



## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS,  
DENTA PROPERTIES AND INFRASTRUCTURE PRIVATE LIMITED  
BENGALURU

### Report on the Audit of the Standalone Financial Statements

#### 1. Opinion

We have audited the accompanying standalone financial statements of **DENTA PROPERTIES AND INFRASTRUCTURE PRIVATE LIMITED** which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss, the Statement of Changes in Equity 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 standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the Profit, and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### 2. Basis for Opinion

We conducted our audit of the standalone 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 Standalone 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 standalone financial statements under the provisions of the Act and the Rules made thereunder, 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 standalone financial statements.

#### 3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone 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.

Sr. No.	Key Audit Matters	Auditor's Response
1	Performance of the Company	The Company has made a net profit after tax at the rate of 33%(Previous reporting Period 34%) of its total revenue. The performance of the company is more than the Industry Average. However, management represented that the performance achieved due to Measures implemented like,



		1. Locally Available Materials Procured at economical rates. 2. Strict Quality Control Measures 3. Timely completion of Works 4. Good Planning and Coordination of related activities. 5. Good Governance.
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#### 4. Management's Responsibility for the Standalone Financial Statements

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 standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

#### 5. Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. That the 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.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.





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.

**Opinion:**

In our opinion and to the best of our information and according to the explanations given to us, subject to effects of the matter described in the "Basis for qualified opinion" the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the financial position of the company as at 31<sup>st</sup> March, 2022 and its financial performance including other comprehensive income, Cash flows and the changes in equity for the year ended on that date.

**6. Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure-B**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable
2. As required by Section 143(3) of the Act, we report to the extent applicable, 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, Statement of Changes in Equity 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 standalone financial statements comply with Accounting Standards.
  - 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an 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 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. Company has no pending litigations on its financial position in its standalone 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-**Nil**
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Date: 01-09-2022  
Place: Bangalore

For Venkatachala Raghavendra & Co.,  
Chartered Accountants  
(Firm's Registration No.010125S)

  
(Bhat Venkatachala Krishna)  
Partner  
Membership No.201860

UDIN:22201860AYNJAW3716





## **ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Denta Properties and Infrastructure Private Limited of even date)

### **Report on the Internal Financial Controls Over Financial Reporting 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 Denta Properties and Infrastructure Private Limited as of March 31, 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 Board of Directors of the Company 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. 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 respective 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.

#### **Auditor's Responsibility**

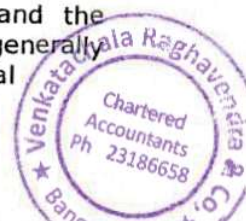
Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 internal financial controls system over financial reporting of the Company.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial



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

#### **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, to the best of our information and according to the explanations given to us, 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, 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.

Date: 01-09-2022

Place: Bangalore

For Venkatachala Raghavendra & Co.,  
Chartered Accountants

(Firm's Registration No.010125S)



(Bhat Venkatachala Krishna)

Partner

Membership No.201860

UDIN:22201860AYNJAW3716





## ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **Denta Properties and Infrastructure Private Limited** of even date)

- i. In respect of the Company's fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Fixed Assets of the company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
  - (c) The company have immovable properties and title deeds pertaining to the immovable properties are held by the company.
- ii. The Company's business involves inventories and accordingly, the management has carried out physical verification of inventory at reasonable intervals. Whenever discrepancies of 10% or more in the aggregate for each class of inventory were noticed, they have been properly dealt with in the books of accounts.
- iii. During the year the company has not made investments in, provided any guarantee or security or granted many loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirements under paragraph 3(iii) of the order is not applicable to the company.
- iv. In our opinion and according to the information and explanations given to us, the Company has not given loans, investments, guarantees and securities during the year under paragraph 3(iv). Accordingly, provisions of Sections 185 and 186 of the Act, is not applicable.
- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2022 and hence, provisions of sections 73 to 76 of the Companies Act and the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.
- vii. A. According to the information and explanations given to us and on the basis of our examination of the records of the company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Wealth Tax, Goods & Service Tax, duty of customs and other material statutory dues have been regularly deposited during the year by the company with the appropriate authorities.  
B. According to the information and explanations given to us, the amount of Rs.NIL undisputed amounts payable in respect of provident fund, and Rs. NIL were in arrears as at 31<sup>st</sup> March 2022 for a period of more than six months from the date they became payable.  
C. According to the information and explanations given to us and the records of the Company examined by us, there are no dues of Income tax, Sales tax, Wealth Tax, Service Tax, duty of customs, Value added tax, cess which have not been deposited on account of any dispute.



