NARESH CHAND AGARWAL & CO
Chartered Accountants

To
The Members of
MAHATHI INFRA SERVICES (P) LIMITED
Hyderabad

I. Report on the Audit of the Financial Statements

1 Opinion

A We have audited the accompanying Financial Statements of MAHATHI INFRA SERVICES PRIVATE LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as" the Financial Statements").

B 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 Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended, ("AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the Profit and its cash flows for the year ended on that date.

2. Basis for Opinion

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

3. Information - Board of Directors' Report

A The Company's Board of Directors is responsible for the preparation and presentation of its report (herein after called as "Board Report") which comprises various information required under section 134(3) of the Companies Act 2013 but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the Board Report and we do not express any form of assurance conclusion thereon.

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

If, based on the work we have performed, we conclude that there is a material misstatement in this Board

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Report, we are required to report that fact. We have nothing to report in this regard

4. Management's Responsibility for the Financial Statements

A The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the AS 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.

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

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

5. Auditor's Responsibilities for the Audit of the Financial Statements

A 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.

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

(i)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.

(ii) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls

(iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting

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estimates and related disclosures made by management

(iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern

(v) 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

C 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.

D 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.

E 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.

II. Report on Other Legal and Regulatory Requirements

1 As required by Section 143(3) of the Act, based on our audit 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 and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

D In our opinion, the aforesaid financial statements comply with the AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules,2014

E On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 B"**. Our report expresses an unmodified opinion on the adequacy and operating

Naresh Chand Agarwal & Co. Chartered Accountants Secunderabad

effectiveness of the Company's internal financial controls with reference to financial statements.

G With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements
(ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts
(iii) There are no amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2 As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For NARESH CHAND AGARWAL & CO.,
CHARTERED ACCOUNTANTS
FIRM REG. No. 006686S

PLACE : SECUNDERABAD,
DATE :10-10-2022
UDIN: 22028310BEZXRG1937

(N.C. AGARWAL)
PROPRIETOR.
M.No. 028310

ANNEXURE(A) REFERRED TO IN PARAGRAPH 1 OF INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF MAHATHI INFRA SERVISES PRIVATE LIMITED ON THE FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED 31ST MARCH, 2022.

In terms of Companies (Auditor's Report) Order 2020, issued by the Central Government of India, in terms of section 143(11) of The Companies Act, 2013, we further report, on the matters specified in paragraph 3 and 4 of the said Order, that :-

1) (i) (a)The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment.
   (b) The company is maintaining proper records showing full particulars of intangible assets.

   (ii) The Property, Plant & Equipment have been physically verified by the management at reasonable intervals.

   (iii) The title deeds of immovable properties shown in the financial statements are held in the name of the company.

   (iv) The company has not revalued its Property, Plant & Equipment or Intangible assets or both during the year.

   (v) No proceedings have been initiated against the company for holding benami property under The Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

2) (i) Physical verification of inventory has been conducted at reasonable intervals by management. In our opinion, the coverage and procedure by the management is appropriate. The aggregate of discrepancies of 10% or more in each class of inventory noticed have been properly dealt with in the books of account.

   (ii) The quarterly returns/statements filed by the company with banks/financial institutions are not in agreement with the books of the company as on 31-03-2022,details as under

   As the company is executing projects at various sites, compliance of stock records are not updated regularly hence,we are unable to comment on variance in stocks, as per books and as per stock statement submitted to bank. However,as on 31-3-2022 the variance is as under :

As per stock statement		As per books	
Stock	22.60 cr	Stock	17.26 cr
Debtors	64.33 cr	Debtors less than 180days	49.27 cr
Creditors	20.25 cr	Creditors	30.49cr

Please refer note no 13 of Notes to account for management reply on the variance as its DP is more than the limits sanctioned even with book balances as on 31st Mar 2022.

Naresh Chand Agarwal & Co. Chartered Accountants Secunderabad

3) The company had given advance to two parties(subsidiary companies)as ICD during the year covered in the registered maintained u/s 189 of the Companies Act, 2013, and the year end balance is Rs.9.25 cr.The company has not made any other investments other than as stated above but has provided corporate guarantee to banks for loan raised by one of its subsidiary company.

4) The company has not given any loans or guarantees/made any investments within the meaning of sections 185 & 186 of The Companies Act, 2013.

5) The company has not accepted any deposits from the public in terms of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013.

6) We have broadly reviewed the accounts and cost records maintained by the company under rules made by the Central Government for the maintenance of cost records under Section 148 of the Act. We have however not made a detailed examination of cost records with a view to determine whether they are accurate or complete.

7) (i) The company is regular in depositing undisputed statutory dues with appropriate authorities.
   (ii) According to records of the company, there are no statutory dues which have not been deposited on account of any dispute.

8) There are no transactions that are not recorded in the books of account to be surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

9) (i) The company has not defaulted in any repayment of dues to any financial institution or bank or debenture holders.

   (ii) The company has not been declared as a wilful defaulter by any bank or financial institution or other lender.

   (iii) The company has taken term loans(GECL Loan) during the year under Audit and have utilized the same for the purpose for which it was taken.

   (iv) The funds raised on a short term basis have not been utilised for long term purposes.

   (v) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

   (vi) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

10) (i) The company has not made any initial public offer during the year.

   (ii) The company has not made any preferential allotment or private placement of shares/debentures during the year.

Naresh Chand Agarwal & Co. Chartered Accountants Secunderabad

11) (i) Based upon the audit procedures performed and information and explanations given to us by the management, we report that no fraud by the company or on the company by its officers/ employees has been noticed or reported during the course of our audit.

(ii) No report under sub-Section (12) of Section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules 2014 with the Central Government.

(iii) No whistle-blower complaints, are received during the year by the Company.

12) The company is not a Nidhi Company.

13) The transactions entered into with related parties are in compliance with section 177 & 188 of The Companies Act 2013 and the details have been disclosed in the financial statements as required by the applicable accounting standards.

14) (i) In our opinion & based on our examination, the company does not have an internal audit system & is also not required to have an internal audit system as per the provisions of the Companies Act,2013.
(ii) As internal audit system is not prescribed under the act for the company, there are no reports of the Internal Auditors for the period under audit.

15) The company has not entered into any non-cash transactions with directors or persons connected with directors, during the year.

16) (i) The company is not required to be registered under section 45-IA of The Reserve Bank of India Act, 1934.

(ii) The Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act 1934.

(iii) The Company is not a Core Investment Company (CIC) as defined under the Regulations by the Reserve Bank of India.

(iv) The Company has no CIC as part of the Group.

17) The company has notincurred cash losses in the Financial Year and in the immediately preceding Financial Year.

18) There has not been any resignation of the statutory auditors during the year.

19) On the basis of the financial ratios, aging and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material

Naresh Chand Agarwal & Co. Chartered Accountants Secunderabad

uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

20) (i) In respect of other than ongoing projects, the company has not transferred unspent amount to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act.

