



LIKHITHA INFRASTRUCTURE LIMITED

CIN: U45200TG1998PLC029911

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CORPORATE INFORMATION

COMPOSTION OF BOARD OF DIRECTORS

Mr. Sivasankara Parameswara Kurup Pillai	(DIN: 08401552)	Non-Executive Independent Director (Chairman)
Mr. Srinivasa Rao Gaddipati	(DIN: 01710775)	Managing Director
Mrs. Likhitha Gaddipati	(DIN: 07341087)	Non-Executive Director ¹
Mrs. Sri Lakshmi Gaddipati	(DIN: 02250598)	Non-Executive Director
Mr. Kutumba Rao Gaddipati	(DIN: 02333387)	Non-Executive Director
Mr. Talpa Sai Venkata Sesha Munupalle	(DIN: 08388354)	Non-Executive Independent Director
Mr. Jnanindra Kumar Dhar	(DIN: 06861830)	Non-Executive Independent Director ²

¹Appointed as Non-Executive Director with effect from 08.01.2018 and subsequently appointed as Whole-Time Director with effect from September 10, 2019 and thereafter re-designated as Non- Executive Director w.e.f. 23.12.2019

²Appointed with effect from June 1, 2019.

COMMITTEES OF THE BOARD

Audit Committee³ Mr. Talpa Sai Venkata Sesha Munupalle - Chairman Mr. Srinivasa Rao Gaddipati - Member Mr. Sivasankara Parameswara Kurup Pillai - Member	Nomination & Remuneration Committee³ Mr. Jnanindra Kumar Dhar - Chairman Mr. Sivasankara Parameswara Kurup Pillai - Member Mr. Talpa Sai Venkata Sesha Munupalle - Member
Stakeholders relationship Committee³ Mr. Sivasankara Parameswara Kurup Pillai - Chairman Mrs. Sri Lakshmi Gaddipati - Member Mr. Srinivasa Rao Gaddipati - Member	Corporate Social Responsibility Committee⁴ Mr. Srinivasa Rao Gaddipati - Chairman Mrs. Sri Lakshmi Gaddipati - Member Mr. Sivasankara Parameswara Kurup Pillai - Member
Initial Public Offering Committee (IPO Committee)⁵ Mr. Srinivasa Rao Gaddipati - Chairman Mr. Talpa Sai Venkata Sesha Munupalle - Member Mr. Sivasankara Parameswara Kurup Pillai - Member Mr. Santhosh Kumar Gunemoni - Secretary	

³Constituted on June 01, 2019

⁴Reconstituted on June 01, 2019

⁵Constituted on December 10, 2019

Mr. Sekhar Narasimha Narahari Chief Financial Officer (CFO) ⁶	Mr. Sudhanshu Shekhar Chief Executive Officer (CEO) ⁷
Mr. Santhosh Kumar Gunemoni Company Secretary and Compliance Officer ⁸	Mr. Sambasiva Rao Ketineni Chief Financial Officer (CFO) ⁹

⁶Appointed w.e.f. June 1, 2019 and resigned from the position of CFO w.e.f. June 25, 2020.

⁷Appointed w.e.f. June 1, 2019.

⁸Appointed w.e.f. December 10, 2019.

⁹Appointed w.e.f. June 25, 2020.

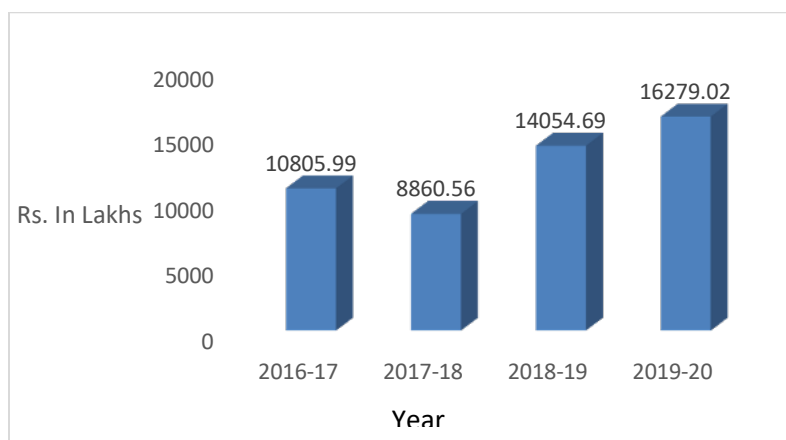
Internal Auditors M/s. Mukul Tyagi & Associates, Chartered Accountants, New Delhi.	Statutory Auditors NSVR & Associates LLP Chartered Accountants, Hyderabad. (w.e.f.31.08.2019)
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Contact Information Contact Number: 040 2375 2657 e-mail: cs@likhitha.in 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, Yellareddy Guda, 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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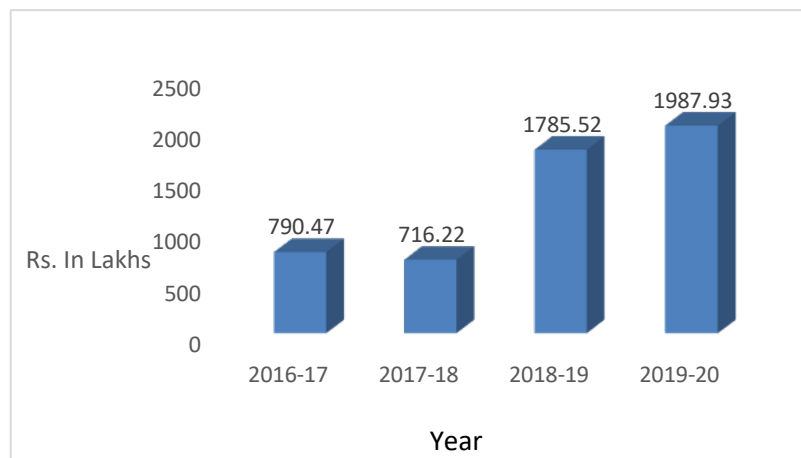
PERFORMANCE ANALYSIS OF LIKHITHA INFRASTRUCTURE LIMITED

PROFIT AND LOSS				
Particulars	2016-17	2017-18	2018-19	2019-20
Gross Income	10,805.99	8,860.56	14,054.69	16,279.02
Expenses	9,440.29	7,590.29	11,057.51	13,156.68
EBIDTA	1,365.70	1,270.27	2,997.18	3,122.34
EBIDTA % TO GROSS INCOME	12.64%	14.34%	21.33%	19.18%
Finance costs	61.00	84.62	168.49	136.40
EBDTA	1,304.70	1,185.65	2,828.69	2,985.94
EBDTA % TO GROSS INCOME	12.07%	13.38%	20.13%	18.34%
Depreciation	63.04	93.15	298.71	309.38
PBT	1,241.66	1,092.50	2,529.98	2,676.56
PBT % TO GROSS INCOME	11%	12%	18%	16%
Taxes	451.19	376.28	744.46	688.64
PAT	790.47	716.22	1,785.52	1,987.93
PAT % TO GROSS INCOME	7.32%	8.08%	12.70%	12.21%

GROSS INCOME:

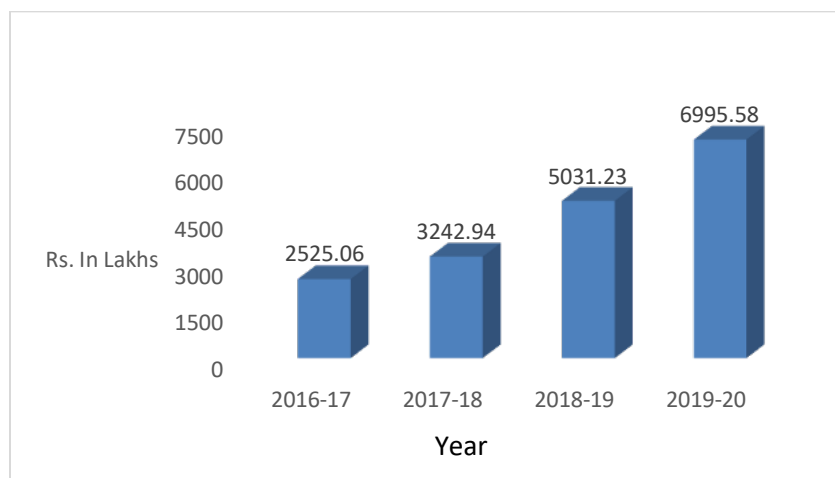


PROFIT AFTER TAX (PAT):



BALANCE SHEET				
Particulars	2016-17	2017-18	2018-19	2019-20
ASSETS				
Non-current Assets	980.93	1676.24	1623.51	1472.96
Current Assets	4127.81	5046.67	6833.87	8612.65
Total Assets	5108.74	6722.91	8457.38	10085.61
EQUITY				
(a)Equity Share Capital	100.00	450.00	450.00	1462.50
(b)Other Equity	2425.06	2792.94	4581.23	5533.08
Total Equity	2525.06	3242.94	5031.23	6995.58
Return on Capital Employed	45.57%	28.43%	55.14%	39.04%
Liabilities				
Total Non-current Liabilities	7.80	369.83	136.83	79.78
% Debt to Long Term Liabilities	0.31%	11.40%	2.72%	1.14%
Current Liabilities	2575.88	3110.14	3289.32	3010.25
Total Liabilities	5108.74	6722.91	8457.38	10085.61
Current Liabilities As a % of Current Assets	50%	46%	39%	30%

NET WORTH:



BOARD'S REPORT

Dear Shareholders,

The Board of Directors present the 21st Annual Report together with the audited financial statements of the Company for the financial year (FY) ended March 31, 2020.

1. Business of the Company

Your Company, Likhitha Infrastructure Limited (“LIL”), operates in the business of Pipeline Laying by 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 types of projects: (i) Cross Country Pipelines and associated facilities; (ii) City Gas Distribution including CNG Stations; and (iii) Operation & Maintenance (O&M) Services to existing pipe lines. The Company is presently working with all major PSUs all over India apart from private city gas distribution companies. Considering the new pipe line projects being planned/ implemented by the PSUs and licenses granted to City Gas Distribution Network, the Company is planning to expand its operational capacity by taking-up some more new projects at higher capacity through bidding. Further, it is expected that the maintenance projects would also increase as the City Gas Distribution Network is rapidly increasing due to new licenses granted.

2. Financial Results for the FY 2019-20

The summary of the audited financial results i.e. Statement of Profit and Loss for the year ended March 31, 2020 of the Company is as follows:

(Amount in INR)

Particulars	2018-19	2019-20
Gross Income	1,40,54,68,275	1,62,79,01,866
Total Expenses	1,10,57,50,658	1,31,56,67,517
EBIDT	29,97,17,617	31,22,34,349
Finance costs	1,68,49,121	1,36,40,215
Depreciation	2,98,71,423	3,09,37,899
Profit before Tax	25,29,97,074	26,76,56,235
Current tax	7,58,61,840	7,32,96,613
Deferred tax	(3,16,291)	(73,97,427)
PAT	17,74,51,525	20,18,31,541
EPS	13.80	12.13

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

During the year ending March 31, 2020, the operating revenue of the Company has been increased from Rs.140.54 Cr to Rs.162.79 Cr signifying a growth of around 15.80%. COVID-19 has impacted the operations for the last of two months of the FY which otherwise would have been much better than the results posted. For the year, profit after tax has improved from Rs.17.74 Cr to Rs.20.18 Cr.