- viii. According to the information and explanations given to us and based on the audit procedures performed during the audit, all the transactions are recorded in the books of account. And no transactions which are not recorded have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) as per the provisions of Paragraph 3(viii).
- ix. The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
- x. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (x) of the Order is not applicable to the Company.
- xi. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year as per Paragraph 3(xi).
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
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- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards. Section 177 is not applicable to the Company.
- xiv. As the provisions of Section 138 of the Companies Act 2014 is not applicable to the company commensurate with the size and nature of its business, the company does not has the system of an internal audit as per clause 3(xiv).
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company. Accordingly, the provisions of clause 3(xv) of the order is 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 is not applicable to the company.
- xvii. As per the information given to us and during the course of audit we have observed that the Company has not incurred cash losses in the financial year. Hence provisions of Paragraph 3(xvii) of the Order is not applicable to the Company.
- xviii. The provisions of section 140(2) of the Companies Act is not applicable to the Company. Accordingly, Paragraph 3(xviii) of CARO 2020 is not applicable to the company.





- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we opine that no material 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. as per Paragraph 3(xix) of CARO 2020.
- xx. The Company is covered under section 135 of the Companies Act, 2013. During the year the company has made the provision of Rs.9,12,965/- towards CSR Fund. Previous year provision of Rs. 22,002/- has been spent for CSR activities during current year.
- xxi. According the information and explanations given to us, the Company has not granted unsecured loans to bodies corporate, covered in the register maintained under section 189 of the Companies Act,2013.

Date: 01-09-2022  
Place: Bangalore

For Venkatachala Raghavendra & Co.,  
Chartered Accountants  
(Firm's Registration No.010125S)



(Bhat Venkatachala Krishna)

Partner

Membership No.201860  
UDIN:22201860AYNJAW3716



**Denta Properties and Infrastructure Private Limited**

No.3/1, 6th Main, Appu Rao Road, Chamrajpet, Bengaluru - 560 018

CIN : U70109KA2016PTC097869

**Balance sheet as at 31.03.2022**

Amount (Rs. in Lakhs)

Particulars	Note	As at 31 March 2022	As at 31 March 2021
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	4.1	480.00	480.00
Reserves and surplus	4.2	4,997.24	1,004.77
		<b>5,477.24</b>	<b>1,484.77</b>
<b>Non-current liability</b>			
Long Term Borrowings	4.3	-	4.74
Deferred Tax Liabilities	4.4	14.86	6.13
Other non Current Liabilities	4.5	26.57	38.57
		<b>41.43</b>	<b>49.45</b>
<b>Current liabilities</b>			
Trade payables	4.8	-	-
- total outstanding dues of micro and small enterprises		-	-
- total outstanding dues other than micro and small enterprises		346.70	340.20
Other current liabilities	4.6	38.85	1,905.45
Short-term provisions	4.7	1,434.59	442.20
		<b>1,820.13</b>	<b>2,687.85</b>
<b>Total</b>		<b>7,338.81</b>	<b>4,222.06</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4.9	1,004.86	561.68
		<b>1,004.86</b>	<b>561.68</b>
<b>Current assets</b>			
Inventories		495.60	278.81
Trade receivables	4.13	1,352.18	370.34
Cash and bank balances	4.10	1,357.55	2,588.07
Short-term loan and advances	4.11	1,895.86	299.81
Other current assets	4.12	1,232.75	123.36
		<b>6,333.94</b>	<b>3,660.38</b>
<b>Total</b>		<b>7,338.81</b>	<b>4,222.06</b>

**Significant accounting policies**

3

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached.

**for Venkatachala Raghavendra & co**

Chartered Accountants

ICAI FRN: 010125S


**Bhat Venkatachala Krishna**

Partner

Membership No: 201860

UDIN: 22201860AYN JAW3716.

Place: Bangalore

Date: 01-09-2022.

for and on behalf of the Board of Directors of  
**Denta Properties And Infrastructure Private Limited**

**Sowbhagyamma**

Director

DIN: 07637396



**Rajashekar Tumkur Sujith**

Director

DIN: 07637371



**Denta Properties and Infrastructure Private Limited**

No.3/1, 6th Main, Appu Rao Road, Chamrajpet, Bengaluru - 560 018

CIN : U70109KA2016PTC097869

**Statement of profit and loss for the period ended on 31.03.2022**

Amount (Rs. in Lakhs)

