                      | (1,74,379)                           | (24,74,285)                          |
| Increase/(decrease) in Long term Provisions                | -                                    | -                                    |
| Increase/(decrease) in other current financial liabilities | (2,07,654)                           | 9,01,918                             |
| <b>(Increase) / Decrease in Net Current Assets</b>         | <b>(3,45,583)</b>                    | <b>(15,56,861)</b>                   |
| <b>Cash Generated from Operation</b>                       | <b>(8,89,978)</b>                    | <b>1,17,549</b>                      |
| Adjustments for income tax (paid)/refund                   |                                      |                                      |
| <b>Net Cash from Operating Activities</b>                  | <b>(8,89,978)</b>                    | <b>1,17,549</b>                      |
|  | <b>A</b>                             |                                      |
| <b>B CASH FLOWS FROM INVESTING ACTIVITIES</b>              |                                      |                                      |
| Proceeds from sale of fixed assets                         | -                                    | 84,747                               |
| Purchase of fixed assets                                   | -                                    | -                                    |
| Acquisition/(disposal) of intangible assets                | -                                    | -                                    |
| Interest received  | 1,163                                | 791                                  |
| <b>Net Cash from Investing Activities</b>                  | <b>1,163</b>                         | <b>85,538</b>                        |
|  | <b>B</b>                             |                                      |
| <b>Net Increase/(Decrease) in Cash and Cash Equivalent</b> | <b>A+B</b>                           | <b>(8,88,815)</b>                    |
|  |                                      | <b>2,03,087</b>                      |
| Cash and cash equivalents at the beginning of the year     | 19,63,955                            | 17,60,868                            |
| Cash and cash equivalents at the end of the year           | <b>10,75,140</b>                     | <b>19,63,955</b>                     |

- 1) The Cash Flow Statement has been prepared under the "Indirect Method" set out in Accounting Standard-3 on Cash Flow Statement prescribed under the Companies (Accounting Standards) Rules, 2006.
- 2) Figures in brackets indicates outflow.
- 3) Previous year's figures have been regrouped and recasted wherever required.

As per our attached report of even date

**For Karvy & Co.,**  
Chartered Accountants  
Firm Registration No. : 001757S

Sd/-

**Ajaykumar Kosaraju**  
Partner  
Membership No. :021989

**For and on behalf of the Board of Directors**

Sd/-

**Prakash Challa**  
Director  
(Din: 02257638)

Sd/-

**B. Lokanath**  
Director  
(Din: 00037303)

**Place : Hyderabad**  
**Date : 11-08-2020**

**Notes to financial statements**

(All amounts in Indian Rupees, unless otherwise stated)

**Financial instruments and risk management**

**Note : Fair value measurements**

|                                    | Hierarchy | 31 March 2020  |       |                    | 31 March 2019  |       |                    | Fair Value |
|------------------------------------|-----------|----------------|-------|--------------------|----------------|-------|--------------------|------------|
|                                    |           | Carrying value |       |                    | Carrying value |       |                    |            |
|                                    |           | FVPL           | FVOCI | Amortised Cost     | FVPL           | FVOCI | Amortised Cost     |            |
| <b>Financial Assets</b>            |           |                |       |                    |                |       |                    |            |
| Investment in NSC Bonds            |           | -              | -     | -                  | -              | -     | -                  |            |
| Trade Receivables                  | 3         | -              | -     | 5,80,89,151        | -              | -     | 5,81,41,216        |            |
| Cash and cash equivalents          | 3         | -              | -     | 10,75,140          | -              | -     | 19,63,955          |            |
| Other Bank Balances                |           | -              | -     | -                  | -              | -     | -                  |            |
| Loans and advances                 |           | -              | -     | 1,22,05,321        | -              | -     | 1,21,84,979        |            |
| Other financial assets             |           | -              | -     | -                  | -              | -     | -                  |            |
| <b>Total Financial Assets</b>      |           | -              | -     | <b>7,13,69,613</b> | -              | -     | <b>7,22,90,151</b> |            |
| <b>Financial Liabilities</b>       |           |                |       |                    |                |       |                    |            |
| Borrowings                         | 3         | -              | -     | -                  | -              | -     | -                  |            |
| Trade Payables                     | 3         | -              | -     | 33,20,848          | -              | -     | 34,95,227          |            |
| Other Financial Liabilities        | 3         | -              | -     | 21,12,450          | -              | -     | 23,20,104          |            |
| <b>Total Financial Liabilities</b> |           | -              | -     | <b>54,33,298</b>   | -              | -     | <b>58,15,331</b>   |            |

**(i) Fair value hierarchy**

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There are no transfers between levels 1 and 2 during the year. The company's policy is to recognise transfers in and transfers out of fair value hierarchy levels as at the end of the reporting period.

The carrying amounts of trade receivables, loans, trade payables and cash and bank balances are considered to be the same as their fair values, due to their short term nature.

The fair values of non-current borrowings are based on discounted cash flows using current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

**1 Note : Financial Risk management**

The Company's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements.

| Risk                        | Exposure arising from   | Measurement                     | Management   |
|-----------------------------|---|---------------------------------|--|
| Credit risk                 | Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost | Aging analysis<br>Credit rating | Diversification of bank deposits, credit limits and letter of credit |
| Liquidity risk              | Borrowings and other liabilities  | Rolling cash flow forecasts     | Availability of committed credit lines and borrowing facilities      |
| Market risk - Interest rate | Long-term borrowings at variable rates  | Sensitivity analysis            | Interest rate swaps  |

The Company's risk management is carried out by the treasury department under policies approved by the Board of Directors. The board provides written principles for overall risk management as well as policies covering specific areas such as interest rate risk, credit risk and investment of excess liquidity.

