

LIKHITHA INFRASTRUCTURE LIMITED

CIN: U45200TG1998PLC029911

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Srinivasa Rao Gaddipati	(DIN: 01710775)	Chairman & Managing Director
Ms. Likhitha Gaddipati	(DIN: 07341087)	Whole-Time Director*
Mrs. Sri Lakshmi Gaddipati	(DIN: 02250598)	Non-Executive Director**
Mr. Kutumba Rao Gaddipati	(DIN: 02333387)	Non-Executive Director
Mr. Talpa Sai Venkata Seshamunupalle	(DIN:08388354)	Non-Executive Independent Director
Mr. Sivasankara Parameswara Kurup Pillai	(DIN:08401552)	Non-Executive Independent Director
Mr. Jnanindra Kumar Dhar	(DIN: 06861830)	Non-Executive Independent Director***

*Appointed as Non-Executive Director with effect from 08.01.2018 and subsequently appointed as Whole-Time Director with effect from September 10, 2019.

** Re-designated to Non Executive Director with effect from 27.03.2019

*** Appointed with effect from June 1, 2019.

COMMITTEES OF THE BOARD

Audit Committee^S Mr. Talpa Sai Venkata Seshamunupalle - Chairman Mr. Srinivasa Rao Gaddipati - Member Mr. Sivasankara Parameswara Kurup Pillai - Member	Nomination & Remuneration Committee^S Mr. Jnanindra Kumar Dhar - Chairman Mr. Sivasankara Parameswara Kurup Pillai - Member Mr. Talpa Sai Venkata Seshamunupalle - Member
Stakeholders relationship Committee^S Mr. Sivasankara Parameswara Kurup Pillai - Chairman Mrs. Sri Lakshmi Gaddipati - Member Mr. Srinivasa Rao Gaddipati - Member	Corporate Social Responsibility Committee[#] Mr. Srinivasa Rao Gaddipati - Chairman Mrs. Sri Lakshmi Gaddipati - Member Mr. Sivasankara Parameswara Kurup Pillai - Member

^S Constituted on June 01, 2019

[#] Reconstituted on June 01, 2019

Mr. Sekhar Narasimha Narahari Chief Financial Officer(CFO) ^{##}	Mr. Sudhanshu Shekhar Chief Executive Officer (CEO) ^{##}
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^{##} Appointed with effect from June 1, 2019.

Statutory Auditors Siva Krishna & Narayan Chartered Accountants, Hyderabad (up to 25.01.2019)	Statutory Auditors K S Rao & Co., Chartered Accountants, Hyderabad. (from 13.02.2019 to 12.08.2019)	Statutory Auditors NSVR & Associates LLP Chartered Accountants, Hyderabad (w.e.f 31.08.2019)
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Contact Information Contact Number: 040 2375 2657 e-mail: cs@likhitha.in Website Link: http://likhitha.co.in/	Registered Office Flat No. 701, Plot No. 8-3-940 and 8-3-94/A to E, Tirumala Shah Residency, YellareddyGuda, Ameerpet, Hyderabad, Telangana- 500 073.	Registrars & Share Transfer Agents Bigshare Services Private Limited 306, Right Wing, 3 rd Floor, Amrutha Ville, Opp. Yashoda Hospital, Somajiguda, Rajbhavan Road, Hyderabad- 500 082.
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NOTICE

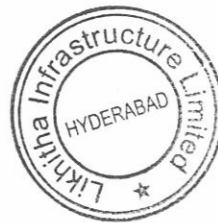
NOTICE IS HEREBY GIVEN THAT THE 20TH ANNUAL GENERAL MEETING OF LIKHITHA INFRASTRUCTURE LIMITED WILL BE HELD ON MONDAY, SEPTEMBER 30, 2019 AT 11:00 A.M. AT FLAT NO. 701, PLOT NO. 8-3-940 AND 8-3-940/A TO E, TIRUMALA SHAH RESIDENCY, YELLAREDDYGUDA, AMEERPET, HYDERABAD, TELANGANA- 500 073 TO TRANSACT THE FOLLOWING BUSINESS:

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2019, together with the Reports of the Board of Directors and the Auditors thereon;
2. To appoint a director in place of Mr. Gaddipati Srinivasa Rao (DIN: 01710775) who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint Statutory Auditors from the conclusion of this Annual General Meeting until the conclusion of the twenty-fifth Annual General Meeting and to fix their remuneration:

“RESOLVED THAT pursuant to Sections 139,141 and 142 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, of the said Act read with the Companies (Audit and Auditors) Rules, 2014 made thereunder other applicable rules, if any, under the said Act (including statutory modification(s) or re-enactment(s) for the time being in force) NSVR & Associates LLP, Chartered Accountants (Firm Registration No. 0088018/8200060), Hyderabad, be and is hereby re-appointed as the Statutory Auditors of the Company commencing from the conclusion of this Annual General Meeting till the conclusion of twenty-fifth Annual General Meeting at a remuneration to be fixed by the Audit Committee and/or Board of Directors of the Company, in addition to the re-imburement of applicable taxes and actual out of pocket and travelling expenses incurred in connection with the audit and billed progressively.”

**For and on behalf of the Board
for Likhitha Infrastructure Limited**



A handwritten signature in black ink, appearing to read "S. Rao".

**Srinivasa Rao Gaddipati
Managing Director
DIN: 01710775**

**Place: Hyderabad
Date: September 17, 2019**

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and, on a poll, to vote instead of himself / herself and such proxy need not be a member. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
2. The instrument appointing a proxy should however be deposited at the registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. Members/Proxies/Authorised Representative should bring the Attendance slip enclosed herewith, duly completed and signed, mentioning therein details of their DP ID and Client ID / Folio No.
4. The register of directors and key managerial personnel and their shareholding maintained under Section 170 and the register of contracts or arrangements in which directors are interested maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the annual general meeting.

**For and on behalf of the Board
for Likhitha Infrastructure Limited**



**Srinivasa Rao Gaddipati
Managing Director
DIN: 01710775**



**Place: Hyderabad
Date: September 17, 2019**

BOARD'S REPORT

Dear Shareholders,

The Board of Directors present the 20th Annual Report together with the audited financial statements of the Company for the financial year (FY) ended March 31, 2019.

1. Business of the Company

Your Company, Likhitha Infrastructure Limited ("LIL"), operate in the business of Pipeline Laying providing comprehensive laying, testing and commissioning of Oil & Gas Pipelines, City Gas Distribution Projects and operation and maintenance (O&M) services. Our operations include three principal business lines: (i) Cross Country Pipelines and associated facilities; (ii) City Gas Distribution including CNG Stations; and (iii) Operation & Maintenance (O&M) Services. The Company is presently working with all major PSU's all over India. Viewing the capacity expansion by all major PSU's, we are also planning to expand our capacity to execute in the tune of 250 to 300 Kilometers in the coming years.

2. Financial Results for the FY 2018-19

The summary of the audited financial results i.e. Statement of Profit and Loss for the year ended March 31, 2019 of the company is as follows:

(Amount in INR)		
Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Total Income	1,40,54,68,275	88,60,56,055
Total Expenses	1,15,24,71,202	77,68,05,890
Tax Expense	7,55,45,549	3,73,17,562
Profit for the Year	17,74,51,525	7,19,32,603
Total Other comprehensive income for the year, net of tax	2,78,783	1,65,798
Total comprehensive income for the year, net of tax	17,77,30,308	7,20,98,401
Earnings per equity share [EPS]	Rs.39.50/-	Rs.16.02/-

3. Results of Operations and State of Affairs of the Company

During the year ending March 31, 2019, the operating revenue of the company has been increased from ₹ 87,07,77,112/- to ₹ 1,37,43,40,736/- signifying a growth of around 57%. Further the Profit Before Tax has been increased from ₹ 10,92,50,165/- to ₹ 25,29,97,074/- signifying a growth of 131%. This is due to the strong order book coupled with operational efficiencies of the Company. As on March 31, 2019 the order book of the Company is more than four hundred crores.

4. Change in Name of the Company

Pursuant to the Special Resolutions passed by the shareholders of the Company in their meeting held on January 11, 2019, the Company has duly converted into a "Public Company" and the word "Private" has been omitted from its name.

5. Dividend / Appropriation to Reserves

Your Directors have not recommended any dividend on equity shares for the FY 2018-19 as they intend to retain the excess profits for the purpose of future projects.

6. Reserves

During the year under review, the Board of Directors did not propose any additions or deductions to the Reserves and Surplus except to the "Profit during the Year".

7. Deposits

During the year under review the Company did not accept any deposits for the Members of the Company.

8. Change in the Nature of Business

During the year under review, there was no change in the of business of the company.

9. Changes in Capital

During the year under review pursuant to resolution passed by the members in their meeting held on February 13, 2019, the Authorized Share Capital of the Company has been increased from ₹ 5,00,00,000/- (Rupees Five Crores Only) divided into 50,00,000 (Fifty Lakhs only) equity shares of ₹ 10/- (Rupees Ten only) each to ₹ 20,00,00,000/- (Rupees Twenty Crores only) divided into 2,00,00,000(Two Crores only) equity shares of ₹ 10/- (Rupees Ten only) each.

There is no change in the paid-up share capital of the Company during the period under review.

10. Material Changes affecting the Company (after closure of financial year)

There are no material changes happened after the closure of financial year which has any significant influence on the financial statements of the Company.

Please see the changes in directors and auditors' sections below for the changes occurred subsequent to the closure of the financial year.

11. Consolidated Financial Statements

The company is not statutorily required to be in compliance with the requirements of "Consolidated Financial Statements" disclosure.

12. Directors' Responsibility Statement

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a) that in the preparation of the annual financial statements for the year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) that such accounting policies as mentioned in Note no. 2 of the Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the loss of the Company for the year ended on that date;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual financial statements have been prepared on a going concern basis;
- e) that proper internal financial controls to be followed by the Company have been laid down and that the financial controls are adequate and are operating effectively;
- f) that proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

13. Secretarial Standards

The Company confirms compliance with the requirements of Secretarial Standard I and Secretarial Standard II.

14. Risk Management

The Board of Directors has formulated and implemented a Risk Management Policy which identifies various elements of risk, which, in its opinion, may threaten the existence of the Company and contains measures to mitigate the same. The Risk Management Policy of the Company is posted on the Company's website: <https://likhitha.co.in/>

15. Independent Directors' Declaration

Each of the Independent Directors of the Company have submitted declaration, pursuant to Section 149(7) of the Companies Act, 2013 ("the Act"), stating that they meet the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013.

16. Annual Return

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 for FY 2018-19 in the format as prescribed is enclosed as "Annexure – I" to this report.

17. Holding, Subsidiaries, Associate Companies and Joint Ventures

During the period under review, Company has no subsidiaries or Associate Companies or Joint ventures.

18. Contracts and arrangements with Related Parties

All contracts / arrangements / transactions entered by the Company during the FY 2018-19 with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. Since, all the related party transactions were in ordinary course of business and at arm's length basis, and the details are given in form AOC-2 as "Annexure –II" to this report.

The Policy on related party transactions as approved by the Board may be accessed on the Company's website: <https://likhitha.co.in/>

19. Corporate Social Responsibility (CSR)

The Corporate Social Responsibility Committee (CSR Committee) has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which was approved by the Board. The CSR Policy may be accessed on the Company's website at <https://likhitha.co.in/>.

The Company has identified to focus on the areas towards the community service/ CSR activities, which are as under:

- Education
- Health, Hygiene & Sanitation
- Empowerment & Livelihoods

The Company, as per the approved policy, may undertake other need based initiatives in compliance with Schedule VII to the Companies Act, 2013.

During the year under review, the Company was required to spend an amount of ₹ 19,16,950/- (Rupees Nineteen Lakhs Sixteen Thousands Nine hundred and Fifty only) on CSR activities. The details are given in "Annexure – III" to this report.

20. Details in respect of Adequacy of Internal Financial Controls with reference to Financial Statements

The Company has laid down internal financial controls through Entity level controls inter-alia to ensure orderly and efficient conduct of business, including adherence to Company's policies and procedures, accuracy and completeness of accounting records and timely preparation and reporting of reliable financial statements/information, safe guarding of assets, prevention and detection of frauds and errors.