Particulars	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Income</b>			
Sale of services	4.14	12,124.52	2,943.57
<b>Total revenue from operations</b>		<b>12,124.52</b>	<b>2,943.57</b>
Other income		6.37	-
<b>Total Income</b>		<b>12,130.89</b>	<b>2,943.57</b>
<b>Expenses</b>			
Materials and other Services consumed	4.16	6,916.45	1,836.17
Change in WIP	4.17	(216.79)	(252.17)
Employee benefits	4.18	9.43	7.40
Finance costs	4.19	0.05	2.65
Depreciation and amortisation	4.9	8.43	1.50
Other expenses	4.20	58.14	5.75
<b>Total expenses</b>		<b>6,775.70</b>	<b>1,601.31</b>
<b>Profit before tax</b>		<b>5,355.18</b>	<b>1,342.26</b>
<b>Tax expenses</b>			
Current tax		1,344.85	353.54
Deferred tax		8.73	1.28
<b>Total tax expenses</b>		<b>1,353.58</b>	<b>354.82</b>
<b>Profit for the year</b>		<b>4,001.60</b>	<b>987.44</b>
<b>Earnings per equity share [EPS] (Rs.)</b>			
- Basic		83.37	20.57
- Diluted		83.37	20.57

**Significant accounting policies**

3

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached.

**for Venkatachala Raghavendra & co**

Chartered Accountants

ICAI FRN: 010125S

  
**Bhat Venkatachala Krishna**  
 Partner

Membership No: 201860

UDIN: 22201860AYNJAW3716

Place: Bangalore

Date: 01-09-2022



 for and on behalf of the Board of Directors of  
**Denta Properties And Infrastructure Private Limited**
  
**Sowbhagyamma**  
 Director  
 DIN: 07637396

  
  
**Rajashekar Tumkur Sujith**  
 Director  
 DIN: 07637371

**Statement of cash flows for the period ended on 31.03.2022**

Amount (Rs. in Lakhs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Cash flow from operating activities</b>		
Profit before tax	5,355.18	1,342.26
<b>Adjustments:</b>		
Depreciation and amortization	8.43	1.50
Income Tax Provision	-	-
Interest income from bank	(6.15)	-
Finance Charges	-	2.91
Miscellaneous Income	-	-
<b>Operating cash flow before working capital changes</b>	<b>5,357.47</b>	<b>1,346.68</b>
Increase/(Decrease) in Other non Current Liabilities	(12.00)	-
Increase/(Decrease) in Short Term Borrowings	-	(61.80)
Increase/(Decrease) in Trade payables	6.49	337.89
Increase/(Decrease) in Other current liabilities	(1,866.60)	1,880.62
Increase/(Decrease) in Short-term provisions	992.39	442.20
(Increase)/Decrease Inventories	(216.79)	(252.17)
(Increase)/Decrease Trade receivables	(981.84)	(363.63)
(Increase)/Decrease Short-term loan and advances	(1,596.05)	(281.87)
(Increase)/Decrease Other current assets	(1,109.40)	(109.59)
<b>Cash generated from operations</b>	<b>573.67</b>	<b>2,938.32</b>
Taxes paid	(1,344.85)	(353.54)
<b>Net cash (used in) / generated from operating activities (A)</b>	<b>(771.18)</b>	<b>2,584.78</b>
<b>Cash flows from investing activities:</b>		
Purchase of property, plant and equipment	(451.61)	(2.30)
Interest income from bank and others	6.15	-
<b>Net cash used in investing activities (B)</b>	<b>(445.46)</b>	<b>(2.30)</b>
<b>Cash flows from financing activities:</b>		
(Repayment) / proceeds from short-term borrowings	(4.74)	(33.65)
Interest paid on short-term borrowings	-	(2.91)
<b>Net cash used in financing activities (C)</b>	<b>(4.74)</b>	<b>(36.56)</b>
<b>Net (decrease)/increase in cash &amp; cash equivalent D= (A+B+C)</b>	<b>(1,221.39)</b>	<b>2,545.92</b>
Cash and cash equivalents at the beginning of the year (refer below)	2,588.07	42.37
<b>Cash and cash equivalents at the end of the year (refer below)</b>	<b>1,366.68</b>	<b>2,588.29</b>
<b>Notes to cash flow statement</b>		
Components of cash and cash equivalents		
Cash in hand	0.31	0.02
Balance with bank		
- Deposit accounts	1,217.31	-
- Current accounts	139.92	2,588.05
	<b>1,357.55</b>	<b>2,588.07</b>

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached.  
for Venkatachala Raghavendra & Co  
Chartered Accountants  
ICAI FRN: 010125S