(ii) In respect of other than ongoing projects, the company has not transferred any amount remaining unspent under section (5) of section 135 of Companies Act to special account in compliance with provision of sub section (6) of section 135 of the said Act

For NARESH CHAND AGARWAL & CO.,
CHARTERED ACCOUNTANTS.
FIRM REG. No. 006686S

PLACE : SECUNDERABAD,
DATE : 10 -10-2022
UDIN: 22028310BEZXRG1937

Naresh Chand Agarwal & Co. Chartered Accountants Secunderabad

(N.C. AGARWAL)
PROPRIETOR.
M.No. 028310

Annexure - B to the Auditors' Report

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

We have audited the Internal financial controls over financial reporting of Mahathi Infra Services Pvt. Ltd. ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on

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

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

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

Naresh Chand Agarwal & Co. Chartered Accountants Secunderabad

Meaning of Internal Financial Controls over Financial Reporting
A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

Opinion
In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, 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 NARESH CHAND AGARWAL & CO.,
CHARTERED ACCOUNTANTS.
Firm Reg. No. 006686S

Naresh Chand Agarwal & Co. Chartered Accountants Secunderabad

PLACE : SECUNDERABAD,
DATE : 10-10-2022

(N.C. AGARWAL)
PROPRIETOR.
M.No.028310

MAHATHI INFRA SERVICES (P) LIMITED

Regd.Off. #PLOT NO.191,1st FLOOR,TAGORE TOWERS,KAVURI HILLS,JUBILEE HILLS

HYDERABAD - 500 033, INDIA

BALANCE SHEET AS AT 31st, MARCH, 2022

(Amount in Rs.)

	Particulars	Note No	Figures as at 31.03.2022	Figures as at 31.03.2021
I	**EQUITY AND LIABILITIES**			
(1)	**Shareholder's Funds**			
(a)	Share Capital	1	3,00,00,000	3,00,00,000
(b)	Share Application Money			
(c)	Reserves and Surplus	2	57,12,80,749	52,07,70,370
(2)	**Non-Current Liabilities**			
(a)	Long-Term Borrowings	3	7,48,75,183	62,99,871
(b)	Deferred Tax Liabilities		77,84,459	74,07,521
(3)	**Current Liabilities**			
(a)	Short-Term Borrowings	4	18,09,02,577	8,19,25,791
(b)	Trade payables	5	30,49,67,121	33,57,23,680
(c)	Other Current Liabilites	6	16,82,78,612	9,61,63,685
(d)	Sundry Creditors for Capital Goods		-	58,85,118
		Total	**1,33,80,88,701**	**1,08,41,76,037**
II	**ASSETS**			
(1)	**Non-Current assets**			
(a)	Property, Plant & Equipment and Intangible assets	7		
(i)	Property Plant & Euipment		13,37,80,686	15,60,45,765
(ii)	Intangible Asset		-	-
(iii)	Capital WIP		-	-
(2)	**Investments**	8	5,50,01,332	1,79,05,232
(3)	**Other Non Current Assets**			
(a)	Deposits		24,49,807	52,90,686
(b)	Capital Loans and Advances		1,72,02,779	1,57,50,000
(c)	Inter Corporate Deposits	8	9,24,96,749	6,28,14,049
(4)	**Current Assets**			
(a)	Inventories	9	17,26,81,155	19,65,05,965
(b)	Trade receivables	10	66,83,55,114	38,35,89,034
(c)	Cash and cash equivalents	11	6,44,14,800	7,44,71,821
(d)	Short-Term Loans and Advances	12	12,36,74,147	15,23,11,687
(e)	Other Current Assets.	13	80,32,132	1,94,91,798
		Total	**1,33,80,88,701**	**1,08,41,76,037**

The Notes (s) referred in above form an integral part of the Balance Sheet in terms of our report attaced.

For NARESH CHAND AGARWAL & CO

Chartered Accountants

Firm Reg,No.006686S

Naresh Chand Agarwal & Co. Chartered Accountants Secunderabad

NARESH AGARWAL

PROPRIETOR

MEMBERSHIP No.028310

Place : Hyderabad

Date: 10-10-22

FOR & ON BEHALF OF THE BOARD

MAHATHI INFRA SERVICES (P) LIMITED

MAHATHI INFRA SERVICES PVT

Y.KALYAN SWAROOP

DIRECTOR & CEO

DIN NO.06380842

M.UMAMAHESWARI

DIRECTOR

DIN NO.03188305

MAHATHI INFRA SERVICES (P) LIMITED
Regd.Off. #PLOT NO.191,1st FLOOR,TAGORE TOWERS,KAVURI HILLS,JUBILEE HILLS
HYDERABAD - 500 033, INDIA

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31st, MARCH, 2022

(Amount in Rs.)

	Particulars	Note No	Figures as at the end of Current reporting period 31.03.2022	Figures as at the end of previous reporting period 31.03.2021
III	**INCOME :**			
I	Revenue from Sales and Services	14	1,44,09,97,950	1,87,14,07,965
II	Other Income	15	2,93,42,880	1,81,13,190
	III. Total Income (I +II)		**1,47,03,40,830**	**1,88,95,21,155**
IV	**EXPENSES :**			
I	Cost of Materials and Execution Costs	16	1,16,97,88,872	1,57,56,42,132
II	Employee Benefit Expenses	17	11,98,63,314	10,13,02,324
III	Financial Costs	18	2,89,70,183	1,74,42,109
IV	Depreciation	7	1,07,76,356	1,28,01,183
V	Other Expenses	19	6,78,39,157	7,36,99,967
	Total Expenses		**1,39,72,37,883**	**1,78,08,87,716**
V	**Profit before tax (III - IV)**		**7,31,02,947**	**10,86,33,439**
VI	**Tax Expense:**			
I	Current tax		2,22,15,630	2,90,93,549
II	Deferred tax Liability/(Asset)		3,76,938	(3,85,184)
III	Excess Provision in Pr. year Income Tax- FY 2019-20		-	(35,73,963)
	Total Tax Expenses		**2,25,92,568**	**2,51,34,402**
VII	**Profit/(Loss) from the period continuing operations**	(V-VI)	5,05,10,379	8,34,99,037
	Profit/(Loss) for the period		**5,05,10,379**	**8,34,99,037**
	Earning Per Equity Share			
	Basic & Diluted		168	278

The Notes (s) referred in above form an integral part of the Balance Sheet in terms of our report attaced.

For NARESH CHAND AGARWAL & CO
Chartered Accountants
Firm Reg,No.006686S

NARESH AGARWAL
PROPRIETOR
MEMBERSHIP No.028310

Naresh Chand Agarwal & Co. Chartered Accountants Secunderabad

FOR & ON BEHALF OF THE BOARD
MAHATHI INFRA SERVICES (P) LIMITED

MAHATHI INFRA SERVICES

Y.KALYAN SWAROOP DIRECTOR & CEO DIN NO.06380842

Y.UMAMAMAHESWARI DIRECTOR DIN NO.03188305

Place : Hyderabad
Date: 10-10-22

MAHATHI INFRA SERVICES (P) LIMITED
Regd.Off. #PLOT NO.191,1st FLOOR,TAGORE TOWERS,KAVURI HILLS,JUBILEE HILLS (P.O)
HYDERABAD - 500 033, INDIA