Operations

The operations slightly got affected during the months of February and March due to Covid-19 impacting the works at on-going projects and initiation of new projects.

The operations at on-going projects have been commenced at a slow phase after the lock-down, except at few projects due to severity of Covid-19 in those areas. It would take some time to bring back the total manpower as people have

various apprehensions of the situation. It is expected that the pandemic situation may come to normalization by the end of September or October 2020. Thereafter, the operations are expected to come to normal situation.

During the year under review, the Company has submitted Draft Prospectus with Securities Exchange Board of India with a proposal to come out with Initial Public Issue by issuing 51,00,000 shares.

4. Change in Name of the Company

During the year under review, there was no change in the name of the Company.

5. Dividend / Appropriation to Reserves

Your Directors have not recommended any dividend on equity shares for the FY 2019-20 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 carrying forward the '**Profit for the Financial Year**'.

7. Deposits

During the year under review the Company did not accept any deposits from its Members.

8. Change in the Nature of Business

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

9. Changes in Capital

During the year under review, the Company has issued Bonus Shares aggregating to Rs. 10,12,50,000/- (Rupees Ten Crore Twelve Lakh Fifty Thousand Only) divided into 1,01,25,000 (One Crore One Lakh Twenty-Five Thousand Only) Equity Shares of Rs. 10/- each, thereby the subscribed and paid-up Capital of the Company has been increased to Rs. 14,62,50,000/- (Rupees Fourteen Crores Sixty-two Lakhs Fifty Thousand Only) divided into 1,46,25,000 (One Crore Forty-Six Lakh Twenty-Five Thousand Only) Equity Shares of Rs. 10/- each.

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

There was all-round lock-down imposed by the Government of India on pandemic situation due to COVID-19 which impacted the operations for the months of March, April and May 2020. Thereafter, operations of the projects have started in slow phase as the employees are not willing to come back due to various apprehensions on pandemic situation. Works at most of the existing sites have been commenced by end of the June at a very slow phase. Government of India has directed to increase the period of completion of project contract by 6 months and it is expected to increase further more as in some areas the containment zone policy is continued due to severity in cases.

The Company expects that the situation may come to normalization by end of September or October. In case the situation comes to normalization as expected the Company may carry out its works as planned. Due to this pandemic situation the expenses are expected to increase as the Company is forced to air-lift the manpower for most of the projects as well as for carrying out frequent medical tests.

Other than the above, no material changes happened after the closure of financial year which had 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. Management and Discussion Analysis

i. Industry Outlook

Energy consumption of India is expected to continuously increase as the economy is rapidly growing since last two decades. The share of natural gas in the energy mix of India is expected to increase to 20% in 2025 as compared to 11% in 2010. Additional RLNG terminals, nation-wide transmission pipeline network and transnational pipelines are

expected to materialize by 2025. It is expected that the share of natural gas in the primary energy mix would reach 20% till 2030 if not more.

Today, the natural gas sector is at the threshold of rapid growth in India supported by ever increasing demand for natural gas in the country, commissioning of the LNG import terminals in the West Coast, projected upcoming LNG terminals and the Government's initiatives in the direction of development of a nation-wide natural gas pipeline grid. This would increase more investment into building gas pipe line network and ensure efficient usage of the infrastructure. A fair and transparent access to the pipeline infrastructure is a key for movement of gas volumes. This would prevent restrictions imposed by pipeline companies through non-price measures on competition. Establishment of a market for natural gas transportation would promote transparent and fair pricing of transportation service. Substantial investment in infrastructure relating to import of LNG and transportation of domestic gas across India is planned for the next 5-6 years. The current planned investments along with incremental investments in future would be sufficient to meet the growing demand for gas from various consumers segments. Historically, natural gas was significantly cheaper than alternate fuels like motor spirit, naphtha, diesel and LSHS/FO. Although the price of natural gas is steadily increasing (especially of imported gas), newer technology and larger plants have now made it possible to ensure efficiency and economies of scale enabling increase in usage of natural gas. Therefore, natural gas has now become the preferred fuel for fertilizers, petrochemicals and has made inroads into power generation segment. Further, planned investments in the power, fertilizer, petrochemical and other areas including City Gas Distribution (CGD) suggest a sustained increase in the level of natural gas consumption in the country.

In recent years the demand for natural gas in India has increased significantly due to its higher availability, development of transmission and distribution infrastructure, the savings from the usage of natural gas in place of alternate fuels, the environment friendly characteristics of natural gas as a fuel and the overall favourable economics of supplying gas at reasonable prices to end consumers. Power and Fertilizer sector remain the two biggest contributors to natural gas demand in India and continue to account for more than 55% of gas consumption. *In future, the natural gas demand is all set to grow significantly at a CAGR of 6.8% from 242.6 MMSCMD (Million Metric Standard Cubic Meter Per Day) in 2012-13 to 746 MMSCMD in 2029-30.* The supply of natural gas is likely to increase in future with the help of increase in domestic gas production and imported LNG. The capacity of RLNG terminals in India is expected to increase from 17.3 MTPA in 2012-13 to 83 MTPA in 2029-30 assuming all the existing and planned terminals in India would materialize. *The total supply of natural gas is expected to grow at a CAGR of 7.2% from 2012 to 2030 reaching 400 MMSCMD by 2021-22 and 474 MMSCMD by 2029-30.*

India, currently, has a network of about 16,900 km of natural gas transmission pipelines. This pipeline network is expected to expand to around 35,000 kms with a total design capacity of around 721 MMSCMD in next 5-6 years, putting in place most of the National Gas Grid that would connect all major demand and supply centre in India. This would ensure wider availability across all regions of the country. The capacity of pipeline network in India is expected to reach 815 MMSCMD in 2029-30. This capacity is expected to take care of the natural gas supply scenario in the projected period. In addition to the trunk lines regional gas pipelines are also planned to meet commercial and domestic needs of cities.

ii. Company Business Outlook

The Company is one of the leading companies in India laying oil & gas pipelines and having over 20 years of experience in the field. The Company is the first execution company from India to execute the first ever Trans-National Hydrocarbon (Multi-product) Pipeline Project between India and Nepal in the year 2019. The Company is presently working with all PSU oil companies across India. Viewing the capacity expansion by the major PSU's, the Company is also planning to expand the capacity to execute work of laying of oil and gas pipelines in the range of 250 to 300 Kms per year.

The Company's belief in meeting the customers' requirements, has created good reputation and long-lasting association with certain reputed CGD Operating companies. In line of the PNGRB expansion plan, the Company is gearing up to increase our presence across the country by the end of 2022. CGD works includes laying of High-Pressure Gas Steel and Medium Density Polyethylene (MDPE) Pipelines; construction of Compressed Natural Dispensing (CNG) Stations including Civil, Mechanical, Electrical & Instrumentation works; connectivity to Household, Commercial & Industrial segments through MDPE Pipeline / Galvanized Iron Pipes / Copper Tubing, etc. according to the requirement. The Company is mainly focusing for providing O&M services with the expertise gained over the years as this area would be the key area in the future since the Government is largely focusing to create CGD facilities to over 70% of the cities in coming 5 years.

iii. Strengths of the Company

Main strength and unique nature of contracts of the Company is service oriented. Major portion of raw materials i.e. pipes will be supplied by the customers. The nature of contract of the Company is mainly providing engineering technical and equipment services and involves digging, laying, jointing, testing and commissioning of the pipe line. As the main material i.e. pipes are supplied by the customers themselves, the portion of raw materials which are required to be procured by the Company is very nominal such as jointing/bending pipes, electrodes, HDPE duct, nominal base materials (steel, cement, sand) and pipe bindings which generally does not exceed 20% to 23% of the total contract amount. Whereas in other contracts like infrastructure projects, roads, buildings etc, the contract value includes the materials and the portion of value of materials thereof will consists 70% to 80% and the prices of materials will generally be highly volatile affecting the planned margins of the project at the end of completion. In view of the nature of service contract, the Company is mitigated from any price volatility of the materials and thus, the margins will not get affected at the end of the completion of the project. Apart from the above, the Company has the following strengths

- a. Extensive fleet of equipment to execute large projects,
- b. Strong presence across the country,
- c. Significant experience and strong track record,
- d. Long term relationship with clients.

iv. Weaknesses

- a. Competition from big players,
- b. Financial Net-worth.

12. Consolidated Financial Statements

The Company is not statutorily required to be in compliance with the requirements of “Consolidated Financial Statements” disclosure.

13. 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, 2020, 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, 2020 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.

14. Secretarial Standards

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

15. 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/>.

16. 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.

17. 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 2019-20 in the format as prescribed is enclosed as "Annexure – I" to this report.

18. Holding, Subsidiaries, Associate Companies and Joint Ventures

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

19. Contracts and arrangements with Related Parties

All contracts / arrangements / transactions entered by the Company during the FY 2019-20 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. The details of the related party transactions entered into during the year 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/>.

20. 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 Rs. 32,42,736/- (Rupees Thirty-Two Lakh Forty-Two Thousand Seven Hundred and Thirty-Six only) on CSR activities. The details of the CSR spent are given in "Annexure – III" to this report.

21. 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, 2020, the applicable Accounting Standards have been followed and the internal financial controls were generally found to be adequate and were operating effectively and that no material weakness were noticed.

22. Directors and Key Managerial Personnel

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

The following are the changes that occurred in the composition of the Board and Key Managerial Personnel from April 1, 2019 till the date of this report.

S. No	Name of Director	Details of the Change
1	Likhitha Gaddipati	<ul style="list-style-type: none">Change in designation from Non-Executive Director and appointed as Whole-Time Director of the Company for a period of three years with effect September 10, 2019.Re-designated to Non- Independent Non- Executive Director of the Company w.e.f. December 23, 2019
2	Srinivasa Rao Gaddipati	<ul style="list-style-type: none">During the Year under review, there was no change in the designation.
3	Sri Lakshmi Gaddipati	<ul style="list-style-type: none">During the Year under review, there was no change in the designation.
4	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.
5	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.
6	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.
7	Sudhanshu Shekhar	<ul style="list-style-type: none">Appointed as Chief Executive Officer of the Company with effect from June 1, 2019.
8	Sekhar Narasimha Narahari	<ul style="list-style-type: none">Appointed as Chief Financial Officer of the Company with effect from June 1, 2019 and resigned from the position with effect from June 25, 2020.
9	Santhosh Kumar Gunemoni	<ul style="list-style-type: none">Appointed as Company Secretary and Compliance Officer of the Company w.e.f. December 10, 2019.
10	Sambasiva Rao Ketineni	<ul style="list-style-type: none">Appointed as Chief Financial Officer of the Company with effect from June 25, 2020.

23. Meetings of the Board

During the year, 11 (Eleven) 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 was 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:

31.05.2019	01.06.2019 11.00 A.M.	01.06.2019 05.15 P.M.	30.08.2019 11.00 A.M.	30.08.2019 05.00 P.M.	17.09.2019	16.10.2019
18.10.2019	10.12.2019	23.12.2019	09.01.2020			

24. Auditors and Auditors' Report

Internal Auditors:

M/s. Mukul Tyagi & Associates, Chartered Accountants, New Delhi have been appointed as the Internal Auditors of the Company w.e.f. 09.01.2020.