Bhat Venkatachala Krishna  
Partner  
Membership No: 201860

for and on behalf of the Board of Directors of  
**Denta Properties and Infrastructure Private Limited**

Sowbhagyamma  
Director  
DIN: 07637396

Rajesh Kumar Tumkur Sujith  
Director  
DIN: 07637371

Place: Bangalore  
Date : 01-09-2022



**Notes to the financial statements for the year ended 31 March 2022 (continued)**

**4.1 Share capital**

Particulars	Amount (Rs. in Lakhs)	
	As at 31 March 2022	As at 31 March 2021
<b>Authorised share capital</b>		
Equity shares		
48,50,000 (Prev Year: 48,50,000) equity shares of Rs 10 each	485.00	485.00
	<b>485.00</b>	<b>485.00</b>
<b>Issued, subscribed and fully paid-up share capital</b>		
Equity shares		
48,00,000 (Prev year: 48,00,000) equity shares of Rs 10 each	480.00	480.00
	<b>480.00</b>	<b>480.00</b>

**Reconciliation of the number of equity shares outstanding**  
a) at the beginning and at the end of reporting year:

Amount (Rs. in Lakhs)

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the year	48,00,000.00	480.00	48,00,000.00	480.00
Add: Issue of equity shares during the year*	-	-	-	-
At the end of the year	<b>48,00,000.00</b>	<b>4,80,000.00</b>	<b>48,00,000.00</b>	<b>4,80,000.00</b>

\* During the year ended 31st March, 2022, the company has not issued any share capital.

**Rights, preferences and restrictions attached to equity shares**

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held. The dividend proposed by the board of directors is subject to the approval of shareholders in the ensuing Annual General Meetings. The Company declares and pays dividend in Indian rupees.

**Details of shareholders holding more than 5% shares of the Company:**

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of shares	% holding	No. of shares	% holding
Equity shares				
Sowbhagyamma	47,51,000	98.98%	47,51,000	98.98%
Rajashekar Tumkur Sujith	49,000	1.02%	49,000	1.02%
	<b>48,00,000</b>	<b>100.00%</b>	<b>48,00,000</b>	<b>100.00%</b>



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**Notes to the financial statements for the year ended 31 March 2022 (continued)**

**Details of Shares held by Promoters of the Company as on 31st March 2022:**

Sl. No		1	2
Promoter name		Sowbhagyamma	Rajashekar
Class of Shares		Equity	Equity
At the end of the year	No. of Shares	47,51,000	49,000
	% of total shares	98.98%	1.02%
At the beginning of the year	No. of Shares	47,51,000	49,000
	% of total shares	98.98%	1.02%
% Change during the year		-	-

**4.2 Reserves and surplus**

Particulars	Amount (Rs. in Hundreds)	
	As at 31 March 2022	As at 31 March 2021
Surplus/(Debit balance in the Statement of profit and loss)		
At the beginning of the year	1,004.77	17.55
Add: Profit for the year	4,001.60	987.44
Less: GSR Provision For the current year	(9.13)	(0.22)
At the end of the year	4,997.24	1,004.77
Total reserves and surplus	4,997.24	1,004.77





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**Notes to the financial statements for the year ended 31 March 2022 (continued)****4.3 Long-term Borrowings***Amount (Rs. in Lakhs)*

Particulars	As at 31 March 2022	As at 31 March 2021
Term Loan from Banks	-	4.74
	-	4.74

\* The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken as at the reporting date.

**4.4 Deferred tax Liabilities**

as below:

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred tax assets		
Property, plant & equipment	14.86	6.13
Deferred tax assets*	14.86	6.13

**4.5 Other Non-current Liabilities**

Particulars	As at 31 March 2022	As at 31 March 2021
Security Deposits From Customers		
i) State Bank of India And Moolya Software	20.57	32.57
ii) Cautilya Traders Academy LLP	6.00	6.00
	26.57	38.57

**4.6 Other current liabilities**

Particulars	As at 31 March 2022	As at 31 March 2021
Audit Fees Payable	12.00	2.00
Employee Statutory Payments - PT	0.00	-
TDS Payable	1.85	4.29
Advance Contract Money Received	-	1,897.17
Advance from customers	25.00	-
Advance rent received	-	1.99
	38.85	1,905.45

**4.7 Short-term provisions**

Particulars	As at 31 March 2022	As at 31 March 2021
CSR Payable	9.01	0.22
MAT payable	-	2.89
GST Control account	80.72	85.54
Income Tax Payable	1,344.85	353.54
	1,434.59	442.20