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2022

	PARTICULARS	(Amount In Rs.) For the Year Ended at 31.03.2022	For the Year Ended at 31.03.2021
A	**Cash Flows from Operating Activities**		
	Net profit before tax	7,31,02,947	10,86,33,439
	Adjustments for :		
	Saving in Pr year Income Tax- FY 2019-20	-	35,73,963
	Prior period Items	(3,76,938)	3,85,184
	Finance Charges	2,89,70,183	1,74,42,109
	Depreciation	1,07,76,356	1,28,01,183
	Less:Interest on Late payment of Adv Tax	-	-
	Less:Int.Income	26,22,150	21,29,301
	Less; Profit /(loss) on Sale of Asset	17,38,591	10,51,281
	Operating profit before working capital changes	**10,81,11,807**	**13,96,55,296**
	Adjustments for changes in working capital :		
	(Increase)/Decrease in Trade and Other Receivables	(28,47,66,080)	(11,49,00,346)
	Increase/(Decrease) in Loans and Advances	(10,45,160)	(2,83,75,596)
	(Increase)/Decrease in Non Current Assets	1,28,47,766	5,38,59,549
	(Increase)/Decrease in Inventory	2,38,24,810	(3,38,04,034)
	Increase /(Decrease) in Trade and Other Payables	4,13,58,328	(9,56,30,646)
	Increase/(Decrease) in Creditors for Capital Expenses	(58,85,118)	57,08,643
	Cash generated from operations	**(10,55,53,646)**	**(7,34,87,135)**
	Direct Taxes Paid	(2,22,15,630)	(2,90,93,549)
	Dividend Paid	-	-
	Issue of Bonus Shares	-	-
	Net Cash from Operating Activities	**(12,77,69,277)**	**(10,25,80,683)**
B	**Cash Flows from Investing Activities**		
	Purchase of Fixed Assets	1,14,88,723	(1,44,10,095)
	Increase in Preliminary & Pre-operative expenses	-	-
	Share Premium	-	-
	Profit /(Loss)on Sale of Asset	17,38,591	10,51,281
	(Investment) / Withdraw in Subsidary Companies	(3,70,96,100)	(29,00,000)
	Increase / (Decrease) in Share capital /Application money	-	-
	Net Cash used in Investing Activities	**(2,38,68,786)**	**(1,62,58,814)**
C	**Cash Flows from Financing Activities**		
	Interest Income	**26,22,150**	**21,29,301**
	Interest Paid	2,89,70,183	1,74,42,109
	Increase/(Decrease) in Secured Long Term Loans	6,89,52,250	(7,15,309)
	Increase/(Decrease) in Secured Short term Borrowings	9,89,76,826	8,19,25,791
	Net Cash from/(used in) Financing Activities	**14,15,81,043**	**6,58,97,674**
[A+B+C]	**Net Increase in Cash and Cash equivalents during the year**	**(1,00,57,020)**	**(5,29,41,824)**
	Cash and Cash equivalents at the beginning of the year	7,44,71,820	12,74,13,645
	Cash and Cash equivalents at the end of the year	**6,44,14,800**	**7,44,71,820**

Naresh Chand Agarwal & Co. Chartered Accountants Secunderabad

MAHATHI INFRA SERVICES PVT. LTD. Hyderabad

MAHATHI INFRA SERVICES (P) LIMITED

Regd.Off. #PLOT NO.191,1st FLOOR,TAGORE TOWERS,KAVURI HILLS,JUBILEE HILLS (P.O)

HYDERABAD - 500 033, INDIA

Notes forming part of Balance Sheet : **(Amount in Rs.)**

	Particulars	Figures as at the end of current reporting period Up to 31.12.2022	Figures as at the end of Previous reporting period Up to 31.03.2021
1	Authorised (3,00,000 equity shares of Rs.100/- each)	**3,00,00,000**	**3,00,00,000**
2	Issued, Subscribed and Paid up (Issueed 50,000 Equity Shares and 2,50,000 Bonus Shares of Rs.100/- each)	3,00,00,000	3,00,00,000
	Total	**3,00,00,000**	**3,00,00,000**

3(a). Terms / Rights attached to Equity Shares :

The Company has only one class of issued shares reffered to as Equity Shares having a par value of Rs. 100/-.each. Each Share holder is entitled to one Vote per Share. The Dividend proposed by the Board of Directors, if any subject to the approvalof share Holders in AGM. In event of liquidation of the Company the Equity Share holder will be entitled to receive remaining assets of the company after settlement of all preferential amounts . The distribution will be in proportion to the No.of equity shres held by the Equity Share Holders.

3(b). Reconciliation of No. Shares Outstanding at the beginning & at the end of the reporting period :

PARTICULARS	**31.03.2022**		**31.03.2021**	
	Number	**Amount**	**Number**	**Amount**
Shares outstanding at the beginning of the year	3,00,000	3,00,00,000	3,00,000	3,00,00,000
Bnonus Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	3,00,000	3,00,00,000	3,00,000	3,00,00,000

3(c). Equity Shares alloted as fully paid Bonus Shares in the Ratio's of 1:5 by Capitalisation of Balance in P& L Account In 13-14

3(d) Promote **Share Holding Pattern**

	31.03.2022		**% of change during the year**	
Namw of the Share Holder	No.of Shares	%	No. of Shares	%
Y. Ravi Shanker	1,65,000	55	165000	55
Y. Uma Maheshwari	60,000	20	60000	20
Y. kalyan Swaroop	45,000	15	45000	15
Y. Sirisha	30,000	10	300000	10

3(e) Shares holding of promoters

	31.03.2022		**% of change during the year**	
Namw of the Share Holder	No.of Shares	%	No. of Shares	%
Y. Ravi Shanker	1,65,000	55	0	0
Y. Uma Maheshwari	60,000	20	0	0
Y. kalyan Swaroop	45,000	15	0	0
Y. Sirisha	30,000	10	0	0

Note No.2 : Reserves & Surplus

A	Surplus in Profit & loss a/c- Opening	52,07,70,370	43,72,71,333
	Add: Saving in Pr year Income Tax- FY 2019-20	-	-
	Add:- Profit transferrred Current year Operations	5,05,10,379	8,34,99,037
	Total	**57,12,80,749**	**52,07,70,370**

Note No.3 : Long Term Borrowings

	(SECURED)		
1	Hire Purchase Loans	1,71,36,591	62,99,871
2	Term Loan	2,69,24,057	-
	Unsecured Loans		
	From Body corporates	3,08,14,535	
	0	**7,48,75,183**	**62,99,871**

A **Secured Loans :**

1 **1)** Hire Purchase loan of Rs.43,50,000/- from Punjab National Bank secured against respective vehicle Financed, the said loan interest @9.10% pa Payable on Monthly basis, repayble in 84 Months from February 2019 to January 2026. **2)** Vehicle Loan from Kotak Mahindra Prime Limited for Rs.14,87,000/- with an interest @ 9.25% and repayable in 61 Months from Septeember .2018 to September 2023. **3)** Hire purchase loan from HDFC Bank for Rs.75,34,742/- for another vehicle with an interest rate @8% pa and repayable in 37 monthly instalments from September 2020 to September 2023.

2) Loan from HDFC , is a buiness loan and secured by the Company, interest @15% pa repayable in 12 months

3) Loan from KMBL is a business loan and secured by the Company, interst @15% repayable in 12 months

4) GECL , COVID loan from HDFC , is secured against 2nd charge over existing primary and collateral security including mortgages created in favour of the HDFC. The Loan carries interest at 8.25% Pa and is repayable in 36 monthly EMI after a morotorium of 24 months. the Loan is further secured by personal guarantee of 3 directors and one outside party

Chand Agarwal & Co. Chartered Accountants Secunderabad

MAHATHI INFRA SERVICES PVT. LTD. Hyderabad

MAHATHI INFRA SERVICES (P) LIMITED

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HYDERABAD - 500 033, INDIA

Notes forming part of Balance Sheet : **(Amount in Rs.)**

	Particulars	Figures as at the end of current reporting period Up to 31.12.2022	Figures as at the end of Previous reporting period Up to 31.03.2021
Note No.4 : Short Term Borrowings			
	(Secured)		
1	Cash Credit Accounts	18,09,02,577	8,19,25,791
	Current maturities of long term debts	-	-

Rupee Cash Credit is from HDFC Bank, Kavuri Hills Branch, Hyderabad. The loan is renewable every year.Interest is charged at 9% pa. The loan is secured agaisnt Hypothication of Stock & Book debts charge on movable assets of the Company and against security of Open Land at Maheswaram Mandal R.R.Dist belonging to the Comany It is further secured by personal guarantee of 3 directors and personal Property offered by Mr.Y.Ravi shankar - Director of the Company.