Statutory Auditors:

The details in the changes in the auditors after April 1, 2019 are mentioned herein below:

S. No	Name of the Auditor	Duration of their office	Reasons for change
1	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.
2	NSVR & Associates LLP Chartered Accountants, Hyderabad	<ul style="list-style-type: none">Appointed with effect from August 31, 2019 till the conclusion of the 20th Annual General Meeting.	NA
3	NSVR & Associates LLP Chartered Accountants, Hyderabad	<ul style="list-style-type: none">Appointed with effect from September 30, 2019 till the conclusion of the 25th Annual General Meeting.	NA

QUALIFICATIONS IN AUDITORS REPORT:

Internal Audit Report:

There are no qualifications or adverse observations in the Internal Audit Report issued by the Internal Auditors for the financial year ended March 31, 2020.

Statutory Audit Report:

There are no qualifications or adverse observation in the Audit Report issued by the Statutory Auditors for the financial year ended March 31, 2020.

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 Internal Auditors and Statutory Auditors, your directors need not provide any clarification on the same.

25. COMMITTEES OF BOARD:

A. Audit Committee: The Board constituted a qualified and independent Audit Committee comprising of three directors as its members, out of which two thirds 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 Sessa 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.

During the FY 2019-20, the Audit Committee was met for four (04) times on 30.08.2019, 17.09.20219, 10.12.2019 and 09.01.2020.

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 Sesa Munupalle	Member	Non-executive & Independent Director
3	Mr. Sivasankara Parameswara Kurup pillai	Member	Non-executive & Independent Director

During the FY 2019-20, the Nomination and Remuneration Committee was met for three (03) times.

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	Mr. Sivasankara Parameswara Kurup Pillai	Chairman	Non-executive & Independent Director
2	Mrs. Sri Lakshmi Gaddipati	Member	Non-executive Director
3	Mr. 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	Mr. Srinivasa Rao Gaddipati	Chairman	Managing Director
2	Mrs. Sri Lakshmi Gaddipati	Member	Non-executive Director
3	Mr. Sivasankara Parameswara Kurup Pillai	Member	Non-executive & Independent Director

During the FY 2019-20 the Corporate Social Responsibility Committee was met for two times.

E. Initial Public Offering Committee (IPO Committee):

The Committee was constituted on 10.12.2019.

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

S. No	Initial Public offering Committee	Category	Nature of Directorship
1	Mr. Srinivasa Rao Gaddipati	Chairman	Managing Director
2	Mr. Talpa Sai Venkata Sesa Munupalle	Member	Independent Director
3	Mr. Sivasankara Parameswara Kurup Pillai	Member	Independent Director
5	Mr. Santhosh Kumar Gunemoni	Secretary	Company Secretary

During FY 2019-20, Committee has held its meeting on Saturday, January 11, 2020 to approve Draft Red Herring Prospectus (DRHP).

26. 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 lays down 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.

27. Particulars of Loans, Guarantees and Investments

During the period under review the Company has not provided any loans/ investments which come under the provisions of section 186 of the Companies Act, 2013.

28. 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.

29. 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. Mrs. Malleshwari Bekkasani | - Presiding Officer |
| 2. Mrs. Priyanka Gajji | - Member |
| 3. Mr. 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

30. 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 to the Company.

31. 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.

32. 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.

33. 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:
- a)** Issue of equity shares with differential voting rights as to dividend, voting or otherwise.
 - b)** Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
 - c)** 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.
 - d)** No frauds were reported by the Auditors during the year under review.
 - e)** Maintenance of Cost Records as specified by the Central Government under Section 148(1) of the Companies Act, 2013 is not required by the Company.

34. 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**

**Place: Hyderabad
Date: August 01, 2020**

**sd/-
Sri Lakshmi Gaddipati
Director
DIN: 02250598**

**sd/-
Srinivasa Rao Gaddipati
Managing Director
DIN: 01710775**

FORM-MGT-9

EXTRACT OF ANNUAL RETURN (as on the financial year ended on March 31, 2020)

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i)	CIN	U45200TG1998PLC029911
ii)	Registration Date	August 6, 1998
iii)	Name of the Company	Likhitha Infrastructure Limited
iv)	Category / Sub-Category of the Company	Company limited by Shares & Indian Non-Government Company
v)	Address of the Registered office and contact details	Flat No.701, Plot No. 8-3-940 and 8-3-94/A to E, Tirumala Shah Residency, Yellareddy Guda, Ameerpet, Hyderabad, Telangana- 500073 e-mail: cs@likhitha.in
vi)	Whether listed company Yes / No	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Bigshare Services Private Limited 306, Right Wing, 3rd Floor, Amrutha Ville, Opp. Yashoda Hospital, Somajiguda, Rajbhavan Road, Hyderabad- 500 082. Phone No:040 4014 4967 e-mail: bsshyd.bd@bigshareonline.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

S. No	Name and description of main products/ services	NIC code of the product/ service	% of total turnover of the company
1	Constructions	9953	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: NIL

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAK UP AS PERCENTAGE OF TOTAL EQUITY)

Category of shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change During The year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual /HUF	44,98,000	0	44,98,000	99.96	1,46,18,500	0	1,46,18,500	99.96	0
b) Central Government	0	0	0	0	0	0	0	0	0
c) State Government(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corporate	0	0	0	0	0	0	0	0	0

e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (1): -	44,98,000	0	44,98,000	99.96	1,46,18,500	0	1,46,18,500	99.96	0
(2) Foreign									
a) NRIs- Individuals	0	0	0	0	0	0	0	0	0
b) Other- Individuals	0	0	0	0	0	0	0	0	0
c) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (2): -	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A)= (A) (1) + (A) (2)	44,98,000	0	44,98,000	99.96	1,46,18,500	0	1,46,18,500	99.96	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Government	0	0	0	0	0	0	0	0	0
Sub-total (B)(1): -	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh/ 2 lakhs	2000	0	2000	0.04	6,500	0	6,500	0.04	0
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh/ 2 lakhs	0	0	0	0	0	0	0	0	0
c) Others (NBFC Registered with RBI)	0	0	0	0	0	0	0	0	0
Clearing Members	0	0	0	0	0	0	0	0	0
Non-Resident Indians	0	0	0	0	0	0	0	0	0
Sub-total (B)(2): -	2000	0	2000	0.04	6,500	0	6,500	0.04	0
Total Public Shareholding									

(B)=(B)(1) + (B) (2)									
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	45,00,000	0	45,00,000	100	1,46,25,000	0	1,46,25,000	100	0

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	43,85,000	97.45	0	1,42,51,250	97.45	0	0
2	Mrs. Likhitha Gaddipati	500	0.01	0	1,625	0.01	0	0
3	Mrs. Sri Lakshmi Gaddipati*	112,500	2.50	0	3,65,625	2.50	0	0

* Mrs. Sri Lakshmi Gaddipati relative of promoters and forms part of promoter group.

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. Nandu Babu Gaddipati	500	0.01	23.12.2019	1,125	1,625	0.01
2	Mr. Nagaraju Ravulapati	500	0.01	23.12.2019	1,125	1,625	0.01
3	Mr. Chandra Sekhar Mallisetty	500	0.01	23.12.2019	1,125	1,625	0.01
4	Mr. Karri Kalyan Manikanta	500	0.01	23.12.2019	1,125	1,625	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	43,85,000	97.45	98,66,250	1,42,51,250	97.45
2	Mrs. Sri Lakshmi Gaddipati	1,12,500	2.5	2,53,125	3,65,625	2.5
3	Mrs. Likhitha Gaddipati	500	0.01	1,125	1,625	0.01

vi) INDEBTEDNESS

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

(Amount in INR)

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning 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
Change in indebtedness during the financial year				
Addition	-	-	-	
Reduction	7,50,84,179	-	-	7,50,84,179
Net change indebtedness				
At the end of the financial year				
i) Principal Amount	2,34,50,110	-	-	2,34,50,110
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not paid	-	-	-	-
Total (i)+(ii)+(iii)	2,34,50,110			2,34,50,110

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in INR)

S. No.	Particulars of Remuneration	Srinivasa Rao Gaddipati (Managing Director)	Total
1	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of Income Tax Act, 1961	3,60,00,000/-	3,60,00,000/-
	(b) Value of perquisite u/s 17(2) of Income Tax Act, 1961	Nil	NIL
	(c) Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	Nil	Nil
2	Stock Option	Nil	NIL
3	Sweat Equity	Nil	NIL
4	Commission – as 2 % of profit - Others, specify	Nil	Nil
5	Others, please specify	Nil	Nil
	Total (A)	3,60,00,000/-	3,60,00,000/-
	Ceiling as per the Act	-	-

B. Remuneration to other directors:

(Amount in INR)

S. No.	Particulars	Name of the Director	Total Amount
1	Independent Directors		
	• Fee for attending board meetings	1. Sivasankara Parameswara Kurup Pillai	1,90,000/- 20,000/-

		2. Talpa Sai Venkata Sesa Munupalle 3. Jnanindra Kumar Dhar	30,000/-
	Total (1)		2,40,000/-
2.	Reimbursement of expenses	1. Sivasankara Parameswara Kurup Pillai 2. Talpa Sai Venkata Sesa Munupalle	26,281/- 5,000/-
3.	Fee in the professional capacity	1. Sivasankara Parameswara Kurup Pillai 2. Jnanindra Kumar Dhar	21,111/- 81,111/-
	Total (1) + (2) + (3)		3,73,503/-

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

(Amount in INR)

S · N o.	Particulars of Remuneration	Narasimha Sekhar Narahari (Chief Financial Officer)	Sudhanshu Sekhar (Chief Executive Officer)	Santhosh Kumar G (Company Secretary)	Total
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of Income Tax Act, 1961	6,41,917/-	10,19,032/-	1,60,000/-	18,20,949/-
	(b) Value of perquisite u/s 17(2) of Income Tax Act, 1961	Nil	NIL	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	NIL	Nil	Nil
3	Sweat Equity	Nil	NIL	Nil	Nil
4	Commission – as 2 % of profit - Others, specify	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil
	Total (A)	6,41,917/-	10,19,032/-	1,60,000/-	18,20,949/-
	Ceiling as per the Act	-	-	-	-

VI. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL

for and on behalf of the Board
for Likhitha Infrastructure Limited

sd/-
Sri Lakshmi Gaddipati
Director
DIN: 02250598

sd/-
Srinivasa Rao Gaddipati
Managing Director
DIN: 01710775

Place: Hyderabad
Date: August 01, 2020

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 2019-20)
G Srinivasa Rao	Managing Director	Remuneration and Commission	As per the terms of appointment	NA	12.02.2019	3,60,00,000/-
G Kutumba Rao	Relative of Director	Rent paid	On going	NA	-	1,80,000/-

for and on behalf of the Board
for Likhitha Infrastructure Limited

sd/-
Sri Lakshmi Gaddipati
Director
DIN: 02250598

sd/-
Srinivasa Rao Gaddipati
Managing Director
DIN: 01710775

Place: Hyderabad
Date: August 01, 2020

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 immediately 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. 33,00,000/- (Rupees Thirty-Three Lakhs Only) 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. 16,21,36,788/-
4	Prescribed CSR expenditure (Two percent of the amount as in item 3 above)	Rs. 32,42,736/-
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. 32,42,736/- 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 education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects)	Ahmedabad	Rs. 33,00,000/-	Rs. 33,00,000/-	Rs. 33,00,000/-	Rs. 33,00,000/-
	Total			Rs. 33,00,000/-	Rs. 33,00,000/-	Rs. 33,00,000/-	Rs. 33,00,000/-

* On recommendation of CSR Committee, the Board of Directors vide their resolution passed in their meeting held on January 09, 2020 has transferred amount of CSR Expenditure for FY 2019-20 to All India Social Educational Charitable Trust which is eligible Institution to accept and spend CSR amount.