**Notes to the financial statements for the year ended 31 March 2022 (continued)**

**4.8 Trade payables**

Amount (Rs. in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Total outstanding dues other than micro and small enterprises		
-Related parties	-	-
-Others	346.70	340.20
	<b>346.70</b>	<b>340.20</b>

**Trade Payables ageing schedule**  
**As on 31 March 2022:**

Particulars	Outstanding for following period from due date of payment						Total
	Unbilled	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	-	346.70	-	-	-	346.70
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-	-	-
<b>Total</b>	-	-	<b>346.70</b>	-	-	-	<b>346.70</b>

**As on 31 March 2021:**

Particulars	Outstanding for following period from due date of payment						Total
	Unbilled	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	-	340.20	-	-	-	340.20
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-	-	-
<b>Total</b>	-	-	<b>340.20</b>	-	-	-	<b>340.20</b>





**Notes to the financial statements for the year ended 31 March 2022 (continued)**

**4.9 Property, plant and equipment**

**Tangible Assets**

Particulars	Gross block			Accumulated depreciation			Net block	
	As at 1 April 2021	Additions during the year	Deletions during the year	As at 31 March 2022	As at 1 April 2021	Charge for the year	Deletions	As at 31 March 2022
<b>Tangible Assets</b>								
Land	480.35	62.03	-	542.38	-	-	-	542.38
Building and Fixtures	84.77	243.80	-	328.57	5.65	1.34	-	321.57
Motor Vehicles	1.25	137.05	-	138.30	0.01	5.12	-	133.17
Office Equipments	1.05	5.98	-	7.03	0.08	0.41	-	6.55
Plant and Machinery	-	2.75	-	2.75	-	1.56	-	1.19
<b>Total</b>	<b>567.42</b>	<b>451.61</b>	<b>-</b>	<b>1,019.03</b>	<b>5.74</b>	<b>8.43</b>	<b>-</b>	<b>1,004.86</b>
<b>Prev year</b>	<b>565.12</b>	<b>2.30</b>	<b>-</b>	<b>567.42</b>	<b>4.24</b>	<b>1.50</b>	<b>-</b>	<b>561.68</b>
								<b>560.88</b>



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**Notes to the financial statements for the year ended 31 March 2022 (continued)****4.10 Cash and bank balances**

Particulars	Amount (Rs. in Lakhs)	
	As at 31 March 2022	As at 31 March 2021
<b>Cash and cash equivalents</b>		
- Balances with bank		
- Deposit accounts		
- Current accounts	1,217.31	-
- Cash in Hand	139.92	2,588.05
	0.31	0.02
	<b>1,357.55</b>	<b>2,588.07</b>

**4.11 Short-term loans and advances**

Particulars	As at	
	31 March 2022	31 March 2021
<b>Other short-term loans and advances</b>		
Unsecured, considered good		
Rent and Lease Deposit	3.50	1.00
Property Advance	25.00	-
Advance to Suppliers	935.00	211.81
Security Deposit	932.36	87.00
	<b>1,895.86</b>	<b>299.81</b>

**4.12 Other current assets**

Particulars	As at	
	31 March 2022	31 March 2021
MAT	-	5.66
Advance Income Tax	830.00	-
TDS	402.75	117.69
	<b>1,232.75</b>	<b>123.36</b>





**Notes to the financial statements for the year ended 31 March 2022 (continued)**

**4.13 Trade receivables**

Particulars	Amount (Rs. in Lakhs)	
	As at 31 March 2022	As at 31 March 2021
Outstanding for a period exceeding six months	-	-
Other Debts	1,352.18	370.34
	<b>1,352.18</b>	<b>370.34</b>

\* Trade receivables are neither due from directors or other officers of the Company either severally or jointly with any other person, nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

**Trade Receivables ageing schedule**

**As on 31 March 2022:**

Particulars	Outstanding for following period from due date of payment							Total
	Unbilled	Not Due	Less than 6 months	6 months 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered good	-	-	1,352.18	-	-	-	-	1,352.18
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	<b>1,352.18</b>	-	-	-	-	<b>1,352.18</b>

**As on 31 March 2021:**

Particulars	Outstanding for following period from due date of payment							Total
	Unbilled	Not Due	Less than 6 months	6 months 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered good	-	-	370.34	-	-	-	-	370.34
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	<b>370.34</b>	-	-	-	-	<b>370.34</b>



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**Notes to the financial statements for the year ended 31 March 2022 (continued)****4.14 Revenue from operations**

Particulars	Amount (Rs. in Lakhs)	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Sales of Services	12,124.52	2,943.57
Revenue from operations (net)	12,124.52	2,943.57