	Particulars		
	Total	**18,09,02,577**	**8,19,25,791**
Note No.5 : Trade payables			
	undisputed trade payables		
	- Due to MSME Units	1,32,62,062	1,32,62,061
	- Due to others	29,17,05,059	32,24,61,619
	Unbilled dues	-	-
	Total	**30,49,67,121**	**33,57,23,680**

Particulars	**Outstanding fpr the periods from due date of payments**				
	<1 year	1-2 years	2-3 years	>3 years	Total
undisputed					
MSME					
Others	30,49,67,119.00				30,49,67,119
unbiled					
Disputed					
MSME					
others					
unbiled					

Note No.6 : Other Current Liabilities			
1	Provision for Expenses	5,82,38,658	3,64,05,827
2	Provision for Income Tax	2,22,15,630	2,90,93,549
3	Advance from Customers	6,35,20,645	58,83,652
4	Advance for Sale of Land	2,08,00,000	2,08,00,000
5	Current Maturities of lease finance debt	35,03,679	39,80,657
	Total	**16,82,78,612**	**9,61,63,685**
Note No. 08 : Investments			
a)	**Invetments**		
	(Long Term - Un Quoted -Non Trade)		
i	Investment in 100%Subsidary M/s.Mahathi Infra Gabon SARL	1,18,532	1,18,532
	(No of Equity Shares 10,0000 each 100/- CFA's)		
ii	a) Investment in Subsidary M/s.Mahathi Storage Terminal (P) Ltd	74,00,000	74,00,000
	(Formerly known as Mahathi ARC Storage Terminal (P) Ltd)		
	(No of Equity Shares 7,40,000 each Rs.10/-, Previous year 4,50,000 Equity Shares)		
iii	Investment in M/s.Mahathi Infra Uganda Limited	1,03,86,700	1,03,86,700
	(No of Equity Shares 5,600 each Ughs.1,00,000)		
iV	AGR Petro Ventures Pvt. Ltd (Investment)	3,70,96,100	-
	No of Equity shares 399900 of Rs 10 each		
	(a)	**5,50,01,332**	**1,79,05,232**
	(b) Inter corrporate deposits (Subsidiary Companies)		
	(i)Mahathi Storage Terminal Pvt ltd	9,24,96,749	6,28,14,049
		-	
	(b)	**9,24,96,749**	**6,28,14,049**
	Total(a+b)	**14,74,98,081**	**8,07,19,281**

Chand Agarwal & Co. Chartered Accountants Secunderabad

MAHATHI INFRA SERVICES PVT. LTD. Hyderabad

MAHATHI INFRA SERVICES (P) LIMITED
Regd.Off. #PLOT NO.191,1st FLOOR,TAGORE TOWERS,KAVURI HILLS,JUBILEE HILLS (P.O)
HYDERABAD - 500 033, INDIA

Notes forming part of Balance Sheet :

(Amount in Rs.)

	Particulars	**Figures as at the end of current reporting period Up to 31.12.2022**	**Figures as at the end of Previous reporting period Up to 31.03.2021**
Note No. 09 : Inventories			
(Valued at Cost or Market Value which ever is Lower)			
a)	Raw Materials,Consumables & Finished Goods	5,44,22,222	11,19,61,148
b)	Work in progress	11,82,58,933	8,45,44,817
	Total	**17,26,81,155**	**19,65,05,965**
Note No.10 : Trade Receivables			
	(unsecured, undisputed, considered good)		
1	Debt outstanding more than 6 months from due date	17,55,69,927	78,30,724
2	Other Debts	49,27,85,187	37,57,58,310
	Total	**66,83,55,114**	**38,35,89,034**

Particulars	**Outstanding fpr the periods from due date of payments**					
	<6months	>6M-1 year	1-2 years	2-3 years	>3 years	Total
Undisputed						
Good	49,27,85,187	17,52,66,727	3,03,200			66,83,55,114
Doubtful						
Disputed						
Good						
Doubtful						

Note No.11 : Cash & Bank Balances			
1	Cash on hand	8,52,508	1,82,034
2	Balances with Scheduled Banks		
	- In Current Accounts	20,13,400	1,04,50,070
	- In Margin Money	3,45,66,713	3,81,88,941
	(The Margin Money includes Interest)		
	- In Fixed Deposit Accounts	2,69,82,179	2,56,50,776
	Total	**6,44,14,800**	**7,44,71,821**
Note No.12 : Short Term Loans and Advances			
	(Unsecured and considered good)		
1	a) Advances receivable in cash or kind for value to be received (includes dues from directors Rs.10 lacs and Associates concerns of Rs.56,200/-)	7,56,48,823	6,97,01,493
2	Balances with government authorities	4,80,25,325	8,26,10,194
	Total	**12,36,74,147**	**15,23,11,687**
Note No.13: Other Current Assets			
1	Advance Tax	-	1,50,00,000
2	TDS Receivable	80,32,132	44,91,798
	Total	**80,32,132**	**1,94,91,798**

Naresh Chand Agarwal & Co. Chartered Accountants Secunderabad

MAHATHI INFRA SERVICES PVT. LTD. Hyderabad

MAHATHI INFRA SERVICES (P) LIMITED - HYDERABAD

Notes forming part of the Financial Statements

Note No. 7 Fixed assets

(Amount In Rs)

S.No.	Tangible assets	Gross Block									
		Balance as at 1 April, 2021	Additions	Disposals	Acquisitions through business combinations	Reclassified as held for sale	Revaluation Increase	Effect of foreign currency exchange differences	Borrowing cost capitalised	Other adjustments	Balance as at 31.03.2022
1	Land & Development Cost										
	Choutuppal - Nalgonda Dist	55,97,509									55,97,509
	Almasguda - R.R Dist	2,57,49,241									2,57,49,241
		-									-
2	Buildings (Work Shop)	3,42,11,026	1,06,250								3,43,17,276
		-									-
3	Plant and Machinery	9,19,59,529	21,99,664	1,27,06,931.00							8,14,52,262
		-									-
4	Furniture and Fixtures	1,29,02,246	5,49,650	21,81,290.00							1,12,70,606
		-									-
5	Vehicles	1,82,03,999	-								1,82,03,999
		-									-
6	Office Equipment	48,37,502	7,61,857	8,79,740.00							47,19,619
											-
7	Computers	1,11,72,372	6,61,817								1,18,34,189
8	Intangible Asseets	41,85,609									41,85,609
	Total ------------------>>>>>>	**20,88,19,034**	**42,79,238**	**1,57,67,961**	-	-	-	-	-	-	**19,73,30,311**
	Previous year---------->>>	**19,66,37,217**	**1,92,85,613**	**71,03,796**							**19,66,37,217**

MAHATHI INFRA SERVICES (P) LIMITED - HYDERABAD

Notes forming part of the Financial Statements

Contd. to Note No. 7 Fixed assets

(Amount In Rs.)

