

# Ashwin Nair & Associates

Chartered Accountants

Shop No. 29 & 30, Sanskruti Apt., Opp. Oriental Bank of Commerce,  
Vasai - Nallasopara Link Road, Nallasopara (E), Palghar - 401 209.

9923638908 • ashwinnair5@gmail.com

## Independent Auditor's Report

**To the Members of  
Deepmala Infrastructure Private Limited**

### **Report on the Standalone financial statements**

#### **Qualified Opinion**

We have audited the accompanying Standalone financial statements of **Deepmala Infrastructure Private Limited ("the Company")** which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter prescribed in Basis of Qualified Opinion paragraph, the aforesaid standalone financial statements give the information required by the Companies ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules 2015, as amended, and other accounting principal generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its loss, and its cash flow and change in the equity for the year ended on that date.

#### **Basis of Qualified Opinion**

##### **Material Uncertainty Related to Going Concern**

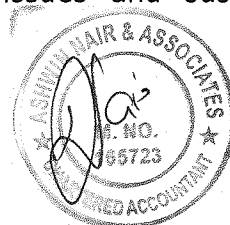
Financial statement of the Company are prepared on Going Concern basis, but considering the fact that the company has accumulated losses, negative net worth, cancellation of registration of RERA, pending litigation at NCLT and statutory non-compliance and being unable to settle the One Time Settlement direction from Axis Bank for settlement of Term Loan, This situation indicates the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as going concern.

However, according to the management, the company has a concrete plan to settle the Term Loan of Axis Bank. Company will also have a plan to bring investor to infuse working capital to re-start operation of the company and complete the project within a period of four to five years. The above action plan of the company will result in to settlement of company's obligations. Therefore in view of the management, the Going Concern assumption of the company is intact and this financials are prepared on Going Concern basis.

#### **Emphasis of Matter Paragraph**

We draw attention to the following matters in the Notes to the financial statements:

Refer to note no. 6 of the financial statement, the recoverability of Work In Progress of Rs. 822 crore could not be estimated considering the liquidity issues and suspension of RERA registration.



## Responsibility of Management

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

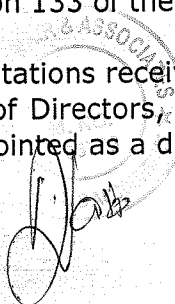
In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the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

## Auditor's Responsibility

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.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. As required by section 143 (3) of the Act, we report that:
  - a. we have sought and except for the possible effects of the matter described in Basis of Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - c. In our opinion except for the effects of the matter prescribed basis of qualified opinion paragraph, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under section 133 of the Act, read with relevant rules thereon;
  - d. On the basis of written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act except Mr. Atul Kumar Shukla.

A handwritten signature in black ink is written over a circular stamp. The stamp contains the text "ASSOCIATES" at the top and "CHARTERED ACCOUNTANTS" at the bottom. The signature appears to be "J. K. Sharma".

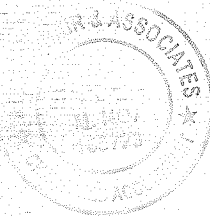
- f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**";
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 24 to the financial statements;
  - ii. The Company has no long-term contracts including derivative contracts that require making provision of material foreseeable losses, as required under the applicable law or accounting standards.
  - iii. There were no amounts which were required by the Company to be transferred to the Investor Education and Protection Fund.

**For Ashwin Nair & Associates**  
**Chartered Accountants**  
**Firm Registration No.140798W**

  
**Ashwin Nair**  
**Proprietor**  
**Membership No. 165723**

**Place: Mumbai**  
**Date: 08/06/2022**

**UDIN: 22165723AKORXE4737**



## "Annexure A" to the Independent Auditors' Report

### Referred to in clause 1 of paragraph under the heading "Report on Other Legal & Regulatory Requirement" of our report of even date

1. (a) The company has maintained proper records showing full particulars including quantitative details of its Fixed Assets.  
(b) The management has conducted physical verification of fixed assets in a phased manner, designed to cover all the items, which in our opinion is reasonable having regard to the size of the company and nature of its business.  
(c) The title deeds of immovable properties are held in the name of the company.
2. Inventories, being project materials have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable.
3. According to the information and explanations given to us, the Company has granted unsecured loans to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Companies Act 2013.

Following unsecured loan granted by the Company.

Sr. No.	Particulars	Amount
1	Metropolitan Infrahousing Pvt Ltd	8,86,86,525/-
2	Gactel Turnkey Projects Ltd	45,03,08,643/-

- (a) The term and condition of grant of above loans are in our opinion, prima facie not prejudicial to the company's interest.  
(b) Since no repayment schedule is stipulated for the aforesaid loans, there is no overdue amount in respect of principal from parties covered under section 189 and therefore the requirements of the clause 4(iii)(b) and 4(iii)(c) of the Companies (Auditors Report) Order, 2015 are not applicable. No Interest has been charged on above loans during the period under audit.
4. In our opinion and according to the information and explanations given to us, there is no violation with reference to the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans & investments made during the year.
5. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed thereunder.
6. As informed to us, the maintenance of Cost Records under sub-section (1) of Section 148 of the Companies Act, 2013 is not applicable.
7. (a) The Company has several instance of delay in depositing undisputed statutory dues including Provident Fund, Profession Tax, Employee State Insurance, TDS, VAT, Cess and Goods and Service Tax dues with the appropriate authorities observed on the test check basis. On the basis of audit procedures followed, test checks of the transaction and the representation from the Management there are arrears which were outstanding as at the last day of the financial year for a period of more than 6 months is given in the **Statement - 1**.

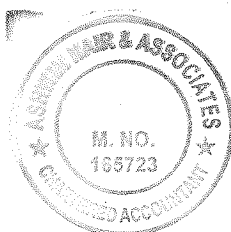
(b) According to information and explanations given to us, the details of Sales Tax, Service Tax, Entry Tax that have not been deposited on account of dispute are given in the Statement of disputed statutory dues outstanding attached herewith in **Statement - 2**.



8. According to information and explanations given to us, the Company has defaulted in servicing interest and principal repayment Rupee Term Loan of Rs. 425 crore due to Axis Bank. The Rupee Term Loan has become Non-Performing Assets (NPA) from dated 30<sup>th</sup> June, 2018 and Axis Bank recalled the Rupee Term Loan along with interest up to the date of payment.
9. The company has not raised any money by way of public issue / follow-on offer (including debt instruments). The company has not raised any Term Loan during the year. Therefore, the clause 3(ix) of the Companies (Auditors Report) Order 2016 is not applicable to the Company.
10. According to information and explanations given us and to the best of our knowledge and belief, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
11. Based on the audit procedures performed and the information and explanations given to us, the provisions of section 197 read with Schedule V of the Companies Act, 2013 are not applicable.
12. The Company is not a Nidhi Company hence clause 3(xii) of the Companies (Auditors Report) Order 2016 is not applicable to the Company.
13. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
14. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
15. The Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the clause 3(xv) of the Companies (Auditors Report) Order 2016 is not applicable to the Company.
16. The nature of business and activities of the Company are such that the Company is not required to obtain registration under section 45-IA of the Reserve Bank of India Act, 1934.

**For Ashwin Nair & Associates**  
**Chartered Accountants**  
**Firm Registration No.140798W**

  
**Ashwin Nair**  
**Proprietor**  
**Membership No. 165723**



**Place: Mumbai**  
**Date: 08/06/2022**

**UDIN: 22165723AKORXE4737**

**CIN: U45201MH2007PTC174676**

**CIN: U45201MH2007PTC174676**

**Statement - 1**

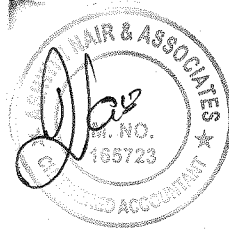
Undisputed Statutory Liabilities outstanding for more than 6 months as on 31st March 2020, referred to In Para 4(7)(a) of The Annexure to Auditor's Report

Sl No.	Particulars	Amount (Rs.)
1	GST	73,438
2	Staff ESIC Payble	12,423
3	TDS ON CONTRACT/ SUB CONTRACT	20,558
4	TDS ON PROFESSIONAL FEES	34,350
5	LABOUR WELFARE FUND	40
6	TDS ON INTEREST PAYABLE	27,48,449
7	TDS ON RENT	1,950
8	PROVIDENT FUND-EMPLOYEE	18,798
9	Staff Professional Tax - Employee	11,991
	<b>Total</b>	<b>29,21,997</b>

**Statement - 2**

Statement of Statutory Dues outstanding on account of disputes, as on 31st March 2020 referred to In Para 4(7)(b) of The Annexure to Auditor's Report

Sl No.	Name of the Statue	State	Name of Dues	Amount (Rs.)
1	Sales Tax Act	Madhya Pradesh	Value Added Tax	3,73,09,448
2	Entry Tax	Madhya Pradesh	Entry Tax	21,74,450
3	Property Tax	Madhya Pradesh	Property Tax	8,83,12,668
4	The Finance Act 1994	Madhya Pradesh	Service Tax	51,75,265
	<b>Total</b>			<b>13,29,71,831</b>



## **"Annexure B" to the Independent Auditor's Report**

### **To the Independent Auditors Report on the Standalone Financial Statements of Deepmala Infrastructure Private Limited**

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

We have audited the internal financial controls over financial reporting of **Deepmala Infrastructure Private Limited ("the Company")** as of March 31, 2020 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 judgement, 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 with reference to financial statements.