**(A) Credit Risk:**

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from operating activities (primarily trade receivables) and from financing activities, including deposits with banks and other financial instruments.

**(i) Credit risk management**

Credit risk is managed at the company level. The Company has low or no credit risk associated to its customers. Hence the credit risk is considered at low credit risk category.

**(ii) Provision for expected credit losses**

The company provides for expected credit loss based on the following:

| Category                             | Description of category  | Basis for recognition of expected credit loss provision |                                  |
|--------------------------------------|--|---|----------------------------------|
|                                      |  | Loans and deposits                                      | Trade receivables                |
| High quality assets, low credit risk | Assets where there is low risk of default and where the counter party has sufficient capacity to meet the obligations and where there has been low frequency of defaults in the past.  | 12-month expected credit losses                         | Life time expected credit losses |
| Doubtful assets, credit impaired     | Assets are written off when there is no reasonable expectation of recovery, such as a debt or declaring bankruptcy or failing to engage in a payment plan with the Company. The company categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 180 days past due. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss. | Asset is written off                                    |                                  |

**Year ended March 31, 2020:**

(a) Expected credit loss for loans, security deposits and investments

| Particulars  | Asset Group       |  |  |  | Estimated gross carrying amount at default | Expected probability of default | Expected credit losses | Carrying amount net of impairment provision |
|--|-------------------|--|--|--|--|---------------------------------|------------------------|---|
| Loss allowance measured at 12 month expected credit losses -<br>Financial assets for which credit risk has not increased significantly since initial recognition | Trade Receivables |  |  |  | 5,80,89,151                                | 0%                              | -                      | 5,80,89,151                                 |
|  | Loans             |  |  |  | 1,22,05,321                                | 0%                              | -                      | 1,22,05,321                                 |

(b) Expected credit loss for trade receivables under simplified approach

| Ageing   | 0-90 days   | 90-365 days | More than 365 days | Total       |
|--|-------------|-------------|--------------------|-------------|
| Gross carrying amount                                    | 5,80,89,151 | -           | -                  | 5,80,89,151 |
| Expected loss rate                                       | 0%          | -           | -                  | -           |
| Expected credit loss (loss allowance provision)          | -           | -           | -                  | -           |
| Carrying amount of trade receivables (net of impairment) | 5,80,89,151 | -           | -                  | 5,80,89,151 |

**Year ended March 31, 2019:**

(a) Expected credit loss for loans, security deposits and investments

| Particulars  | Asset Group       |  |  |  | Estimated gross carrying amount at default | Expected probability of default | Expected credit losses | Carrying amount net of impairment provision |
|--|-------------------|--|--|--|--|---------------------------------|------------------------|---|
| Loss allowance measured at 12 month expected credit losses -<br>Financial assets for which credit risk has not increased significantly since initial recognition | Trade Receivables |  |  |  | -  | 0%                              | -                      | -   |
|  | Loans             |  |  |  | -  | 0%                              | -                      | -   |

(b) Expected credit loss for trade receivables under simplified approach

| Ageing   | 0-90 days | 90-365 days | More than 365 days | Total |
|--|-----------|-------------|--------------------|-------|
| Gross carrying amount                                    | -         | -           | -                  | -     |
| Expected loss rate                                       | 0%        | -           | -                  | -     |
| Expected credit loss (loss allowance provision)          | -         | -           | -                  | -     |
| Carrying amount of trade receivables (net of impairment) | -         | -           | -                  | -     |

During the period, the company made no write offs of trade receivables, it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off.

**(B) Liquidity Risk:**

Liquidity risk is the risk that the company will encounter difficulty in meeting its 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 stresses conditions without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has lines of credit from group company and also from banks. The company believes that these facilities are sufficient to meet its funds requirements. Accordingly, no liquidity risk is perceived.

**(i) Financing arrangements**

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

|                            | 31 March, 2020 | 31 March, 2019 |
|----------------------------|----------------|----------------|
| <b>Floating Rate</b>       |                |                |
| - Expiring within one year | -              | -              |
| - Expiring beyond one year | -              | -              |

**(ii) Maturities of financial liabilities**

The tables below analyse the company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- all non derivative financial liabilities, and
- net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

| Contractual maturities of financial liabilities<br>31 March 2020 | Less than 6 months | 6 months to 1 year | Between 1 and 2 years | More than 2 years | Total            |
|--|--------------------|--------------------|-----------------------|-------------------|------------------|
| <b>Non derivatives</b>   |                    |                    |                       |                   |                  |
| Borrowings   | -                  | -                  | -                     | -                 | -                |
| Trade payables   | 33,20,848          | -                  | -                     | -                 | 33,20,848        |
| <b>Total non derivative liabilities</b>                          | <b>33,20,848</b>   | <b>-</b>           | <b>-</b>              | <b>-</b>          | <b>33,20,848</b> |

  

| Contractual maturities of financial liabilities<br>31 March 2019 | Less than 6 months | 6 months to 1 year | Between 1 and 2 years | More than 2 years | Total            |
|--|--------------------|--------------------|-----------------------|-------------------|------------------|
| <b>Non derivatives</b>   |                    |                    |                       |                   |                  |
| Borrowings   | -                  | -                  | -                     | -                 | -                |
| Trade payables   | 34,95,227          | -                  | -                     | -                 | 34,95,227        |
| <b>Total non derivative liabilities</b>                          | <b>34,95,227</b>   | <b>-</b>           | <b>-</b>              | <b>-</b>          | <b>34,95,227</b> |

**2 Note 20: Capital Management****(a) Risk management**

The Company's objective when managing capital are to:

1. Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
2. Maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts.