**4.15 Other income**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest on IT Refund	0.22	-
Miscellaneous Income	0.00	-
Interest on Time Deposits	6.15	-
	6.37	-

**4.16 Purchase of materials and other Services consumed**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Purchase of materials and other Services	6,703.08	1,778.91
Engineering/Consultancy Service Charges	213.37	57.26
	6,916.45	1,836.17

**4.17 Changes in work-in-progress**

Particulars	Amount in Rs	
	For the year ended 31 March 2022	For the year ended 31 March 2021
Work-in-progress		
Opening WIP	278.81	26.64
Less: Closing WIP	495.60	278.81
Change in WIP	(216.79)	(252.17)

**4.18 Employee benefits**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries, Wages and incentives	9.43	7.40
	9.43	7.40

**4.19 Finance costs**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest on Term Loan	0.05	2.65
	0.05	2.65





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**Notes to the financial statements for the year ended 31 March 2022 (continued)****4.20 Other expenses**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Audit fees - Statutory Audit	12.00	1.25
Bank Charges	0.81	0.26
Pre-incorporation of Expenses-1/5th of Total Exp	-	0.05
Rent Paid	1.20	1.20
Secretarial Charges	-	0.17
Professional Fees Paid	-	0.10
Rates and Taxes	40.75	0.06
Insurance	-	0.09
Infrastructure Maintenance Exp	-	1.60
Property Tax	-	0.97
Misc and Rounding OFF	1.53	0.01
Consultancy Charges	1.85	-
	<b>58.14</b>	<b>5.75</b>



Notes to the financial statements for the year ended 31 March 2022 (continued)

4.21 Financial Ratios:

	Numerator	Denominator	Current Period	Previous Period	% of variance*	Note on Financial Ratios
<b>Liquidity Ratio</b>						
Current Ratio (times)	Current assets	Current liabilities	3.48	1.36	-156%	Increase in the operations lead to improvement in ratios
<b>Solvency Ratio</b>						
Debt-Equity Ratio (times)	Total debt (Long term)	Shareholder's equity	-	0.00	100%	Repayment of loan resulted in increase in ratio
Debt Service Coverage Ratio (times)	Earnings available for debt service*	Debt service	837.58	27.32	-2966%	Repayment of loan resulted in increase in ratio
<b>Profitability ratio</b>						
Net Profit Ratio (%)	Net profit	Revenue	0.44	0.46	3%	-
Return on Equity Ratio (%)	Net profits after taxes	Average shareholder's equity	1.15	1.00	-15%	-
Return on Capital employed (%)	Earning before interest and taxes	Capital employed **	0.97	0.88	-11%	-
Return on Investment (%)	Income generated from investments	Time weighted average investments	-	-	-	-
<b>Utilization Ratio</b>						
Trade Receivables turnover ratio (times)	Revenue	Average trade receivable	14.08	15.61	10%	-
Inventory turnover ratio (times)	Cost of Goods Sold	Average Value of Inventory	17.30	10.37	-67%	Increase in the operations lead to improvement in ratios
Trade payables turnover ratio (times)	Purchases of services and other expenses	Average trade payables	19.52	10.39	-88%	Increase in the operations lead to improvement in ratios
Net capital turnover ratio (times)	Revenue	Working capital	2.69	3.03	11%	-

\* Net profit after taxes + Non-cash operating expenses + Interest + Other adjustments like loss on sale of fixed assets etc  
\*\* Tangible net worth + Deferred tax liabilities + Lease liabilities





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**Notes to the financial statements for the year ended 31 March 2022**

**1 Company Overview**

Denta Properties and Infrastructure Private Limited is a Private Limited Company in India and incorporated under the provisions of the Companies Act, 2013. It came into existence on 17th day of November 2016. The Company is engaged in the business providing infrastructure facilities and other civil projects in India

**2 Basis of Preparation of Financial Statements:**

The financial statements have been prepared to comply in all material respects with the notified Accounting Standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

The financial statements are presented in Indian Rupees (INR) as the functional as well as reporting currency of the Company in the Indian Rupees.

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**3 SIGNIFICANT ACCOUNTING POLICIES**

**3.1 Accounting Policy**

The accounting policies adopted during the year in the preparation of financial statements are consistent with those of previous year.

**3.2 Use of estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the results of the operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Significant estimates used by the management in the preparation of these financial statements include, work in progress, provisions for bad and doubtful debts, estimates of the useful life of the fixed assets.

**3.3 Revenue Recognition:**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Revenues from Services are recognized on due basis, as and when the services are rendered, based on the agreements/arrangements with the concerned parties. The company collects GST on behalf of the government and, therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from Revenue.