The evaluation of these internal financial controls was done through the internal audit process, established within the Company and through appointing professional firm to carry out such tests by way of systematic internal audit program. Based on the review of the reported evaluations, the directors confirm that, for the preparation of financial accounts for the year ended March 31, 2019, the applicable Accounting Standards have been followed and the internal financial controls are generally found to be adequate and were operating effectively and that no material weakness were noticed.

21. Directors and Key Managerial Personnel

Your Board consists of Seven (07) Directors including three (03) Independent Directors and two(02) Non Independent Non-Executive Director. None of the Directors on the Board are disqualified under the provisions of the Companies Act, 2013.

The following are the changes occurred in the Composition of the Board and Key Managerial Personnel from April 1, 2018 to the date of this report.

S. No	Name of Director	Details of the Change
1	Likhitha Gaddipati	<ul style="list-style-type: none">Regularized as Non-Executive Director of the Company in the Annual General Meeting held on September 29, 2018.Change in designation and appointed as Whole-Time Director of the Company for a period of three years with effect September 10, 2019.
2	Srinivasa Rao Gaddipati	<ul style="list-style-type: none">Re-appointed as Managing Director of the Company for a period of three years with effect from February 12, 2019.
3	Sri Lakshmi Gaddipati	<ul style="list-style-type: none">Change in designation from executive director to non-executive director with effect from March 27, 2019
4	Venkata Ramamohana Rao Thottempudi	<ul style="list-style-type: none">Appointed as Non-Executive Independent Director of the Company for a period of five years with effect from March 28, 2019.Resigned from the board with effect from March 31, 2019
5	Talpa Sai Venkata Sesa Munupalle	<ul style="list-style-type: none">Appointed as Non-Executive Independent Director of the Company for a period of five years with effect from March 28, 2019.
6	Pillai Sivasankara Parameswara Kurup	<ul style="list-style-type: none">Appointed as Non-Executive Independent Director of the Company for a period of five years with effect from March 28, 2019
7	Jnanindra Kumar Dhar	<ul style="list-style-type: none">Appointed as Non-Executive Independent Director of the Company for a period of five years with effect from June 1, 2019
8	Sudhanshu Shekhar	<ul style="list-style-type: none">Appointed as Chief Executive Officer of the Company with effect from June 1, 2019
9	Sekhar Narasimha Narahari	<ul style="list-style-type: none">Appointed as Chief Financial Officer of the Company with effect from June 1, 2019

22. Meetings of the Board

During the year, 13 (Thirteen) Board Meetings were properly convened, constituted and conducted as per the Standards as forth in the **Secretarial Standard – I**. The maximum gap between two consecutive board meetings is within the period of 120 days as prescribed under the provisions of the Companies Act, 2013.

The below tabulated dates are the dates of the meetings of the Board of Directors:

05.04.2018	09.07.2018	28.08.2018	04.09.2018	06.09.2018	29.09.2018	01.12.2018
12.02.2019 at 11:00 A.M	12.02.2019 at 04:00 P.M	01.03.2019	02.03.2019	27.03.2019	28.03.2019	31.03.2019

23. Auditors and Auditors' Report

Statutory Auditors:

The details in the changes in the auditors after April 1, 2018 are mentioned herein below:

S. No	Name of the Auditor	Duration of their office	Reasons for change
1	Siva Krishna & Narayan Chartered Accountants, Hyderabad	<ul style="list-style-type: none">Date of Appointment in the current term: September 30, 2014Date of Resignation: January 25, 2019	Due to their pre-occupation in other assignments.
2	K S Rao & Co., Chartered Accountants, Hyderabad	<ul style="list-style-type: none">Date of Appointment: February 13, 2019Date of Resignation: August 12, 2019	Due to pre-occupation with the Audit of other listed companies.
3	NSVR & Associates LLP Chartered Accountants, Hyderabad	<ul style="list-style-type: none">Appointed with effect from August 31, 2019 till the conclusion of the ensuing Annual General Meeting.	NA

QUALIFICATIONS IN AUDITORS REPORT:

There are no qualifications or adverse observation in the audit report issued by the auditors for the financial year ended March 31, 2019.

COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMERS:

Statutory Auditors:

As there is no qualification, reservation or adverse remark in the reports given by the Statutory Auditors, your directors need not provide any clarification on the same.

24. COMMITTEES OF BOARD:

A. Audit Committee: The Board constituted a Qualified and Independent Audit Committee comprising of three directors as members of the Committee in which two thirds of the members are independent directors in accordance with Section 177 of the Companies Act, 2013.

The Audit Committee was constituted on 01.06.2019. The Committee is empowered with the roles and powers as prescribed under Section 177 of the Companies Act, 2013. The Committee also acts in terms of reference and directions of the Board from time to time.

S. No	Name of the Auditor	Category	Nature of Directorship
1	Mr. Talpa Sai Venkata Sesha Munupalle	Chairman	Independent Director
2	Mr. Srinivasa Rao Gaddipati	Member	Managing Director
3	Mr. Sivasankara Parameswara Kurup Pillai	Member	Independent Director

*All the recommendations made by the Audit Committee were accepted by the Board.

B. Nomination & Remuneration Committee:

The committee was constituted on 01.06.2019. The Committee is empowered with the roles and powers as prescribed under Section 178 of the Companies Act, 2013 and in the Nomination and Remuneration policy of the Company. The Committee also acts in terms of reference and directions of the Board from time to time.

The Remuneration Committee comprises of Three (3) Non-Executive Directors. The present composition of the Remuneration Committee is as follows:

S No	Nomination and Remuneration committee	Category	Nature of Directorship
1	Mr. Jnanindra Kumar Dhar	Chairman	Non-executive & Independent Director
2	Mr. Talpa Sai Venkata Seshamunupalle	Member	Non-executive & Independent Director
3	Mr. Sivasankara Parameswara Kurup pillai	Member	Non-executive & Independent Director

C. Stakeholders Relationship Committee (SRC):

The committee was constituted on 01.06.2019. The Committee is empowered to oversee the redressal of investor's complaints pertaining to share transfer, non-receipt of Annual Reports, dividend payments, issue of duplicate share certificate, transmission of shares and other miscellaneous complaints.

S. No	Stakeholders relationship committee	Category	Nature of Directorship
1	Sivasankara Parameswara Kurup Pillai	Chairman	Non-executive & Independent Director
2	Sri LakshmiGaddipati	Member	Non-executive Director
3	Srinivasa Rao Gaddipati	Member	Managing Director

D. Corporate Social Responsibility (CSR):

The committee was re-constituted on 01.06.2019. The Committee is empowered with the roles and powers as prescribed under Section 135 of the Companies Act, 2013 and in the Corporate Social Responsibility (CSR) policy of the Company. The Committee also acts in terms of reference and directions of the Board from time to time.

The Committee comprises of Three (3) Directors. The present composition of the Committee is as follows:

S. No	Corporate Social Responsibility Committee	Category	Nature of Directorship
1	Srinivasa Rao Gaddipati	Chairman	Managing Director
2	Sri LakshmiGaddipati	Member	Non-executive Director
3	Sivasankara Parameswara Kurup Pillai	Member	Non-executive & Independent Director

25. Vigil Mechanism

In pursuance to the Provisions of the Section 177(9) & (10) of the Companies Act, 2013, a vigil mechanism named "Likhitha Whistle Blower Policy" for Directors and employees to report genuine concerns has been established. The policy on whistle mechanism can be accessed at website of the Company: <https://likhitha.co.in/>.

The policy provides for a framework and process, which provides a platform to disclose information, confidentially and without fear of reprisal or victimization, where there is reason to believe that there has been serious malpractice, fraud, impropriety, abuse or wrong doing within the Company.

26. Particulars of Loans, Guarantees and Investments

Details of Loans/ Guarantees given and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

27. Conservation of energy, technology absorption and foreign exchange earnings and outgo

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, is given in "Annexure - IV" to this report.

28. Prevention of Sexual Harassment of Women at Work Place Policy

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and Redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder.

The Company has duly constituted an Internal Complaints Committee (ICC) as required under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The present composition of ICC is as under:

- | | |
|----------------------------------|---------------------|
| 1. Sri Lakshmi Gaddipati | - Presiding Officer |
| 2. Malleshwari Bekkasani | - Member |
| 3. Priyanka Gajji | - Member |
| 4. Venkata Prabhakar Rao Talluri | - Member |

The Disclosure pertaining to Complaints are given under:

No. of Complaints received during the year	NIL
No. of Complaints disposed-off during the year	NIL
No. of Complaints pending as on end of financial year	NIL

29. Transfer of Unclaimed Dividend to Investor Education and Protection Fund (IEPF)

The provisions of Section 125(2) of the Companies Act, 2013 do not apply.

30. Particulars of Employees and related disclosures

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including amendments thereto), is attached as "Annexure V" to this Report.

31. Human Resources

Your Company considers its Human Resource as the key to achieve its objectives. Keeping this in view, your Company takes all the care to attract and retain well qualified and deserving employees. The employees are sufficiently empowered and enabled to work in an environment that inspires them to achieve higher levels of performance. The unflinching commitment of the employees is the driving force behind fulfilling the Company's vision. Your Company appreciates the contribution of its dedicated employees.

32. General

- I. Your directors state that no disclosure or reporting is required in respect of following items as there were no transactions on these items during the year under review:
- Issue of equity shares with differential voting rights as to dividend, voting or otherwise.
 - Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
 - No significant or material orders passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
 - No frauds were reported by the Auditors during the year under review.

33. Acknowledgements

Your Directors thank the lenders, banks, financial institutions, business associates, customers, Government of India, State Governments in India, regulatory and statutory authorities, shareholders and the society at large for their valuable support and co-operation.

Your Directors also thank the employees of the Company for their continued contribution, commitment and dedication.

for and on behalf of the Board
for Likhitha Infrastructure Limited

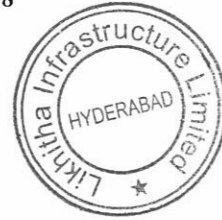
G. Srilakshmi

Sri Lakshmi Gaddipati
Director
DIN: 02250598

Srinivasa Rao

Srinivasa Rao Gaddipati
Managing Director
DIN: 01710775

Place: Hyderabad
Date: September 17, 2019



Sub-total (B)(2):-	0	0	0	0	114500	0	114500	2.54	2.54
Total Public Shareholding									
(B)=(B)(1)+(B) (2)									
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	115000	0	115000	2.56	2.56
Grand Total (A+B+C)	4500000	0	4500000	100	4500000	0	4500000	100	100

ii) Shareholding of Promoters

S.No.	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			%change during the year
		No. of shares	%of total Shares of the company	%of Shares Pledged/ Encumbered to total shares	No. of Shares	% of total Shares of the company	%of shares pledged /encumbered to total shares	
1	Mr. Srinivasa Rao Gaddipati	4387500	97.5	0	4385000	97.45	0	0.05
2	Mrs.Sri Lakshmi*	112500	2.5	0	NA	NA	NA	NA
3	Ms. Likhitha Gaddipati*	NA	NA	NA	500	0.01	0	0.01

* Reclassified the promoter group vide Board Resolution dated 27.03.2019

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

S.No.	Name of the Share holder	Shareholding at the beginning of the year		Date wise increase/decrease in the shareholding during the year		Cumulative Shareholding	
		No. of Shares	% of total shares of the Company	Date	No. of shares	No. of Shares	% of total shares of the Company
1	Mr. NanduBabu Gaddipati	0	0	01/12/2018	500	500	0.01
2	Mr. NagarajuRavulapati	0	0	01/12/2018	500	500	0.01
3	Mr. Chandra Sekhar Mallisetty	0	0	01/12/2018	500	500	0.01
4	Mr. Karri Kalyan Manikanta	0	0	01/12/2018	500	500	0.01

v) Shareholding of Directors and Key Managerial Personnel

S.No.	Particulars	Shareholding at the beginning of the year		Increase/ decrease in the shareholding during the year	Shareholding at the end of the year	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
1	Mr. Srinivasa Gaddipati	4387500	97.5	(2500)	4385000	97.45
2	Mrs. Sri Lakshmi Gaddipati	112500	2.5	0	112500	2.5
3	Ms. Likhitha Gaddipati	0	0	500	500	0.01

vi) INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment(As per Ind As)