Consistent with others in the industry, the group monitors capital on the basis of the following gearing ratio:

|                          | 31 March, 2020 | 31 March, 2019 |
|--------------------------|----------------|----------------|
| Net Debt                 | -              | -              |
| Total Equity             | 6,85,70,792    | 6,96,85,633    |
| Net debt to equity ratio | 0%             | 0%             |

## SSPDL INFRATECH PRIVATE LIMITED

### Notes to financial statements for the year ended 31st March, 2020

#### 1 Corporate Information

SSPDL Infratech Private Limited formerly known as SSPDL Interserve Private Limited ("SIPL" or "the Company") was incorporated on May 26th, 2010. The Company is a leading contractor engaged primarily in the business Construction of residential houses, commercial buildings, industrial, institutional and infrastructure sector in India.

#### 2 Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 2.1) Basis of preparation

The financial statements ("financial statements") of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements..

The financial statements have been prepared on a going concern basis in accordance with accounting principles generally accepted in India. Further, the financial statements have been prepared on historical cost basis except for certain financial assets, financial liabilities, derivative financial instruments and share based payments which are measured at fair values as explained in relevant accounting policies.

The financial statements are presented in Rupees, except when otherwise indicated.

#### 2.2) Summary of Significant Accounting Policies

##### a) Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification as mentioned below:

##### 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.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cashequivalents.

##### b) Property, plant and equipment

Recognition and Initial Measurement :

Property, plant and equipment are stated at their cost of acquisition on transition to Ind AS, the Company had elected to measure all of its property, plant and equipment at the previous GAAP carrying value (deemed cost).

The cost comprises purchase price, borrowing cost, if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs 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. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

Subsequent measurement (depreciation and useful lives):

Property, plant and equipment are subsequently measured at cost net of accumulated depreciation and accumulated impairment losses, if any. Depreciation on property, plant and equipment is provided on a straight-line basis over the estimated useful lives of the assets as follows:

|                            |                 |
|----------------------------|-----------------|
| (a) Computers              | - 3 Years       |
| (b) Office Equipments      | - 5 Years       |
| (c) Furniture and Fixtures | - 10 Years      |
| (d) Vehicles               | - 8 to 10 Years |
| (e) Construction Equipment | - 15 Years      |

##### Depreciation methods, estimated useful lives and residual value:

Depreciation on tangible assets is provided on pro-rata basis on the straight line method in accordance with useful life estimated by the management which is the same as those prescribed under Schedule II to the Companies Act, 2013. The useful life, residual value and the depreciation method are reviewed atleast at each financial year end. If the expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate.

Assets costing Rs. 5,000 or less are depreciated in full in the year of acquisition. In respect of additions/deletions, depreciation charge is restricted to the period of use.

##### De-Recognition:

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is de-recognised.

##### c) Intangible assets

###### (i) Goodwill

Goodwill on acquisitions of subsidiary is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

###### (ii) Computer software

Computer software are stated at cost, less accumulated amortisation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

###### (iii) Amortisation methods and periods

The Group amortises intangible assets with a finite useful life using the straight-line method over the following periods:  
Computer software - 5 years

**d) Capital Work in Progress and Intangible Assets under Development**

Capital work-in-progress and intangible assets under development represents expenditure incurred in respect of capital projects/ intangible assets under development and are carried at cost less accumulated impairment loss, if any. Cost includes land, related acquisition expenses, development/ construction costs, borrowing costs and other direct expenditure.

**e) Investment Properties**

Recognition and Initial Measurement:

Investment properties are properties held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at their cost of acquisition, including transaction costs. On transition to Ind AS, the Company had elected to measure all of its investment properties at the previous GAAP carrying value (deemed cost). The cost comprises purchase price, borrowing cost, if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

Subsequent costs 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. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

**Subsequent measurement (depreciation and useful lives):**

Investment properties are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation on investment properties is provided on the straight-line method over the useful lives of the assets.

**De-recognition:**

Investment properties are de-recognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit or loss in the period of de-recognition.

**f) Investments in Equity Instruments of Subsidiaries, Joint ventures and Associates**

Investment in equity instruments of subsidiaries, joint ventures and associates are stated at cost as per Ind AS 27 'Separate Financial Statements'. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is assessed for recoverability and in case of permanent diminution provision for impairment is recorded in statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss

**g) Inventories**

Land and plots other than area transferred to constructed properties at the commencement of construction are valued at lower of cost/ as re-valued on conversion to stock and net realisable value. Cost includes land (including development rights and land under agreement to purchase) acquisition cost, borrowing cost if inventorisation criteria are met, estimated internal development costs and external development charges and other directly attributable costs.

Construction work-in-progress of constructed properties includes the cost of land (including development rights and land under agreements to purchase), internal development costs, external development charges, construction costs, overheads, borrowing cost if inventorisation criteria are met, development /construction materials, is valued at lower of cost/ estimated cost and net realisable value.