Claims for damages etc. against the contractors/service providers are recognized on due basis, as and when the certainty to receive the claim is ascertained.

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**Notes to the financial statements for the year ended 31 March 2022**

**3.4 Revenue Recognition**

The Method adopted by the Company for valuing the services provided is in consonance with the gst valuation rules and normal market rates.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenues from Services are recognized on due basis, as and when the services are rendered, based on the agreements/arrangements with the concerned parties.

**3.5 Other income**

Other incomes are accounted on accrual basis, except interest on delayed payment by debtors and liquidated damages which is accounted on acceptance of the Company's claim.

**3.6 Cash Flow Statement**

Cash Flows are reported using the indirect method, whereby Profit before tax is adjusted for the effects of transactions of a non cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items income or expense associated with investing or financing cash flows. Cash and Cash Equivalents include Cash on hand and Balances with banks in current and deposit accounts, with necessary disclosure of cash and cash equivalent balances that are not available for use by the Company.

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

**3.7 Property, plant and equipments**

- a) Cost of Fixed Assets comprises of the purchase price, duties, levies and any attributable cost of bringing the assets to its working condition for its intended use.
- b) Fixed Assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs, if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any subsidy/ reimbursement/ contribution received for installation and acquisition of any fixed assets is shown as deduction in the year of receipt. Subsequent expenditure related to an item of fixed assets is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repairs and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.
- c) Interest on borrowing if any , till the date of commencement of usage of the asset is capitalized to the cost of the asset.
- d) Depreciation is provided on Streight Line Method (SLM) and in the manner prescribed in Schedule II of the Companies Act, 2013.
- e) Software which is not integral part of the hardware is classified as Intangible asset and is stated at cost less accumulated depreciation. Software is being amortized over a period of three years.
- f) Depreciation on fixed assets added/disposed off during the year/period is provided on pro-rata basis with reference to the date of addition/disposal.



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**Notes to the financial statements for the year ended 31 March 2022**

**3.10 Leases**

**Where the entity is the lessee**

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating lease. Operating lease payments are recognised as an expense in the statement of profit and loss on straight line basis over the lease term, unless there is another systematic basis which is more representative of the time pattern of the lease.

**Where the entity is the lessor**

Assets representing lease arrangements given under operating leases are included in fixed assets. Lease income is recognised in the statement of profit and loss on straight line basis over the lease term, unless there is another systematic basis which is more representative of the time pattern of the lease. Initial direct costs are recognised immediately in the statement of profit and loss

**3.11 Taxes:**

- a. Tax expense comprises of current and deferred tax. Current Income Tax is measured based on the tax liability computed after considering tax allowances and exemptions.
- b. Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
- c. Deferred Tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.
- d. The carrying amount of deferred tax assets are reviewed at each reporting date and are adjusted for its appropriateness

**3.12 Impairment of Assets:**

The Company assesses at each Balance Sheet date, whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

**3.13 Provisions:**

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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**Notes to the financial statements for the year ended 31 March 2022**

- g) Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the assets derecognized
- h) The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Asset) since the Company has adopted cost model as its accounting policy to an entire class of Property, Plant and Equipment.  
The Company has not revalued its Intangible Asset since the Company has adopted cost model as its accounting policy to an entire class of Intangible Asset.

**3.8 Foreign Currency Transaction:**

Foreign currency transactions and balances

**Initial Recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**Conversion**

Foreign Currency monetary items are retranslated using the exchange rate prevailing at the reporting date.

**Exchange Differences**

Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset. The exchange differences on other foreign currency monetary items are accumulated in 'Foreign Currency Monetary Item Translation Difference Account' and amortized over the remaining life of the concerned monetary item. All other exchange differences are recognized as income or as expenses in the period in which they arise.

**3.9 Investments:**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in values is made to recognize a decline other than temporary in the value of the investments. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.



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**Notes to the financial statements for the year ended 31 March 2022**

**3.14 Leases**

**a Where the entity is the lessee**

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating lease. Operating lease payments are recognised as an expense in the statement of profit and loss on straight line basis over the lease term, unless there is another systematic basis which is more representative of the time pattern of the lease.

**b Where the entity is the lessor**

Assets representing lease arrangements given under operating leases are included in fixed assets. Lease income is recognised in the statement of profit and loss on straight line basis over the lease term, unless there is another systematic basis which is more representative of the time pattern of the lease. Initial direct costs are recognised immediately in the statement of profit and loss.