S.No.	Tangible assets	Accumulated depreciation and impairment								Net Block	
		Balance as at 1 April, 2021	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Eliminated on reclassification as held for sale	Impairment losses recognised in statement of profit and loss	Reversal of impairment losses recognised in Statement of Profit and Loss	Other Adjustments	Total as at 31.03.2022	Balance as at 31.03.2022	Balance as at 3103.2021
1	Land & Development Cost										
	Choutuppal - Nalgonda Dist	-							-	55,97,509	55,97,509
	Almasguda - R.R Dist	-							-	2,57,49,241	2,57,49,241
2	Buildings (Work Shop)	75,76,184	10,19,190						85,95,374	2,57,21,902	2,66,34,843
3	Plant and Machinery	2,30,71,448	50,00,798						2,80,72,246	5,33,80,016	6,88,88,081
4	Furniture and Fixtures	34,38,722	10,61,227						44,99,949	67,70,657	94,63,524
5	Vehicles	37,83,571	16,32,560	-					54,16,131	1,27,87,867.74	1,44,20,428
6	Office Equipment	23,60,219	4,80,381						28,40,600	18,79,019	24,77,283
7	Computers	83,57,517	15,82,200						99,39,717	18,94,472	28,14,856
8	Intangible Assets (Softwares)	41,85,608	-						41,85,608	1	1
Total ------------------------------>>>>>>		5,27,73,268	1,07,76,356	-	-	-	-	-	6,35,49,624	13,37,80,686	15,60,45,765
Previous year------------------->>>>		4,29,24,600	1,28,01,183	29,52,515					5,27,73,268	15,60,45,765	15,37,12,617

Chartered Accountants Naresh Chand Agarwal & Co. Secunderabad

MAHATHI INFRA SERVICES PVT. LTD. Hyderabad

MAHATHI INFRA SERVICES (P) LIMITED
Regd.Off. #PLOT NO.191,1st FLOOR,TAGORE TOWERS,KAVURI HILLS,JUBILEE HILLS
HYDERABAD - 500 033, INDIA

Notes forming part of Profit & Loss Statement

		Figures as at the end of current reporting period Up to 31.03.2022	Figures as at the end of Previous reporting period Up to 31.03.2021
Note No.14: Revenue from Operations			
	Income from Business Operations :		
1	Income from Commercial activity - Domestic	21,84,98,756	7,65,26,222
	Income from Commercial activity - Exports/Own Production	6,38,29,074	2,06,88,053
		28,23,27,830	9,72,14,275
2	**Income from Execution of Contract**		
	(Including Project Exports)		
	Income From Execution of Contract (Exports)	74,67,93,497	77,04,104
	Income From Execution of Contract (Domestic/Exports)	41,18,76,623	1,76,64,89,585
	Total	**1,15,86,70,120**	**1,77,41,93,689**
Note No.15 : Other Income			
1	Excise Duty Draw Back	44,24,830	1,04,87,214
2	Interest Received on Fixed Deposit	26,22,150	22,10,112
3	Sale of Exim Scrip	1,34,29,117	15,75,385
4	Foreign Currency Fluctuations Gain/(Loss)	61,93,709	30,40,575
5	Other Miscellaneous Incomes/saleon ain account	3,11,120	16,852
	Gain on sales o fasset	7,73,527	-
6	Scrap Sales	15,84,415	7,83,052
7	Service Charges	4,012	
	Total	**2,93,42,880**	**1,81,13,190**
Note No.16 : Cost of Material Consumed			
1	Opening Stock	19,65,05,965	16,27,01,930
2	Add : Purchases	74,02,60,496	1,23,38,28,278
3	Less:Closing Stock	**17,26,81,155**	19,65,05,965
4	Add : Execution of Contrct & Other Expenses	40,57,03,566	37,56,17,889
	Total	**1,16,97,88,872**	**1,57,56,42,132**
Note No.17 : Employess Benefit Expenses			
1	Directors Remuneration & Perks	52,47,276	44,54,979
2	Salaries & Other Benefits	11,46,16,038	9,68,47,345
	Total	**11,98,63,314**	**10,13,02,324**
Note No.18 : Finance Costs			
1	Bank charges	70,29,110	14,78,493
2	Finance Charges	17,41,660	41,81,080
3	Interest on Term Loan	26,10,000	-
4	Interest on Cash Credit Account	1,38,15,894	81,73,849
5	Interest paid to Suppliers	-	13,45,873
6	Interest on Vehicle Loan	7,13,120	8,01,550
7	Interest on Business Loan	1,01,437	10,50,000
8	Interest - Others (IT, TDS & GST)	29,58,962	4,11,264
	Financial Charges	**2,89,70,183**	**1,74,42,109**

Naresh Chand Agarwal & Co. Chartered Accountants Secunderabad

MAHATHI INFRA SERVICES PVT. LTD. Hyderabad

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Regd.Off. #PLOT NO.191,1st FLOOR,TAGORE TOWERS,KAVURI HILLS,JUBILEE HILLS
HYDERABAD - 500 033, INDIA

Notes forming part of Profit & Loss Statement

Note No.19 : Other Expenses				
1	Professional Charges		1,57,06,214	1,45,67,576
2	Rent		17,51,400	32,61,913
3	Travelling & Conveyance expenses		1,50,71,154	1,48,05,418
4	Communication Expenses		11,87,480	15,43,518
5	Printing and stationery		17,00,398	4,41,195
6	Office Maintenance		62,65,181	69,63,727
7	Insurance		5,91,501	88,35,073
8	Certification fee		17,38,591	-
	loss on sale of asset		-	10,51,281
	Loss on sale of SEIS Scrips		-	7,33,864
9	Loss/(Gain) on Foreign Currency Fluctuations		4,07,877	-
10	General Expenses		15,05,619	2,82,073
11	Rates and Taxes		30,54,603	3,74,376
12	Marketing expenses		2,39,568	7,33,126
13	Service Charges		2,38,126	9,86,270
14	Miscellaneous exp		8,063	42,838
15	Service tax GST Paid		-	2,48,822
16	Donations		-	
17	Business Promotion Expenses		-	57,723
18	Repairs & Maintenance		3,50,893	2,16,028
19	C S R Activity Expenses		41,01,043	64,53,100
20	Bad Debts Written off		1,36,25,813	90,01,067
21	Cost Audit Fee		-	50,000
22	**Auditors remuneration :**		-	
	- Statutory audit fee		2,95,632	1,75,000
	- Tax audit fee		-	50,000
	Total		**6,78,39,157**	**7,08,73,988**

Naresh Chand Agarwal & Co. Chartered Accountants Secunderabad

MAHATHI INFRA SERVICES PVT. LTD. Hyderabad

Note -20: Significant Accounting Policies and Notes on Accounts

A). SIGNIFICANT ACCOUNTING POLICIES :

1. Basis of Preparation of Financial Statements:

The Financial Statements have been prepared on accrual basis under the historical cost convention in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 2013.

2. Use of Estimates:

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/ materialised.

3. Property, Plant & Equipment:

i) Fixed Assets are stated at cost net of GST rebates, less accumulated depreciation, amortisation and impairment loss, if any.

ii) All costs, including financing costs till commencement of commercial operations, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to fixed assets, acquired from outside India, are capitalised.

iii) Expenses incurred relating to project prior to commencement of commercial operations are classified as Project Development Expenditure and disclosed under Capital Work-in-Progress (net of income earned during project development stage).

4. Depreciation:

Depreciation on fixed assets is provided on straight line method at the rate and in the manner prescribed in Schedule II to the Companies Act, 2013.

Intangible Assets are Amortised over the useful life of the asset i.e., Computer Software 3years.