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	13,91,49,834	-	-	13,91,49,834
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not paid	-	-	-	-
Total (i)+(ii)+(iii)	13,91,49,834	-	-	13,91,49,834
Change in indebtedness during the financial year				
Addition	-	-	-	
Reduction	4,06,15,545	-	-	4,06,15,545
Net change indebtedness				
At the end of the financial year				
i) Principal Amount	9,85,34,289	-	-	9,85,34,289
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not paid	-	-	-	-
Total (i)+(ii)+(iii)	9,85,34,289			9,85,34,289

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Director and/or Manager

S. No.	Particulars of Remuneration	Srinivasa Rao Gaddipati	Sri Lakshmi Gaddipati	Total
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of Income Tax Act, 1961	5,20,00,000	2,00,00,000	7,20,00,000
	(b) Value of perquisite u/s 17(2) of Income Tax Act, 1961	Nil	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	NIL
3	Sweat Equity	Nil	Nil	NIL

4	Commission – as 2 % of profit - Others, specify	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	Total (A)	5,20,00,000	2,00,00,000	7,20,00,000
	Ceiling as per the Act	-	-	-

- B. Amount paid to Independent Directors: NIL
C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD: NIL

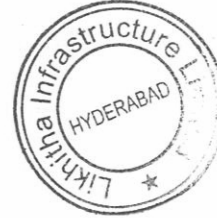
VI. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL

for and on behalf of the Board
for Likhitha Infrastructure Limited

G. Sri Lakshmi
Sri Lakshmi Gaddipati
Director
DIN: 02250598

S. Rao
Srinivasa Rao Gaddipati
Managing Director
DIN: 01710775

Place: Hyderabad
Date: September 17, 2019



FORM NO. AOC -2

(Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013)

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

1. Details of contracts or arrangements or transactions not at arm's length basis

There are no contracts or arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 which are not at arm's length basis.

2. Details of contracts or arrangement or transactions at arm's length basis:

Contracts or arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 which are at arm's length basis

(Amount in INR)

Name of Related Party	Nature of Relationship	Nature of Related Party Transaction	Duration	Salient Terms, if any.	Date of Approval of Board, if any.	Amount paid (For FY 2018-19)
G Srinivasa Rao	Managing Director	Remuneration and Commission	As per the terms of appointment	NA	12.02.2019	5,20,00,000/-
G Srinivasa Rao	Managing Director	Rent	NA	NA	-	2,592,000/-
G Sri Lakshmi	Director	Remuneration and Commission	As per the terms of appointment	NA	-	2,00,00,000/-
G Kutumba Rao	Relative of Director	Rent paid	On going	NA	-	1,80,000/-
G Likhitha	Daughter of Director	Professional Charges Paid	NA	NA	09.07.2018	19,00,000/-

for and on behalf of the Board
for Likhitha Infrastructure Limited

G. Sri Lakshmi

Sri Lakshmi Gaddipati
Director
DIN: 02250598

S. Rao

Srinivasa Rao Gaddipati
Managing Director
DIN: 01710775

Place: Hyderabad
Date: September 17, 2019



ANNEXURE-III

CORPORATE SOCIAL RESPONSIBILITY

As per Section 135 of the Companies Act, 2013, a Company, has to spend two percent of its average net profits of three immediate preceding financial years.

S. No.	Particulars	Remarks
1	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy, projects or programs	The Board on recommendation of the Committee invested CSR funds for promoting education. The Company spent an amount of Rs. 20,00,000/- (Rupees Twenty Lakhs Only) (any amount, if remaining, will be carried forward) towards the promotion of education & making available safe drinking water to a school. The web link to the policy is https://likhitha.co.in/
2	The Composition of CSR committee	1. Mr. Srinivasa Rao Gaddipati- Chairman 2. Mrs. Sri Lakshmi Gaddipati-Member 3. Mr. Sivasankara Parameswara Kurup Pillai-Member
3	Average net profit of the Company for the last three financial years.	Rs. 9,58,47,487/-
4	Prescribed CSR expenditure (Two percent of the amount as in item 3 above)	Rs. 19,16,950/-
5	Details of CSR spent during the financial year: a) Total amount to be spent for the financial year b) Amount unspent, if any; c) Manner in which the amount spent during the financial year is detailed as below	Rs. 20,00,000/- Nil Nil

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) projects or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct Expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting year	Amount Spent: Direct or through implementing agency*
1	All India Social Educational Trust	Promoting Education (promoting special education and employment skills especially among children, elderly and the differently abled and livelihood enhancement projects)	Ahmedabad	20,00,000	20,00,000	20,00,000	20,00,000
	Total			20,00,000	20,00,000	20,00,000	20,00,000

* On recommendation of CSR Committee, the Board of Directors vide their resolution passed in their meeting held on March 02, 2019 has transferred amount of CSR Expenditure for FY 2018-19 to All India Social Educational Charitable Trust which is eligible to accept CSR amount.

for and on behalf of the Board
for Likhitha Infrastructure Limited

G. Sri Lakshmi
Sri Lakshmi Gaddipati
Director
DIN: 02250598

Srinivasa Rao Gaddipati
Srinivasa Rao Gaddipati
Managing Director
DIN: 01710775

Place: Hyderabad
Date: September 17, 2019



ANNEXURE - IV

PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO REQUIRED UNDER THE COMPANIES (ACCOUNTS) RULES, 2014

(A) Conservation of energy-

- (i) The steps taken or impact on conservation of energy; - NIL
(ii) The steps taken by the company for utilizing alternate sources of energy; -NIL
(iii) The capital investment on energy conservation equipment's; -NIL

(B) Technology absorption-


- (i) The efforts made towards technology absorption : NIL
(ii) The benefits derived like product improvement, cost reduction, product development or import substitution : NIL
(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- N.A.
(iv) the expenditure incurred on Research and Development : NIL

(C) Foreign exchange earnings and Outgo-

(Amount in INR)

Particulars	As on 31.03.2019	As on 31.03.2018
Expenditure in Foreign Currency (Material)	4,25,67,551	47,29,024

for and on behalf of the Board
for Likhitha Infrastructure Limited


Sri Lakshmi Gaddipati
Director
DIN: 02250598


Srinivasa Rao Gaddipati
Managing Director
DIN: 01710775

Place: Hyderabad
Date: September 17, 2019



ANNEXURE-V

PARTICULARS OF EMPLOYEES

[pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

I. Particulars of top ten employees in terms of remuneration drawn for FY 2018-19

S. No	Employee name	Designation	Educational qualification	Age (Years)	Experience	Date of Joining	Gross Remuneration Paid (Amount in INR)	Previous employment and designation, If any	No. Shares held, If any	Whether relative to director or manager
1	P.K.Chakorborty	Project Manager	B E (Mech) & MBA	51	30+Years	15.03.16	14,85,000	Cairn India Limited through Brunel (Senior Inspection Engineer)	-	No
2	Sudhanshu Shekhar	Project Co-ordinator	B E (Mech) & MBA	39	17 Years	12.02.18	14,80,000	Natural Gas & Water Pipeline Projects and City Gas Distribution Projects (Contractor)	-	No
3	Md. Sarfaraz Alam	Project Manager	Diploma (Mech)	40	20 Years	01.02.17	12,95,667	Non available	-	No
4	Binay Kumar Dubey	Incharge QA/QC	B Tech	39	18 Years	04.05.16	9,09,000	Mott MackDonald Private Limited (Spread Incharge)	-	No
5	Krishna Gopal Singh	Manager QA/QC	B E (Mech)	36	13 Year	08.01.18	7,62,000	Not available	-	No
6	Santosh Singh	Spread In-Charge	Diploma (Mech)	34	14 Years	15.12.17	7,62,000	Not available	-	No
7	Haider Imam	Project Manager	B Tech	38	13 Year	01.06.16	7,29,000	Not available	-	No
8	N.Narashimha Sekhar	Manager	C A (Inter)	61	30+Years	04.11.16	5,73,000	M/s. Vasavi Agencies (Business Associate)	-	No
9	Om Prakash Singh	Project Manager	B E	58	36 Years	01.11.18	5,00,000	Not available	-	No
10	M. Srinivasa Sudhakar	Sr Project Manager	Diploma (Mech)	41	21 Years	14.11.18	4,80,000	VCS Quality Services (i) Private Limited	-	No

- II. During the year under review, no employee was in receipt of remuneration exceeding one crore and two lakh rupees for the reporting year and no employee was paid for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month.

for and on behalf of the Board
for Likhitha Infrastructure Limited

G. Sri Lakshmi

Sri Lakshmi Gaddipati
Director
DIN: 02250598

S. Rao

Srinivasa Rao Gaddipati
Managing Director
DIN: 01710775

Place: Hyderabad
Date: September 17, 2019





INDEPENDENT AUDITORS' REPORT

TO The Members Of LIKHITHA INFRASTRUCTURES LIMITED

Opinion:-

1. We have audited the accompanying financial statements of Likhitha Infrastructures Limited (formerly known as Likhitha Infrastructures Private Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information

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

Basis for Opinion:-

2. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs 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 Act 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.

Key Audit Matters:-

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



*

<p>Appropriateness of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)</p>	
<p>Key audit matter description</p>	<p>Appropriateness of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard).</p> <p>The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period. And also the required disclosure as specified by the said standard.</p>
<p>Audit Procedures</p>	<p>We have assessed the process to identify the impact of adoption of the new revenue accounting standard and also the revenue recognition criteria said by the company.</p> <p>The procedures performed included the following:</p> <ul style="list-style-type: none"> • Evaluated the design of internal controls relating to implementation of the new revenue accounting standard; • Review terms and conditions of continuing and new contracts on sample basis and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. • We have carried out procedures involving inspection and examination of evidence which include the underlying supporting documents, internal and external supporting records in respect of transactions with the customers in relation to the continuing and new contractor and • In respect of significant continuing and new contracts, we performed the following procedures: <ol style="list-style-type: none"> i. Read and analysed contracts to understand terms and conditions to ascertain the distinct performance obligations in such contracts; ii. Compared such performance obligations with that identified and recorded by the Company; iii. Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration; v. Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.



CHARTERED ACCOUNTANTS**Other Information:-**

4. The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' 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 in the 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.

Management's Responsibility for the Financial Statements:-

5. 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 financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors are 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.

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



CHARTERED ACCOUNTANTS**Auditors' Responsibility for the Financial Statements:-**

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

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

We also

7. 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.
8. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
9. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
10. 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.



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CHARTERED ACCOUNTANTS

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

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

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

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

Other Matters:-

12. The financial statements of the Company for the year ended March 31, 2018, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated **May 12, 2018**, expressed an unmodified opinion on those financial statements.

Report on Other Legal and Regulatory Requirements:-


13. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the **Annexure B** a statement on the matters specified in paragraphs 3 and 4 of the Order.
14. As required by Section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.



- c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of accounts.
- d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure A**.
- g. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
- i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2019 on its financial position in its standalone Ind AS financial statements – Refer Note 31.1.B(II);
 - ii. The Company has made provision as at March 31, 2019, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019;
- h. With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the company to its directors during the year is in accordance with the provisions of the section 197 of the Act.

For **NSVR & Associates LLP**

FRN: 008801S/S200060


Suresh Gannamani
Partner



Membership Number: 226870

Place: Hyderabad
Date: 17/09/2019.

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of Likhitha Infrastructures Limited on the standalone Ind AS financial statements for the year ended March 31, 2019.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act:-

1. We have audited the internal financial controls over financial reporting of Likhitha Infrastructures Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls:-

2. 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 Act.

