

PSP Projects Pvt.Ltd.

ANNUAL REPORT 2011 -12

NOTICE

NOTICE is hereby given that the **4th Annual General Meeting** of the members of the Company, will be held on **Saturday, 29th September, 2012 at 11.30 a.m.** at the Registered Office of the Company at 92, "Titanium", 9th Floor, Near AUDA Garden, Prahladnagar, Satellite, Ahmedabad 380 015 to transact the following business:

Ordinary Business

1. To receive, consider, approve and adopt audited accounts for the period ended on 31st March, 2012 and the reports of the Directors and Auditors thereon.
2. To appoint Auditors to hold office from the conclusion of this Annual General till the conclusion of the next Annual General Meeting and to fix their remuneration.

For PSP Projects Pvt. Ltd.



Prahladbhai S. Patel
Chairman

Place : **Ahmedabad**

Date : **03/09/2012**

Registered Office :

92, "Titanium", 9th Floor,
Near AUDA Garden,
Prahladnagar,
Satellite,
Ahmedabad 380 015

Note :

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE MEETING INSTEAD OF HIMSELF AND THAT A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting before you the Fourth Annual Report together with the Audited Statement of Accounts for the year ended on 31st March, 2012.

1. Financial Results :

Particulars	Current Year 2011-12 Rs.	Previous Year 2010-11 Rs.
Total Income from operations	180,75,35,885	128,83,16,770
Total Expenses	164,98,65,085	122,09,39,981
Profit/(Loss) before Depreciation	15,76,70,800	6,73,76,789
Depreciation	2,83,87,700	1,41,87,284
Profit/(Loss) after Depreciation	12,92,83,100	5,31,89,505
Provsion for Tax	4,23,20,018	1,77,73,950
Profit/(Loss) after Tax	8,69,63,082	3,54,15,555

2. Dividend :

In order th strengthen the financial position of the Company your Directors do not recommend any dividend on Equity Shares of the Company for the period ended.

3. Auditors :

The present Auditors of the company M/s.Prakash B. Sheth & Co., Chartered Accountants, Ahmedabad are due to retire at the ensuing annual general meeting and being eligible for reappointment, members are requested to reappoint them at the ensuing Annual General Meeting.

4. Directors :

No Director is liable to retire by rotation at the ensuing Annual General Meeting pursuant to the provisions of the Articles of Association of the Company.

5. Public Deposit :

The Company has not accepted or invited any deposit from the public within the meaning of Section 58 A of the Companies Act, 1956 and the rules framed there under read together with directives issued by the Reserve Bank of India.

6. Directors' Responsibility Statement :

As stipulated in Section 217(2AA) of Companies Act, 1956, your Directors subscribe to the "Directors Responsibility Statement" and confirm that :

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
- (iii) the Directors have taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors have prepared the annual accounts on a going concern basis.

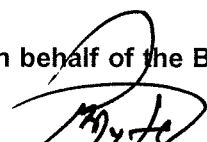
7. Energy Conservation, Technology Absorption & Foreign Exchange :

Additional information on conservation of energy, technology absorption and foreign exchange earnings and outgo, as required to be disclosed in terms of Section 217(1)(C) of the Companies Act, 1956 read together with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules 1988 has not been given considering the nature of business of the Company.

8. Particulars of Employees :

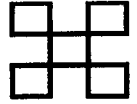
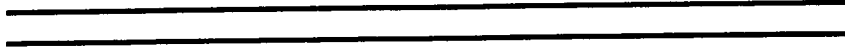
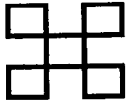
Except Shri Prahladbhai S Patel, Director who was paid remuneration of Rs.27,00,000/- during the year none of the employees of the company is in receipt of remuneration of more than Rs.24,00,000/-per annum or Rs.2,00,000/- per month, where the employment is for a part of the year, and as such the particulars of employees as contemplated under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is not attached to this report.

For and on behalf of the Board


Prahladbhai S Patel
Chairman

Place : Ahmedabad

Date : 3-9-2012



PSP PROJECTS PVT. LTD.

92, TITANIUM, 9TH FLOOR,
PRAHLADNAGAR CORPORATE ROAD,
OPP. ASHWARAJ BUNGLOWS,
NR. PRAHLADNAGAR AUDA GARDEN,
SATELLITE AHMEDABAD 380015.

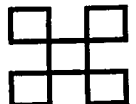
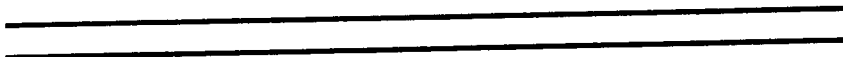
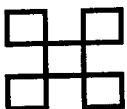
STATUTORY AUDIT REPORT

ACCOUNTING YEAR : 2011-2012

--- : AUDITORS : ---

PRAKASH B.SHETH & CO.