## 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 March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Ashwin Nair & Associates**  
**Chartered Accountants**  
**Firm Registration No.140798W**

  
**Ashwin Nair**  
**Proprietor**  
**Membership No. 165723**

**Place: Mumbai**  
**Date: 08/06/2022**

**UDIN: 22165723AKORXE4737**





# Deepmala Infrastructure Private Limited

CIN: U45201MH2007PTC174676

Audited Statement of Assets and Liabilities as at 31st March, 2020

(All figures are in Rs. Unless otherwise stated)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
(a) Property, plant and equipment	2	825,319	972,913
(b) Capital work-in-progress		-	-
(c) Intangible Asset		-	-
(d) Financial assets			
(i) Investments		-	-
(ii) Trade receivable		-	-
(iii) Loans	3	2,543,326	2,543,326
(iv) Other financial assets	4	-	-
(e) Deferred tax assets (net)		258,117	301,618
(f) Other non-current assets	5	23,912,825	23,909,539
<b>TOTAL NON-CURRENT ASSETS</b>		<b>27,539,587</b>	<b>27,727,396</b>
<b>CURRENT ASSETS</b>			
(a) Inventories	6	9,602,451,633	9,171,330,029
(b) Financial assets			
(i) Investments		-	-
(ii) Trade receivables		-	-
(iii) Cash and cash equivalents	7	-	-
(iv) Bank balances	7	2,350,718	4,921,330
(v) Loans	3	563,739,898	565,648,031
(vi) Other financial assets	4	169,433,603	170,093,805
(c) Current tax assets (net)		-	-
(d) Other current assets	5	369,375,004	369,659,793
<b>TOTAL CURRENT ASSETS</b>		<b>10,707,350,856</b>	<b>10,281,652,989</b>
<b>TOTAL ASSETS</b>		<b>10,734,890,445</b>	<b>10,309,380,385</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity share capital	8	100,000	100,000
(b) Other equity	9	(793,389,372)	(759,097,947)
<b>TOTAL EQUITY</b>		<b>(793,289,372)</b>	<b>(758,997,947)</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
(a) Financial liabilities			
(i) Borrowings		-	-
(ii) Trade payables	10	79,939,164	80,051,504
(iii) Other financial liabilities		-	-
(b) Provisions		-	-
(c) Deferred tax liabilities (net)		-	-
(d) Other non-current liabilities	11	1,182,885,404	1,182,885,404
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,262,824,568</b>	<b>1,262,936,908</b>
<b>CURRENT LIABILITIES</b>			
(a) Financial liabilities			
(i) Borrowings	12	7,217,698,150	7,118,805,399
(ii) Trade payables	13	264,583,393	264,652,678
(iii) Other financial liabilities	14	1,446,939,288	1,544,832,667
(b) Other current liabilities	15	473,891,239	446,029,106
(c) Provisions		862,243,179	431,121,575
(d) Current tax liabilities (net)		-	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>10,265,355,249</b>	<b>9,805,441,425</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>10,734,890,445</b>	<b>10,309,380,385</b>

Statement of significant accounting policies and explanatory notes forms an integral part of the Financial Statements

As per our report of even date

For Ashwin Nair & Associates  
Chartered Accountants  
Firm Registration No.140798W

Ashwin Nair  
Proprietor  
Membership No. 165723

Place: Mumbai

Date: 08 JUN 2022

For and on behalf of the Board of Directors  
Deepmala Infrastructure Private Limited

Dinesh Patel  
Director  
DIN : 00526233

Jaysingh Ashar  
Director  
DIN: 07015068

Place: Mumbai

Date: 08 JUN 2022

# Deepmala Infrastructure Private Limited

CIN: U45201MH2007PTC174676

## Audited Statement of Profit and Loss for the year ended 31st March, 2020

(All figures are in Rs. Unless otherwise stated)

Particulars		Note No.	April 2019 - March 2020	April 2018 - March 2019
I	Revenue from Operations	16	32,850	631,965,794
II	Other Income		-	-
III	<b>Total Income (I +II)</b>		<b>32,850</b>	<b>631,965,794</b>
IV	<b>Expenses:</b>			
	Cost of material consumed	17	-	1,002,301,114
	Purchases of stock-in-trade		-	-
	Changes in inventories of finished goods, work-in progress and stock-in-trade		-	-
	Employee benefits expense	18	2,098,281	7,845,934
	Finance Costs	19	27,485,101	42,562
	Depreciation & amortization	20	147,594	418,040
	Other expenses	21	4,549,798	11,988,095
	<b>Total Expenses</b>		<b>34,280,774</b>	<b>1,022,595,745</b>
V	<b>Profit/(Loss) before exceptional items and tax</b>		<b>(34,247,924)</b>	<b>(390,629,951)</b>
VI	Exceptional items Income / (Expense)		-	-
VII	<b>Profit / (Loss) before tax</b>		<b>(34,247,924)</b>	<b>(390,629,951)</b>
VII	<b>Profit/(Loss) from continuing operations</b>		<b>(34,247,924)</b>	<b>(390,629,951)</b>
VIII	<b>Tax expenses</b>			
	Current Tax		-	-
	Excess / Short Provision of Earlier years		-	-
	Deferred Tax Liability / (asset)		43,501	17,215
	<b>Total tax expenses</b>		<b>43,501</b>	<b>17,215</b>
IX	<b>Profit/(Loss) for the period from continuing operations (VII-VIII)</b>		<b>(34,291,425)</b>	<b>(390,647,166)</b>
X	<b>Profit/(Loss) from discontinued Operations</b>			
XI	<b>Tax expenses</b>			
	Current Tax		-	-
	Excess / Short Provision of Earlier years		-	-
	Deferred Tax Liability / (asset)		-	-
	<b>Total tax expenses</b>		<b>-</b>	<b>-</b>
XII	<b>Profit/(Loss) from Discontinued Operations after Tax (X-XI)</b>		<b>-</b>	<b>-</b>
XIII	<b>PROFIT FOR THE YEAR (IX) + (XII)</b>		<b>(34,291,425)</b>	<b>(390,647,166)</b>
X	<b>Other Comprehensive Income:</b>			
	Items that will not be reclassified to profit or loss		-	-
	Income tax thereon		-	-
XI	<b>Total Comprehensive Income / (Loss) For The Period (IX +X)</b>		<b>(34,291,425)</b>	<b>(390,647,166)</b>
XII	<b>Earnings per equity share</b>			
	Basic	22	(3,429)	(39,065)
	Diluted		(3,429)	(39,065)

Statement of significant accounting policies and explanatory notes forms an integral part of the Financial Statements

As per our report of even date

For Ashwin Nair & Associates  
Chartered Accountants  
Firm Registration No.140798W

Ashwin Nair  
Proprietor  
Membership No. 165723

Place: Mumbai

Date: 08 JUN 2022



For and on behalf of the Board of Directors  
Deepmala Infrastructure Private Limited

Dinesh Patel  
Director  
DIN : 00526233

Jaysingh Ashar  
Director  
DIN: 07015068

Place: Mumbai

Date: 08 JUN 2022

# Deepmala Infrastructure Private Limited

CIN: U45201MH2007PTC174676

## Cash Flow Statement for the year ended 31st March, 2020

(All figures are in Rs. Unless otherwise stated)