Auditors' Responsibility:-

3. 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 deemed to be prescribed under section 143(10) of the Act 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 ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



4. 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 financial controls based on the assessed risk. The procedures selected depend on the auditor's judgments, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.
5. 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:-

6. 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 Ind AS 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 Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting:-

7. 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:-

8. 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 March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **NSVR & Associates LLP**

FRN: 008801S/S200060


Suresh Gannamani

Partner

Membership Number: 226870



Place: Hyderabad

Date: 17/09/2019

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Likhitha Infrastructures Limited on the standalone Ind AS financial statements as of and for the year ended March 31, 2019

I. In respects of Company's property, plant and equipment:

- (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of immovable properties, as disclosed in note 3 on property, plant and equipment to the Ind AS financial statements, are held in the name of the Company.

II. The physical verification of inventory [excluding certain contracts-in-progress indicated under note 27 to the standalone Ind AS financial statements] have been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

III. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

IV. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.

V. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

VI. Pursuant to the rules made by the Central Government of India, the Company is not required to maintain cost records as specified under Section 148(1) of the Act.

VII. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, employees' state insurance, income tax and value added tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including sales tax, service tax, duty of customs, duty of excise, cess, goods and service tax with



effect from July 1, 2017 and other material statutory dues, as applicable, with the appropriate authorities.

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of duty of customs, duty of excise, value added tax, goods and service tax which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, service tax and entry tax as at March 31, 2019 which have not been deposited on account of a dispute are as follows:

Name of the statute	Nature of dues	Disputed Amount*	Period to which the amount relates
Telangana Value Added Tax Act 2005	Demand under Rule 17 (1) (e) of the APVAT Rules, 2005.	614,381	2008-09
Telangana Value Added Tax Act 2005	Demand under Rule 17 (1) (e) of the APVAT Rules, 2005.	1,535,656	2009-10
Income Tax Act, 1961	Income Tax	6,629,190	2012-13

*net of amounts paid under protest of includes interest and penalty levied on the disputed demand which will be settled in case such demand is required to be paid by the Company.

- VIII.** According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- IX.** The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments). In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- X.** During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- XI.** The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- XII.** As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. The provisions of Clause 3(xii) of the Order are not applicable to the Company.

(Handwritten signature)



- XIII.** The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of the related party transactions have been disclosed in the Ind AS financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act.
- XIV.** The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- XV.** The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- XVI.** The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For **NSVR & Associates LLP**

FRN: 008801S/S200060



Suresh Gannamani

Partner

Membership Number: 226870



Place: Hyderabad


Date: 17/09/2019

Likhitha Infrastructure Limited
Balance Sheet as at March 31, 2019

Particulars	Note No	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current Assets			
(a)Property, Plant and Equipment	3	1139,97,902	1225,90,675
(b)Investment Property	3	238,72,562	238,87,314
(c)Financial Assets			
(i)Investments	4	1,36,000	43,13,560
(ii)Loans and Advances	5	254,97,016	194,37,872
(iii)Other Financial Assets	6	122,94,740	173,67,755
(d)Deferred Tax Assets (Net)		-	-
(e)Other Non-current Assets		-	-
Total Non-current Assets		1757,98,219	1875,97,176
Current Assets			
(a)Inventories	7	1981,37,027	265,12,500
(b)Financial Assets			
(i)Investments	8	-	100,49,930
(ii)Trade Receivables	9	3095,25,961	2821,41,180
(ii)Cash and Cash Equivalents	10	51,36,448	677,59,008
(iii)Bank Balances other than above other than (ii)	11	963,48,551	600,00,000
(iv)Other Financial Assets	12	61,82,002	62,16,407
(c)Current Tax Assets (Net)		-	-
(d)Other Current Assets	13	557,64,397	346,21,040
Total Current Assets		6710,94,386	4873,00,065
Total Assets		8468,92,605	6748,97,241
Equity and Liabilities			
Equity			
(a)Equity Share Capital	14	450,00,000	450,00,000
(b)Other Equity	15	4550,83,471	2773,53,164
Total Equity		5000,83,471	3223,53,164
Liabilities			
Non-current Liabilities			
(a)Financial Liabilities			
(i)Long-term borrowings	16	112,69,362	355,67,993
(b)Provisions	17	24,14,371	14,15,411
(c)Deferred Tax Liabilities (Net)	18	41,92,312	45,46,206
Total Non-current Liabilities		178,76,045	415,29,610
Current liabilities			
(a)Financial Liabilities			
(i)Short-term borrowings	19	560,58,196	724,69,465
(ii)Trade payables - total dues of:			
:small and micro enterprises			
: others than small and micro enterprises	20	1211,87,792	1338,22,035
(iii)Other financial liabilities	21	355,19,493	327,43,901
(b)Other current liabilities	22	861,36,220	716,10,479
(c)Provisions	23	68,400	31,513
(d)Current Tax Liability (Net)		299,62,986	3,37,074
Total Current Liabilities		3289,33,088	3110,14,467
Total Liabilities		8468,92,605	6748,97,241
Corporate Information	1		
Summary of significant accounting policies	2		

The accompanying notes form an integral part of the Ind AS financial statements
This is the Balance Sheet referred to in our report of even date

As per our report of even date
For NSVR & ASSOCIATES LLP
FRN:008801S/S200060


Suresh Gannamani
Partner
Member Ship No:226870



Place:Hyderabad
Date: 17/09/2019

For and on behalf of Board of Directors


(G Srinivasa Rao)
Managing Director
DIN:01710775


(G Srilakshmi)
Director
DIN:02250598



(Narasimha Sekhar Narahari)
Chief Financial Officer

Likhitha Infrastructure Limited
Statement of Profit and loss for the year ended March 31, 2019

Particulars	Note No	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Revenue			
Revenue from operations	24	13743,40,736	8707,77,112
Other income	25	311,27,539	152,78,943
Total Revenue		14054,68,275	8860,56,055
Expenses			
Construction expenses	26	9533,16,403	5895,87,959
Changes in inventories of work-in-progress	27	(1712,84,592)	(245,11,685)
Employee benefits	28	2662,59,978	1622,85,714
Finance costs	29	168,49,121	84,61,909
Depreciation	3	298,71,423	93,15,337
Other expenses	30	574,58,869	316,66,656
Total expenses		11524,71,202	7768,05,890
Profit before tax		2529,97,074	1092,50,165
Tax expense:			
Current tax		758,61,840	328,00,000
Earlier years		-	-
Deferred tax		(3,16,291)	45,17,562
Tax expense		755,45,549	373,17,562
Profit for the year		1774,51,525	719,32,603
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on Investments		3,56,994	1,96,443
Re-measurement gains/(losses) on defined benefit plans		(40,608)	-
Tax on items that will not be reclassified to profit or loss		(37,603)	(30,645)
Total Other comprehensive income for the year, net of tax		2,78,783	1,65,798
Total comprehensive income for the year, net of tax		1777,30,308	720,98,401
Earnings per equity share		39.50	16.02
Corporate Information	1		
Summary of significant accounting policies	2		

The accompanying notes form an integral part of the Ind AS financial statements
This is the Statement of Profit and Loss referred to in our report of even date

As per our report of even date
For NSVR & ASSOCIATES LLP
FRN:008801S/S200060


Suresh Gannamani
Partner
Member Ship No:226870



For and on behalf of Board of Directors


(G Srinivasa Rao)
Managing Director
DIN:01710775


(G Srilakshmi)
Director
DIN:02250598

Place:Hyderabad
Date:17/09/2019


(Narasimha Sekhar Narahari)
Chief Financial Officer



Likhitha Infrastructure Limited

(formerly known as Likhitha Infrastructure Private Limited)

Cash Flow statement for the year ended 31 March, 2019

(All amounts in INR, unless otherwise stated)

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
A. Cash Flow from Operating Activities:		
Profit before tax for the year	25,29,97,074	10,92,50,165
Adjustments for:		
Depreciation	2,98,71,423	93,15,337
Finance Charges	86,26,955	18,58,155
Bad debts written off	-	-
Loss on Sale of Assets	7,62,623	-
Dividend received	(8,96,975)	(5,92,474)
Profit on sale of shares (net)	5,53,437	-
Interest Earned	(92,85,564)	(1,32,62,291)
Profit on sale of Fixed Assets	-	(27,722)
Operating Profit before working capital changes	28,26,28,973	10,65,41,170
Adjustments for:		
(Increase) / Decrease in Inventory	(17,16,24,527)	(2,46,62,100)
(Increase) / Decrease in Trade receivables	(2,73,84,781)	2,41,93,534
(Increase) / Decrease in Long Term Loans and advances	(60,59,144)	(1,17,323)
(Increase) / Decrease in Non-Current Financial Assets	50,73,015	(73,17,825)
(Increase) / Decrease in Short Term Loans and advances	(3,63,48,551)	(3,79,20,499)
(Increase) / Decrease in Current Financial assets	(44,75,002)	51,28,000
(Increase) / Decrease in Other Current assets	(2,11,43,357)	(3,04,50,197)
(Decrease) / Increase in Trade payables	(52,08,825)	(5,73,02,719)
(Decrease) / Increase in Provision for employee benefits	10,35,847	14,46,924
(Decrease) / Increase in Current Financial liabilities	26,81,237	(2,94,92,175)
(Decrease) / Increase in Other liabilities	1,45,25,741	7,16,10,479
Cash Generated from Operations	3,37,00,627	2,16,57,269
Taxes Paid (Net)	(4,62,35,928)	(3,65,51,747)
Net Cash (used) / from Operating Activities (A)	(1,25,35,301)	(1,48,94,478)
B. Cash Flow from Investing Activities:		
Purchase of Fixed Assets including Capital Advances and Capital Creditors	(3,12,51,939)	(10,31,23,386)
Proceeds from sale of Fixed Assets	18,00,000	26,16,443
Investments	1,34,77,610	3,95,69,714
Dividend received	8,96,975	5,92,474
Interest Received	1,37,94,971	98,10,825
Net Cash from / (used) Investing Activities (B)	(12,82,382)	(5,05,33,930)
C. Cash Flow from Financing Activities:		
Interest Paid	(86,26,955)	(18,58,155)
(Decrease) / Increase in Short term Borrowings	(1,64,11,269)	2,88,93,491
Receipt / (Repayment) of Vehicle Loans (net)	(2,42,04,276)	6,52,45,683
Net Cash from / (used) Financing Activities (C)	(4,92,42,500)	9,22,81,019
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	(6,30,60,183)	2,68,52,611
Cash and Cash equivalents at beginning of the year	6,77,59,008	4,09,06,395
Cash and Cash equivalents at end of the year	46,98,825	6,77,59,006

Note 1

General Information

Summary of significant accounting policies

Note 2


The accompanying notes form an integral part of the financial statements

Notes:

1) Cash and Cash equivalents includes:

Particulars	As at 31 March, 2019	As at 31 March, 2018
Cash on hand	12,58,996	10,12,800
Cash Equivalents		
Balances with banks in		
- Current accounts	38,77,451	3,87,46,208
- Deposit accounts (less than 3 months maturity)	-	2,79,75,000
- Margin money deposits (less than 3 months maturity) *	-	25,000
	51,36,448	6,77,59,008

As per our report of even date
For NSVR & ASSOCIATES LLP
FRN:008801S/S200060



Suresh Gannamani
Partner
Member Ship No:226870



For and on behalf of Board of Directors


(G Srinivasa Rao)
Managing Director
DIN:01710775


(G Srilakshmi)
Director
DIN:02250598


(Narasimha Sekhar Nannari)
Chief Financial Officer

Place:Hyderabad
Date:17/09/2019



Likhitha Infrastructure Limited

Notes to the Restated Summary Statement of Assets and Liabilities, Statement of Profit and Loss and Cash Flow Statement

Note No.3 Property, Plant and Equipment (Investment Property)

(All amounts in INR, unless otherwise stated)