5. Impairment of Assets:

An asset (Tangible & Intangible Asset) is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged for when the asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

6. Investments:

Investments are classified into current investment and long-term investment. Current investments are carried at lower of cost or fair value. Any reduction in carrying amount and reversals of such reductions are charged or credited to Profit and Loss Account. Long-term investments are carried at cost less provision made to recognise any decline, other than temporary, in the value of such investments.

Naresh Chand Agarwal & Co. Chartered Accountants Secunderabad

MAHATHI INFRA SERVICES PVT. LTD. Hyderabad

7. Revenue Recognition:

i. EXPORTS SALES:

a) Export sales are recorded on CIF Basis.

ii. RECOGNITION OF CONTRACT REVENUE & EXPENSES:

a) Revenue and cost associated with Construction Contracts are recognized in accordance with AS-7 Construction Contracts as notified in the Companies Act,2013.

b) Contract revenue is recognized by reference to the stage of completion of the contract activity at the reporting date of the financial statements on the basis of percentage of completion method.

c) The stage of completion of contracts is measured by reference to the proportion that contract costs incurred for work performed up to the reporting date bear to the estimated total contract cost for each contract.

d) Profit is recognized and taken as the revenue of the year only when the work on the contract has progressed to a reasonable extent. Foreseeable losses are accounted for as and when they are determined except to the extent, they are expected to be recovered through claims presented or to be presented to the customer or in arbitration. Since there are no foreseeable losses, no such losses are recognized in the books of accounts.

e) The company's claim for extra work and escalation in rates relating to execution of contracts are recognized as revenue in the year in which the said claims are finally accepted by the clients and probable amount of such acceptance can be suitably measured.

f) Export entitlement from government authorities are recognised in the statement of Profit and Loss when the right to receive the incentive /entitlement as per the terms of scheme is established.

Revenue and purchases are recognized by including all applicable taxes and duties except GST.

8. Foreign Currency Transactions:

a) Transactions denominated in foreign currencies are normally recorded at the exchange rates. prevailing at the time of the transaction.

b). Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of monetary items which are covered by forward exchange contracts, the difference between the yearend rate and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts is recognised over the life of the contract.

c). Non-monetary foreign currency items are carried at cost, any income or expense on account of exchange difference either on settlement or on translation is recognised as Revenue except in cases where they relate to acquisition of fixed assets in which case they are adjusted to the carrying cost of such assets.

d). In respect of forward exchange contracts entered in to hedge foreign currency risk of existing assets and liabilities, the difference between the forward rate and exchange rate at the inception of the contract is recognised as income or expense over the life of contract. Further, the exchange differences arising on such contracts are recognised as income or expense along with the exchange differences on underlying assets /liabilities. Profit or Loss on cancellations / renewals of forward contracts is recognised during the year.

e). Forward exchange contracts outstanding as at the year end on account of firm commitment /highly probable forecast transactions are marked to market and the losses, if any, are recognised in the statement of profit and Loss and gains are ignored in accordance with the Announcement of Institute of Chartered Accountants of India on Accounting for Derivatives issued in March,2008.

Anand Agarwal & Co. Chartered Accountants Secunderabad

MAHATHI INFRA SERVICES PVT. LTD. Hyderabad

9. **Borrowing Costs:**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

10. **Inventories:**

Raw Material, Stock in Process, packing material, Stores & spares are valued at cost including all direct costs. Finished Goods are valued at lower of cost or market value.

11. **Taxation:**

Provision for Current tax is made based on the Tax estimation made using the applicable rates. Deferred Tax arising due to the timing difference between the book and taxable income and capable of reversal in subsequent periods is provided for using relevant enacted tax rates.

12. **Cash Flow Statement:**

Cash flow statement is prepared in accordance with the "indirect method" as prescribed under AS-3 issued by ICAI. The Cash flows for operating, investing and financing activities is segregated based on the available information.

13. **Retirement Benefits:**

The Company's contribution to Employee Provident Fund, ESI & Gratuity is charged to Profit & Loss Account. Leave encashment, if any, is accounted upon their payment.

14. **Leases:**

Leases are classified as finance or operating leases depending upon the terms of the agreements. Assets held under finance leases are recognised as assets of the company on the date of acquisition and depreciated over their estimated useful life. Finance costs are treated as period cost using effective interest rate method and are expensed accordingly. Rentals payable under operating leases are charged to expenses as and when incurred.

15. **Earnings Per Share:**

Basic earnings Per Share is computed by dividing the net profit after tax by the weighted average number of Equity shares outstanding during the year.

16. **Provision, Contingent Liabilities and Contingent Assets:**

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are recognised but are disclosed in the Notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

Naresh Chand Agarwal & Co. Chartered Accountants Secunderabad

MAHATHI INFRA SERVICES PVT. LTD. Hyderabad

B). NOTES ON ACCOUNTS:

The Company engaged in the business of executing Engineering Contracts and Commercial Activity of Engineering Products.

1. Calculation of deferred tax Liability:

S No	Particulars	Amount in Rs.
1.	Timing difference arising out of deprecation for the year	3,09,27,527
2.	Tax rate	25.17%
3.	**Deferred tax liability for the year ended 31.03.2022**	(3,76,938)

2. As per Accounting Standard 18 (AS-18) 'Related Party Disclosures', issued by ICAI, the disclosures of transactions with the related parties as defined in AS-18 are given below:

(i) List of related parties and relationships:

Sr No	Name of the Related Party	Relationship
1.	Y.Ravishankar	Director
2.	Y.Umamaheswari	Director
3.	Y.Kalyan Swaroop	Director& CEO
4.	B. Lakshminarayana	Independent Director
5.	Sirisha Vegaraju	Director Y. Ravishankar's daughter
6.	Himani Agarwal	Director Y. Kalyan Swaroop's wife
7.	Mahathi Tours & Travels (P) Ltd	Sister Concern Company
8.	Mahathi Infra Gabon SARL	Wholly Owned Subsidiary
9.	Mahathi Uganda Limited	Sister Concern Company
10.	Mahathi Storage Terminal (P) Ltd	Indian Associate Company
11.	AGR Petro Ventures Pvt.Ltd.	Wholly Owned Company
12.	Mahathi Projects Pvt Limited	Sister Concern Company

TRANSACTION – Payments/Receipts	DIRECTOR'S	ASSOCIATE/ SUBSIDARY/ SISTER CONCERN	RELATIVES OF DIRECTOR	Common Directors
Director's Remuneration, Perks: Sitting Fees to -Independent Director.	6,00,000			
Directors Remuneration	46,47,276		25,19,988	
Mahathi Tours & Travels (P) Limited Purchases-Travel Tickets and Services: Balance (Cr) as on 31.03.2022		 2,36,01,209 14,26,242.89		
Mahathi Storage Terminal (P) Ltd Sales inc. Sale of Fixed Assets Sundry. Drs as on 31-3-22 Inter Corporate Deposit made during The Year Balance as on 31.03.2022 ~~Execution of contract/sales~~		 28,23,78,055 8,10,56,890 29682700 9,24,96,749 N ~~25,98,06,524~~ ~~[illegible]~~		
AGR Petro Ventures Pvt ltd Investments -Closing Balance – 31.03.2022 Unsecured loans taken during the year Unsecured loans (closing balances-31-03-2022) Sales/Job works		 3,70,96,100 8484535 8,14,535 76,70,000		

1.Mahathi Uganda Limited – Sales (Sister Concern Company) Balance (Dr) as on 31.03.2022		488,709,774.67 307,094,319.20		

Naresh Chand Agarwal & Co. Chartered Accountants Secunderabad

Mahathi Infra Services Pvt. Ltd. Hyderabad

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3. **Segment Reporting: -**

I. The Business segment as required under AS-17 falls under two segments:

Particulars	(Amount - Rs)
a) Sale of Engineering Products:	**FY 2021-22**
1) Export Sales	6,38,29,074
2) Domestic Sales (Direct)	11,33,22,669
Total Revenue from Commercial Activity	**17,71,51,743**
b) Executing Engineering Contracts:	
1) Execution of Contracts (Exports)	74,67,93,497
2) Execution of Contracts (Domestic)	51,70,52,710
Total Revenue from Engineering Contracts	**1,26,38,46,207**
TOTAL REEVENUE	**1,44,09,97,950**

II. **Geographical Segment Information: -**

A) All the assets are held in India except for export receivables of **Rs.47.51 crores.**

B) Revenue - Within India Rs. 63.03 crores.