Responsibility Statement: The CSR Committee confirms that the implementation and monitoring of the Company's CSR policy in compliance with the CSR Policy and objectives of the Company.

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

sd/-
Sri Lakshmi Gaddipati
Director
DIN: 02250598

sd/-
Srinivasa Rao Gaddipati
Managing Director
DIN: 01710775

Place: Hyderabad
Date: August 01, 2020

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 31.03.2020	As on 31.03.2019
Expenditure in Foreign Currency (Material)	16,74,394	4,25,67,551

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

sd/-
Sri Lakshmi Gaddipati
Director
DIN: 02250598

sd/-
Srinivasa Rao Gaddipati
Managing Director
DIN: 01710775

Place: Hyderabad
Date: August 01, 2020

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 2019-20

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	Srinivasa Rao Gaddipati	Managing Director	S.S.C.	56	25+ Years	06.08.1998	3,60,00,000	NA	1,42,51,250	Yes
2	P.K. Chakorborty	Project Manager	B E (Mech) & MBA	52	30+ Years	15.03.16	14,63,226	Cairn India Limited through Brunel (Senior Inspection Engineer)	-	No
3	Md. Sarfaraz Alam	Project Manager	Diploma (Mech)	41	20+ Years	01.02.17	14,43,000	Non available	-	No
4	Sudhanshu Shekhar	Chief Executive Officer	B E (Mech) & MBA	40	18 Years	12.02.18	12,89,032	Natural Gas & Water Pipeline Projects and City Gas Distribution Projects (Contractor)	-	No
5	M. Srinivasa Sudhakar	Sr Project Manager	Diploma (Mech)	42	20+ Years	14.11.18	12,45,000	VCS Quality Services (i) Private Limited	-	No
6	Om Prakash Singh	Project Manager	B E	59	37 Years	01.11.18	12,30,000	Not available	-	No
7	Binay Kumar Dubey	Incharge QA/QC	B Tech	40	19 Years	04.05.16	9,57,000	Mott MackDonald Private Limited (Spread Incharge)	-	No
8	Ravi Kiran	RCM	Diploma (Mech)	39	19 Years	05.04.14	9,45,000	AMCO Contractors	-	No
9	Krishna Gopal Singh	Manager QA/QC	B E (Mech)	37	14 Years	08.01.18	7,67,516	Not available	-	No
10	Santosh Singh	Spread In-Charge	Diploma (Mech)	35	15 Years	15.12.17	7,98,000	Not available	-	No
11	Haider Imam	Project Manager	B Tech	39	15 Years	01.06.16	7,83,000	Not available	-	No

for and on behalf of the Board
for Likhitha Infrastructure Limited

sd/
Sri Lakshmi Gaddipati
Director
DIN: 02250598

sd/
Srinivasa Rao Gaddipati
Managing Director
DIN: 01710775

Place: Hyderabad
Date: August 01, 2020

INDEPENDENT AUDITORS' REPORT

TO The Members Of LIKHITHA INFRASTRUCTURE LIMITED

Opinion:-

1. We have audited the accompanying financial statements of Likhitha Infrastructure Limited (formerly known as Likhitha Infrastructure Private Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2020, 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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("IND AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020, and its profit, total comprehensive income, its cash flows and the changes in equity 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.

Emphasis of Matter:-

3. We draw attention to **Note 2.24** the financial statements, which describes the extent to which the COVID-19 Pandemic will impact the Company's financial performance and financial position which depend on future developments that are highly uncertain. Our opinion is not modified in respect of this matter.

Key Audit Matters:-

4. 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.

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)	
Key audit matter description	<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 recognized over a period. And also the required disclosure as specified by the said standard.</p>
Audit Procedures	<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: <ul 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.

Other Information:-

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the annual report, for example, Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon. The other information as stated above is expected to be made available to us after the date of this auditor's report.

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 identified above when it becomes available 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.

When we read the other information as stated above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with Governance.

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.

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.
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.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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.

Report on Other Legal and Regulatory Requirements:-

12. 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.
13. 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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. Our report expresses unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - 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, 2020 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, 2020, 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

31,2020;

- 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

Chartered Accountants

Sd/-

Suresh Gannamani

Partner

Membership Number: 226870

UDIN: 20226870AAAADN1884

Place: Hyderabad

Date:01.08.2020

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 Infrastructure Limited on the Ind AS financial statements for the year ended March 31, 2020.

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 Infrastructure Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls:-

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 Companies Act 2013.

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 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 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, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For NSVR & Associates LLP

FRN: 008801S/S200060

Chartered Accountants

Sd/-

Suresh Gannamani

Partner

Membership Number: 226870

UDIN: 20226870AAAADN1884

Place: Hyderabad

Date:01-08-2020

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 Infrastructure Limited on the standalone Ind AS financial statements as of and for the year ended March 31, 2020

- 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, duty of customs, duty of excise, cess, goods and service tax 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, 2020 which have not been deposited on account of a dispute are as follows:

Particulars	As at 31 March, 2020	As at 31 March, 2019	Forum Where Dispute is Pending
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	Sales Tax Tribunal
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	1535,656	Sales Tax Tribunal
Income tax Act, 1961 Order u/s. 143 (3) Income tax Act, 1961 AY 2017-18	17,602,030	-	Income Tax Tribunal

*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.
- 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

Chartered Accountants

Sd/-

Suresh Gannamani

Partner

Membership Number: 226870

UDIN: 20226870AAAADN1884

Place: Hyderabad

Date:01-08-2020

NOTES TO FINANCIAL STATEMENTS

DESCRIPTION OF THE COMPANY AND SIGNIFICANT ACCOUNTING POLICIES:

1. General Information:

Likhitha Infrastructure 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, 2013. 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.

Except for the changes below, the Company has consistently applied accounting policies to all applicable periods.

Ind AS 116, Leases:

Effective April 1, 2019, the Company has adopted Ind AS 116 “Leases” and applied to its Lease contracts existing on April 1, 2019, using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. The Company has evaluated the effect of this amendment on the financial statements and concluded that there is no significant impact.

Amendment to Ind AS 12 ‘Income Taxes’:

The Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 ‘Income Taxes’ with effect from April 1, 2019. 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. Since Dividend Distribution Tax is not applicable with effective from April 1, 2020, this amendment will have no impact on the financial statements.

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments:

The 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 from April 1, 2019. The Company has evaluated the effect of this amendment on the financial statements and concluded that there is no significant impact.

Amendment to Ind AS 19 ‘Employee Benefits’:

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 is effective from April 1, 2019 the Company has evaluated the effect of this amendment on the financial statements and concluded that this amendment is currently not applicable.

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 116, 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.

M/s Likhitha Infrastructure Limited
Notes to Financial Statements for the year ended 31 March 2020.

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:

- 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 Critical Accounting Estimates:

a. Employee Benefits

The present value of the employee benefits obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) includes the discount rate, wage escalation and employee attrition. The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

b. Depreciation & Amortisation

Depreciation and amortization is based on management estimates of the future useful lives of certain class of property, plant and equipment and intangible assets.

c. Provisions & Contingencies

Provisions and contingencies are based on the Management's best estimate of the liabilities based on the facts known at the balance sheet date.

d. Fair Valuation:

All financial instruments are required to be fair valued as at the balance sheet date, as provided in Ind AS 109 and Ind AS 113. Being a critical estimate, judgements is exercised to determine the carrying values. The fair value of financial instruments that are unlisted and not traded in an active market is determined at fair values assessed based on recent transactions entered into with third parties, based on valuation done by external appraisers etc., as applicable.

2.5 Revenue Recognition:-

Sale of Services:

Company revenue comprises of revenue from gas pipeline laying and maintenance contracts.

Recognition of Income from Sale of Services:

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 recognized 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.

2.6 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.

2.7 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.

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. Re measurement, 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 recognized in other comprehensive income in the period in which they occur. Re measurement recognized in other comprehensive

M/s Likhitha Infrastructure Limited
Notes to Financial Statements for the year ended 31 March 2020.

income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized 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
- Re measurement.

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 recognized 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 recognized 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 recognized 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 recognized 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.

2.8 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.

2.9 Leasing:-

As per IND AS 116 For the purpose, a lease is defined as a contract, or part of a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Operating Lease:

Where an operating lease is defined as a lease that does not transfers substantially all the risks and rewards incidental to ownership of an underlying asset.

The Company recognizes right of use assets under lease arrangements in which it is the lessee. Rights to use assets owned by third parties under lease agreements are capitalized at the inception of the lease and recognised on these financial statements. The corresponding liability to the lessor is recognised as a lease obligation within short and long-term borrowings. The carrying amount is subsequently increased to reflect interest on the lease liability and reduced by lease payments made. For calculating the discounted lease liability on leases, the incremental borrowing rate is used. The incremental borrowing rate is calculated at the rate of interest at which the company would have been able to borrow for a similar term and with a similar security the funds necessary to obtain a similar asset in a similar market. Finance costs are charged to the income statement so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

If modifications or reassessments occur, the lease liability and right of use asset are re-measured. Right of use assets are depreciated over the shorter of the useful life of the asset or the lease term.

2.10 Taxation:-

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

2.10.1 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.

2.10.2 Deferred Tax:-

Deferred tax is recognized 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 recognized for all taxable temporary differences. Deferred tax assets are generally recognized 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 assets and liabilities are not recognized 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 recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized 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 realize the asset and settle the liability simultaneously.

2.11 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 realizable value and are disclosed separately.

M/s Likhitha Infrastructure Limited
Notes to Financial Statements for the year ended 31 March 2020.

Depreciation and amortization, 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.

Type of Asset	Estimated useful life
Buildings	30
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.

2.12 Inventories:-

Work in progress, stores and spares are valued at lower of cost and net realizable value. Cost is ascertained on the basis of "weighted average" method.

Cost comprises material and applicable manufacturing overheads and applicable duties.

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

2.13 Provisions, contingent liabilities and contingent assets:-

Provisions are recognized 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 recognized 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 recognized 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 recognized immediately.

2.14 Financial Instruments:-

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a. Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

Debt instrument at FVTPL

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss. The Company has not designated any debt instrument as at FVTPL.

M/s Likhitha Infrastructure Limited
Notes to Financial Statements for the year ended 31 March 2020.