Development rights represent amount paid under agreement to purchase land/ development rights and borrowing cost incurred by the Company to acquire irrevocable and exclusive licenses/ development rights in the identified land and constructed properties, the acquisition of which is either completed or is at an advanced stage. These are valued at lower of cost and net realisable value.

Construction/ development material is valued at lower of cost and net realisable value. Cost comprises of purchase price and other costs incurred in bringing the inventories to their present location and condition.

Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs of necessary to make the sale.

**h) Revenue from Contract or Services with Customers and other Streams of Revenue**

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 and services before transferring them to the customers.

**i. Revenue from Contracts with Customers:**

Pursuant to the application of Ind AS 115 - 'Revenue from Contracts with Customers' effective from 1 April 2018, the Company has applied following accounting policy for revenue recognition:

Revenue is measured at the fair value of the consideration received/ receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government and is net of rebates and discounts. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements.

Revenue is recognised in the income statement to the extent that it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably.

The Company has applied five step model as per Ind AS 115 'Revenue from contracts with customers' to recognise revenue in the financial statements. The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- a) The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- b) The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- c) The Company's performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue is recognised either at point of time and over a period of time based on various conditions as included in the contracts with customers.

**Point of Time:**

**Revenue from real-estate projects:**

Revenue is recognised at a Point in Time w.r.t. sale of real estate units, including land, plots, apartments, commercial units, development rights as and when the control passes on to the customer which coincides with handing over of the possession to the customer.

**Over a period of time:**

Revenue is recognised over period of time for following stream of revenues:



**Revenue from Construction projects:**

Construction projects where the Company is acting as trunk contractor, revenue is recognised in accordance with the terms of the Construction agreements. Under such contracts, assets created does not have an alternative use for the company and the Company has an enforceable right to payment. The estimated project cost includes construction cost, development and construction material, internal development cost, external development charges, borrowing cost and overheads of such project.

The estimated costs are reviewed periodically and effect of any changes in such estimates is recognized in the period such changes are determined. However, when the total project cost is estimated to exceed total revenues from the project, the loss is recognized immediately.

**Maintenance income:**

Revenue in respect of maintenance services is recognised on an accrual basis, in accordance with the terms of the respective contract as and when the Company satisfies performance obligations by delivering the services as per contractual agreed terms.

**Other operating income:**

Income from forfeiture of properties and delayed interest from customers under agreements to sell is accounted for on an accrual basis except in cases where ultimate collection is not reasonably ascertained.

**ii. Volume rebates and early Payment rebates :**

The Company provides early payment rebates/ down payment rebates to the customers. Rebates are offset against amounts payable by the customer and revenue to be recognised. To estimate the variable consideration for the expected future rebates, the Company estimates the expected value of rebates that are likely to be incurred in future and recognises the revenue net of rebates and recognises the refund liability for expected future rebates.

**iii. Contract Balances****Contract assets:**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

**Contract liabilities:**

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

**iv. Interest Income;**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.. Interest income is included under the head "other income" in the statement of profit and loss.

**v. Dividend Income;**

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

**i) Cost of Revenue****Cost of real estate projects:**

Cost of constructed properties includes cost of land (including cost of development rights/ land under agreements to purchase), estimated internal development costs, external development charges, borrowing costs, overheads, construction costs and development/ construction materials, which is charged to the statement of profit and loss based on the revenue recognized as explained in accounting policy for revenue from real estate projects above, in consonance with the concept of matching costs and revenue. Final adjustment is made on completion of the specific project.

**Cost of land and plots:**

Cost of land and plots includes land (including development rights), acquisition cost, estimated internal development costs and external development charges, which is charged to the statement of profit and loss based on the percentage of land/ plotted area in respect of which revenue is recognised as explained in accounting policy for revenue from 'Sale of land and plots', in consonance with the concept of matching cost and revenue. Final adjustment is made on completion of the specific project.

**Cost of development rights:**

Cost of development rights includes proportionate development rights cost, borrowing costs and other related cost, which is charged to statement of profit and loss as explained in accounting policy for revenue, in consonance with the concept of matching cost and revenue.

**j) Borrowing Costs**

Borrowing costs directly attributable to the acquisition and/ or construction/ production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are charged to the statement of profit and loss as incurred. Borrowing costs consist of interest and other costs that the Company 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. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization.

**k) Income tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, 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 tax 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 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.

**l) Leases**

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

#### **m) Business combinations**

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a business comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used by the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

#### **n) Impairment of assets**

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from assets or group of assets (cash generating units). Non financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

#### **o) Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call, bank deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### **p) Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

#### **q) Investments and other financial assets**

##### **(i) Classification**

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The company reclassifies debt investments when and only when its business model for managing those assets changes.

##### **(ii) Measurement**

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

##### **Debt instruments**

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

- **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

##### **Equity instruments**

The Company subsequently measures all equity investments at fair value. Where the Company elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/(losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

##### **Investments equity instruments of subsidiaries, associates or joint ventures.**

Investments in equity instruments of subsidiaries, joint ventures and associates are accounted for at cost in accordance with Ind AS 27 Separate Financial Statements

##### **(iii) Impairment of financial assets**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 18 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected life time losses to be recognised from initial recognition of the receivables.