**3.15 Construction Contracts**

Revenue from fixed price construction contracts is recognized on the percentage of completion method, measured by reference to the percentage of labour hours incurred up to the reporting date to estimated total labour hours for each contract.

Revenue from cost plus contracts is recognized by reference to the recoverable costs incurred during the period plus the fee earned, measured by the proportion that costs incurred up to the reporting date bear to the estimated total costs of the contract

**Notes to the financial statements for the year ended 31 March 2022 (continued)**

**4.22 Earnings per share:**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of shares outstanding during the year is adjusted for events of bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**4.23 Employee benefit:**

Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

Defined contribution plan: Presently the Company has not contributed to any defined contribution Plans. Obligations may come in future years has not been quantified.

Defined Benefit Plan: The liability in respect of the defined benefits in the form of gratuity has not been determined and accounted in line with the provisions laid down under the Gratuity Act 1972 amended from time to time. The liabilities may arise due to above treatment will be ascertained & accounted on cash basis.

**4.24 Related party disclosures**

List of Related Parties and relationship (with whom transactions were entered during the year)

<b>Name</b>	<b>Nature of Relationship</b>
Sowbhagyamma	Executive Director
Rajashekar Tumkur Sujith	Executive Director
Dr. H M Hema	Daughter of Ms. Sowbhagyamma

**Transactions during the year:**

<b>Name</b>	<b>Category</b>	<b>Amount (Rs.)</b>	
		<b>Income / Receipt</b>	<b>Expenditure / Payment</b>
Sowbhagyamma	Rent Paid	-	70,800
Dr. H M Hema	Rent Paid	-	70,800

**Amount outstanding as the end of the year: Nil**





**Notes to the financial statements for the year ended 31 March 2022 (continued)**

**4.25 Borrowing costs**

Borrowing costs that are directly attributable to the acquisition / construction of qualifying assets or for long -term project development are capitalised as part of their costs. Borrowing costs are considered as part of the asset cost when the activities that are necessary to prepare the assets for their intended use are in progress. Other borrowing costs are recognised as an expense, in the period in which they are incurred.

**4.26 Foreign Exchange Earnings and Outgo**

There is no Foreign Exchange Earnings and Outgo during the year

**4.27 Contingent Liability:**

Provisions involving substantial degree of estimation in measurement are recognized 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 if any are not recognized but are disclosed in the Notes. Contingent assets are neither recognized nor disclosed in the financial statements.

**4.28 Details of CIF value of Imports**

The CIF value of Imports during the year is NIL. (Previous year NIL)

- 4.29** As per the Micro, Small and Medium Enterprises Development Act, 2006, the Company is required to identify the Micro, Small and Medium Enterprises and pay them interest on amounts overdue beyond the specified year irrespective of the terms agreed with them. However, management is of opinion that in view of supplier profile of the Company, the liability in any case will be insignificant. The management has rolled out letters for the confirmation from the parties for confirming their registration under the said Act.

**4.30**

The balances of all third parties appearing in the balance sheet are subject to balance confirmation/ reconciliation at the year end. The management is in the process of obtaining the respective confirmations in the due course. However, the reconciliation of these balances is not expected to result in any material adjustments in the stated balances.

- 4.31** The COVID-19 pandemic has developed rapidly in 2020. The resulting impact of the virus on the operations and measures taken by various governments to contain the virus have negatively affected the group's results in the reporting period. However, here is no significant impact on business considering the COVID-19 pandemic situations.

The management has determined that the actions that it has taken are sufficient to mitigate the uncertainty and has therefore prepared the financial reporting on a going concern basis.



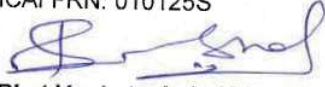
Notes to the financial statements for the year ended 31 March 2022 (continued)

4.32 Other Information

- a There are no transactions with struck off companies under section 248 or 560
- b The Company has complied with the no. of layers prescribed u/s 2(87) read with the applicable Rules
- c There is no Scheme of Arrangements that has been approved in terms of sections 230 to 237
- d The company has not advanced/loaned/invested or received funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- e 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.
- f The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year

4.33 Figures have been rounded off to the nearest lakh rupees.

for Venkatachala Raghavendra & co  
Chartered Accountants  
ICAI FRN: 010125S



**Bhat Venkatachala Krishna**  
Partner  
Membership No: 201860

Place: Bangalore

Date: 1-9-2022



for and on behalf of the Board of Directors of



**Sowbhagyamma**  
Director  
DIN: 07637396



**Rajashekar Tumkur Sujith**  
Director  
DIN: 07637371