Investment in equity instruments

All equity investments in scope of Ind AS 109 are measured at Fair Value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Investments in subsidiaries and Associates

Investments in subsidiaries and associates are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and associates, the difference between net disposal proceeds and the carrying amounts are recognized in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's balance sheet) when:

- a. The rights to receive cash flows from the asset have expired, or
- b. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Impairment of trade receivables

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the 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 18. Expected credit loss model takes into consideration the present value of all the cash shortfalls over the expected life of a financial instrument. In simple terms, it is weighted average of credit losses with the respective risks of default occurring as weights. The credit loss is the difference between all contractual cash flows that are due to an- entity as per the contract and all the contractual cash flows that the entity expects to receive, discounted to the effective interest rate. The Standard presumes that entities would suffer credit loss even if the entity expects to be paid in full but later than when contractually due. In other words, it simply focuses on DELAYS in collection of receivables.

For the purpose of identifying the days of delay, the Company took into consideration the weighted average number of delays taking into consideration the date of billing, the credit period and the collection days.

b. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value i.e., loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Fair value measurement

The Company classifies the fair value of its financial instruments in the following hierarchy, based on

the inputs used in their valuation:

i) Level 1: The fair value of financial instruments quoted in active markets is based on their quoted closing price at the balance sheet date.

ii) Level 2: The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions.

iii) Level 3: The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs).

2.15 Impairment of Non-financial Assets:-

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, an impairment test is performed each year at March 31.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognized in the statement of profit and loss if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

M/s Likhitha Infrastructure Limited
Notes to Financial Statements for the year ended 31 March 2020.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

2.16 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:

- a. It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b. It is held primarily for the purpose of being traded;
- c. It is expected to be realized within twelve months after the reporting date; or
- d. 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:

- a. It is expected to be settled in the Company's normal operating cycle;
- b. It is held primarily for the purpose of being traded;
- c. It is due to be settled within twelve months after the reporting date; or
- d. 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.

2.17 Cash & Cash Equivalents:-

Cash and bank balances comprise of cash balance in hand, balance in current accounts with banks, demand deposit, short-term deposits, Margin Money deposits and unclaimed dividend accounts. For this purpose, “short-term” means investments having maturity of three months or less from the date of investment. Bank overdrafts that are repayable on demand and form an integral part of our cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. The Margin money deposits and unclaimed dividend balances shall be disclosed as restricted cash balances.

2.18 Borrowing cost:-

Borrowing costs consist of interest, ancillary and other costs that the Company incurs in connection with the borrowing of funds and interest relating to other financial liabilities. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed to Profit & Loss statement in the period in which they occur.

2.19 Trade Receivables:-

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

2.20 Trade and other payables:-

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are presented as current liabilities unless payment is not due within twelve months after the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

2.21 Determination of Fair Value:-

The Company’s accounting policies and disclosures require the determination of fair value, for certain financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability. A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

M/s Likhitha Infrastructure Limited
Notes to Financial Statements for the year ended 31 March 2020.

(i) Property, plant and equipment

Property, plant and equipment, if acquired in a business combination or through an exchange of non-monetary assets, is measured at fair value on the acquisition date. For this purpose, fair value is based on appraised market values and replacement cost.

(ii) Intangible assets

The fair value of brands, technology related intangibles, and patents and trademarks acquired in a business combination is based on the discounted estimated royalty payments that have been avoided as a result of these brands, technology related intangibles, patents or trademarks being owned (the “relief of royalty method”). The fair value of customer related, product related and other intangibles acquired in a business combination has been determined using the multi-period excess earnings method after deduction of a fair return on other assets that are part of creating the related cash flows.

(iii) Inventories

The fair value of inventories acquired in a business combination is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

(iv) Investments in equity and debt securities and units of mutual funds

The fair value of marketable equity and debt securities is determined by reference to their quoted market price at the reporting date. For debt securities where quoted market prices are not available, fair value is determined using pricing techniques such as discounted cash flow analysis.

In respect of investments in mutual funds, the fair values represent net asset value as stated by the issuers of these mutual fund units in the published statements. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors.

Accordingly, such net asset values are analogous to fair market value with respect to these investments, as transactions of these mutual funds are carried out at such prices between investors and the issuers of these units of mutual funds.

2.22 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.

2.23 Recent Accounting Pronouncements:-

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

2.24 Impact of COVID-19 Key accounting judgements, estimates and assumptions:-

The threats posed by the coronavirus outbreak are multifold. In many countries, businesses have been forced to cease or limit their operations for long or indefinite periods of time. Even in India the outbreak has been declared epidemic and on March 24, 2020, the Government of India ordered a nationwide lockdown, limiting movement of the population of India as a preventive measure against the COVID-19 pandemic. As a result, most businesses throughout the world are dealing with lost revenue and disrupted supply chains. The disruption to global supply chains due to factory shutdowns has already exposed the vulnerabilities of many organizations.

The Company considered the uncertainty relating to the COVID-19 pandemic in assessing the recoverability of receivables, inventories comprising work in progress of the infrastructure projects investments and other assets. For this purpose, the Company considered internal and external sources of information up to the date of approval of these financial statements. The Company has also used the principles of prudence in applying judgments, estimates and assumptions including sensitivity analysis. Based on its current estimates, the Company expects to fully recover the carrying amount of receivables, goodwill, intangible assets, investments and other assets.

As the outbreak continues to evolve, the Company will continue to closely monitor any material changes to future economic conditions.

The preparation of the Financial Statements required the Management to exercise judgements and to make estimates and assumptions. The Management has considered the possible effects, if any, that may result from the pandemic relating to COVID-19 on the carrying amounts of its assets. In developing the assumptions and estimates relating to the uncertainties as at the Balance Sheet date in relation to the recoverable amounts of these assets, the Management has considered the global economic conditions prevailing as at the date of approval of these financial statements and has used internal and external sources of information to the extent determined by it. The actual outcome of these assumptions and estimates may vary in future due to the impact of the pandemic.

i. Depreciation and amortisation:-

Depreciation and amortisation are based on management estimates of the future useful lives of the property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the depreciation and amortisation charges.

ii. Employee Benefits:-

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using various assumptions. The assumptions used in determining the net cost/(income) includes the discount rate, wage escalation and employee attrition. Any changes in these assumptions will impact the carrying amount of obligations. The discount rate is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated term of the obligations.

iii. Inventories:-

The method of valuation of Inventories has been stated in Note No 2.12 of Significant Accounting Policies. The Company has considered the possible impact relating to COVID-19 while determining the net realisable value of inventory and work in progress of the company. Based on the available internal and external information as determined by the Management, the Company does not expect the carrying values of such inventories to be significantly impacted.

iv. Trade Receivables:-

The credit worthiness of Trade Receivables and the credit terms set are determined on a case to case basis and the Management has factored in the uncertainties arising out of COVID-19, as applicable. Based on other internal and external sources of information as determined by the Management, the Company expects to fully recover the carrying amount of Trade Receivables.

The fair values of Trade Receivables are not considered to be significantly different from their carrying values, given their generally short period to maturity, with impairment reviews considered on an individual basis rather than when these become overdue.

Likhitha Infrastructure Limited			
Balance Sheet as at March 31, 2020			
(All amounts in INR, unless otherwise stated)			
Particulars	Note No	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current Assets			
(a)Property, Plant and Equipment	3	9,32,38,314	11,39,97,902
(b)Investment Property	3	2,34,05,142	2,38,72,562
(c)Financial Assets			
(i)Investments	4(i)	1,62,338	1,36,000
(ii)Loans and Advances	5	2,68,97,044	2,54,97,016
(d)Deferred Tax Assets (Net)	16	35,92,996	-
(e)Other Non-current Assets		-	-
Total Non-current Assets		14,72,95,834	16,35,03,479
Current Assets			
(a)Inventories & Work in progress	6	24,68,24,773	19,81,37,027
(b)Financial Assets			
(i)Investments	4(ii)	5,76,12,910	-
(ii)Trade Receivables	7	16,34,87,514	16,23,19,281
(iii)Cash and Cash Equivalents	8	3,77,81,519	51,36,448
(iv)Bank Balances other than above (iii)	9	11,24,53,658	10,86,43,291
(v)Other Financial Assets	10	23,78,42,781	15,33,88,681
(c)Current Tax Assets (Net)		-	-
(d)Other Current Assets	11	52,62,002	5,57,64,397
Total Current Assets		86,12,65,158	68,33,89,125
Total Assets		1,00,85,60,992	84,68,92,605
Equity and Liabilities			
Equity			
(a)Equity Share Capital	12	14,62,50,000	4,50,00,000
(b)Other Equity	13	55,33,07,802	45,50,83,471
Total Equity		69,95,57,802	50,00,83,471
Liabilities			
Non-current Liabilities			
(a)Financial Liabilities			
(i)Long-term borrowings	14	15,22,572	1,12,69,362
(b)Provisions	15	64,55,689	24,14,371
(c)Deferred Tax Liabilities (Net)	16	-	41,92,312
Total Non-current Liabilities		79,78,261	1,78,76,045
Current liabilities			
(a)Financial Liabilities			
(i)Short-term borrowings	17	1,13,20,707	5,60,58,196
(ii)Trade payables - total dues of:			
: small and micro enterprises			
: others than small and micro enterprises	18	13,93,45,623	12,11,87,792
(iii)Other financial liabilities	19	1,50,48,906	3,55,19,493
(b)Other current liabilities	20	10,77,45,706	8,61,36,220
(c)Provisions	21	75,000	68,400
(d)Current Tax Liability (Net)	22	2,74,88,987	2,99,62,986
Total Current Liabilities		30,10,24,929	32,89,33,088
Total Liabilities		1,00,85,60,992	84,68,92,605
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

For and on behalf of Board of Directors

Sd/-
Suresh Gannamani
Partner
Member Ship No:226870
UDIN:20226870AAAADN1884

Sd/-
(G Srinivasa Rao)
Managing Director
DIN:01710775

Sd/-
G Sri Lakshmi
Director
DIN:02250598

Place: Hyderabad
Date: 01.08.2020

Sd/-
Sambasiva Rao K
Chief Financial Officer

Sd/-
Santhosh Kumar G
Company Secretary

Sd/-
Sudhanshu Shekhar
Chief Executive Officer

Likhitha Infrastructure Limited			
Statement of Profit and loss for the year ended March 31, 2020			
(All amounts in INR, unless otherwise stated)			
Particulars	Note No	For the year ended 31 March, 2020	For the year ended 31 March, 2019
Revenue			
Revenue from operations	23	1,61,23,83,142	1,37,43,40,736
Other income	24	1,55,18,725	3,11,27,539
Total Revenue		1,62,79,01,866	1,40,54,68,275
Expenses			
Raw Material Consumed	25	37,13,49,198	41,42,28,692
Construction expenses	26	65,03,20,125	53,97,42,655
Changes in inventories of work-in-progress	27	(4,77,59,642)	(17,12,84,592)
Employee benefits	28	29,04,28,371	26,62,59,978
Finance cost	29	1,36,40,215	1,68,49,121
Depreciation	3	3,09,37,899	2,98,71,423
Other expenses	30	5,13,29,465	5,68,03,925
Total expenses		1,36,02,45,631	1,15,24,71,202
Profit before tax		26,76,56,235	25,29,97,074
Tax expense:			
Current tax		7,32,22,121	7,58,61,840
Earlier years		-	-
Deferred tax		(73,97,427)	(3,16,291)
Tax expense		6,58,24,695	7,55,45,549
Profit for the year		20,18,31,541	17,74,51,525
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on Investments		-	3,56,994
Re-measurement gains/(losses) on defined benefit plans		(15,41,046)	(40,608)
Tax on items that will not be reclassified to profit or loss		3,87,881	(37,603)
Total Other comprehensive income for the year, net of tax		(11,53,165)	2,78,783
Total comprehensive income for the year, net of tax		20,06,78,376	17,77,30,308
Earnings per equity share		13.80	12.13
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 and on behalf of Board of Directors		
For NSVR & ASSOCIATES LLP FRN:008801S/S200060			
Sd/- Suresh Gannamani Partner	Sd/- (G Srinivasa Rao) Managing Director DIN:01710775	Sd/- G Sri Lakshmi Director DIN:02250598	