#### **(iv) Derecognition of financial assets**

A financial asset is derecognised only when

- the Company has transferred the rights to receive cash flows from the financial asset or
  - retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.
- Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

#### **r) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

#### **s) Borrowings**

Borrowings are initially recognized at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other gains/ (losses).

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognized in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instrument issued.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of financial statements for issue, not to demand payment as consequence of the breach.

#### **t) Earnings per share**

##### **(i) 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 shares.

##### **(ii) 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.

#### **u) Provisions, Contingent Liabilities and Contingent Assets**

Provisions for legal claims are recognised when the entity has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

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.

Contingent liability is disclosed for Possible obligations which will be confirmed only by future events not wholly within the control of the Company, or Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

#### **v) Significant management judgment in applying accounting policies and estimation uncertainty**

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the related disclosures.

##### **Significant management judgments :**

Recognition of deferred tax assets - The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

Evaluation of indicators for impairment of assets - The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Impairment of financial assets - At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding financial assets.

Provisions - At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However the actual future outcome may be different from this judgment.

##### **Significant estimates:**

Net realizable value of inventory - The determination of net realisable value of inventory involves estimates based on prevailing market conditions, current prices and expected date of commencement and completion of the project, the estimated future selling price, cost to complete projects and selling cost. The Company also involves specialist to perform valuations of inventories, wherever required.

Useful lives of depreciable/ amortisable assets - Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of assets.

Fair value measurements - Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

Valuation of investment in subsidiaries, joint ventures and associates - Investments in joint ventures and associates are carried at cost. At each balance sheet date, the management assesses the indicators of impairment of such investments. This requires assessment of several external and internal factor including capitalisation rate, key assumption used in discounted cash flow models (such as revenue growth, unit price and discount rates) or sales comparison method which may affect the carrying value of investments in subsidiaries, joint ventures and associates.

**SSPDL INFRA TECH PRIVATE LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2020**

(All amounts are in Indian Rupees unless otherwise specified)

| Particulars  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| <b>4) Trade Receivables</b>                                    |                         |                         |
| <b>Unsecured, considered good</b>                              |                         |                         |
| Due by private companies in which directors are interested     |                         |                         |
| Others   | 5,80,89,151             | 5,81,41,216             |
|  | <b>5,80,89,151</b>      | <b>5,81,41,216</b>      |
| Less: Provision for doubtful debts                             |                         | -                       |
|  | <b>5,80,89,151</b>      | <b>5,81,41,216</b>      |
| <b>5) Cash and cash equivalents</b>                            |                         |                         |
| <b>Cash and Bank Balances</b>                                  |                         |                         |
| Cash on hand   | 1,056                   | 12,971                  |
| Balances with banks  |                         |                         |
| - In current account   | 41,695                  | 6,70,616                |
| - In deposits accounts (Original maturity of 3 months or less) | 10,32,390               | 12,80,369               |
|  | <b>10,75,140</b>        | <b>19,63,955</b>        |
| <b>6) Other Financial Assets</b>                               |                         |                         |
| Security deposits  | 33,62,885               | 33,62,885               |
| Unbilled Revenue   | 20,45,872               | 20,45,872               |
| Retention Money receivable                                     | 67,35,236               | 67,35,236               |
| Interest income accrued  | -                       | -                       |
| Withholding and other taxes                                    | 61,328                  | 40,986                  |
|  | <b>1,22,05,321</b>      | <b>1,21,84,979</b>      |
| <b>7) Other Current Assets</b>                                 |                         |                         |
| <b>Unsecured, considered good</b>                              |                         |                         |
| Mobilisation advance given                                     | 46,376                  | 46,376                  |
| Prepaid expenses   | 10,91,534               | 10,91,097               |
| Staff advances   | 1,16,832                | 1,21,996                |
|  | <b>12,54,742</b>        | <b>12,59,469</b>        |

**SSPDL INFRATECH PRIVATE LIMITED**

Notes to financial statements for the year ended March 31, 2020

(All amounts are in Indian Rupees unless otherwise specified)