Particulars	April 2019 - March 2020	April 2018 - March 2019
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax and Extraordinary Items	(34,247,924)	(390,629,951)
Adjustments for :		
Depreciation	-	-
Excess Loss transferred in previous year	-	-
Interest Expenses	-	-
Provision for Doubtful Debts	-	-
Interest Income	-	-
Sundry Balances Written Back	-	-
<b>Operating Profit Before Working Capital Changes</b>	(34,247,924)	(390,629,951)
Project work-in-progress	(431,121,604)	604,779,784
Other Current Assets	284,790	(338,946,094)
Other Non-current Assets	(3,286)	(4,955,934)
Trade Payables	(181,625)	(39,991,159)
Other Non-current Liabilities	-	(123,643,587)
Other Current Liabilities	27,862,134	337,803,571
Other Current Liabilities - Provisions	431,121,604	431,121,575
<b>CASH GENERATED FROM THE OPERATIONS</b>	(6,285,912)	475,538,204
Direct Taxes Paid	-	-
<b>Net Cash from Operating Activities</b>	(6,285,912)	475,538,204
<b>B CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Changes in Fixed Assets	147,594	411,550
<b>Net Cash from Investment Activities</b>	147,594	411,550
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/Decrease in Loans	1,908,133	(5,051,048)
Increase/Decrease in Borrowings	98,892,751	(35,629,276)
Other financial assets	660,202	(1,133,096)
Other financial liabilities	(97,893,379)	(437,097,146)
<b>Net Cash from Financing Activities</b>	3,567,707	(478,910,566)
<b>NET INCREASE/ DECREASE IN CASH AND CASH EQUIVALENTS</b>	(2,570,612)	(2,960,810)
Balance as at the beginning of the period	4,921,330	7,882,140
Balance as at the end of the period	2,350,718	4,921,330
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	(2,570,612)	(2,960,810)

Note: Figure in brackets denote outflows

Statement of significant accounting policies and explanatory notes forms an integral part of the Financial Statements

As per our report of even date

For Ashwin Nair & Associates  
Chartered Accountants  
Firm Registration No.140798W

Ashwin Nair  
Proprietor  
Membership No. 165723

Place: Mumbai

Date: 08 JUN 2022



For and on behalf of the Board of Directors  
Deepmala Infrastructure Private Limited

Dinesh Patel  
Director  
DIN : 00526233

Jaysingh Ashar  
Director  
DIN : 07015068

Place: Mumbai

Date: 08 JUN 2022

# Deepmala Infrastructure Private Limited

CIN: U45201MH2007PTC174676

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

### Statement of Changes in Equity for the period ended March 31, 2020

Other Equity		(All figures are in Rs. Unless otherwise stated)					
Particulars	Retained Earnings	Capital Redemption Reserve	Revaluation Reserve	Security Premium Reserve	General Reserve	Other Comprehensive Income	Total
Balance as at 31 March 2018	(36,84,50,781)	-	-	-	-	-	(36,84,50,781)
Profit for the year	(39,06,47,166)	-	-	-	-	-	(39,06,47,166)
Balance as at 31 March 2019	(75,90,97,947)	-	-	-	-	-	(75,90,97,947)
Profit for the year	(3,42,91,425)	-	-	-	-	-	(3,42,91,425)
Balance as at 31 March 2020	(79,33,89,372)	-	-	-	-	-	(79,33,89,372)

For Ashwin Nair & Associates  
Chartered Accountants  
Firm Registration No.140798W

Ashwin Nair  
Proprietor  
Membership No. 165723

Place: Mumbai  
Date: 08 JUN 2022

For and on behalf of the Board of Directors  
Deepmala Infrastructure Private Limited

Dinesh Patel  
Director  
DIN : 00526233

Place: Mumbai  
Date: 08 JUN 2022

Jaysingh Ashar  
Director  
DIN: 07015068

# Deepmala Infrastructure Private Limited

CIN: U45201MH2007PTC174676

## 1 NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS

### 1 CORPORATE INFORMATION

The Company was incorporated in Mumbai on 03rd October 2007

### 2 SIGNIFICANT ACCOUNTING POLICIES

#### i) Basis of Preparation

Ministry of Corporate Affairs notified roadmap to implement Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. As per the said roadmap, the Company is required to apply Ind AS starting from financial year beginning on or after 1st April, 2015. Accordingly, the financial statements of the Company have been prepared in accordance with the Ind AS.

For all periods up to and including the year ended 31st March, 2016, the Company prepared its financial statements in accordance with the Accounting Standards notified under the Section 133 of the Companies Act 2013, read together with Companies (Accounts) Rules 2014 (Indian GAAP). These financial statements for the year ended 31st March, 2020 are the first set of financial statements that the Company has prepared in accordance with Ind AS.

These financial statements are prepared under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values which are disclosed in the Financial Statements, the provisions of the Companies Act, 2013 ('Act') (to the extent notified).

The classification of assets and liabilities of the Company is done into current and non-current based on the operating cycle of the business of the Company. The operating cycle of the business of the Company is less than twelve months and therefore all current and non-current classifications are done based on the status of reliability and expected settlement of the respective asset and liability within a period of twelve months from the reporting date as required by Schedule III to the Companies Act, 2013.

Accounting policies have been consistently applied except whereas newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements are presented in Indian Rupees ('INR') and all values are rounded to the nearest crore, except otherwise indicated.

#### ii) Revenue Recognition:

##### a) Revenue from Construction Contracts:

Long term contracts including joint ventures are progressively evaluated at the end of each accounting period. On contracts under execution which have reasonably progressed, revenue is recognized by applying percentage of completion method after providing for foreseeable losses, if any. Percentage of completion is determined as a proportion of the cost incurred up to the reporting date to the total estimated cost to complete. Foreseeable losses, if any are fully provided for in the respective accounting period, irrespective of stage of completion of the contract. While determining the amount of foreseeable loss, all elements of cost and related incidental income not included in contract revenue is taken into consideration. Contract is reflected at cost that are expected to be recoverable till such time the outcome of the contract cannot be ascertained reliably and at realizable value thereafter. Claims are accounted as income in the year of acceptance by client. Additional claims (including for escalation), which in the opinion of the management are recoverable on the contract, are recognized at the time of evaluating the job.

##### b) Turnover

Turnover represents work certified upto and after taking in to consideration the actual cost incurred and the profit evaluated by adopting the percentage of work completion method of accounting.

##### c) Interest Income:

Interest income for all financial instruments classified under the amortized cost category is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the statement of profit and loss.

##### d) Dividend Income:

Dividend income is accounted when the right to receive the same is established, which is generally when shareholders approve the dividend.

##### e) Lease income:

Lease agreements where the risks and rewards incidental to the ownership of an asset substantially vest with the lessor are recognized as operating leases. Lease rentals are recognized on straight-line basis as per the terms of the agreements in the statement of profit and loss.

##### f) Income from insurance claim:

Insurance claims are recognised only when there is reasonable certainty of receiving the claim.

#### iii) Joint Ventures

a) Joint Venture Contracts under Consortium are accounted as independent contracts to the extent of work completion.

b) In Joint Venture Contracts under Profit Sharing Arrangement, services rendered to Joint Ventures are accounted as income on accrual basis, profit or loss is accounted as and when determined by the Joint Venture and net investment in Joint Venture is reflected as investments or loans & advances or current liabilities.



# Deepmala Infrastructure Private Limited

CIN: U45201MH2007PTC174676

## 1 NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS

### iv) Employee benefits

All employee benefits payable wholly within twelve months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognized during the period in which the employee renders related service.

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered the service entitling them to the contribution.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to other comprehensive income in the period in which they occur. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods. Past service cost is recognized in the statement of profit and loss in the period of plan amendment.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognizes the following changes in the net defined benefit obligation under employee benefit expenses in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements,
- Net interest expense or income.

#### Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date.

#### Termination benefits

Termination benefits are recognized as an expense in the period in which they are incurred.

### v) Property, plant and equipment

Property, plant and equipment are stated at cost net of tax/duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company derecognizes the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of profit and loss as incurred.

Capital work-in-progress includes cost of property, plant and equipment under installation/under development as at the balance sheet date.

Property, plant and equipment are derecognised from financial statement, either on disposal or when retired from active use. Losses arising in the case of retirement of property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognized in the statement of profit and loss in the year of occurrence.

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

Depreciation on the property, plant and equipment is provided over the useful life of assets as specified in Schedule II to the Companies Act, 2013 or as determined by the Independent Valuer as the case maybe. Property, plant and equipment which are added / disposed off during the year, depreciation is provided on *pro-rata basis* with reference to the month of addition / deletion.

### vi) Leased assets

Leasehold lands are amortized over the period of lease. Buildings constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period of land is beyond the life of the building.

In other cases, buildings constructed on leasehold lands are amortized over the primary lease period of the lands.