Particular	Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Computers	Total
Gross Block								
As at 31 March, 2016	70,48,255	72,06,034	287,42,293	2,21,736	26,71,514	14,325	3,00,056	462,04,213
Additions during the year	109,71,000	-	10,82,898	-	15,50,552	-	-	136,04,450
Deductions during the year	-	-	113,12,918	-	1,98,998	-	-	115,11,916
As at 31 March, 2017	180,19,255	72,06,034	185,12,273	2,21,736	40,23,068	14,325	3,00,056	482,96,747
Additions during the year	-	-	1119,49,660	-	36,93,009	-	4,75,990	1161,18,659
Deductions during the year	-	-	31,94,444	-	1,45,670	-	-	33,40,114
As at 31 March, 2018	180,19,255	72,06,034	1272,67,489	2,21,736	75,70,407	14,325	7,76,046	1610,75,292
Additions during the year	-	6,26,955	88,99,076	-	118,40,219	14,99,522	9,60,749	238,26,521
Deductions during the year	-	-	42,25,059	-	-	-	-	42,25,059
As at 31 March, 2019	180,19,255	78,32,989	1319,41,506	2,21,736	194,10,626	15,13,847	17,36,795	1806,76,754
Accumulated Depreciation								
Up to 31 March, 2016	-	-	-	-	-	-	-	-
For the year	-	7,03,309	43,18,896	59,365	10,41,005	8,019	1,73,853	63,04,447
On deductions	-	-	2,68,514	-	2,574	-	-	2,71,088
Up to 31 March, 2017	-	7,03,309	40,50,382	59,365	10,38,431	8,019	1,73,853	60,33,359
For the year	-	6,34,666	70,26,715	43,213	14,85,489	1,219	1,24,035	93,15,337
On deductions	-	-	7,05,332	-	46,061	-	-	7,51,393
Up to 31 March, 2018	-	13,37,975	103,71,765	1,02,578	24,77,859	9,238	2,97,888	145,97,303
For the year	-	6,41,707	254,47,853	30,486	32,53,017	1,29,972	3,68,388	298,71,423
On deductions	-	-	16,62,436	-	-	-	-	16,62,436
Up to 31 March, 2019	-	19,79,682	341,57,182	1,33,064	57,30,876	1,39,210	6,66,276	428,06,290
Net Block								
As at 31 March, 2016	70,48,255	72,06,034	287,42,293	2,21,736	26,71,514	14,325	3,00,056	462,04,213
As at 31 March, 2017	180,19,255	65,02,725	144,61,891	1,62,371	29,84,637	6,306	1,26,203	422,63,388
As at 31 March, 2018	180,19,255	58,68,059	1168,95,724	1,19,158	50,92,548	5,087	4,78,158	1464,77,989
As at 31 March, 2019	180,19,255	58,53,307	977,84,324	88,672	136,79,750	13,74,637	10,70,519	1378,70,464

For NSVR & ASSOCIATES LLP
FRN:008801/S/200060



G. Suresh Gannamani
Suresh Gannamani
Partner
Member Ship No.226870

For and on behalf of Board of Directors



G. Srinivasa Rao
(G Srinivasa Rao)
Managing Director
DIN:01710775



Narasimha Sekhar Narahar
(Narasimha Sekhar Narahar)
Chief Financial Officer

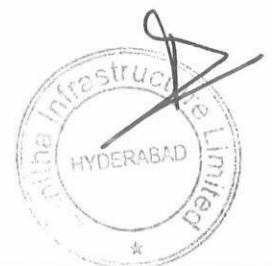
Place:Hyderabad
Date:17/09/2019

Note No.4 Investments

Particulars	As at March 31, 2019	As at March 31, 2018
Investment carried at fair value through profit or loss		
Non-trade, Quoted		
Investments in Equity Shares		
Nil (2018 500) equity shares of Rs 2/- each in Axis Bank Limited	-	2,46,125
Nil (2018 2,000) equity shares of Rs 10/- each in Coal India Limited	-	5,49,100
Nil (2018 300) equity shares of Rs 2/- each in Divis Laboratories Limited	-	3,29,025
Nil (2018 50) equity shares of Rs 5/- each in Dr Reddy's Laboratories Limited	-	1,04,570
Nil (2018 800) equity shares of Rs 2/- each in Hindustan Zinc Limited	-	2,45,800
Nil (2018 1,500) equity shares of Rs 2/- each in Karur Vysya Bank	-	1,53,075
Nil (2018 300) equity shares of Rs 2/- each in Larsen & Toubro Limited	-	3,88,845
Nil (2018 1,340) equity shares of Rs 10/- each in Laurus Labs Limited	-	6,83,735
Nil (2018 15,100) equity shares of Rs 2/- each in Mold-Tek Technologies Limited	-	7,72,365
Nil (2018 800) equity shares of Rs 10/- each in Reliance Industries Limited	-	7,15,920
- Deposit accounts	1,36,000	1,25,000
Total	1,36,000	43,13,560
Aggregate amount of quoted investments		
- Fair value	1,36,000	41,88,560
- Cost	1,36,000	39,92,117
Aggregate provision for diminution in value of investments	-	-

Note No.5 Loans and Advances

Particulars	As at March 31, 2019	As at March 31, 2018
Capital Advances	-	-
Security Deposits	96,89,382	36,30,238
Retention Money	158,07,634	158,07,634
Total	254,97,016	194,37,872



Note No.6 Other Financial Assets

Particulars	As at March 31, 2019	As at March 31, 2018
Balance with Banks (more than 12 months maturity)		
- Margin money deposits *	122,94,740	173,67,755
Total	122,94,740	173,67,755

Note No.7 Inventories

Particulars	As at March 31, 2019	As at March 31, 2018
Work-in-progress(at cost)	1957,96,277	245,11,685
Stores and Spares(at cost)	23,40,750	20,00,815
Total	1981,37,027	265,12,500

Note No.8 Investments

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks (Restricted Use)(3to12 months)		
- Deposit accounts	-	100,49,930
Total	-	100,49,930

Note No.9 Trade Receivables

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, Considered Good		
Outstanding for a period exceeding six months from due date	59,83,841	-
Others	3035,42,120	2821,41,180
Total	3095,25,961	2821,41,180

Note No.10 Cash and Cash Equivalents

Particulars	As at March 31, 2019	As at March 31, 2018
Cash on hand	12,58,996	10,12,800
Balances with banks in		
- Current accounts	38,77,451	387,46,208
- Deposit accounts (less than 3 months maturity)	-	279,75,000
- Margin money deposits (less than 3 months maturity) *	-	25,000
Total	51,36,448	677,59,008



Note No.11 Bank Balances other than above

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks (Restricted Use)(3to12 months)		
- Margin money deposits	963,48,551	600,00,000
Total	963,48,551	600,00,000

Note No.12 Other Financial Assets

Particulars	As at March 31, 2019	As at March 31, 2018
Other Receivables	61,42,002	16,72,000
Interest accrued	-	45,09,407
Rent Receivable	40,000	35,000
Total	61,82,002	62,16,407

Note No.13 Other Current Assets

Particulars	As at March 31, 2019	As at March 31, 2018
Advance for Expenses	292,15,342	45,68,588
Prepaid expenses	21,57,465	25,32,142
Deposits paid under protest	10,75,018	10,75,018
Balances with Govt Authorities	231,36,572	264,45,292
Due from Staff	1,80,000	-
Total	557,64,397	346,21,040



Note No.14 Equity Share Capital

Particulars	As at31 March, 2019		As at31 March, 2018	
	Number of shares	Amount	Number of shares	Amount
Authorised: Equity Shares of INR 10 each.	200,00,000	2000,00,000	50,00,000	500,00,000
Issued, subscribed and paid up: Equity Shares of INR 10 each fully paid up	45,00,000	450,00,000	45,00,000	450,00,000
Total	45,00,000	450,00,000	45,00,000	450,00,000

i. Details of share holders holding morethan 5% of total number of shares

Name of the Share Holder	As at31 March, 2019		As at31 March, 2018	
	Number of Shares	%	Number of Shares	%
Sri G.S.Rao	43,85,000	97.44%	43,87,500	97.50%
Smt.G.Sri Lakshmi	1,12,500	2.50%	1,12,500	2.50%

ii. Reconciliation of Number of Shares Outstanding:

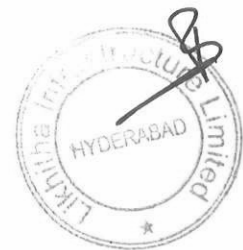
Name of the Share Holder	As at31 March, 2019		As at31 March, 2018	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	45,00,000	450,00,000	10,00,000	100,00,000
Add: Issue of bonus shares	-	-	35,00,000	350,00,000
Balance at the end of the year	45,00,000	450,00,000	45,00,000	450,00,000

iii. Rights, Restrictions and Preference attached to equity Shares including declaration of dividend

The company has only one class of equity shares having a face value of INR 10 per share with one vote per each equity share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential creditors. The distribution will be in proportion to the number of equity shares held by the shareholders.

iv. Details of the Bonus shares issued for the last 5 years immediately preceding the current period

During the financial year 2017-18 the Company has allotted 35,00,000 of INR 10 fully paid-up equity shares as bonus shares to the existing equity share holders of the Company in the ratio of 3.5:1.



Note No.15 Other Equity

Particulars	Reserves and surplus		Other comprehensive income	Total
	General Reserve	Retained Earnings		
Balance as at March 31, 2016	17,55,632	1617,05,388	-	1634,61,020
Add: Profit during the year	-	767,93,743	-	767,93,743
Less: Re-measurement gains/(losses) on defined benefit plans	-	-	-	-
Balance as at March 31, 2017	17,55,632	2384,99,131	-	2402,54,763
Add: Profit during the year	-	719,32,603	-	719,32,603
Less: Bonus Shares	-	(350,00,000)	-	(350,00,000)
Less: Re-measurement gains/(losses) on defined benefit plans	0	0	165797.892	1,65,798
Balance as at March 31, 2018	17,55,632	2754,31,734	1,65,798	2773,53,164
Add: Profit during the year	-	1774,51,525	-	1774,51,525
Less: Re-measurement gains/(losses) on defined benefit plans	-	-	2,78,783	2,78,783
Balance as at March 31, 2019	17,55,632	4528,83,259	4,44,581	4550,83,471

Corporate Information

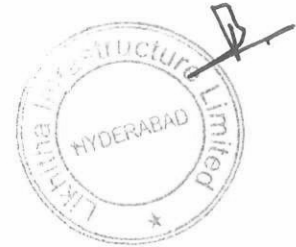
Note No 1

Summary of significant accounting policies

Note No 2

The accompanying notes form an integral part of the Ind AS financial statements

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



Note No.16 Long-term borrowings

Particulars	As at March 31, 2019	As at March 31, 2018
Long term maturities of finance lease obligations	112,69,362	355,67,993
Total	112,69,362	355,67,993

Finance lease obligations:

- i) Loans taken from Banks and Financial Institution on Hypothecation of vehicles and equipments.
ii) Loans from Srei Equipment Finance Limited are repayable in 17 to 29 equal monthly installments start from Feb, 18 and carries interest 6.48% to 6.51% per annum and loans from ICICI Bank Limited are repayable in 30 to 36 equal monthly installments start from and carries interest 8.75% to 10.51% per annum.

Note No.17 Provisions

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for employee retirement benefits		
: Gratuity	16,72,540	11,13,189
: Compensated Absences	7,41,831	3,02,222
Total	24,14,371	14,15,411

Note No.18 Deferred Tax Liabilities (Net)

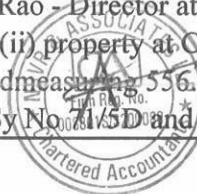
Particulars	As at March 31, 2019	As at March 31, 2018
Deferred Tax Liabilities (Net)	41,92,312.0	45,46,206.1
Total	41,92,312	45,46,206

Note No.19 Short-term borrowings

Particulars	As at March 31, 2019	As at March 31, 2018
Secured Loan repayable on demand from:		
: Yes Bank Limited	484,39,867	516,12,935
: Axis Bank Limited	76,18,329	208,56,530
Total	560,58,196	724,69,465

Secured Loan repayable on demand from Yes Bank Limited is Secured by (i) Exclusive charge by way of hypothecation on current assets, both present and future, (ii) Exclusive charge by way of equitable mortgage of designated personal properties of Directors and relatives of the directors and (iii) unconditional and irrecoverable personal guarantee of relatives of the directors.