C) Revenue - Outside India including Deemed exports and Project Exports of **Rs.81.05 crores.**

4. In the opinion of the management, the Current Assets, Loans & Advances are approximately of the value stated, if realized in the ordinary course of the business.

5. The Balances of Sundry Debtors, Loans & Advances, Sundry Creditors, etc., are subject to confirmation, GST reconciliation is in the process.

6. Additional Information (to the extent applicable):

a) Capital Commitments: Estimated number of Contracts remaining to be executed on capital account not provided for: NIL

b) Foreign Currency Earnings & Expenses during the year:

1. **Earnings:**

Particulars	**EURO's**	**USD's**	**TBH's**
Receipts from Execution of Contracts	1,000,000.00	7,164,231.96	NIL
Receipts from Export Sales	NIL	181,514.00	NIL
Service Charges Receipts	NIL	NIL	6000
Total Receipts-Execution of Contracts	**1,000,000.00**	**7,345,745.96**	**NIL**

2.Expenses:

Particulars	**Total EURO'S**	**Total USD'S**	**Total TBH's**
Bank Charges		3,497.02	
Commission			105,000
Contract Execution expenses		4,340,948.62	
Material Suppliers	61,558.00	496,432.00	
Overseas office exp		1,104,820.70	
Professional fees		1,340.00	83,726.84
MIGSARL - Gabon Misc. Exps			

Naresh Chand Agarwal & Co. Chartered Accountants Secunderabad

Mahathi Infra Services Pvt. Ltd. Hyderabad

Freight & Clearing Charges		411,058.57	
Travel Expenses			367,294.05
Admin and Other Expenses		45,500.00	1,953,387.16
TOTAL	**61,558.00**	**6,358,096.91**	**2,509,408.05**

3. **Contingent Liabilities and Commitments:**

Contingent Liabilities - All the Contingent Liabilities are related to Bank Guarantees for the **EXECUTION OF CONTRAT, EMD/BID SECURITY /OTHER SECURITIES ARE FOR** the Tender participation **and Letters of Credit** are used for sourcing the Materials. The details are as follows:

a.Outstanding LC's issued by HDFC bank as on 31.03.2022

Sno	Particulars	LC NO	Last Date of shipment	Expiry Date	LC Value
1	ARJUNWADKAR	021LC03213620006	28.02.2022	21.03.2022	25,23,904
2	KANAK METALS	021LC03220070010	15.01.2022	05.02.2022	38,27,843
3	Heinen & Hopman	021LC03220280003	25.01.2022	15.02.2022	36,16,200
4	JRVS ISPAT PVT LTD	021LC03220240004	26.01.2022	15.02.2022	59,71,316
5	Marine electricals (india) ltd	021LC03220560017	28.02.2022	21.03.2022	9,15,527.00
6	Zetwerk Mfg. Business pvt ltd	021LC03220630012	07.03.2022	01.04.2022	1,31,56,973
7	Sitra infotech pvt ltd	021LC03220680014		01.04.2022	1,42,74,535
8	Air control india pvt ltd	021LC03220630011	04.03.2022	31.03.2022	23,09,411
	TOTAL				**4,65,95,709**

b.Outstanding BG's Issed by HDFC Bank as on 31.03.2022

Sno	Particulars	BG No	Expiry date	Claim Date	BG Value
1	SMS INDIA PVT LTD	021GT02193040009	07.09.2022	07.09.2023	11,60,000
2	Indian Oil Corporation Ltd	021GT02193470001	31.07.2020	31.07.2020	14,91,050
3	Indian Oil Corporation Ltd	021GT02193470002	31.07.2020	31.07.2020	14,91,050
4	Doosan Power System India Pvt Ltd	021GT02200460003	31.07.2022	31.07.2023	22,67,977
5	Doosan Power System India Pvt Ltd	021GT02200460003	31.07.2022	31.07.2023	52,049
6	Doosan Power System India Pvt Ltd	021GT02200460005	31.10.2021	31.10.2022	8,07,110
7	Thermax Ltd	021GT02201090010	31.01.2021	31.01.2021	2,35,690
8	Thermax Ltd	021GT02201090011	14.09.2020	14.09.2020	57,310
9	SMS INDIA PVT LTD	021GT02202530006	20.03.2022	20.03.2023	8,44,104
10	SMS INDIA PVT LTD	021GT02202530005	15.11.2021	15.11.2022	3,81,442
11	SMS INDIA PVT LTD	021GT02203070006	22.10.2022	22.10.2023	40,85,573
12	BALAJI AMINES LTD	021GT02211260005	27.05.2022	27.05.2023	22,90,000
13	Hindustan Colas Pvt Ltd	021GT02212220008	15.02.2022	15.02.2023	30,00,000
14	Hindustan Colas Pvt Ltd	021GT02212220007	17.02.2022	17.02.2023	5,00,000
15	Indian Oil Corporation Ltd	021GT02213120003	20.07.2024	20.07.2024	13,47,316
16	Indian Oil Corporation Ltd	021GT02213120005	14.10.2026	14.10.2026	27,06,444
17	Indian Oil Corporation Ltd	021GT02213120006	20.07.2026	20.07.2026	24,27,151

Chartered Accountants Secunderabad

MAHATHI INFRA SERVICES PVT. LTD. Hyderabad

18	Indian Oil Corporation Ltd	021GT02213120007	14.10.2024	14.10.2024	15,21,894
19	Indian Oil Corporation Ltd	021GT02213510004	20.07.2022	20.07.2022	1,12,52,791
20	RAMKY ENVIRO ENGINEERS LTD	021GT01220010001	26.02.2022	26.02.2023	3,70,000
21	RAMKY ENVIRO ENGINEERS LTD	021GT01220010002	26.02.2022	26.02.2023	3,70,000
22	Tamilnadu waste management Ltd	021GT01220010003	26.02.2022	26.02.2023	3,70,000
23	Tamilnadu waste management Ltd	021GT01220010004	26.02.2022	26.02.2023	3,70,000
24	Tamilnadu waste management Ltd	021GT01220010005	26.02.2022	26.02.2023	3,70,000
25	Tamilnadu waste management Ltd	021GT01220010006	26.02.2022	26.02.2023	3,70,000
26	West Bengal waste management Ltd	021GT01220010007	26.02.2022	26.02.2023	3,70,000
27	West Bengal waste management Ltd	021GT01220010008	26.02.2022	26.02.2023	3,70,000
28	Mumbai waste management Ltd	021GT01220030005	26.02.2022	26.02.2023	3,70,000
29	Hindustan Petroleum Corporation Ltd	021GT02220210005	21.01.2022	26.06.2025	3,74,99,220
30	Indian Oil Corporation Ltd	021GT02220550007	14.10.2022	14.10.2023	1,18,44,219
31	Hindustan Petroleum Corporation Ltd	021GT01220610006	27.06.2023	25.09.2023	5,82,61,500
32	Numaligary Refinery ltd	021GT02220670011	15.05.2025	15.05.2026	3,16,32,979
TOTAL					**18,04,86,869**

c.Outstanding BG's Issed by Punjab National Bank as on 31.03.2022

1	Indian Oil Corporation Ltd-BLR	3632ILG000516	15.02.2022	15.02.2022	6,99,100
2	IOCL- AH MEDNAGAR	3632ILG002818	15.01.2023	15.01.2024	1,22,26,315
3	IOCL-MAN MAD	3632ILG002718	31.12.2022	31.12.2023	1,05,30,140
TOTAL					**2,34,55,555**

d. Corporate Guarantee given to bank HDFC/ICICI for term loans taken by Mahathi Storage Terminal (P) Ltd term loan sanctioned INR 50 Crores.