### vii) Intangible assets

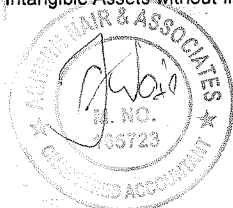
Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably.

Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed finite. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Intangible Assets without finite life are tested for impairment at each Balance Sheet date and Impairment provision, if any are debited to profit and loss.



# Deepmala Infrastructure Private Limited

CIN: U45201MH2007PTC174676

## 1 NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

### Impairment of Non-financial Assets

On annual basis the Company makes an assessment of any indicator that may lead to impairment of assets. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. Recoverable amount is higher of an asset's fair value less cost to sell.

An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired.

The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

### ix) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits with banks which are short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### x) Inventories

Material at Construction Site are valued at lower of cost and net realisable value. Costs are determined on Weighted Average Method.

Work In Progress on construction contracts are carried at lower of assessed value of work done less bill certified and net realisable value.

### xi) Foreign currency transactions

The Company's financial statements are presented in INR, which is also the Company's functional currency.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income or expenses in the period in which they arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items is recognized in line with the gain or loss of the item that gave rise to the translation difference.

### xii) Borrowing Cost

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalized as a part of the cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time (generally over twelve months) to get ready for its intended use or sale.

Other borrowing costs are recognized as expenses in the period in which they are incurred.

In determining the amount of borrowing costs eligible for capitalization during a period, any income earned on the temporary investment of those borrowings is deducted from the borrowing costs incurred.

### xiii) Taxes on income

#### Current Taxes

Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments/ appeals.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.



# Deepmala Infrastructure Private Limited

CIN: U45201MH2007PTC174676

## 1 NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The break-up of major components of deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the Company have a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

### xiv) Provisions, Contingent Liabilities and Contingent Assets

#### Provisions

The Company recognizes a provision when: it has a present legal or constructive obligation as a result of past events; it is likely that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses. Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimates.

#### Contingent liabilities and Contingent Assets

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the requirements for revenue recognition.

A contingent assets is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements. Contingent liabilities and contingent assets are reviewed at each balance sheet date.

#### Onerous contracts

A provision for onerous contracts is measured at the present value of the lower expected costs of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the Company recognizes impairment on the assets with the contract.

### xv) Earning Per Share

Basic earnings per share is calculated by dividing the profit from continuing operations and total profit, both attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

### xvi) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Finance leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item, are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Lease rentals are charged to the statement of profit and loss on straight line basis.

### xvii) Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realized within twelve months after the reporting period,

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Deferred tax assets/liabilities are classified as non-current.

All other liabilities are classified as non-current.





# Deepmala Infrastructure Private Limited

CIN: U45201MH2007PTC174676

## 1 NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS

### xviii) Fair value measurement

The Company measures financial instruments such as derivatives and certain investments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### xix) Financial instruments

#### a. Financial assets:

##### Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost.

##### Subsequent measurement

For purposes of subsequent measurement financial assets are classified in two broad categories:

- Financial assets at fair value
- Financial assets at amortized cost

Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognized in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured at amortized cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

- Business model test: The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).

- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

- Business model test: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Even if an instrument meets the two requirements to be measured at amortized cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

All other financial asset is measured at fair value through profit or loss.

All equity investments other than investment on subsidiary, joint venture and associates are measured at fair value in the balance sheet, with value changes recognized in the statement of profit and loss.



# Deepmala Infrastructure Private Limited

CIN: U45201MH2007PTC174676

## 1 NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS

### Derecognition

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

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

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

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

### Investment in associates, joint venture and subsidiaries

The Company has accounted for its investment in subsidiaries and associates, joint venture at cost.

### Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model to the Financial assets measured at amortized cost

Expected credit losses are measured through a loss allowance at an amount equal to:

- the 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12-months ECL.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

### b. Financial liabilities:

#### Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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

#### Subsequent measurement

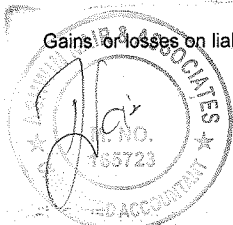
The measurement of financial liabilities depends on their classification, as described below:

##### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.



# Deepmala Infrastructure Private Limited

CIN: U45201MH2007PTC174676

## 1 NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

### Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method.

Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

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

### Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

### Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

### c. Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously

### d. Derivative financial instruments:

The Company enters into derivative contracts to hedge foreign currency price risk on unexecuted firm commitments and highly probable forecast transactions. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss.



# Deepmala Infrastructure Private Limited

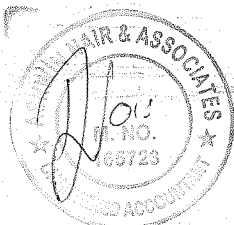
CIN: U45201MH2007PTC174676

## Other Notes

### 2 Detailed Asset Class Wise Addition, Adjustment, Depreciation, Changes at Net Block

(All figures are in Rs. Unless otherwise stated)						
<b>Tangible Assets</b>						
Particulars	Plant & Machinery	Motor Vehicles	Office Equipments	Furniture & Fixtures	Computers	Total
As at 31 March 2018	21,86,988	13,25,801	9,49,524	9,51,126	13,61,441	67,74,880
Additions	-	-	6,490	-	-	6,490
Disposals/Adjustments	28,000	-	2,23,063	3,36,226	5,68,093	11,55,382
Transfer under Scheme and BTA	-	-	-	-	-	-
As at 31 March 2019	21,58,988	13,25,801	7,32,951	6,14,900	7,93,348	56,25,988
Additions	-	-	-	-	-	-
Disposals/Adjustments	-	-	-	-	-	-
Transfer under Scheme and BTA	-	-	-	-	-	-
As at 31 March 2020	21,58,988	13,25,801	7,32,951	6,14,900	7,93,348	56,25,988
As at 31 March 2018	15,24,172	11,88,165	7,38,694	7,05,750	12,33,636	53,90,416
Charge for the Year	78,152	23,451	44,729	41,073	55,775	2,43,179
Adjustments for Schedule II	-	-	-	-	-	-
Disposals/Adjustments	17,051	-	1,77,077	2,60,891	5,25,502	9,80,520
Transfer under Scheme and BTA	-	-	-	-	-	-
As at 31 March 2019	15,85,272	12,11,615	6,06,346	4,85,931	7,63,909	46,53,074
Charge for the Year	67,646	19,455	26,058	21,588	12,847	1,47,594
Adjustments for Schedule II	-	-	-	-	-	-
Disposals/Adjustments	-	-	-	-	-	-
Transfer under Scheme and BTA	-	-	-	-	-	-
As at 31 March 2020	16,52,918	12,31,070	6,32,403	5,07,519	7,76,757	48,00,668
<b>NET BLOCK</b>						
As at 31 March 2019	5,73,715	1,14,186	1,26,605	1,28,969	29,439	9,72,913
As at 31 March 2020	5,06,069	94,731	1,00,548	1,07,381	16,591	8,25,319

During the F.Y. 2018-19, Company has provided net sum of Rs. 1,74,861/- (Gross Block of Rs. 11,55,382/- less Depreciation of Rs. 9,80,521/-) considering the estimated loss of Fixed Assets due to fire occurred in office premises at site office at Bhopal on dated 22nd February, 2019.



# Deepmala Infrastructure Private Limited

CIN: U45201MH2007PTC174676

## Statement of significant accounting policies and other explanatory notes for year ended 31st March 2020

Other Notes

(All figures are in Rs. Unless otherwise stated)

### 3 Financial Assets: Loans (at amortised cost)

Particulars	March 31, 2020		March 31, 2019	
	Non Current	Current	Non Current	Current
<b>Loans and Advances to Related Parties :</b>				
Considered Good	-	536,674,352	-	539,308,643
<b>Deposits</b>				
Considered Good	2,043,326	331,400	2,043,326	331,400
<b>Other Loans and Advances</b>				
Unsecured Considered good	500,000	26,734,146	500,000	26,007,988
<b>Total</b>	<b>2,543,326</b>	<b>563,739,898</b>	<b>2,543,326</b>	<b>565,648,031</b>

#### Loans and Advances to Related Parties

Particulars	March 31, 2020	March 31, 2019
Gactel Turnkey Projects Limited	450,308,643	450,308,643
Metropolitan Infrahousing Private Limited	86,365,709	89,000,000
<b>Total</b>	<b>536,674,352</b>	<b>539,308,643</b>