Member Ship No:226870
UDIN:20226870AAAADN1884

Place: Hyderabad
Date: 01.08.2020

Sd/-
Sambasiva Rao K
Chief Financial Officer

Sd/-
Santhosh Kumar G
Company Secretary

Sd/-
Sudhanshu Shekhar
Chief Executive Officer

Likhitha Infrastructure Limited
Cash Flow statement for the year ended 31 March 2020

(All amounts in INR, unless otherwise stated)

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
A. Cash Flow from Operating Activities:		
Profit before tax for the year	26,76,56,235	25,29,97,074
Adjustments for:		
Depreciation	3,09,37,899	2,98,71,423
Finance Charges	60,45,909	86,26,955
Loss on Sale of Assets	-	7,62,623
Dividend received	(1,82,200)	(8,96,975)
Interest Earned	(93,40,828)	(92,85,564)
Operating Profit before working capital changes	29,51,17,016	28,20,75,536
Adjustments for:		
(Increase) / Decrease in Inventory	(4,86,87,746)	(17,16,24,527)
(Increase) / Decrease in Trade receivables	(11,68,233)	11,98,21,899
(Increase) / Decrease in Long Term Loans and advances	(14,00,028)	(60,59,144)
(Increase) / Decrease in Current Financial assets	(8,44,54,100)	(15,16,81,681)
(Increase) / Decrease in Other Current assets	5,05,02,395	(2,11,43,357)
(Decrease) / Increase in Trade payables	2,37,27,687	(52,08,825)
(Decrease) / Increase in Provision for employee benefits	25,06,872	9,95,239
(Decrease) / Increase in Current Financial liabilities	1,29,313	26,81,237
(Decrease) / Increase in Other liabilities	2,16,09,486	1,45,25,741
Cash Generated from Operations	25,78,82,662	6,43,82,118
Taxes Paid (Net)	(7,56,96,120)	(4,63,11,134)
Net Cash (used) / from Operating Activities (A)	18,21,86,542	1,80,70,983
B. Cash Flow from Investing Activities:		
Purchase of Fixed Assets including Capital Advances and Capital Creditors	(1,52,80,747)	(3,12,51,939)
Proceeds from sale of Fixed Assets	-	18,00,000
Investments	(5,76,39,248)	1,45,84,485
Dividend received	1,82,200	8,96,975
Interest Received	93,40,828	1,37,94,971
Net Cash from / (used) Investing Activities (B)	(6,33,96,967)	(1,75,508)
C. Cash Flow from Financing Activities:		
Interest Paid	(60,45,909)	(86,26,955)
Receipt / (Repayment) of Vehicle Loans (net)	(3,03,46,691)	(2,42,04,276)
IPO Expenses	(12,04,046)	-
Net Cash from / (used) Financing Activities (C)	(3,75,96,645)	(3,28,31,231)
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	8,11,92,930	(1,49,35,755)
Cash and Cash equivalents at beginning of the year	5,77,21,541	7,26,57,298
Cash and Cash equivalents at end of the year	13,89,14,471	5,77,21,542
General Information		Note 1
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, 2020	As at 31 March, 2019
Cash on hand	98,542	12,58,996
Cash Equivalents		
- Current accounts	3,76,82,977	38,77,451
Margin money deposits	11,24,53,658	10,86,43,291

Short Term Borrowings From Banks	(1,13,20,707)	(5,60,58,196)
	13,89,14,471	5,77,21,542
As per our report of even date For NSVR & ASSOCIATES LLP FRN:008801S/S200060	For and on behalf of Board of Directors	
Sd/- Suresh Gannamani Partner Member Ship No:226870 UDIN:20226870AAAADN1884	Sd/- (G Srinivasa Rao) Managing Director DIN:01710775	Sd/- G Sri Lakshmi Director DIN:02250598
Place: Hyderabad Date: 01.08.2020	Sd/- Sambasiva Rao K Chief Financial Officer	Sd/- Santhosh Kumar G Company Secretary
		Sd/- Sudhanshu Shekhar Chief Executive Officer

Likhitha Infrastructure Limited
Statement of Changes in Equity

(All amounts in INR, unless otherwise stated)

Equity Share Capital

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	Number of shares	Amount	Number of shares	Amount
Authorised: Equity Shares of INR 10 each.	2,00,00,000	20,00,00,000	50,00,000	5,00,00,000
Issued, subscribed and paid up: Equity Shares of INR 10 each fully paid up	1,46,25,000	14,62,50,000	45,00,000	4,50,00,000
Total	1,46,25,000	14,62,50,000	45,00,000	4,50,00,000

Other Equity

Particulars	Reserves and surplus		Other comprehensive income	Total
	General Reserve	Retained Earnings		
Balance as at March 31, 2018	17,55,632	27,54,31,734	1,65,798	27,73,53,164
Add: Profit during the year 2018-19	-	17,74,51,525	-	17,74,51,525
Re-measurement gains/(losses)	-	-	2,78,783	2,78,783
Balance as at March 31, 2019	17,55,632	45,28,83,259	4,44,581	45,50,83,471
Add: Profit during the year ended 31.03.2020	-	20,18,31,541	-	20,18,31,541
Re-measurement gains/(losses)	-	-	(11,53,165)	(11,53,165)
Less: Utilized for issue of bonus shares	-	(10,12,50,000)	-	(10,12,50,000)
Less: Expenses on IPO	-	(12,04,046)	-	(12,04,046)
Balance as at March 31, 2020	17,55,632	55,22,60,753	(7,08,584)	55,33,07,802

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

For and on behalf of Board of Directors

Sd/-
Suresh Gannamani
Partner
Member Ship No:226870
UDIN:20226870AAAADN1884

Sd/-
(G Srinivasa Rao)
Managing Director
DIN:01710775

Sd/-
G Sri Lakshmi
Director
DIN:02250598

Place: Hyderabad
Date: 01.08.2020

Sd/-
Sambasiva Rao K
Chief Financial Officer

Sd/-
Santhosh Kumar G
Company Secretary

Sd/-
Sudhanshu Shekhar
Chief Executive Officer

Likhitha Infrastructure Limited**Note No.3 Property, Plant and Equipment (Investment Property)**

(All amounts in INR, unless otherwise stated)

Particular	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Computers	Total
Gross Block						
As at 1 April, 2019	12,15,69,741	1,19,158	1,69,32,767	15,04,609	14,38,907	14,15,65,182
Additions during the Period			27,43,306	3,21,203	9,08,525	97,10,892
Deductions during the Period						-
As at 31 March 2020	12,71,56,784	2,69,972	1,96,76,073	18,25,812	23,47,432	15,12,76,074
Depreciation						
As at 1 April, 2019	23785417	30,486	32,53,017	1,29,972	3,68,388	2,75,67,280
For the Period	2,30,48,679	44,555	54,23,308	13,16,527	6,37,410	3,04,70,479
On deductions	-	-				-
As at 31 March 2020	4,68,34,096	75,041	86,76,325	14,46,499	10,05,798	5,80,37,759
Net Block						
As at 1 April, 2019	9,77,84,324	88,672	1,36,79,750	13,74,637	10,70,519	11,39,97,902
As at 31 March 2020	8,03,22,688	1,94,931	1,09,99,748	3,79,313	13,41,635	9,32,38,314

Note:3 Investment Property

Particular	Land	Buildings
As at 1 April, 2019	1,80,19,255	64,95,014
Additions during the Period		
Deductions during the Period		
As at 31 March 2020	1,80,19,255	64,95,014
Depreciation		
As at 1 April, 2019		6,41,707
For the Period	-	4,67,420
On deductions	-	-
As at 31 March 2020	-	11,09,127
Net Block		
As at 1 April, 2019	1,80,19,255	58,53,307
As at 31 March 2020	1,80,19,255	53,85,887

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

Sd/-
Suresh Gannamani
Partner

Member Ship No:226870
UDIN:20226870AAAADN1884

Place: Hyderabad
Date: 01.08.2020

Sd/-
(G Srinivasa Rao)
Managing Director
DIN:01710775

Sd/-
Sambasiva Rao K
Chief Financial Officer

Sd/-
G Sri Lakshmi
Director
DIN:02250598

Sd/-
Santhosh Kumar G
Company Secretary

Sd/-
Sudhanshu Shekhar
Chief Executive Officer

Note No.4(i) Non Current Investments

Particulars	As at March 31, 2020	As at March 31, 2019
Deposit accounts	1,62,338	1,36,000
Total	1,62,338	1,36,000

Note No.5 Loans and Advances

Particulars	As at March 31, 2020	As at March 31, 2019
Security and other Deposits	2,68,97,044	2,54,97,016
Total	2,68,97,044	2,54,97,016

Note No.6 Inventories & Work in progress

Particulars	As at March 31, 2020	As at March 31, 2019
Work-in-progress (at cost)	24,35,55,919	19,57,96,277
Stores and Spares (at cost)	32,68,854	23,40,750
Total	24,68,24,773	19,81,37,027

Components of work in progress consists of the cost of materials, cost of manpower and service cost and other overheads as follows.