| <b>3a) Property, Plant and Equipment</b>         |                         |                        |                 |                   |                 |                  | <i>(Amount in Rs.)</i> |
|--|-------------------------|------------------------|-----------------|-------------------|-----------------|------------------|------------------------|
| Description                                      | Construction Equipments | Furniture and Fixtures | Computers       | Office Equipments | Vehicles        | Total            |                        |
| <b>Gross Block at April 1, 2018</b>              | <b>14,55,852</b>        | <b>36,73,439</b>       | <b>4,79,750</b> | <b>4,16,414</b>   | <b>5,87,577</b> | <b>66,13,032</b> |                        |
| Additions  | -                       | -                      | -               | -                 | -               | -                |                        |
| Disposals  | -                       | -                      | -               | -                 | 4,31,311        | 4,31,311         |                        |
| <b>At March 31, 2019</b>                         | <b>14,55,852</b>        | <b>36,73,439</b>       | <b>4,79,750</b> | <b>4,16,414</b>   | <b>1,56,266</b> | <b>61,81,721</b> |                        |
| Additions  | -                       | -                      | -               | -                 | -               | -                |                        |
| Disposals  | -                       | -                      | -               | -                 | -               | -                |                        |
| <b>At March 31, 2020</b>                         | <b>14,55,852</b>        | <b>36,73,439</b>       | <b>4,79,750</b> | <b>4,16,414</b>   | <b>1,56,266</b> | <b>61,81,721</b> |                        |
| <b>Accumulated Depreciation at April 1, 2018</b> | <b>14,40,584</b>        | <b>11,48,928</b>       | <b>4,84,475</b> | <b>4,63,432</b>   | <b>4,12,285</b> | <b>39,49,704</b> |                        |
| Charge for the year                              | 15,268                  | 5,73,167               | -               | -                 | 1,14,117        | 7,02,552         |                        |
| Adjustments                                      | -                       | -                      | -4,725          | -47,018           | -               | -51,743          |                        |
| Disposals  | -                       | -                      | -               | -                 | 3,70,136        | 3,70,136         |                        |
| <b>At March 31, 2019</b>                         | <b>14,55,852</b>        | <b>17,22,095</b>       | <b>4,79,750</b> | <b>4,16,414</b>   | <b>1,56,266</b> | <b>42,30,377</b> |                        |
| Charge for the year                              | -                       | 5,71,609               | -               | -                 | -               | 5,71,609         |                        |
| Disposals  | -                       | -                      | -               | -                 | -               | -                |                        |
| <b>At March 31, 2020</b>                         | <b>14,55,852</b>        | <b>22,93,704</b>       | <b>4,79,750</b> | <b>4,16,414</b>   | <b>1,56,266</b> | <b>48,01,986</b> |                        |
| <b>Net block</b>                                 |                         |                        |                 |                   |                 |                  |                        |
| <b>At March 31, 2019</b>                         | -                       | <b>19,51,344</b>       | -               | -                 | -               | <b>19,51,344</b> |                        |
| <b>At March 31, 2020</b>                         | -                       | <b>13,79,735</b>       | -               | -                 | -               | <b>13,79,735</b> |                        |

**3b) Intangible Assets**

| <i>(Amount in Rs.)</i>               |                   |                 |
|--------------------------------------|-------------------|-----------------|
| Description                          | Computer software | Total           |
| <b>Gross Block at April 1, 2018</b>  | <b>8,84,930</b>   | <b>8,84,930</b> |
| Purchase                             | -                 | -               |
| Disposals                            | -                 | -               |
| <b>At March 31, 2019</b>             | <b>8,84,930</b>   | <b>8,84,930</b> |
| Purchase                             | -                 | -               |
| Disposals                            | -                 | -               |
| <b>At March 31, 2020</b>             | <b>8,84,930</b>   | <b>8,84,930</b> |
| <b>Amortization At April 1, 2018</b> | <b>6,19,452</b>   | <b>6,19,452</b> |
| Charge for the year                  | 2,65,478          | 2,65,478        |
| Disposals                            | -                 | -               |
| <b>At March 31, 2019</b>             | <b>8,84,930</b>   | <b>8,84,930</b> |
| Charge for the year                  | -                 | -               |
| Disposals                            | -                 | -               |
| <b>At March, 2020</b>                | <b>8,84,930</b>   | <b>8,84,930</b> |
| <b>Net block</b>                     |                   |                 |
| <b>At March 31, 2019</b>             | -                 | -               |
| <b>At March 31, 2020</b>             | -                 | -               |

SSPDL INFRATECH PRIVATE LIMITED  
Notes to the Financial Statements (Contd...)  
All Amount in Indian Rupees unless other wise stated

| 8) Equity Share Capital   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---|-------------------------|-------------------------|
| <b>Authorised Capital</b>   |                         |                         |
| 15,00,000 (31 March 2019: 15,00,000) equity shares of Rs.1/- each               | 15,00,000               | 15,00,000               |
| <b>Issued, Subscribed and Paid up</b>   |                         |                         |
| 1,196,000 (31 March 2019: 11,96,000) equity shares of Rs.1/- each fully paid-up | 11,96,000               | 11,96,000               |
|   | <u>11,96,000</u>        | <u>11,96,000</u>        |

(a) Reconciliation of shares outstanding at the beginning and at the end of the reporting period

|   | As at<br>March 31, 2020 |                  | As at<br>March 31, 2019 |                  |
|---|-------------------------|------------------|-------------------------|------------------|
|   | Number of shares        | Value            | Number of shares        | Value            |
| <b>Equity shares</b>                        |                         |                  |                         |                  |
| At the beginning of the period              | 11,96,000               | 11,96,000        | 11,96,000               | 11,96,000        |
| Issued during the period                    | -                       | -                | -                       | -                |
| <b>Outstanding at the end of the period</b> | <u>11,96,000</u>        | <u>11,96,000</u> | <u>11,96,000</u>        | <u>11,96,000</u> |

(b) Terms / rights attached to equity shares

The Company has only one class of equity shares referred to as equity shares having a par value of ₹1 per share. Each holder of equity shares is entitled to one vote per share.

(c) Shares in the Company held by each shareholder holding more than 5% shares

|  | As at<br>March 31, 2020 |              | As at<br>March 31, 2019 |
|--|-------------------------|--------------|-------------------------|
|  | Number of shares        | % of holding | Number of shares        |
| Equity shares of Rs.1/- each fully paid up held by SSPDL Limited | 11,96,000               | 100%         | 11,96,000               |

9) Long-term Provisions

|                                    | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|------------------------------------|-------------------------|-------------------------|
| Provision for Compensated absences | -                       | -                       |
|                                    | <u>-</u>                | <u>-</u>                |

**Financial Liabilities – Current**

|  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| <b>10) Trade Payables</b>                          |                         |                         |
| - Dues to micro and small enterprises (*See below) |                         |                         |
| - Others   | 33,20,848               | 34,95,227               |
|  | <u>33,20,848</u>        | <u>34,95,227</u>        |

The Company is seeking confirmation from its suppliers whether they fall under the category of micro and small enterprises as mentioned under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006"). Based on confirmations received till date, the Company believes that it does not have any outstanding dues towards Micro and Small Enterprises. Further the Company has not paid/accrued any interest under the MSMED Act, 2006.