### 4 Other Financial Assets (at amortised cost)

Particulars	March 31, 2020		March 31, 2019	
	Non Current	Current	Non Current	Current
<b>Interest Accrued Receivable:</b>				
Considered Good	-	147,922,203	-	147,922,203
Considered Doubtful	-	-	-	-
Less : Provision for Doubtful Interest	-	-	-	-
<b>Other Receivable</b>	-	21,511,400	-	22,171,602
<b>Total</b>	<b>-</b>	<b>169,433,603</b>	<b>-</b>	<b>170,093,805</b>

#### Loans and Advances to Related Parties

Particulars	March 31, 2020	March 31, 2019
Gactel Turnkey Projects Limited	120,683,649	120,683,649
Metropolitan Infrahousing Private Limited	27,238,554	27,238,554
<b>Total</b>	<b>147,922,203</b>	<b>147,922,203</b>

### 5 Other Assets

Particulars	March 31, 2020		March 31, 2019	
	Non Current	Current	Non Current	Current
<b>Advance to Creditors/Subcontractors</b>				
Unsecured Considered goods	-	-	-	-
Unsecured Considered doubtful	-	-	-	-
Less: provision for doubtful	-	-	-	-
<b>Staff Advances</b>	-	56,487	-	56,487
<b>Balance with Tax Authority</b>	23,912,825	32,173,965	23,909,539	31,595,769
<b>Advance Tax Net of Provision</b>	-	-	-	-
<b>Others Assets</b>	-	337,144,552	-	338,007,538
<b>Total</b>	<b>23,912,825</b>	<b>369,375,004</b>	<b>23,909,539</b>	<b>369,659,793</b>

### 6 Inventories

Particulars	March 31, 2020	March 31, 2019
Raw Material	43,167,973	43,167,973
Material at Construction Site	-	-
Stores and Spares	-	-
Work In Progress - Real Estate	8,220,394,154	7,789,272,550
Work In Progress	-	-
Finished Goods	1,338,889,506	1,338,889,506
<b>Total</b>	<b>9,602,451,633</b>	<b>9,171,330,029</b>

The Company has Work In Progress in Real Estate. The Housing Board of Madhya Pradesh has encashed Performance Bank Guarantee of Rs. 33.80 crore in March, 2019 due to which Company facing financial issues and not able to fulfil the its commitment as agreed with its Customer. Various Customers filed complaint with RERA and accordingly RERA has suspended the registration of the Company. However the Company is in negotiation with an investor to resolve liquidity issue which will help in completing balance work of the project.

### 7 Cash and Bank Balance

Particulars	March 31, 2020	March 31, 2019
<b>Cash and cash equivalents</b>		
Cash on Hand	-	-
Balances with Bank	2,350,718	4,921,330
<b>Total</b>	<b>2,350,718</b>	<b>4,921,330</b>

Axis Bank has put lien on all bank accounts of the Company against its outstanding Term Loan from the Company.



# Deepmala Infrastructure Private Limited

CIN: U45201MH2007PTC174676

## Statement of significant accounting policies and other explanatory notes for year ended 31st March 2020

### 8 Equity Share Capital

#### (a) Authorised, Issued, Subscribed and Fully Paid up :

Particulars	March 31, 2020		March 31, 2019	
	No of Shares	Amount	No of Shares	Amount
<b>Authorised Capital :</b>				
Equity Shares of Rs. 10/- each	10,000	100,000	10,000	100,000
	10,000	100,000	10,000	100,000
<b>Issued, Subscribed and Fully Paid up Capital :</b>				
Equity Shares of Rs.10/- each, fully paid	10,000	100,000	10,000	100,000
<b>Total</b>	<b>10,000</b>	<b>100,000</b>	<b>10,000</b>	<b>100,000</b>

#### (b) Reconciliation of Number of Shares Outstanding

Particulars	March 31, 2020		March 31, 2019	
	No of Shares	Amount	No of Shares	Amount
As at the beginning of the year	10,000	100,000	10,000	100,000
Add: Issued during the year	-	-	-	-
<b>As at the end of the year</b>	<b>10,000</b>	<b>100,000</b>	<b>10,000</b>	<b>100,000</b>

#### (c) Details of Shareholding in Excess of 5%

Name of Shareholder	March 31, 2020		March 31, 2019	
	No of Shares	%	No of Shares	%
Gammon India Ltd.	5,100	51%	5,100	51%
Gammon Reality Ltd.	2,600	26%	2,600	26%
Sony Mory Developers Pvt. Ltd.	2,300	23%	2,300	23%

### 9 Other Equity

Particulars	March 31, 2020	March 31, 2019
Retained earnings	(793,389,372)	(759,097,947)
Other Comprehensive Income	-	-
-Actuarial Gains/ (Loss)	-	-
<b>Total</b>	<b>(793,389,372)</b>	<b>(759,097,947)</b>

### 10 Non-Current Financial Liabilities - Trade Payable

Particulars	March 31, 2020	March 31, 2019
Trade Payables		
Retention & Withheld	79,939,164	80,051,504
<b>Total</b>	<b>79,939,164</b>	<b>80,051,504</b>

### 11 Other Non-Current Liabilities

Particulars	March 31, 2020	March 31, 2019
Advances from Cutomers	1,182,885,404	1,182,885,404
Other Non- Current Liabilities	-	-
<b>Total</b>	<b>1,182,885,404</b>	<b>1,182,885,404</b>

### 12 Current Financial Liabilities - Borrowings

#### The borrowings are analysed as follows :

Particulars	March 31, 2020	March 31, 2019
<b>Term Loans</b>	<b>4,147,893,379</b>	<b>4,250,000,000</b>
<b>Loans Repayable on Demand :</b>		
Cash Credit from Consortium Bankers	-	-
Loans and Advances from Related Party	1,986,633,646	1,985,634,274
Loans from Other Parties	1,083,171,125	883,171,125
<b>TOTAL</b>	<b>7,217,698,150</b>	<b>7,118,805,399</b>
<b>The above amount includes</b>		
Secured Borrowings	4,147,893,379	4,250,000,000
Unsecured Borrowings	3,069,804,771	2,868,805,399

Term loan from Axis Bank is secured by first charge on 75% of total plot of land admeasuring 14.88 acres situated at South TT nagar in Bhopal (M.P) & construction thereon and extention of exclusive first charge on the entire current assets, receivables and all bank accounts.

This Term Loan has been declared NPA from 30th June, 2018 and has filed the application under section 7 of the Insolvency and Bankruptcy Code, 2016 via application dated 5th October, 2018 for recovery of Rs. 425 crore along with interest up to the date of payment.

Thereafter One Time Settlement for a sum of Rs. 210 crore was entered by the company with Axis Bank vide letter dated 2nd May, 2019. Out of Rs. 210 crore, sum of Rs. 20 crore was paid in June, 2019. There after company was unable to pay the balance amount as per time schedule mention in letter of acceptance of One Time Settlement. On 23rd Jan, 2019 this One Time Settlement stands withdrawn and now the management is in negotiation with Axis Bank to restore the credit facility.



# Deepmala Infrastructure Private Limited

CIN: U45201MH2007PTC174676

## Statement of significant accounting policies and other explanatory notes for year ended 31st March 2020

### Loans and Advances from Related Parties

Particulars	March 31, 2020	March 31, 2019
Gammon India Limited	1,983,170,799	1,982,420,799
Gammon Realty Limited	3,462,847	1,600,000
Metropolitan Infrahousing Private Limited	-	1,613,475
<b>Total</b>	<b>1,986,633,646</b>	<b>1,985,634,274</b>

### Loans and Advances from Other Parties

Particulars	March 31, 2020	March 31, 2019
Consolidated Infrastructure Company Pvt Ltd	35,000,000	35,000,000
Pragmatic Traders Pvt Ltd	217,500,000	17,500,000
Praful Nanji Satra	16,216,806	16,216,806
Satra Property Developers Pvt Ltd	814,454,319	814,454,319
<b>Total</b>	<b>1,083,171,125</b>	<b>883,171,125</b>

### 13 Current Financial Liabilities - Trade Payables

Particulars	March 31, 2020	March 31, 2019
Trade Payables	-	-
Micro, Small and Medium Enterprises	-	-
Others	264,583,393	264,652,678
<b>Total</b>	<b>264,583,393</b>	<b>264,652,678</b>

### 14 Other Current Financial Liabilities

Particulars	March 31, 2020	March 31, 2019
Interest accrued and due - Axis Bank, Term Loan	-	97,893,379
Interest accrued but not due	-	-
To Related Parties	1,434,197,710	1,434,197,710
To Others	12,741,578	12,741,578
<b>Total</b>	<b>1,446,939,288</b>	<b>1,544,832,667</b>