Secured Loan repayable on demand from Axis Bank Limited is Secured by First pari-passu charge on entire current assets of the company, both present and future and exclusive collateral security of vacant site and property of Sri G Srinivasa Rao - Director at Chinamushidiwada (i) vacant site admeasuring 2186.2 sq yds covered by Sy No 71/13 & 71/19 (ii) property at Chinamudhishwada admeasuring 2081.2 sq yds covered by Sy No 71/12 and part of 71/19 and admeasuring 556.6 sq yds covered by Sy No 71/17A & 18A and (iii) vacant site admeasuring 278.3 covered by Sy No 71/5D and personal guarantees of the Directors.



Note No.20 Trade payables

Particulars	As at March 31, 2019	As at March 31, 2018
Dues to: Small and Micro Enterprises *	-	
: Other than Small and Micro Enterprises	1156,17,937	1208,26,762
Capital Creditors	55,69,856	129,95,273
Total	1211,87,792	1338,22,035

Note No.21 Other financial liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Current maturities of finance lease obligations	312,06,731	311,12,376
Liabilities for expenses	16,60,762	15,71,525
Other Payables	25,92,000	-
Deposits payable	60,000	60,000
Total	355,19,493	327,43,901

Note No.22 Other current liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Statutory dues payable	297,41,175	318,27,378
Due to Staff	563,95,045	345,58,192
Advance from Customers	-	52,24,909
Total	861,36,220	716,10,479

Note No.23 Provisions

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Employee Benefits		
: Leave encashment	68,400	31,513
Total	68,400	31,513



Note No.24 Revenue from Operations

Particulars	As at March 31, 2019	As at March 31, 2018
Revenue from Operations	13743,40,736	8707,77,112
	13743,40,736	8707,77,112

Note No.25 Other income

Particulars	As at March 31, 2019	As at March 31, 2018
Recurring other income		
Not related to business activity		
Interest Income	92,85,564	132,62,291
Rent earned	4,45,000	4,20,000
Dividend from Chits	8,68,600	5,27,600
Dividend Income on shares	28,375	64,874
Non-recurring other income		
Not related to business activity		
Profit on sale of assets	-	27,722
Commission	205,00,000	-
Gain on Foreign Exchange	-	20,485
Related to business activity		
Sales Tax Refund	-	2,09,580
Value Added Tax Credit	-	7,46,391
	311,27,539	152,78,943

Note No.26 Construction expenses

Particulars	As at March 31, 2019	As at March 31, 2018
Sub Contract Expenses	4368,10,160	3331,94,765
Construction Material, Stores and Spares Consumed	4142,28,692	1943,30,799
Labour Charges	-	1,12,561
Hire Charges	469,50,276	292,46,266
Power and Fuel	318,03,249	67,14,794
Rates and Taxes	103,64,406	120,80,448
Repairs to: Plant and Machinery	13,91,958	8,89,822
Repairs to: Other Assets	1,24,649	-
Other expenses	116,43,013	130,18,504
	9533,16,403	5895,87,959

Note No.27 Changes in inventories of work-in-progress

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Stock	245,11,685	-
Closing Stock	1957,96,277	245,11,685
Total	(1712,84,592)	(245,11,685)



Note No.28 Employee benefits

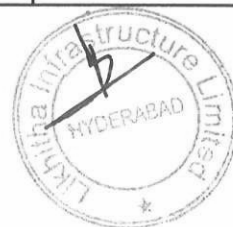
Particulars	As at March 31, 2019	As at March 31, 2018
Salaries and Wages	1707,06,462	829,50,126
Directors Remuneration	720,00,000	720,00,000
Contribution to provident fund and other funds	78,08,181	37,97,801
Gratuity	5,18,743	11,13,189
ESI	62,73,556	-
Leave Encashment	4,76,496	-
Staff welfare expenses	84,76,540	24,24,598
	2662,59,978	1622,85,714

Note No.29 Finance costs

Particulars	As at March 31, 2019	As at March 31, 2018
Hire Purchase Charges	38,30,337	9,05,120
Interest on Working Capital Loans	26,84,943	6,57,410
Interest Others	21,11,676	2,95,625
Other borrowing costs	82,22,165	66,03,754
	168,49,121	84,61,909

Note No.30 Other expenses

Particulars	As at March 31, 2019	As at March 31, 2018
Rent	159,08,499	91,96,138
Repairs to other assets	6,54,945	6,24,897
Insurance	49,84,270	42,66,824
Rates and taxes, excluding, taxes on income	37,874	3,78,724
Advertisement and Business Promotion expenses	34,59,074	15,68,607
Legal and Professional Charges	37,27,895	23,74,247
Auditors Remuneration	3,00,000	75,000
Donation	26,00,000	-
Corporate Social Responsibility Expenses	20,00,000	26,30,000
Communication Expenses	3,62,091	3,38,664
Travelling and Conveyance expenses	57,07,623	24,87,776
Loss on Chits	-	9,50,000
Loss on Sale of Assets	7,62,623	-
Bank Charges	22,70,299	8,00,719
General expenses	146,83,677	59,75,060
	574,58,869	316,66,656



M/s Likhitha Infrastructures Limited
Notes to Financial Statements for the year ended 31 March 2019.

NOTES TO FINANCIAL STATEMENTS

DESCRIPTION OF THE COMPANY AND SIGNIFICANT ACCOUNTING POLICIES:

1. General Information:

Likhitha Infrastructures Limited is a limited Company incorporated in India in 1998. The address of its registered office is in the state of Telangana, India in accordance with the provisions of the Companies Act, 1956. The Company is engaged in the business of laying gas supply pipe lines and irrigation canals, building bridges over the canals and related maintenance works.

2. Significant Accounting Policies:

2.1 Statement of compliance:-

The financial statements comply in all material aspects with Indian Accounting Standard (Ind AS) notified under the Section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

2.2 Basis of preparation and presentation:-

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

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



M/s Likhitha Infrastructures Limited
Notes to Financial Statements for the year ended 31 March 2019.

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

2.3 Estimates:-

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the year. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

2.4 Revenue Recognition:-

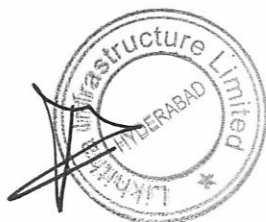
Sale of Services:

The Company earns revenue from sale of services.

Recognition of Income from Sale of Services:

Effective April 1, 2018, the company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The company has adopted Ind AS 115 using the cumulative catchup method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018).

The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated i.e. the comparative information continues to be reported under Ind AS 18. The impact of adoption of the standard on the financial statements of the Company is insignificant.



M/s Likhitha Infrastructures Limited
Notes to Financial Statements for the year ended 31 March 2019.

Revenue is recognized when the company satisfies a performance obligation by transferring a promised good or service to its customers. The company considers the terms of the contract and its customary business practices to determine the transaction price. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and Goods and Service tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives / discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

Other Income:

Interest Income

Interest Income mainly comprises of interest on Margin money deposit with banks relating to bank guarantee. Interest income should be recorded using the effective interest rate (EIR). However, the amount of margin money deposits relating to bank guarantee are purely current in nature, hence effective interest rate has not been applied. Interest is recognized using the time-proportion method, based on rates implicit in the transactions.

Dividend

Dividend income is recognized when the Company's right to receive dividend is established.

2.5 Foreign Currencies:-

Functional and presentation currency:

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates. The functional currency of the Company is Indian Rupee.

Transactions in foreign currency are recorded at the exchange rates prevailing on the date of transaction. Foreign currency monetary items outstanding at the balance sheet date are restated at the prevailing year end rates. The resultant gain / loss upon such restatement along with gain / loss on account of foreign currency transactions are accounted in the Statement of Profit and Loss.

2.6 Employee Benefits:-

Employee benefits include provident fund, superannuation fund, gratuity fund, compensated absences and post-retirement medical benefits.

Defined contribution plans:

The company's contribution to superannuation fund, considered as defined contribution plans are charged as an expense in the Statement of Profit and Loss based on the amount of contribution required to be made and when services are rendered by the employees.



M/s Likhitha Infrastructures Limited
Notes to Financial Statements for the year ended 31 March 2019.

Defined benefit plans:

For defined retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement.

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form reductions in future contributions to the plans.

Short term employee benefits:

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Other long term employee benefits:

Other Long term employee benefit comprise of Leave encashment which is provided for based on the actuarial valuation carried out as at the end of the year.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.



M/s Likhitha Infrastructures Limited
Notes to Financial Statements for the year ended 31 March 2019.

2.7 Earnings per Share:-

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

In a capitalisation or bonus issue or a share split, the number of ordinary shares outstanding is increased without an increase in resources. The number of ordinary shares outstanding before the event is adjusted for the proportionate change in the number of ordinary shares outstanding as if the event had occurred at the beginning of the earliest period presented.

2.8 Leasing:-

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

The Company's significant leasing arrangements are in respect of operating leases for premises that are cancelable in nature. The lease rentals under such agreements are recognised in the Statement of Profit and Loss as per the terms of the lease.

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

2.9 Taxation:-

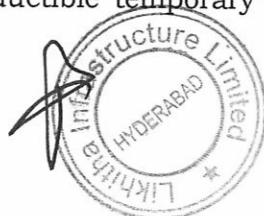
Income tax expense represents the sum of the tax currently payable and deferred tax.

2.9.1 Current Tax:-

Current tax expense comprises taxes on income from operations in India and foreign tax jurisdictions. Tax expense related to India is determined on the basis of the Income Tax Act, 1961 and quantified at the amount expected to be paid to the taxation authorities using the applicable tax rates. Tax expense relating to overseas operations is determined in accordance with the tax laws applicable in countries where such operations are domiciled.

2.9.2 Deferred Tax:-

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax



M/s Likhitha Infrastructures Limited

Notes to Financial Statements for the year ended 31 March 2019.

assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax for the year:

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

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.

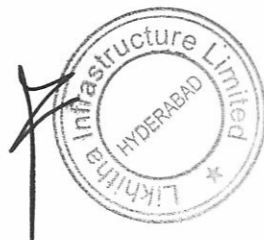
2.10. Property plant and equipment & Intangible Assets:-

Property, plant and equipment are carried at cost less accumulated depreciation/ amortization and impairment losses, if any. The cost of property, plant and equipment comprises its purchase price and other attributable expenditure incurred in making the asset ready for its intended use and interest on borrowings attributable to acquisition of qualifying property, plant and equipment up to the date the asset is ready for its intended use.

Property, plant and equipment retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

Depreciation and amortisation, Impairment:-

Depreciation has been provided on the written down value method as per the useful life as prescribed in Schedule II to the Companies Act, 2013 except in respect of following assets, in whose case, life of the assets has been assessed as under, based on technical advice, taking into account the nature of asset, the estimated usage of the asset, the operating conditions of the asset etc.



M/s Likhitha Infrastructures Limited
Notes to Financial Statements for the year ended 31 March 2019.

Type of Asset	Estimated useful life
Plant & Machinery	25
Plant & Machinery (IML)	25
Plant & Machinery (Vinegar)	25
Electrical Installations	25
Furniture & Fixtures	10
Office Equipment	5
Computers	6
Vehicles	8

All property, plant and equipment are tested for impairment at the end of each financial year. The impairment loss being the excess of carrying value over the recoverable value of the assets, if any, is charged to the statement of Profit and Loss in the respective financial year. The impairment loss recognized in prior years is reversed in cases where the recoverable value exceeds the carrying value, upon reassessment in the subsequent years.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is disclosed as capital advances under other noncurrent assets. The cost of property, plant and equipment not ready to use before such date are disclosed under capital work-in-progress. Assets not ready for use are not depreciated.

Investment Property:

Investment property is property (land or a building—or part of a building—or both) held to earn rentals or for capital appreciation or both, rather than for:

- (a) Use in the production or supply of goods or services or for administrative purposes; or
- (b) Sale in the ordinary course of business.

Recognition and measurement:

An investment property shall be recognised as an asset when and only when:

- (a) It is probable that the future economic benefits that are associated with the investment property will flow to the entity; and
- (b) The cost of the investment property can be measured reliably.

An investment property shall be measured initially at its cost. Transaction costs shall be included in the initial measurement. The company adopted cost model prescribed in IND AS 16 for accounting its investment property.



M/s Likhitha Infrastructures Limited
Notes to Financial Statements for the year ended 31 March 2019.