Particulars	As at March 31, 2020	As at March 31, 2019
Closing work-in-progress		
cost of materials	6,08,88,980	4,89,49,069
cost of manpower and service cost and	10,96,00,164	8,81,08,325
other overheads	7,30,66,776	5,87,38,883
Total	24,35,55,919	19,57,96,277

Note No.4(ii) Current Investments

Particulars	As at March 31, 2020	As at March 31, 2019
Fixed Deposits with Banks	5,76,12,910	-
Total	5,76,12,910	-

Note No.7 Trade Receivables

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, Considered Good		
Outstanding for a period exceeding six months from due date	2,52,92,338	59,83,841
Others	13,81,95,176	15,63,35,440
Total	16,34,87,514	16,23,19,281

Note No.8 Cash and Cash Equivalents

Particulars	As at March 31, 2020	As at March 31, 2019
Cash on hand	98,542	12,58,996

Balances with banks in - Current accounts	3,76,82,977	38,77,451
Total	3,77,81,519	51,36,448

Note No.9 Bank Balances other than above

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks (Restricted Use) - Margin money deposits	11,24,53,658	10,86,43,291
Total	11,24,53,658	10,86,43,291

Note No.10 Other Financial Assets

Particulars	As at March 31, 2020	As at March 31, 2019
Retention Money Receivable	23,58,22,551	14,72,06,679
Other Receivables	19,80,230	61,42,002
Rent Receivable	40,000	40,000
Total	23,78,42,781	15,33,88,681

Note No.11 Other Current Assets

Particulars	As at March 31, 2020	As at March 31, 2019
Advance for Expenses	14,60,399	2,92,15,342
Prepaid expenses	23,65,218	21,57,465
Deposits paid under protest	10,75,018	10,75,018
Balances with Govt Authorities	-	2,31,36,572
Due from Staff	3,61,367	1,80,000
Total	52,62,002	5,57,64,397

Note No.12 Equity Share Capital

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	Number of shares	Amount	Number of shares	Amount
Authorised: Equity Shares of INR 10 each.	2,00,00,000	20,00,00,000	50,00,000	5,00,00,000
Issued, subscribed and paid up: Equity Shares of INR 10 each fully paid up	1,46,25,000	14,62,50,000	45,00,000	4,50,00,000
Total	1,46,25,000	14,62,50,000	45,00,000	4,50,00,000

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

Name of the Share Holder	As at 31 March, 2020		As at 31 March, 2019	
	Number of Shares	%	Number of Shares	%
Sri G.S.Rao	1,42,51,250	97.45%	43,85,000	97.44%
Smt.G.Sri Lakshmi	3,65,625	2.50%	1,12,500	2.50%

ii. Reconciliation of Number of Shares Outstanding:

Name of the Share Holder	As at 31 March, 2020		As at 31 March, 2019	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	45,00,000	4,50,00,000	45,00,000	4,50,00,000
Balance at the end of the year	1,46,25,000	14,62,50,000	45,00,000	4,50,00,000

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.

During the financial year 2019-20 the Company has allotted 1,01,25,000 of INR 10 fully paid-up equity shares as bonus shares to the existing equity share holders of the Company in the ratio of 3.25:1

Note No.13 Other Equity

Particulars	Reserves and surplus		Other comprehensive income	Total
	General Reserve	Retained Earnings		
Balance as at March 31, 2018	17,55,632	27,54,31,734	1,65,798	27,73,53,164
Add: Profit during the year 2018-19	-	17,74,51,525	-	17,74,51,525
Re-measurement gains/(losses)	-	-	2,78,783	2,78,783
Balance as at March 31, 2019	17,55,632	45,28,83,259	4,44,581	45,50,83,471
Add: Profit during the year ended 31.03.2020	-	20,18,31,541	-	20,18,31,541
Re-measurement gains/(losses)	-	-	(11,53,165)	(11,53,165)
Less: Utilized for issue of bonus shares	-	(10,12,50,000)	-	(10,12,50,000)
Less: Expenses on IPO	-	(12,04,046)	-	(12,04,046)
Balance as at March 31, 2020	17,55,632	55,22,60,753	(7,08,584)	55,33,07,802

Note No.14 Long-term borrowings

Particulars	As at March 31, 2020	As at March 31, 2019
Long term maturities of finance lease obligations	15,22,572	1,12,69,362
Total	15,22,572	1,12,69,362

Finance lease obligations:

- i) Loans taken from Banks and Financial Institution on Hypothecation of vehicles and equipment's.
ii) Loans from Srei Equipment Finance Limited are repayable in 17 to 29 equal monthly instalments 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 and carries interest 8.75% to 10.51% per annum.

Note No.15 Provisions

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for employee retirement benefits		
: Gratuity	45,38,325	16,72,540
: Compensated Absences	19,17,364	7,41,831
Total	64,55,689	24,14,371

Note No.16 Deferred Tax Liabilities (Net)

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred Tax Liabilities (Net)	(35,92,996)	41,92,312
Total	(35,92,996)	41,92,312

Note No.17 Short-term borrowings

Particulars	As at March 31, 2020	As at March 31, 2019
Secured Loan repayable on demand from:		
From Banks	1,13,20,707	5,60,58,196
Total	1,13,20,707	5,60,58,196

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 ICICI Bank Ltd is Secured by First pari-passu charge on fixed assets and 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 (i) vacant site at Chinamushidiwada 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 1524.6 sq. yds. ,556.60 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.18 Trade payables

Particulars	As at March 31, 2020	As at March 31, 2019
Dues to: Small and Micro Enterprises *		-
: Other than Small and Micro Enterprises	13,93,45,623	11,56,17,937
Capital Creditors	-	55,69,856
Total	13,93,45,623	12,11,87,792

Note No.19 Other financial liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Current maturities of finance lease obligations	1,06,06,831	3,12,06,731
Liabilities for expenses	43,82,075	42,52,762
Deposits payable	60,000	60,000

Total	1,50,48,906	3,55,19,493
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Note No.20 Other current liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory dues payable	2,92,72,404	2,97,41,175
Employee Benefits payable	3,02,64,139	2,05,09,948
Remuneration Payable	4,82,09,163	3,58,85,097
Total	10,77,45,706	8,61,36,220

Note No.21 Provisions

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Employee Benefits : Gratuity	75,000	-
: Compensated Absences	-	68,400
Total	75,000	68,400

Note No.22 Current Tax Liability (Net)

Particulars	As at March 31, 2020	As at March 31, 2019
Current Tax Liability (Net)	2,74,88,987	2,99,62,986
Total	2,74,88,987	2,99,62,986

Note No.23 Revenue from Operations

Particulars	As at March 31, 2020	As at March 31, 2019
Revenue from Operations	1,61,23,83,142	1,37,43,40,736
Total	1,61,23,83,142	1,37,43,40,736

Note No.24 Other income

Particulars	As at March 31, 2020	As at March 31, 2019
Recurring other income Not related to business activity		
Interest Income	93,40,828	92,85,564
Rent earned	4,80,000	4,45,000
Dividend from Chits	1,82,200	8,68,600
Dividend Income on shares	-	28,375
Non-recurring other income Not related to business activity		
Commission	-	2,05,00,000
Insurance Claim	10,40,500	
Related to business activity		
Sales Tax Refund	44,75,197	-
Total	1,55,18,725	3,11,27,539

Note No.25 Raw Material Consumed

Particulars	As at March 31, 2020	As at March 31, 2019
Opening Stock of raw material	23,40,750	20,00,815
Add: Purchases during the year	37,22,77,302	41,45,68,627
Less: Closing stock of raw material	(32,68,854)	(23,40,750)
Total	37,13,49,198	41,42,28,692

Note No.26 Construction expenses

Particulars	As at March 31, 2020	As at March 31, 2019
Sub Contract Expenses	52,07,65,019	43,68,10,160
Hire Charges	5,52,12,484	4,69,50,276
Power and Fuel	4,41,38,611	3,18,03,249
Rates and Taxes	1,58,66,710	1,03,64,406
Repairs to: Plant and Machinery	12,31,395	13,91,958
Repairs to: Other Assets	9,89,986	7,79,594
Other expenses	1,21,15,919	1,16,43,013
Total	65,03,20,125	53,97,42,655

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

Particulars	As at March 31, 2020	As at March 31, 2019
Opening work-in-progress	19,57,96,277	2,45,11,685
Closing work-in-progress	24,35,55,919	19,57,96,277
Total	(4,77,59,642)	(17,12,84,592)

Components of work in progress consists of the cost of materials, cost of manpower and service cost and other overheads as follows.

Particulars	As at March 31, 2020	As at March 31, 2019
Opening work-in-progress		
cost of materials	4,89,49,069	61,27,921
cost of manpower and service cost and other overheads	8,81,08,325	1,10,30,258
	5,87,38,883	73,53,506
Total	19,57,96,277	2,45,11,685
Closing work-in-progress		
cost of materials	6,08,88,980	4,89,49,069
cost of manpower and service cost and other overheads	10,96,00,164	8,81,08,325
	7,30,66,776	5,87,38,883
Total	24,35,55,919	19,57,96,277

Note No.28 Employee benefits

Particulars	As at March 31, 2020	As at March 31, 2019
Salaries and Wages	22,02,18,278	17,07,06,462
Directors Remuneration	3,60,00,000	7,20,00,000
Contribution to provident fund and other funds	1,34,06,966	78,08,181
Gratuity	13,99,739	5,18,743
ESI	67,12,981	62,73,556
Leave Encashment	11,07,133	4,76,496
Staff welfare expenses	1,15,83,274	84,76,540
Total	29,04,28,371	26,62,59,978

Note No.29 Finance costs

Particulars	As at March 31, 2020	As at March 31, 2019
Hire Purchase Charges	20,05,627	38,30,337
Interest on Working Capital Loans	36,14,571	26,84,943
Interest Others	4,25,711	21,11,676
Other borrowing costs	75,94,306	82,22,165
Total	1,36,40,215	1,68,49,121

Note No.30 Other expenses

Particulars	As at March 31, 2020	As at March 31, 2019
Rent	1,73,15,456	1,59,08,499
Insurance	48,60,670	49,84,270
Rates and taxes, excluding, taxes on income	22,500	37,874
Advertisement and Business Promotion expenses	44,10,861	34,59,074
Legal and Professional Charges	45,08,351	37,27,895
Auditors Remuneration	3,00,000	3,00,000
Donation	-	26,00,000
Corporate Social Responsibility Expenses	33,00,000	20,00,000
Communication Expenses	1,70,338	3,62,091
Travelling and Conveyance expenses	39,39,486	57,07,623
Loss on Sale of Assets	-	7,62,623
Commission and Loss on Chit Fund	7,70,000	-
Bank Charges	43,87,755	22,70,299
General expenses	69,91,548	1,46,83,677
Director Sitting Fee	3,52,500	-
Total	5,13,29,465	5,68,03,925

M/s Likhitha Infrastructure Limited
Notes to Financial Statements for the year ended 31 March 2020.

31 Additional information to the financial statements:-

31 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 (2020: Rs Nil) (2019: Rs Nil).

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

I. Guarantees issued by Banks:-

Particulars	As at 31 March, 2020	As at 31 March, 2019
Guarantees issued by Banks	600,366,167	49,47,66,261

II. Disputed Demand:-

Particulars	As at 31 March, 2020	As at 31 March, 2019	Forum Where Dispute is Pending
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	Sales Tax Tribunal
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	1535,656	Sales Tax Tribunal
Income tax Act, 1961 Order u/s. 143 (3) Income tax Act, 1961 AY 2017-18	17,602,030	-	Income Tax Tribunal

M/s Likhitha Infrastructure Limited
Notes to Financial Statements for the year ended 31 March 2020.

32 Earnings per share:-

Particulars	31st March, 2020	31st March, 2019
I. Net Profit as per Profit & Loss Account available for Equity Shareholders	201,831,541	177,451,525
II Weighted Average Number of Equity Shares for EPS Computation		
A. For Basic Earnings Per Share of ` 10 each	14,625,000	14,625,000
B. For Diluted Earnings Per Share of `10 each:	14,625,000	14,625,000
No. of Shares for Basic EPS as per II A	14,625,000	14,625,000
No. of Shares for Diluted EPS of `10 each	14,625,000	14,625,000
Earnings Per Share (Weighted Average)		
-Basic	13.80	12.13
-Diluted	13.80	12.13

During the financial year 2019-20 the Company has allotted 1,01,25000 of INR 10 fully paid-up equity shares as bonus shares to the existing equity share holders of the Company in the ratio of 3.25:1.