#### Interest to Related Parties

Particulars	March 31, 2020	March 31, 2019
Gammon India Limited	954,742,564	954,742,564
Sony Mony Developers Private Limited	479,455,146	479,455,146
<b>Total</b>	<b>1,434,197,710</b>	<b>1,434,197,710</b>

#### Interest to Others

Particulars	March 31, 2020	March 31, 2019
Consolidated Infrastructure Company Pvt Ltd	12,741,578	12,741,578
<b>Total</b>	<b>12,741,578</b>	<b>12,741,578</b>

### 15 Other Current Liabilities

Particulars	March 31, 2020	March 31, 2019
Duty & Taxes Payable	5,353,507	2,458,683
Deposits	6,501,150	6,501,150
Others	462,036,582	437,069,273
<b>Total</b>	<b>473,891,239</b>	<b>446,029,106</b>

### 16 Revenue from Operations

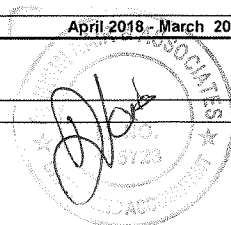
Particulars	April 2019 - March 2020	April 2018 - March 2019
Turnover	-	631,932,644
Interest Income	32,850	33,150
<b>Total</b>	<b>32,850</b>	<b>631,965,794</b>

### 17 Cost of Materials Consumed

Particulars	April 2019 - March 2020	April 2018 - March 2019
Opening Stock	-	-
Add : Purchases (Net of Discount)	-	1,002,301,114
Less : Transferred under BTA	-	-
Less : Closing Stock	-	-
<b>Total</b>	<b>-</b>	<b>1,002,301,114</b>

### 18 Employee Benefits

Particulars	April 2019 - March 2020	April 2018 - March 2019
Salaries, Bonus, Perquisites etc.	2,098,281	7,730,943
Contribution to Employees Welfare Funds, Gratuity and Leave	-	114,991
<b>Total</b>	<b>2,098,281</b>	<b>7,845,934</b>



# Deepmala Infrastructure Private Limited

CIN: U45201MH2007PTC174676

## Statement of significant accounting policies and other explanatory notes for year ended 31st March 2020

### 19 Finance Costs

Particulars	April 2019 - March 2020	April 2018 - March 2019
Interest Expense	27,485,101	42,562
<b>Total</b>	<b>27,485,101</b>	<b>42,562</b>

### 20 Depreciation & Amortisation

Particulars	April 2019 - March 2020	April 2018 - March 2019
Depreciation	147,594	243,179
Amortisation	-	174,862
<b>Total</b>	<b>147,594</b>	<b>418,040</b>

### 21 Other Expenses

Particulars	April 2019 - March 2020	April 2018 - March 2019
Audit Fees	150,000	150,000
Fees & Consultations	667,460	1,985,422
Rent	-	464,519
Rates & Taxes (incl indirect taxes)	1,000	3,190,408
Travelling Expenses	258,754	142,156
Communication	-	20,220
Bank Charges & Guarantee Commission	17,024	10,383
Other Site Expenses	3,447,660	5,518,714
Sundry Expenses	7,900	506,273
<b>Total</b>	<b>4,549,798</b>	<b>11,988,095</b>

### 22 Earning Per Share

Earnings Per Share (EPS) = Net Profit attributable to Shareholders / Weighted Number of Shares Outstanding

Particulars	April 2019 - March 2020	April 2018 - March 2019
Net Profit attributable to the Equity Share holders	(34,291,425)	(390,647,166)
O/s number of Equity Shares at the end of the year	10,000	10,000
Weighted Number of Shares during the period – Basic	10,000	10,000
Weighted Number of Shares during the period – Diluted	10,000	10,000
Earning Per Share – Basic (Rs.)	(3,429)	(39,065)
Earning Per Share – Diluted (Rs.)	(3,429)	(39,065)

### 23 Contingent Liability

As per IND AS 37 "Provision, Contingent Liabilities and Contingent Assets" prescribed under section 133 of the companies Act, 2013 and read with Companies (Indian Accounting Standard) Rules, 2015, the entity disclosing following as Contingent Liability.

Particulars	March 31, 2020	March 31, 2019
<b>Statutory Dues</b>		
i Disputed Value Added Tax	37,309,448	37,309,448
ii Disputed Entry Tax	2,174,450	2,174,450
iii Disputed Property Tax	88,312,668	88,312,668
iv Disputed Service Tax	5,175,265	5,175,265
<b>Total</b>	<b>132,971,831</b>	<b>132,971,831</b>

There are certain cases pending with RERA, Sales Tax, NCLT, High Court etc. The Company does not expect any outflow and the quantum of outflow in amount is also not ascertainable, so the Company has not made any provision nor disclose any contingent liability.

### 24 Maerial Uncertainty Relating to Going Concern

The Company's operations have been affected in the last few years by various factor including liquidity crunch, unavailability of resources on timely basis, operational issues etc. The TermLoan facility of the company with Lender named Axis Bank is presently marked as NPA since 30th June, 2018. The liquidity crunch has resulted in several winding up petitions being filed against the Company by various stakeholders for recovery of the debts which the Company has been settling as per the mutually agreed repayment terms. Axis Bank have recalled the Term Loan facility and has filed the application under section 7 of the Insolvency and Bankruptcy Code, 2016 via application dated 5th October, 2018 for recovery of Rs. 425 crore along with interest up to the date of payment.

Thereafter One Time Settlement for a sum of Rs. 210 crore was entered by the company with Axis Bank vide letter dated 2nd May, 2019. Out of Rs. 210 crore, sum of Rs. 20 crore were paid in June, 2019. There after company was unable to pay the balance amount as per time schedule mentioned in letter of acceptance of One Time Settlement. On 23rd Jan, 2019 this One Time Settlement stands withdrawn and now the management is in negotiation with Axis Bank to restore the credit facility.





# Deepmala Infrastructure Private Limited

CIN: U45201MH2007PTC174676

## Statement of significant accounting policies and other explanatory notes for year ended 31st March 2020

25 Disclosure of transactions with Related Parties, as required by Indian Accounting Standard (Ind AS) - 24 "Related Party Disclosures" has been set out in a separate Annexure - 1.

### 26 Financial Instruments

(i) The carrying value and fair value of financial instruments by categories as at March 31, 2020, and March 31, 2019 is as follows:

Particulars	Carrying Value		Fair Value	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>Financial Assets</b>				
<u>Amortised Cost</u>				
Loans	566,283,224	568,191,357	566,283,224	568,191,357
Others	169,433,603	170,093,805	169,433,603	170,093,805
Cash and cash equivalents	-	-	-	-
Bank Balance	2,350,718	4,921,330	2,350,718	4,921,330
<b>Total Financial Assets</b>	<b>738,067,546</b>	<b>743,206,492</b>	<b>738,067,546</b>	<b>743,206,492</b>
<b>Financial Liabilities</b>				
<u>Amortised Cost</u>				
Borrowings	7,217,698,150	7,118,805,399	7,217,698,150	7,118,805,399
Trade payables	344,522,556	344,704,181	344,522,556	344,704,181
Others	1,446,939,288	1,544,832,667	1,446,939,288	1,544,832,667
<b>Total Financial Liabilities</b>	<b>9,009,159,994</b>	<b>9,008,342,247</b>	<b>9,009,159,994</b>	<b>9,008,342,247</b>

### (ii) Fair Value Hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard.

**The following methods and assumptions were used to estimate the fair values:**

Fair value of cash and short-term deposits, trade and other short-term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to the short-term maturities of these instruments.

Financial instruments with fixed and floating interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

The Company uses the following hierarchy for determining and disclosing the fair value of the financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have significant effect on recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on recorded fair value that are not based on observable market data

### (iii) Financial Risk Management Objectives And Policies

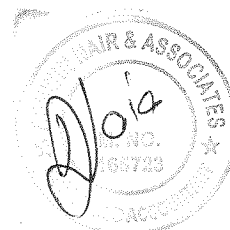
The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board.

### (a) Market Risk :

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies, and ensuring compliance with market risk limits and policies.

The Company does not have any foreign currency exposure during the financial period or as at Balance sheet date and therefore there is no Foreign currency risk to the company.