Cost Model:

After recognition as an asset, an item of investment property shall be carried at its cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation:

Depreciation on items of Investment Property is provided on written down value basis, computed on the basis of useful lives mentioned in Schedule II to the Companies Act, 2013.

Depreciation on additions / disposals is provided on a pro-rata basis i.e. from / up to the date on which asset is ready for use / disposed-off.

The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

The estimated useful lives are as follows:

Type of Asset	Estimated useful life
Buildings	30
Land	NA

2.11 Inventories:-

Raw materials, stores and spares are valued at lower of cost and net realisable value. Cost is ascertained on the basis of "weighted average" method.

Finished goods are valued at lower of cost and net realisable values. Cost comprises, material and applicable manufacturing overheads and excise duty.

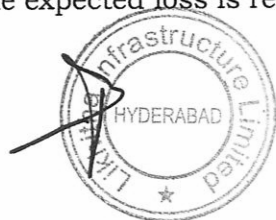
Stores and spares are valued at cost or below on weighted average basis.

2.12 Provisions, contingent liabilities and contingent assets:-

Provisions are recognised only when there is a present obligation as a result of past events and when a reasonable estimate of the amount of obligation can be made. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liabilities are disclosed for (i) possible obligation which will be confirmed only by future events not wholly within the control of the Company or (ii) 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 in the financial statements.

When it is probable at any stage of the contract, that the total cost will exceed the total contract revenue, the expected loss is recognised immediately.



M/s Likhitha Infrastructures Limited
Notes to Financial Statements for the year ended 31 March 2019.

2.13 Financial Instruments:-

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

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

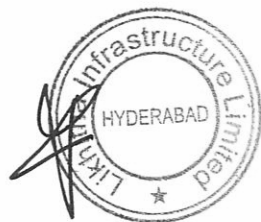
(ii) Financial assets at fair value through other comprehensive income: - Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

The Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity investments not held for trading.

(iii) Financial assets at fair value through profit or loss: - Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

(iv) Financial liabilities: - Financial liabilities are measured at amortized cost using the effective interest method.

(v) Investment in subsidiaries, Joint Ventures and Associates: - On initial recognition, these investments are recognized at fair value plus any directly attributable transaction cost. Subsequently, they are measured at cost.



M/s Likhitha Infrastructures Limited
Notes to Financial Statements for the year ended 31 March 2019.

Impairment of Financial Assets:-

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash or other financial asset.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

2.14 Current and Non-Current Classification:-

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

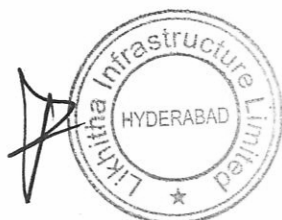
Assets: An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realised within twelve months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities: A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within twelve months after the reporting date; or
- The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets / liabilities include the current portion of non-current assets / liabilities respectively. All other assets / liabilities are classified as non-current.



M/s Likhitha Infrastructures Limited
Notes to Financial Statements for the year ended 31 March 2019.

2.15 Segment Reporting:-

The Managing Director of the company has been identified as being the Chief Operating Decision Maker (CODM). In the opinion of the management, the company operates in only one segment i.e. laying of gas pipe lines and development of allied infrastructure. Accordingly, disclosure of segment information as prescribed in the Indian accounting standard 108 "Operating segments" is not applicable except Information about major customers.

2.16 Operating Cycles:-

The Company's activities (primarily construction activities) have an operating cycle that exceeds a period of twelve months. The Company has selected the duration of the individual contracts as its operating cycle, wherever appropriate, for classification of its assets and liabilities as current and non-current.

2.17

The same accounting policies and methods of computation are followed in these standalone financial statements as compared with the audited financial statements for the year ended March 31, 2018.

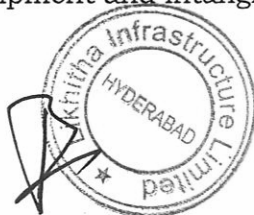
2.18 First-time adoption of Ind AS:

These financial statements, for the year ended 31st March 2019, are the first set of financial statements the Company has prepared in accordance with Indian Accounting Standards (Ind AS). For periods up to and including the year ended 31st March 2018, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

The Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31st March 2019, together with the comparative period data as at and for the year ended 31st March 2018, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1st April 2017, i.e., the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1st April 2017 and the financial statements as at and for the year ended 31st March 2018.

Exemptions Applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions: The Company adopted not to measure any item of property, plant and equipment at its fair value at the Transition Date. Accordingly, on the transition date, the net carrying value of the property, plant and equipment and intangible assets shall be considered as deemed cost for Ind AS purposes.



M/s Likhitha Infrastructures Limited
Notes to Financial Statements for the year ended 31 March 2019.

Estimates

The estimates at 1st April 2017 and at 31st March 2019 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

- FVTPL – Quoted equity shares
- Impairment of financial assets based on expected credit loss model (“ECL model”)

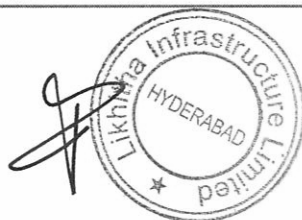
The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1st April 2017, the date of transition to Ind AS and as of 31st March 2019.

Reconciliation of equity as previously reported under Previous GAAP and that computed under Ind AS:

Particulars	Equity as at 31st March 2019	Equity as at 1 st April 2018
	(Audited)	(Audited)
Equity as per Previous GAAP	454,882,899	277,187,366
Impact on account of deferred tax	11,825	-
Impact of fair valuation of investments in Equity Shares	229,355	165,798
Impact of defined benefit plans	(40,608)	-
Equity as per IND AS	455,083,471	277,353,164

Reconciliation between financial results as previously reported under Previous GAAP and Ind AS for the year ended 31 March 2018:

Particulars	Year Ended 31st March 2018
	(Audited)
Net profit as per Previous GAAP	71,932,603
Impact on account of measuring investments at fair value through profit and loss	165,798
Net profit as per IND AS	72,098,401



M/s Likhitha Infrastructures Limited
Notes to Financial Statements for the year ended 31 March 2019.

FVTPL Financial assets:

Under Indian GAAP, the Company accounted for long term investments in quoted equity shares as investment measured at cost less provision for diminution other than temporary diminution in the value of investments, if any. Under Ind AS, the Company has designated such investments as FVTPL investments. Ind AS requires FVTPL investments to be measured at fair value. At the date of transition to Ind AS, difference between the instruments fair value and Indian GAAP carrying amount has been recognized as a separate component of equity, in the retained earnings.

Deferred tax

Indian GAAP requires deferred tax accounting using the statement of profit and loss approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

31 Additional information to the financial statements:-

31.1 Contingent Liabilities and Commitments (to the extent not provided for)

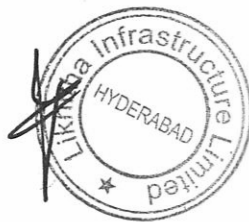
A. Commitments:-

Estimated amount of contract remaining to be executed on capital account and not provided for Rs Nil (2019: Rs Nil) (2018: Rs Nil).

B. Contingent liabilities to the extent not provided for:-

I. Guarantees issued by Banks:-

Particulars	As at 31 March, 2019	As at 31 March, 2018
Guarantees issued by Banks	49,47,66,261	302,299,869



M/s Likhitha Infrastructures Limited
Notes to Financial Statements for the year ended 31 March 2019.

II. Disputed Demand:-

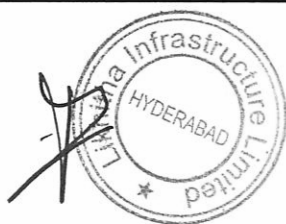
Particulars	As at		As at	
	31 2019	March,	31 2018	March,
Telangana Value Added Tax Act, 2005				
Demand under Rule 17 (1) (e) of the APVAT Rules, 2005 Financial Year 2008-2009 [Rs. 307,190/- was paid under protest]	614,381		614,381	
Demand under Rule 17 (1) (e) of the APVAT Rules, 2005 Financial Year 2009-2010 [Rs. 767,828/- was paid under protest]	1,535,656		1,535,656	
Income tax Act, 1961				
Order u/s. 143 (3) Income tax Act, 1961 Assessment Year 2013-14	-		6,629,190	

31.2 Segment Reporting:-

The Managing Director of the company has been identified as being the Chief Operating Decision Maker (CODM). In the opinion of the management, the company operates in only one segment i.e. i.e. laying of gas pipe lines and development of allied infrastructure. Accordingly, disclosure of segment information as prescribed in the Indian accounting standard 108 "Operating segments" is not applicable.

31.3 Earnings per share:-

Particulars	31st March, 2019	31st March, 2018
I. Net Profit as per P&L A/c available for Equity Shareholders	177,451,525	71,932,603
II Weighted Average Number of Equity Shares for Earnings Per Share Computation		
A. For Basic Earnings Per Share of ` 10 each	4,500,000	4,500,000
B. For Diluted Earnings Per Share of `10 each:	4,500,000	4,500,000
No. of Shares for Basic EPS as per II A	4,500,000	4,500,000
No. of Shares for Diluted EPS of `10 each	4,500,000	4,500,000
Earnings Per Share (Weighted Average)		
-Basic	39.50	16.02
-Diluted	39.50	16.02



M/s Likhitha Infrastructures Limited
Notes to Financial Statements for the year ended 31 March 2019.

Basic Earnings per share (EPS) amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

During the financial year 2017-18 the Company has allotted 35, 00,000 of INR 10 fully paid-up equity shares as bonus shares to the existing equity share holders of the Company in the ratio of 3.5:1.

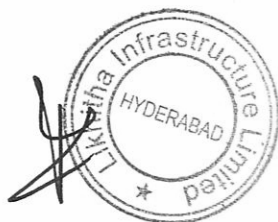
In a capitalisation or bonus issue or a share split, the number of ordinary shares outstanding is increased without an increase in resources. The number of ordinary shares outstanding before the event is adjusted for the proportionate change in the number of ordinary shares outstanding as if the event had occurred at the beginning of the earliest period presented. Since only bonus share have been allotted, no weighted average calculation has been made.

31.4 Related Party Transactions:-

Related party transactions have been disclosed in accordance with Ind AS 24 'Related Party Disclosures'

(a) Names of the related parties and description of the relationship

Name of related parties	Nature of relationship
G.Srinivasa Rao	Managing Director
G.Srilakshmi	Director
Narasimha Sekhar.Narahari	Chief Financial Officer
G Kutumba Rao	Director
G. Likhitha	Director
Veriedge Technologies Pvt Ltd	The entity and the reporting entity are under the control of the same person.



M/s Likhitha Infrastructures Limited
Notes to Financial Statements for the year ended 31 March 2019.

Related party transactions	As on 31 March, 2019	As on 31 March, 2018
Remuneration		
G. Srinivasa Rao	52,000,000	48,000,000
G. Srilakshmi	20,000,000	24,000,000
Rent		
G Kutumba Rao (including hire charges)	180,000	515,466
G. Srinivasa Rao	24,00,000	12,70,000
Web Designing charges		
Veriedge Technologies Pvt Ltd	-	1,592,898
Professional Charges		
G. Likhitha	1,900,000	1,800,000

Particulars	As on 31 March, 2019	As on 31 March,2018
Remuneration and Commission Payable		
G. Srinivasa Rao	21,655,635	14,900,000
G. Srilakshmi	14,229,462	8,226,237
Rent Payable		
G Kutumba Rao	-	-
G. Srinivasa Rao	25,92,000	-
Professional Charges Payable		
G. Likhitha	2,403,960	7,20,000

31.5 Employee Benefit Plan:-

(a) Defined Contribution Plans:-

The Company has recognised following amounts as Expense in the Statement of Profit and Loss.

Particulars	AS on 31 March, 2019	As on 31 March, 2018
Included in Contribution to Provident and Other Funds		
Provident Fund	7,808,181	3,797,801
Employee State Insurance	62,73,556	1,387,097



M/s Likhitha Infrastructures Limited
Notes to Financial Statements for the year ended 31 March 2019.