11) Other financial liabilities

|                                    |                  |                  |
|------------------------------------|------------------|------------------|
| Employee benefits payable          | -                | 7,007            |
| Retention money payable            | 21,10,689        | 23,10,687        |
| Statutory liabilities              | 1,761            | 2,405            |
|                                    | <u>21,12,450</u> | <u>23,20,099</u> |
| <b>Total Financial Liabilities</b> | <u>54,33,298</u> | <u>58,15,326</u> |

SSPDL INFRA TECH PRIVATE LIMITED  
Notes to the Financial Statements (Contd...)  
All Amount in Indian Rupees unless other wise stated

| <b>12) Revenue From Operations</b>  |  |  |
|---|--|--|
| <b>Particulars</b>  | <b>For the Year Ended<br/>March 31, 2020</b> | <b>For the Year Ended<br/>March 31, 2019</b> |
| Construction  | -  | -  |
| <b>Other operating revenues</b>   |  |  |
| Sale of scrap   | -  | -  |
|   | <u>-</u>                                     | <u>-</u>                                     |
|   | <u>-</u>                                     | <u>-</u>                                     |
| <b>13) Other Income</b>   |  |  |
| <b>Particulars</b>  | <b>For the Year Ended<br/>March 31, 2020</b> | <b>For the Year Ended<br/>March 31, 2019</b> |
| <b>a) Interest Income</b>   |  |  |
| Interest on deposits with banks   |  | -  |
| Interest others   | 1,163  | 791  |
|   | <u>1,163</u>                                 | <u>791</u>                                   |
| <b>c) Other Non Operative Income</b>  |  |  |
| Provisions no longer required written back  | -  | 26,04,009                                    |
| Profit on sale of fixed assets  | -  | 23,571                                       |
| Refund of taxes   | -  | 25,64,709                                    |
| Insurance claim received  | -  | -  |
|   | <u>-</u>                                     | <u>51,92,289</u>                             |
|   | <u>1,163</u>                                 | <u>51,93,080</u>                             |
|   | <u>1,163</u>                                 | <u>51,93,080</u>                             |
| <b>14) Construction Expenses</b>  |  |  |
| <b>Particulars</b>  | <b>For the Year Ended<br/>March 31, 2020</b> | <b>For the Year Ended<br/>March 31, 2019</b> |
| Construction material   |  | -  |
| Direct Contract Costs   | -  | 44,000                                       |
|   | <u>-</u>                                     | <u>44,000</u>                                |
|   | <u>-</u>                                     | <u>44,000</u>                                |
| <b>15) Employee Benefits Expense</b>  |  |  |
| <b>Particulars</b>  | <b>For the Year Ended<br/>March 31, 2020</b> | <b>For the Year Ended<br/>March 31, 2019</b> |
| Salaries and wages  | 1,29,642                                     | 1,13,900                                     |
| Contribution to provident and other funds   | 19,686                                       | 19,372                                       |
| Staff welfare expenses  | -  | 2,000  |
|   | <u>1,49,328</u>                              | <u>1,35,272</u>                              |
|   | <u>1,49,328</u>                              | <u>1,35,272</u>                              |
| <b>16) Finance Costs</b>  |  |  |
| <b>Particulars</b>  | <b>For the Year Ended<br/>March 31, 2020</b> | <b>For the Year Ended<br/>March 31, 2019</b> |
| Bank Guarantee charges  | -  | -  |
|   | <u>-</u>                                     | <u>-</u>                                     |
|   | <u>-</u>                                     | <u>-</u>                                     |
| <b>17) Other Expenses</b>   |  |  |
| <b>Particulars</b>  | <b>For the Year Ended<br/>March 31, 2020</b> | <b>For the Year Ended<br/>March 31, 2019</b> |
| Legal and professional charges  | 2,25,000                                     | 2,74,750                                     |
| Auditors remuneration   |  |  |
| -Statutory audit  | 1,00,000                                     | 1,00,000                                     |
| Limited Audit Review Fee  | 10,000                                       |  |
| Rates and taxes   | 24,077                                       | 2,71,660                                     |
| Travelling and conveyance   | 11,667                                       | 19,000                                       |
| Repairs and maintenance   |  |  |
| - Buildings   | -  | 4,500  |
| Insurance   | 18,899                                       | 20,518                                       |
| Communication expenses  | 3,300  | 3,600  |
| Printing and stationery   | -  | 3,200  |
| Miscellaneous expenses  | 2,124  | 13,799                                       |
|   | <u>3,95,067</u>                              | <u>7,11,027</u>                              |
|   | <u>3,95,067</u>                              | <u>7,11,027</u>                              |
| <b>18) Earnings Per Share ("EPS")</b>   |  |  |
| Net profit/(loss) for the year after tax (a)  | <b>-0.93</b>                                 | <b>3.05</b>                                  |
| Weighted average number of equity shares outstanding during the year used for calculating EPS (b) | -11,14,841                                   | 36,51,972                                    |
| Basic and diluted EPS (Face value ₹1 each) (a)/(b)  | 11,96,000                                    | 11,96,000                                    |

**19) Details of dues to micro and small enterprises as defined under MSMED Act 2006**

The Company is seeking confirmation from its suppliers whether they fall under the category of micro and small enterprises as mentioned under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006"). Based on confirmations received till date, the Company believes that it does not have any outstanding dues towards Micro and Small Enterprises. Further the Company has not paid/accrued any interest under the MSMED Act, 2006.