# Deepmala Infrastructure Private Limited

CIN: U45201MH2007PTC174676

## Statement of significant accounting policies and other explanatory notes for year ended 31st March 2020

### (b) Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company monitors whether the collections are made within the contractually established deadlines. In addition to this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as :

- (i) Actual or expected significant adverse changes in business,
  - (ii) Actual or expected significant changes in the operating results of the counterparty,
  - (iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
  - (iv) Significant increases in credit risk on other financial instruments of the same counterparty,
  - (v) Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements.
- Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorises a loan or receivable for write off when a debtor fails to make contractual payments. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

### (c) Interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Companies profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/ Decrease in basis points	Effects on Profit before tax.
March 31, 2020	Plus 100 basis point	(72,176,982)
	Minus 100 basis points	72,176,982
March 31, 2019	Plus 100 basis point	(71,188,054)
	Minus 100 basis points	71,188,054

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

### (d) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.



# Deepmala Infrastructure Private Limited

CIN: U45201MH2007PTC174676

## Statement of significant accounting policies and other explanatory notes for year ended 31st March 2020

### Working Capital Position of the Company :

Particulars	March 31, 2020	March 31, 2019
Cash and Cash Equivalent	-	-
Bank Balance	2,350,718	4,921,330
Current Investments in mutual Funds and Shares	-	-
Loans & Advances Current	563,739,898	565,648,031
Other Financial Assets Current	169,433,603	170,093,805
<b>Total</b>	<b>735,524,220</b>	<b>740,663,166</b>

### Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

Particulars	Within One year	One - Five year	Total
<b>As at March 31, 2020</b>			
Short term borrowings	-	7,217,698,150	7,217,698,150
Trade payables	-	344,522,556	344,522,556
Other financial liabilities	-	1,446,939,288	1,446,939,288
<b>Total</b>	-	<b>9,009,159,994</b>	<b>9,009,159,994</b>
<b>As at March 31, 2019</b>			
Short term borrowings	-	7,118,805,399	7,118,805,399
Trade payables	-	344,704,181	344,704,181
Other financial liabilities	-	1,544,832,667	1,544,832,667
<b>Total</b>	-	<b>9,008,342,247</b>	<b>9,008,342,247</b>

### (e) Competition Risk:

The Company is operating in a highly competitive environment with various Companies wanting a pie in the project. This invariably results in bidding for projects at low margins to maintain a steady flow of the projects to enable the group to retain the projects team and to maintain sustainable operations for the Company and the SPVs. The ability of the Company to build the infrastructure at a competitive price and the ability to start the tolling operations is very important factor in mitigating the competition risk for the group.

### (f) Input cost risk

Raw materials, such as bitumen, stone aggregates cement and steel, need to be supplied continuously to complete projects undertaken by the group. As mentioned in the earlier paragraph of the business risk and the competition risk the input cost is a major risk to attend to ensure that the Company is able to contain the project cost within the estimate projected to the lenders and the regulators. To mitigate this the group sub-contracts the construction of the facility at a fixed price contract to various subcontractor within and without the group.

### 27 Capital Management

For the purpose of the Group's capital management, capital includes issued equity capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The gearing ratio in the infrastructure business is generally high. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

Particulars	March 31, 2020	March 31, 2019
Gross Debt	7,217,698,150	7,118,805,399
<b>Less:</b>		
Cash and Cash Equivalent	-	-
Bank Balance	2,350,718	4,921,330
Marketable Securities -Liquid Mutual Funds	-	-
Net debt (A)	7,215,347,432	7,113,884,069
Total Equity (B)	(793,289,372)	(758,997,947)
<b>Gearing ratio (A/B)</b>	<b>(9.10)</b>	<b>(9.37)</b>

### 28 Significant Accounting Judgements, Estimates And Assumptions

The financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

#### Judgements

In the process of applying the company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the separate financial statements.

#### Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised.

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

#### Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. For plans operated outside India, the management considers the interest rates of high quality corporate bonds in currencies consistent with the currencies of the post-employment benefit obligation with at least an 'AA' rating or above, as set by an internationally acknowledged rating agency, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.



# Deepmala Infrastructure Private Limited

CIN: U45201MH2007PTC174676

## Statement of significant accounting policies and other explanatory notes for year ended 31st March 2020

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

### Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit (CGU) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

29 The balance sheet, statement of profit and loss, cash flow statement, statement of changes in equity, statement of significant accounting policies and the other explanatory notes forms an integral part of the financial statements of the Company for the year ended March 31, 2020.

30 Previous Year's figures have been rearranged or regrouped wherever applicable necessary.

As per our report of even date

For Ashwin Nair & Associates  
Chartered Accountants  
Firm Registration No.140798W



Ashwin Nair  
Proprietor  
Membership No. 165723



Place: Mumbai

Date: 08 JUN 2022

For and on behalf of the Board of Directors  
Deepmala Infrastructure Private Limited



Dinesh Patel  
Director  
DIN : 00526233



Jaysingh Ashar  
Director  
DIN: 07015068

Place: Mumbai

Date: 08 JUN 2022

## NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2020

## Related Party Disclosure

## A. List of Related Parties and Relationship

## a) Holding Company:

1. Gammon India Limited (Holding Company)

## b) Key Management Personnel:

1. Mr. Jaysingh Ashar
2. Mr. Chayan Bhattacharjee
3. Mr. Atul Shukla

## c) Enterprises over which Key Management Personnel and their relatives exercise significant influence or control:

1. Sony Mony Developers Private Limited
2. Metropolitan Infrahousing Private Limited
3. Gactel Turnkey Projects Limited
4. Gammon Realty Limited

## B. Transactions with related parties

Particulars	Relation	Current Period (12 months)	Previous Period (12 Months)
		Apr 19 - Mar 20	Apr 18 - Mar 19
<b>TRANSACTIONS DURING THE YEAR</b>			
<b><u>Refund of Loans/Advances Given</u></b>		-	-
Gactel Turnkey Projects Limited	Fellow Subsidiary	26,34,291	13,00,000
Metropolitan Infrahousing Private Limited			
<b><u>Loans/ Advances / Deposits Taken</u></b>		18,62,847	-
Gammon Realty Limited	Fellow Subsidiary	7,50,000	-
Gammon India Limited	Holding Co.		
<b><u>Repayment of Loans/ Advances Taken</u></b>		-	3,56,29,276
Sony Mony Developers Private Limited	Enterprise having significant influence		
<b><u>Payment of Interest on Loans/Advance Taken</u></b>		-	43,02,27,146
Sony Mony Developers Private Limited			
<b><u>Reimbursement of Expenses</u></b>		-	1,98,663
Gammon India Limited			
<b><u>Sale of Shops</u></b>		-	47,81,46,500
Sony Mony Developers Private Limited	Enterprise having significant influence		
<b>CLOSING BALANCES</b>			
<b><u>Short-term loans and advances</u></b>		8,63,65,709	8,90,00,000
Metropolitan Infrahousing Private Limited	Fellow Subsidiary	45,03,08,643	45,03,08,643
Gactel Turnkey Projects Limited	Fellow Subsidiary		
<b><u>Interest Receivable</u></b>		2,72,38,554	2,72,38,554
Metropolitan Infrahousing Private Limited	Fellow Subsidiary	12,06,83,649	12,06,83,649
Gactel Turnkey Projects Limited			
<b><u>Other Receivable</u></b>		44,66,297	44,66,297
Gammon India Limited	Holding Co.		
<b><u>Other Payable</u></b>		17,64,16,302	17,64,16,302
Gammon India Limited	Holding Co.	34,62,847	16,00,000
Gammon Realty Limited	Fellow Subsidiary		
<b><u>Short-term borrowings</u></b>		1,98,31,70,799	1,98,24,20,799
Gammon India Limited	Holding Co.	-	16,13,475
Metropolitan Infrahousing Private Limited	Fellow Subsidiary	-	-
Sony Mony Developers Private Limited	Enterprise having significant influence		
<b><u>Interest Payable</u></b>		95,47,42,564	95,47,42,564
Gammon India Limited	Holding Co.	47,94,55,146	47,94,55,146
Sony Mony Developers Private Limited	Enterprise having significant influence		



# Deepmala Infrastructure Private Limited

CIN: U45201MH2007PTC174676

Groupings of financial statements for year ended 31st March 2020

## Turnover

Particulars	April 2019- March 2020	April 2018 - March 2019
Sale of Shops	-	47,81,46,500
Sale of Flats	-	14,26,45,884
Sale of Office	-	1,11,40,260
<b>Total</b>	<b>-</b>	<b>63,19,32,644</b>

## Interest Income

Particulars	April 2019 - March 2020	April 2018 - March 2019
Interest Income from Bank	32,850	33,150
<b>Total</b>	<b>32,850</b>	<b>33,150</b>

## Purchases (Net of Discount)

Particulars	April 2019- March 2020	April 2018 - March 2019
Cost of Shops Sold	-	77,29,99,694
Cost of Flats Sold	-	21,32,02,165
Cost of Office Sold	-	1,60,99,255
<b>Total</b>	<b>-</b>	<b>1,00,23,01,114</b>