In case of bonus issue, ordinary shares are issued to existing shareholders for no additional consideration. Therefore, 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. Accordingly the outstanding number of equity shares are increased for corresponding year 2018-19 as if the bonus issue had occurred the beginning of earliest reporting period.

M/s Likhitha Infrastructure Limited
Notes to Financial Statements for the year ended 31 March 2020.

33 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. Sri Lakshmi	Director
Santhosh Kumar Gunemoni	Company Secretary
Sambasiva Rao Ketineni	Chief Financial Officer
Sudhanshu Sekhar	Chief Executive 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.

Particulars	As on 31 March, 2020	As on 31 March, 2019
Remuneration and Commission		
G. Srinivasa Rao	36,000,000	52,000,000
G. Sri Lakshmi	-	20,000,000
Narasimha Sekhar Narahari (Ex CFO)	6,41,917	-
Santhosh Kumar Gunemoni	1,60,000	-
Sudhanshu Sekhar	10,19,032	
Rent		
G Kutumba Rao	180,000	180,000
G. Srinivasa Rao	-	24,00,000
Professional Charges		
G. Likhitha	-	1,900,000

M/s Likhitha Infrastructure Limited
Notes to Financial Statements for the year ended 31 March 2020.

34 Employee Benefit Plan:-

(a) Defined Contribution Plans:-

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

Particulars	AS on 31 March, 2020	As on 31 March, 2019
Included in Contribution to Provident and Other Funds		
Provident Fund	13,406,966	7,808,181
Employee State Insurance	67,12,981	62,73,556

(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, 2020	AS on 31 March, 2019
Expenses recognized in Statement of P & L	1,107,133	476,496

M/s Likhitha Infrastructure Limited
Notes to Financial Statements for the year ended 31 March 2020.

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, 2020:

Change in benefit obligation		
Particulars	As on March 31, 2020	As on March 31, 2019
Opening balance of benefit obligations	16,72,540	1,113,189
Current service cost	1,312,020	431,024
Interest cost	87,719	87,719
Actuarial Gain /(loss)	1,541,046	40,608
Benefits paid		-
Closing balance of benefit obligations	46,13,326	1,672,540

Expenses recognized in the statement of profit and loss for the year

Particulars	As on March 31, 2020	As on March 31, 2019
Current service cost	1,312,020	431,024
Past service cost	-	-
Interest cost	87,719	87,719
Total expenses included in employee benefits expense	13,99,739	518,743

M/s Likhitha Infrastructure Limited
Notes to Financial Statements for the year ended 31 March 2020.

Recognized in other comprehensive income for the year

Particulars	As on March 31, 2020	As on March 31, 2019
Changes in financial assumptions	1,541,046	40,608
Experience variance (i.e. Actual experience Vs. assumptions)	-	-
Actuarial (Gain) / Loss on plan assets	-	-
Recognized in other comprehensive income	1,541,046	40,608

35 Transactions in Foreign Currency:-

Particulars	As on 31 March, 2020	As on 31 March, 2019
Expenditure In Foreign Currency Material	16,74,394	42,567,551

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, 2020		As on 31 March, 2019	
	%	Amount	%	Amount
Indigenous	99.55	370,602,908	89.73	372,001,076
Imported	0.45	16,74,394	10.27	42,567,551
Total	100.00	372,277,302	100.00	414,568,627

M/s Likhitha Infrastructure Limited
Notes to Financial Statements for the year ended 31 March 2020.

36 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	
	2020	2019
<i>Current taxes expense</i>		
Domestic (whichever is higher of a or b)		
<i>a. Tax as per Normal Income Tax Provisions</i>	73,222,121	75,861,840
<i>Deferred taxes expense/(benefit)</i>	(7,397,427)	(316,291)
<i>Total income tax expense/(benefit) recognized in the statement of profit and loss</i>	65,824,695	75,545,549

b. Reconciliation of Effective Tax Rates:

Particulars	For the Year Ended 31 March	
	2020	2019
Profit before income taxes	267,656,235	252,997,074
Enacted tax rate in India	25.17%	29.12%
Computed expected tax benefit/(expense)	67,369,074	75,941,913
Effect of:		
Expenses not deductible for Tax purposes	10,904,877	11,392,442
Expenses deductible for Tax purposes	50,51,830	9,203,350
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)	73,222,121	78,211,079
Effective tax rate	27.36%	30.91%

The Effective tax rate for 31.03.2020 was 27.36% and for 31.03.2019 was 30.91%.

M/s Likhitha Infrastructure Limited
Notes to Financial Statements for the year ended 31 March 2020.

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:

Particulars	For the Year Ended 31 March	
	2020	2019
<i><u>Deferred tax assets/(liabilities):</u></i>		
Property, plant and equipment	463,373	(4,915,295)
On Account of Others	3,129,623	722,983
Net deferred tax assets/(liabilities)	3,592,996	(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.

(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.

M/s Likhitha Infrastructure Limited
Notes to Financial Statements for the year ended 31 March 2020.

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, 2020 and March 31, 2019.

(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, 2020.

(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.

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

M/s Likhitha Infrastructure Limited
Notes to Financial Statements for the year ended 31 March 2020.

(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 summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

As at March 31, 2020	On demand	Less than 1 Year	1 to 5 years	Others	Total
Long-term borrowings	-	10,606,831	1,522,572	-	12,129,403
Short-term borrowings	11,320,707	-	-	-	11,320,707
Trade payables	139,345,623	-	-	-	139,345,623
Other financial liabilities	-	44,42,075	-	-	44,42,075

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	121,187,792	-	-	-	121,187,792
Other financial liabilities	-	43,12,762	-	-	43,12,762

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, 2020, 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

M/s Likhitha Infrastructure Limited
Notes to Financial Statements for the year ended 31 March 2020.

business based on its long term financial plans.

The company's Debt Equity ratio is as follows:

Rs in Lakhs

Particulars	2020	2019
Total Debt	3,090.03	3,468.09
Total Equity	6,995.57	5,000.83
Debt Equity Ratio	0.44:1	0.69 :1

For NSVR & Associates LLP
FRN: 008801S/S200060
Chartered Accountants

Sd/-
Suresh Gannamani
Partner

Membership Number: 226870
UDIN: 20226870AAAADN1884

Place: Hyderabad
Date:01.08.2020

For and on behalf of Board

Sd/-
(G Srinivasa Rao)
Managing Director
DIN: 01710775

Sd/-
Sambasiva Rao K
Chief Financial Officer

Sd/-
G Sri Lakshmi
Director
DIN: 02250598

Sd/-
Santhosh Kumar G
Company Secretary

Sd/-
Sudhanshu Sekhar
Chief Executive Officer

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 21ST ANNUAL GENERAL MEETING OF LIKHITHA INFRASTRUCTURE LIMITED WILL BE HELD ON MONDAY, 07TH DAY OF SEPTEMBER, 2020 AT 02.00 P.M AT REGISTERED OFFICE OF THE COMPANY SITUATED AT FLAT NO. 701, PLOT NO. 8-3-940 AND 8-3-940/A TO E, TIRUMALA SHAH RESIDENCY, YELLAREDDY GUDA, 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, 2020, together with the Reports of the Board of Directors and the Auditors thereon;
2. To appoint a director in place of Mr. Kutumba Rao Gaddipati (DIN: 02333387) who retires by rotation and being eligible, offers himself for re-appointment.

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

**Sd/-
Srinivasa Rao Gaddipati
Managing Director
DIN: 01710775**

**Place: Hyderabad
Date: 01.08.2020**

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.
5. A route map showing the directions to reach the venue of the 21st AGM is annexed hereto.
6. Members seeking any information or clarification on the accounts are requested to send queries in writing to the Registered Office of the Company, at least one week before the date of the meeting. Replies will be provided in respect of such written queries at the meeting.
7. Compliance Officer of the Company shall be responsible for addressing all the grievances of Shareholders in relation to this Annual General Meeting. His contact details are Email: cs@likhitha.in
Phone No: +91 40-23752657

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

**Sd/-
Srinivasa Rao Gaddipati
Managing Director
DIN: 01710775**

**Place: Hyderabad
Date: 01.08.2020**

LIKHITHA INFRASTRUCTURE LIMITED

CIN: U45200TG1998PLC029911

Registered Office: Flat No. 701, Plot No. 8-3-940 and 8-3-940/A to E, Tirumala Shah Residency, Yellareddy Guda, Ameerpet, Hyderabad, Telangana- 500 073.

Admission Slip

Date : 07th September, 2020

Venue : Flat No. 701, Plot No. 8-3-940 and 8-3-940/A to E, Tirumala Shah Residency, Yellareddy Guda, Ameerpet, Hyderabad, Telangana- 500 073

Time : 02.00 P.M.

Name and Address of the Member:

I hereby certify that I am a Shareholder of Likhitha Infrastructure Limited holding _____ shares.

Person attending (please strike off the category attendee belongs to)

- Member
- Proxy

Name of Proxy in Block Letters

Signature of member/ proxy

ANNUAL GENERAL MEETING ROUTE MAP



LIKHITHA INFRASTRUCTURE LIMITED

Registered Office: Flat No. 701, Plot No. 8-3-940 and 8-3-940/A to E, Tirumala Shah Residency, Yellareddy Guda, Ameerpet, Hyderabad, Telangana- 500 073.

Form No. MGT-11 Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Company : Likhitha Infrastructure Limited
CIN : U45200TG1998PLC029911
Registered office : Flat No.701, Plot No 8-3-940 And 8-3-940/A to E, Tirumala Shah Residency, Yellareddy Guda, Ameerpet, Hyderabad, Telangana- 500 073.

Name of the Member	
Registered Address	
E-mail Id	
Folio No. / Client Id	
DP Id	

I/We, being the member (s) of _____ shares of the above-named company, hereby appoint

1. Name: _____

Address: _____

E-mail Id: _____

Signature: _____, or failing him

2. Name: _____

Address: _____

E-mail Id: _____

Signature: _____, or failing him

3. Name: _____

Address: _____

E-mail Id: _____

Signature: _____.

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 21st Annual General Meeting of the Company, to be held on the Monday, 07th day of September, 2020 at 02.00 p.m. at Flat No.701, Plot No 8-3-940 And 8-3-940/A to E, Tirumala Shah

Residency, Yellareddy Guda, Ameerpet Hyderabad, Telangana- 500073 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution
Ordinary Business	
1	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2020, together with the Reports of the Board of Directors and the Auditors thereon.
2	To appoint a director in place of Mr. Kutumba Rao Gaddipati (DIN: 02333387) who retires by rotation and being eligible, offers himself for re-appointment.

Signed this _____ day of _____ 2020.

Signature of shareholder

Signature of Proxy holder(s)

Affix
Revenue
stamp of
Rs. 1/-

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the 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.
3. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
4. In line with the Secretarial Standards on general meetings, no gifts, gift coupons, or cash in lieu of gifts shall be distributed to Members at or in connection with the meeting.