**20) Capital Commitments and Contingent Liabilities Not provided for :****a) Commitments**

| Particulars  | For the Year Ended<br>September 30, 2020 | For the Year Ended<br>March 31, 2019 |
|--|--|--------------------------------------|
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | Nil                                      | Nil                                  |

**b) Contingent liabilities**

|  | For the Year Ended<br>September 30, 2020 | For the Year Ended<br>March 31, 2019 |
|--|--|--------------------------------------|
|  | Nil                                      | Nil                                  |

**21) Segment Reporting**

Since the Company has only one segment, i.e. Property Development and operations of the Company has been carried out in India, separate information on Segment Reporting as per the Indian Accounting Standard 108 issued by the ICAI is not required

**22) Disclosure under Indian Accounting standard 24 - Related Party Disclosures****i) The management has identified the following as related parties**

| Relationship  | Name of Related Party  |
|---|--|
| <b>Holding Company</b>                                    | SSPDL Limited  |
| <b>Fellow Subsidiaries</b>                                | SSPDL Resorts Private Limited<br>SSPDL Reality India Private Limited<br>SSPDL Real Estates India Private Limited<br>SSPDL Infra projects Private Limited |
| <b>Enterprises owned/ significantly influenced by Key</b> | Sri Satya Sai Constructions (Partnership Firm)   |
| <b>Key Managerial Personnel</b>                           | Mr. Challa Prakash, Director<br>Mr. E. Bhaskar Rao, Director   |



## ii) Related party transactions

(Amount in Rs.)

| Particulars                                    | Key Managerial Personnel |         | Relatives of key managerial persons |         | Fellow Subsidiaries |         | Holding Company |         | Enterprises owned or significantly influenced by Key management personnel or their relatives |         | Total   |         |
|--|--------------------------|---------|-------------------------------------|---------|---------------------|---------|-----------------|---------|--|---------|---------|---------|
|  | 2019-20                  | 2018-19 | 2019-20                             | 2018-19 | 2019-20             | 2018-19 | 2019-20         | 2018-19 | 2019-20  | 2018-19 | 2019-20 | 2018-19 |
| <b>Construction Service Provided</b>           |                          |         |                                     |         |                     |         |                 |         |  |         |         |         |
| SSPDL Limited                                  | -                        | -       | -                                   | -       | -                   | -       | -               | -       | -  | -       | -       | -       |
| Sri Satya Sai Constructions (Partnership Firm) | -                        | -       | -                                   | -       | -                   | -       | -               | -       | -  | -       | -       | -       |
| <b>Remuneration</b>                            |                          |         |                                     |         |                     |         |                 |         |  |         |         |         |
| Prakash Challa                                 | -                        | -       | -                                   | -       | -                   | -       | -               | -       | -  | -       | -       | -       |

## iii) Balances outstanding for related parties

(Amount in Rs.)

| Particulars                                    | Key Managerial Personnel |         | Relatives of key managerial persons |         | Fellow Subsidiaries |         | Holding Company |             | Enterprises owned or significantly influenced by Key management personnel or their relatives |          | Total       |             |
|--|--------------------------|---------|-------------------------------------|---------|---------------------|---------|-----------------|-------------|--|----------|-------------|-------------|
|  | 2019-20                  | 2018-19 | 2019-20                             | 2018-19 | 2019-20             | 2018-19 | 2019-20         | 2018-19     | 2019-20  | 2018-19  | 2019-20     | 2018-19     |
| <b>Trade Receivables</b>                       |                          |         |                                     |         |                     |         |                 |             |  |          |             |             |
| SSPDL Limited                                  | -                        | -       | -                                   | -       | -                   | -       | 5,80,89,151     | 5,81,41,216 | -  | -        | 5,80,89,151 | 5,81,41,216 |
| Sri Satya Sai Constructions (Partnership Firm) | -                        | -       | -                                   | -       | -                   | -       | -               | -           | 4,67,683   | 4,67,683 | 4,67,683    | 4,67,683    |
|  | -                        | -       | -                                   | -       | -                   | -       | 5,80,89,151     | 5,81,41,216 | 4,67,683   | 4,67,683 | 5,85,56,834 | 5,86,08,899 |

Previous year's figures have been regrouped/reclassified wherever considered necessary to conform to this year's classification.

The accompanying notes are an integral part of the Financial Statements.

As per our attached report of even date

For Karvy & Co.,  
Chartered Accountants  
Firm Registration No. : 001757S

For and on behalf of the Board of Directors

Sd/-

Sd/-

Sd/-

Ajaykumar Kosaraju  
Partner  
Membership No. :021989

Prakash Challa  
Director  
(Din: 02257638)

B. Lokanath  
Director  
(Din: 00037303)

Place : Hyderabad  
Date : 11-08-2020