## Financial Assets: Loans - Non-current - Other Loans and Advances

Particulars	March 31, 2020	March 31, 2019
Fixed Deposit - Syndicate Bank	5,00,000	5,00,000
<b>Total</b>	<b>5,00,000</b>	<b>5,00,000</b>

## Financial Assets: Loans - Non-current - Deposits

Particulars	March 31, 2020	March 31, 2019
BSNL - Telephone	1,422	1,422
Electricity	37,649	37,649
MPEB Electricity	2,50,000	2,50,000
Security	20,000	20,000
Asst. Commissioner of Sales Tax	10,000	10,000
MPMKVVCL - LT CONNECTION	38,255	38,255
MPMKVVCL - Temporary HT Connection	16,86,000	16,86,000
<b>Total</b>	<b>20,43,326</b>	<b>20,43,326</b>

## Financial Assets: Loans - Current - Deposits

Particulars	March 31, 2020	March 31, 2019
Geeta Chaturvedi	1,400	1,400
Hardip Singh	3,30,000	3,30,000
<b>Total</b>	<b>3,31,400</b>	<b>3,31,400</b>

## Other Financial Assets - Other Receivable

Particulars	March 31, 2020	March 31, 2019
VAT on sold property demand	1,33,12,697	1,33,12,697
VAT on sold property received	(1,35,30,506)	(1,35,30,506)
Service Tax Recoverable on CLD	99,58,281	99,58,281
ST on Adv Receipts (Recoverable From Customer)	18,89,910	18,89,910
Sundry Debtors for Electricity Expenses	52,01,136	58,61,338
Advance - Prime security	1,137	1,137
Advance - Eagle Tech Comm. Pvt Ltd	1,84,346	1,84,346
Advance - Filmore Services Centre	10,000	10,000
Advance - Abdul Waseem Qureshi	2,713	2,713
Mob. Advance for Elevators - Gammon India Limited	44,66,297	44,66,297
Commission from Bank	15,390	15,390
<b>Total</b>	<b>2,15,11,400</b>	<b>2,21,71,602</b>



# Deepmala Infrastructure Private Limited

CIN: U45201MH2007PTC174676

Groupings of financial statements for year ended 31st March 2020

## Others Assets

Particulars	March 31, 2020	March 31, 2019
INTEREST RECEIVABLE	29,564	7,538
Madhya Pradesh Housing Board	33,80,00,000	33,80,00,000
Shiva Kumar Reddy	30,000	-
Customer's Linnked Demand Residence B Block	(9,15,012)	-
<b>Total</b>	<b>33,71,44,552</b>	<b>33,80,07,538</b>

## Balances with Bank

Particulars	March 31, 2020	March 31, 2019
Axis Bank - Bhopal	9,26,240	8,42,594
Axis Bank (Escrow A/c) - Mumbai	11,80,276	38,42,071
Axis Bank - Mumbai	4,382	4,382
Canara Bank - Mumbai	18,814	18,814
State Bank of India - Bhopal	38,711	38,711
Syndicate Bank - Mumbai	1,82,295	1,74,758
<b>Total</b>	<b>23,50,718</b>	<b>49,21,330</b>

## Balance with Tax Authority - Non-current

Particulars	March 31, 2020	March 31, 2019
TDS on Interest Income A.Y. 2016-17	14,15,110	14,15,110
Advance Tax - A.Y. 2016-17	24,53,837	24,53,837
TDS ON INTEREST	18,940	18,940
TDS ON INTEREST (AY 2014-15)	20,458	20,458
TDS on Interest Income A.Y. 2014-15	6,701	6,701
TDS on Interest Income A.Y. 2015-16	9,08,698	9,08,698
TDS on Interest Income A.Y. 2017-18	8,77,516	8,77,516
TDS on Interest Income A.Y. 2018-19	2,23,416	2,23,416
TDS on Interest Income A.Y. 2019-20	3,315	3,315
TDS ON SALE OF PROPERTY (194IA) A Y 2014-15	10,27,233	10,27,233
TDS ON SALE OF PROPERTY (194 IA) A Y 2015-16	71,17,596	71,17,596
TDS ON SALE OF PROPERTY 194IA (AY 2016-17)	48,49,710	48,49,710
TDS ON SALE OF PROPERTY 194IA-(AY 2017-18)	2,35,544	2,35,544
TDS ON SALE OF PROPERTY 194IA-(AY 2018-19)	82,23,373	82,23,373
TDS ON SALE OF PROPERTY 194IA-(AY 2019-20)	1,67,722	1,67,722
Interest on Income Tax Refund AY 2016-17	1,68,975	1,68,975
TDS ON Interest Income AY 2020-21	3,286	
TDS RECIEVABLE FY 2016-17	4,56,699	4,56,699
TDS RECIEVABLE FY 2017-18	9,65,146	9,65,146
TDS RECIEVABLE FY 2018-19	47,81,465	47,81,465
TDS RECIEVABLE FY 2019-20	3,432	3,432
TDS on Rent Income F.Y. 2016-17	6,84,653	6,84,653
Income Tax Provision - A.Y. 2015-16	(40,00,000)	(40,00,000)
Income Tax Provision - A.Y. 2016-17	(67,00,000)	(67,00,000)
<b>Total</b>	<b>2,39,12,825</b>	<b>2,39,09,539</b>

## Balance with Tax Authority - Current

Particulars	March 31, 2020	March 31, 2019
Entry Tax	5,06,692	5,06,692
Input credit - Service Tax	42,416	42,416
Input credit - GST	2,51,98,203	2,46,20,007
14% VAT on Purchases	3,28,434	3,28,434
5% VAT on Purchases	10,67,046	10,67,046
VAT on Markup Basis	33,40,390	33,40,390
Output VAT Paid	9,02,648	9,02,648
Staff welfare fund	(1,400)	(1,400)
TDS Payable on Behalf of Customers	3,21,092	3,21,092
TDS Refundable	4,68,169	4,68,169
TDS 96C-Income From Foreign Currency Bonds Or Shares	275	275
<b>Total</b>	<b>3,21,73,965</b>	<b>3,15,95,769</b>



# Deepmala Infrastructure Private Limited

CIN: U45201MH2007PTC174676

Groupings of financial statements for year ended 31st March 2020

## Duty & Taxes Payable

Particulars	March 31, 2020	March 31, 2019
GST	9,80,183	9,06,745
12.5% VAT ON PURCHASES	46,969	46,969
Staff ESIC Payble	2,08,495	1,96,072
SWACH BHARAT CESS @ 0.50%	1,514	1,514
STAFF INCOME TAX-H.O.	(30,222)	(20,404)
TDS ON CONTRACT/ SUB CONTRACT	6,55,823	6,22,506
TDS ON HIRE CHARGES	-	917
TDS ON PROFESSIONAL FEES	60,592	26,242
TDS ON INTEREST PAYABLE	32,55,949	5,07,500
TDS ON RENT	1,950	22,950
LABOUR WELFARE FUND	702	662
PROVIDENT FUND-EMPLOYEE	38,914	20,116
PROVIDENT FUND PAYBLE	80,877	80,877
Staff Professional Tax - Employee	51,761	46,017
<b>Total</b>	<b>53,53,507</b>	<b>24,58,683</b>

## Trade Payables - Others

Particulars	March 31, 2020	March 31, 2019
Trade payables	26,45,83,393	26,46,52,678
<b>Total</b>	<b>26,45,83,393</b>	<b>26,46,52,678</b>

## Other Current Liabilities

Particulars	March 31, 2020	March 31, 2019
ATUL KUMAR SHUKLA	1,000	1,000
AUDIT FEES PAYABLE	4,05,000	4,32,000
BONUS/EXGRATIA PAYABLE	3,515	3,515
ELE/WATER/FORMATION/DEVELOPMENT DEMAND	4,08,72,427	4,08,72,427
EXGRATIA PAYABLE	3,07,469	3,07,469
GUEST HOUSE RENT PAYABLE	1,89,000	1,89,000
Gammon Engineers and Contractors Pvt Ltd	36,27,36,044	33,80,00,000
IFMA FOR 2 YEARS DEMAND	1,75,58,351	1,75,58,351
MAINTENANCE DEMAND-SHOPPING ARCADE	2,01,008	2,01,008
SALARY PAYABLE	8,12,768	5,54,503
SOCIETY DEPOSIT DEMAND	3,89,50,000	3,89,50,000
<b>Total</b>	<b>46,20,36,582</b>	<b>43,70,69,273</b>