(b) Defined Benefit Plans:-

(a).Compensated Absences: (Included as part of Salaries, Wages and Bonus)

The Company's liability towards un-funded compensated absences is determined by independent actuarial valuation using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

Compensated benefits is payable to all the eligible employees of the Company on any type of separation from the Company on the balance of unutilized leaves as per the Company Rules. Benefits would be paid at the time of separation based on last drawn basic salary.

Particulars	As on 31 March, 2019	AS on 31 March, 2018
Expenses recognised in Statement of Profit and Loss	476,496	333,735

The Defined Benefit Obligation of compensated absence in respect of the employees of the Company as at March 31, 2019 works out to Rs. 810,231/- (2018: Rs. 333,735/-).

b. Gratuity:

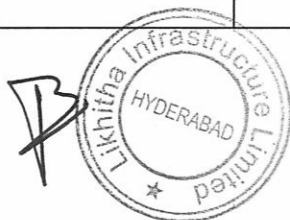
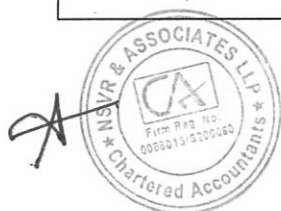
The Company has a funded defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service as per the provisions of the Payment of Gratuity Act, 1972 (as amended).

The plan exposes the Company to actuarial risks such as interest rate risk, investment risk, longevity risk and inflation risk.

The following table set out the funded status of the gratuity and the amounts recognized in the Company's financial statements as at March 31, 2019:

Change in benefit obligation

Particulars	As on March 31, 2019	As on March 31, 2018
Opening balance of benefit obligations	1,113,189	-
Current service cost	431,024	1,113,189
Interest cost	87,719	-
Actuarial Gain /(loss)	40,608	-
Benefits paid	-	-
Closing balance of benefit obligations	1,672,540	1,113,189



M/s Likhitha Infrastructures Limited**Notes to Financial Statements for the year ended 31 March 2019.****Expenses recognised in the statement of profit and loss for the year**

Particulars	As on March 31, 2019	As on March 31, 2018
Current service cost	431,024	1,113,189
Past service cost	-	-
Interest cost	87,719	-
Total expenses included in employee benefits expense	518,743	1,113,189

Recognised in other comprehensive income for the year

Particulars	As on March 31, 2019	As on March 31, 2018
Changes in financial assumptions	40,608	-
Experience variance (i.e. Actual experience Vs. assumptions)	-	-
Actuarial (Gain) / Loss on plan assets	-	-
Recognised in other comprehensive income	40,608	-

Demographic Assumptions

Particulars	As on March 31, 2019	As on March 31, 2018
Indian Assured Lives Mortality (2006-08) Ult Attrition Rate:	100%	100%
Age at valuation date / valuation date		
18-30	5%	5%
31-40	3%	3%
41 & above	1%	1%

31.6 Transactions in Foreign Currency:-

Total value of all imported raw materials, spare parts and components consumed during the financial year and the total value of all indigenous raw materials, spare parts and Components consumed and the percentage of each to the total consumption:

Particulars	As on 31 March, 2019		As on 31 March, 2018	
	%	Amount	%	Amount
Indigenous	89.73	372,001,076	97.57	189,601,775
Imported	10.27	42,567,551	2.43	4,729,024
Total	100.00	414,568,627	100.00	194,330,799



M/s Likhitha Infrastructures Limited**Notes to Financial Statements for the year ended 31 March 2019.****31.7 Income Taxes:****a. Income tax expense/ (benefit) recognized in the statement of profit and loss:**

Income tax expense/ (benefit) recognized in the statement of profit and loss consists of the following:

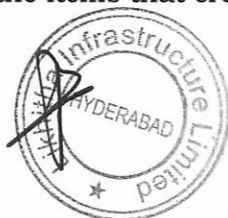
Particulars	For the Year Ended 31 st March	
	2019	2018
<i>Current taxes expense</i>		
Domestic (whichever is higher of a or b)		
a. Tax as per Normal Income Tax Provisions	75,861,840	32,800,000
b. Tax on Deemed Total Income Under MAT(Sec 115JB)	54,517,833	22,274,852
<i>Deferred taxes expense/ (benefit)</i>	(316,291)	4,517,562
Total income tax expense/(benefit) recognized in the statement of profit and loss	75,545,549	37,317,562

b. Reconciliation of Effective Tax Rates:

Particulars	For the Year Ended 31 March	
	2019	2018
Profit before income taxes	252,997,074	109,250,165
Enacted tax rate in India	29.12%	33.06%
Computed expected tax benefit/(expense)	75,941,913	32,800,000
Effect of:		
Expenses not deductible for Tax purposes	11,392,442	5,234,513
Expenses deductible for Tax purposes	9,203,350	8,802,474
Tax Effect on Previous losses Reported to Tax	-	-
Tax Payable at Special Rates as per Special provisions of Act	80,074	-
Income tax benefit/(expense)	78,211,079	29,232,039
Effective tax rate	30.91%	26.76%

C. Deferred tax assets & Liabilities:

The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities and a description of the items that created these differences is given below:



M/s Likhitha Infrastructures Limited
Notes to Financial Statements for the year ended 31 March 2019.

Particulars	For the Year Ended 31 March	
	2019	2018
<i>Deferred tax assets/(liabilities):</i>		
Property, plant and equipment	(4,915,295)	(5,699,055)
On Account of Others	722,983	1,152,849
Net deferred tax assets/(liabilities)	(4,192,312)	(4,546,206)

D. Movement in deferred tax assets and liabilities during the year ended 31st March 2019& 2018:

Particulars	As at 1 April 2017	Recognized in statement of profit and loss	Recognized in equity	As at 31 March 2018
Deferred tax (assets)/liabilities				
Net deferred tax (assets)/liabilities	(2,001)	4,517,562	30,645	4,546,206

Particulars	As at 1 April 2018	Recognized in statement of profit and loss	Recognized in equity	As at 31 March 2019
Deferred tax (assets)/liabilities				
Netdeferredtax (assets)/liabilities	4,546,206	(316,291)	(37,603)	4,192,312

31.8 Financial Risk management:-

The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents those are derived directly from its operations.

The Company's activities expose it to a variety of financial risks, including credit risk, liquidity risk and Market risk. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors, risk Management committee and the Audit Committee is responsible for overseeing the Company's risk assessment and management policies and processes.



M/s Likhitha Infrastructures Limited
Notes to Financial Statements for the year ended 31 March 2019.

(a) Market Risk:-

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk are deposits with Banks.

The analysis excludes the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities.

The following assumptions have been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held as at March 31, 2019 and March 31, 2018.

(i) Interest Rate Risk:-

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company has no outstanding bank borrowings. The company believes that the working capital available is sufficient to meet its current requirements. The company's exposure to interest rate risk arises primarily from deposits with Banks.

The following tables demonstrate the sensitivity to a reasonably possible change in interest rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in interest rate on deposits with Banks. The Company's exposure to interest rate changes as on March 31, 2019.

(ii) Foreign Currency Risk:-

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities i.e Cost of material which is denominated in a foreign currency though the same is payable in INR.

As the Company doesn't have significant transactions in foreign currency hence there is no impact on the financial statements because of foreign currency risk except as stated above.

(b) Credit Risk:-

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



M/s Likhitha Infrastructures Limited
Notes to Financial Statements for the year ended 31 March 2019.

In the opinion of the Management of the Company the loss due to credit risk has no significant impact on financial statements as majority of company's customers are Government companies. From past experience of realizing financial assets company does not foresee any Expected credit loss (ECL) on trade receivables

(c) Liquidity Risk:-

The Company monitors its risk of shortage of funds using a liquidity planning tool.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, trade and other payables. Liquidity risk is that the Company might be unable to meet its obligations. The Company's approach to managing liability is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions. The company believes that the available working capital is sufficient to meet its current requirements.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

As at March 31, 2019	On demand	Less than 1 Year	1 to 5 years	Others	Total
Long-term borrowings	-	31,206,731	11,269,362	-	42,476,093
Short-term borrowings	56,058,196	-	-	-	56,058,196
Trade payables	119,592,504	-	-	-	119,592,504
Other financial liabilities	-	5,304,898	-	-	5,304,898

As at March 31, 2018	On demand	Less than 1 Year	1 to 5 years	Others	Total
Long-term borrowings	-	31,112,376	35,567,993	-	66,680,369
Short-term borrowings	72,469,465	-	-	-	72,469,465
Trade payables	133,822,035	-	-	-	133,822,035
Other financial liabilities	-	1,631,525	-	-	1,631,525



M/s Likhitha Infrastructures Limited
Notes to Financial Statements for the year ended 31 March 2019.

31.9 Capital Management:-

For the purpose of the Company's capital management, capital includes issued capital and all other equity including reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

As at March 31, 2019, the Company has only one class of equity shares and has no debt except finance lease obligations and short-term borrowings. Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

The company's Debt Equity ratio is as follows:

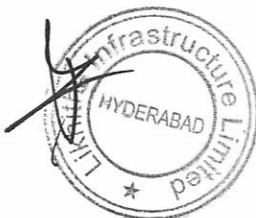
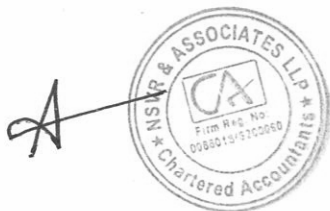
Rs in Lakhs

Particulars	2019 (Rs)	2018(Rs)
Total Debt	3,462.37	3,525.44
Total Equity	5,006.55	3,223.53
Debt Equity Ratio	0.69 :1	1.09 :1

31.10 Recent Accounting Pronouncements:-

Ind AS 116, Leases: The Ministry of Corporate Affairs has notified the Ind AS 116, Leases which will be effective from April 1, 2019. Ind AS 116 would replace the existing leases standard Ind AS 17. The standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit and loss. The Company is currently evaluating the effect of Ind AS 116 on the financial statements.

Amendment to Ind AS 12 'Income Taxes': On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 'Income Taxes'. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment will come into force for accounting periods beginning on or after April 1, 2019. The Company is evaluating the effect of the above in the financial statements.



M/s Likhitha Infrastructures Limited
Notes to Financial Statements for the year ended 31 March 2019.

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective for annual periods beginning on or after April 1, 2019. The Company is evaluating the effect of the above in the financial statements.

Amendment to Ind AS 19 'Employee Benefits': On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 'Employee Benefits' in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment will come into force for accounting periods beginning on or after April 1, 2019. The Company is evaluating the effect of the above in the financial statements.

31.11 Disclosure under "Micro, Small and Medium Enterprises Development Act, 2006":-

There are no dues to Micro, small and medium enterprises as at March 31, 2018, March 31, 2017 and March 31, 2016. The identification of Micro, small and medium enterprises as defined under the provisions of "Micro, Small and Medium Enterprises Act, 2006" is based on management's knowledge of their status.

31.12 Corporate Social Responsibility:-

Gross amount required to be spent by the company during the year 2019: Rs 11, 60,889 and (2018: Rs 13, 76,907/-).

Particulars	In Cash	Yet to be paid in Cash	Total
Construction/acquisition of asset	-	-	-
On purpose other than above	2,000,000 (2,360,000)	- -	2,000,000 (2,360,000)

Figures in the bracket indicate the amount expended in the previous financial year.



M/s Likhitha Infrastructures Limited
Notes to Financial Statements for the year ended 31 March 2019.

31.13

Balance in personal accounts are subject to confirmation and reconciliation.

31.14

In the opinion of the Board of Directors of the company, the current assets, loans and advances are expected to be realized in the ordinary course of business approximately the value at which they are stated in accounts.

31.15

Figures of the previous year have been regrouped/rearranged to confirm those of the current year.

For NSVR & Associates LLP
FRN: 008801S/S200060

For and on behalf of Board of Directors




Suresh Gannamani

Partner

Membership No: 226870





(G Srinivasa Rao)

Managing Director

DIN:01710775

(G Srilakshmi)

Director

DIN:02250598

Place: Hyderabad

Date: 17/09/2019.


(Narasimha Sekhar.Narahari)

Chief Financial Officer