Commitments:

Estimated number of Contracts remaining to be executed on Capital account and not provided for: -

a). In respect of Joint Ventures: NIL
b). In respect of Others: NIL

4. **Financial and Derivative Instruments:**

Derivative Contracts: - For hedging Currency of derivative Contracts entered into by the Company and outstanding as on 31.03.2021: **NIL**

Un covered Risks: Figures as at 31st March 2022

SL. NO.	PARTICULARS	CURRENCY In USD's	CURRENCY In EURO's	CURRENCY In AED
1	Sundry Debtors	46,60,725.24	20,19,603.92	NIL
2	Advances to suppliers	57,306.58	5,505.40	NIL
3	Sundry Creditors	10,03,738.32	0	1,47,171.00
4	Bank Balance in EEFC	4,770.00	NIL	NIL
5	On Hand - Foreign Currency in (USD)	1,500.00	NIL	NIL
6	Advance from Customers	70,506.00	NIL	NIL

Naresh Chand Agarwal & Co. Chartered Accountants Secunderabad

MAHATHI INFRA SERVICES PVT. LTD. Hyderabad

5. Payment to Statutory Auditors:

Audit Fees - Rs.2,00,000/-
Tax Audit Fees - Rs. 50,000/-

7. The Company is having immovable property in its name. The company has constructed factory building on the said premises.

8. The company has not revalued its Property, plant & equipment and Intangible Assets.

9. Loans and Advances granted to promoters, directors, KMP's and related parties

Type of Borrower	Amount of Loans and Advance in the nature of loan outstanding	% of Total Loans and advance in the nature of loans
Promoters	0	0
Directors	0	0
KMP's	0	0
Related parties	ICD- 9,24,96,749	100%

10. Capital WIP -NIL

A. Capital WIP aging schedule as on 31.03.2022

CWIP	Amount in CWIP for a period of				Total
	< 1 year	1 - 2 years	2-3 years	> 3 years	
1. Projects in progress	0	0	0	0	0
2. Projects temporarily suspended	0	0	0	0	0

B. Capital WIP Completion schedule as on 31.03.2022

CWIP	Amount in CWIP for a period of				Total
	< 1 year	1 - 2 years	2-3 years	> 3 years	
1. Projects I	0	0	0	0	0
2. Projects II	0	0	0	0	0

11. Intangible Assets under Development-NIL

A. Intangible Assets aging schedule as on 31.03.2022

Intangible Assets under development	To be completed in a period of				Total
	< 1 year	1 - 2 years	2-3 years	> 3 years	
1. Projects in progress	0	0	0	0	0
2. Projects temporarily suspended	0	0	0	0	0

Naresh Chand Agarwal & Co. Chartered Accountants Secunderabad

MAHATHI INFRA SERVICES PVT. LTD. Hyderabad

B. Intangible Assets Completion schedule as on 31.03.2022

Intangible Assets under development	To be completed in a period of				Total
	< 1 year	1 - 2 years	2-3 years	> 3 years	
1. Projects I	0	0	0	0	0
2. Projects II	0	0	0	0	0

12. There are no Proceedings been initiated or are pending against the company for holding any benami property under the Benami Transaction (Prohibition) Act ,1988 (45 of 1988) and rules made there under.

13.As the company is not maintaining complete stock records, we are unable to comment on variance in stocks, as per books and as per stock statement submitted to bank. However as on 31.03.2022 and variance is as under:

Particulars as per Stock statement	As per stock statement	As per books	Particulars as per Books	Difference
Stock	22.60 cr	17.26 cr	Stocks	Excess shown by INR 5.34 cr
Debtors	64.33 cr	49.27 cr	Debtors less than 180 days	Excess shown by INR 15.06 cr
Creditors	20.25 cr	30.49 cr	Creditors	Short Shown by INR 10.24 cr

The company is submitting, in the stock statement the total debtors as on the date of stock statement. Further, as per the management, even if the values of the stocks, debtors less than 6 months less creditors is considered , the same is adequate for its limit of 25.8 crores(including adhoc) and will not effect its DP.

14. The company is not a wilful defaulter with any bank or FI or other lenders.

15. The company has no transactions with companies struck off u/s 248 of the Companies Act, 2013 or section 560 of The Companies Act, 1956.

16. The company has registered all charges or satisfaction of charge with ROC

17. Compliance with number of layers of companies
The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017

18. Ratios-As per Annexure Enclosed :

19. There is no scheme or arrangement by any competent authority in terms of sections 230 to 237 of the Companies Act, 2013

20. Undisclosed Income:
There is no income which are undisclosed against any transactions not recorded in the Books of Accounts

21. Corporate Social Responsibility (CSR)

The company is covered under section 135 of The Companies Act, 2013., the CSR activity disclosure as under:

(i) Amount required to be spent by the company during the year Rs.22.62 Lakhs

Naresh Chand Agarwal & Co. Chartered Accountants Secunderabad

Mahathi Infra Services Pvt. Ltd. Hyderabad

(ii) Amount of expenditure incurred -NIL
(iii) Shortfall at the end of the year Rs.41.00 Lakhs
(iv) Total of previous year shortfall- Rs.18.38 Lakhs
(v) Reasons for shortfall – Could not identify any good cause projects.
(vi) Nature of CSR activity –NIL
(vii) Details of Related party transaction – NIL
(viii) Where a provision made for any contractual obligation-The company has made a provision for CSR of Rs 41 lakhs, shall spent in the same in the year 22-23 after identifying the good projects.

22. Details of Crypto Currency or Virtual Currency

The company has not traded or invested in Crypto Currency or Virtual Currency during the financial year

23. Dues to Micro, Small & Medium Enterprises (MSME):

In terms of Sec.22 of MSME Act,2006 the outstanding payable are defined under the MSME Act, and required to be disclosed in the prescribed format. In the absence of information about re-registration of the enterprise as at 31.03.2022, the required information could not be furnished. However, the management has stated that the company has not received any claim for overdue interest from such suppliers during the reporting period.

24. Previous year figures are regrouped wherever necessary to confirm with current year classification.

For NARESH CHAND AGARWAL & CO
Chartered Accountants
Firm No. 006686S

Naresh Chand Agarwal & Co. Chartered Accountants Secunderabad

NARESH AGARWAL
Proprietor:
M.No.028310

Place: Hyderabad
Date: 10-10-22

For Mahathi Infra Services (P) Limited

Mahathi Infra Services Pvt. Ltd. Hyderabad

Y. KALYAN SWAROOP
Director
DIN No.06380842

Y. UMAMAHESWARI
Director
DIN No.03188305