CHARTERED ACCOUNTANTS
212/213, PRATIBHA I, B/H SAKAR I,
OPP. GANDHIGRAM RLY. STATION,
NAVRANGPURA, AHMEDABAD.
PH. NO. 26583021



PRAKASH B SHETH & CO.
CHARTERED ACCOUNTANTS.

212/213, Pratibha-1
B/H Sakar-1,
Navrangpura,
Ahmedabad-380009.

The Members,

PSP PROJECTS PVT. LTD.

AUDITORS' REPORT

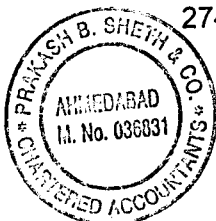
1. We have audited the attached Balance Sheet of PSP PROJECTS PVT. LTD. as at 31st March, 2012 for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the Company.

4. Further to our comments in the Annexure referred to above, we report that:

- (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of accounts as required by law have been kept by the Company, so far as appears from our examination of the books.
- (c) The Balance Sheet and the Statement of Profit & Loss dealt with by this report are in agreement with the books of account of the Company.
- (d) In our opinion, the Balance Sheet and Statement of Profit & Loss dealt with by this report comply with the Accounting Standards referred in sub – section (3C) of section 211 of the Companies Act, 1956.
- (e) On the basis of written confirmations received from the directors, as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as at 31st March, 2012 from being appointed as a director in terms of Clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.



(f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India.

- i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012; and
- ii. In case of Statement of Profit and Loss, of the profit of the company for the period ended on that date.

For Prakash B Sheth & Co.
Chartered Accountants
Firm Reg. No.108069W

Place: Ahmedabad

Date: 03.09.2012




Proprietor
M.No.036831

ANNEXURES TO THE AUDITORS REPORT

(REFERRED TO IN PARAGRAPH (3) OF OUR REPORT OF EVEN DATE)

On the basis of such checks as we considered appropriate and in terms of the information and explanation given to us, we state that:-

- i. (a)The Company has Maintained Proper records showing full particular including quantitative details and situation of fixed assets. However records are under process of updating the details of fixed assets purchased during the year.

(b)Fixed Assets have been physically verified by the management at the end of the year which in our opinion is reasonable having regard to the size of the company and the nature of its fixed assets. No material discrepancies were noticed on such verification.

(c) The Company has not disposed off any substantial part of its fixed assets so as to affect its outgoing concern;

- ii. (a)In our opinion and according to information & explanations given to us the inventories have been physically verified by the management. In our opinion, the frequency of verification is reasonable.

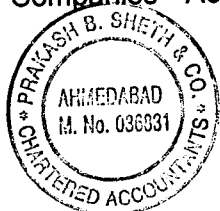
(b)The procedures explained to us, which are followed by the management for physical verification, are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business;

(C) The Company has not maintained day to day quantitative records of the inventory. So we are not able to find out the discrepancies between the inventory records and the result of physical verification.

- iii. (a)The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in register maintained under section 301 of the Act.

(b),(c),& (D) Since no loans has been granted by the company, questions of terms & conditions are prima facie prejudicial to the interest of the company, receipt is regular & overdue amount is of more than Rs. One lac do not arise.

(e)According to the information and explanations given to us the company has taken loan from one party covered in the register maintained under section 301 of the Companies Act. The maximum amount outstanding during the year was

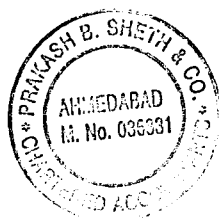


Rs.11,98,77,662.38 and the year end balance of loans taken from such parties was Rs. 11,98,77,662.38.

(f)As informed to us there is no stipulation regarding interest and repayment of principal amount of loan taken from the parties hence we could not opined whether it is prima facie prejudicial to the interest of the company or not.

(g)As there is no stipulation regarding payment of interest and principal amount, the overdue amount is not ascertainable.

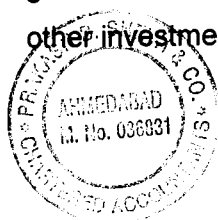
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for sale of goods services. During the course of our audit we have not observed any major weaknesses in internal control system. We have not observed any continuing failure to correct major weaknesses in internal control.
- v. (a)On the basis of the audit procedures performed by us, and according to the Information's, explanations and representations given to us we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
- (b)In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts have been made at prices which are reasonable having regard to the prevailing market price at the relevant time.
- vi. The company has not accepted deposits from the public within the meaning of section 58A and 58AA or any the relevant provisions of the Act of the Companies Act and the rules framed there under.
- vii. In our opinion the company is not having any Internal Audit System commensurate with size and the nature of its business.
- viii. We have broadly reviewed the Cost Records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have however not made a detailed examination of the cost records.



- ix. (a) According to the information's and explanations given to us no undisputed amounts payable in respect of Provident Fund, Invest Education and Protection Fund, Employees State Insurance, Income Tax, Wealth Tax, Sales Tax, Custom duty, Excise Duty, Cess and other statutory dues were outstanding as at 31st March 2012 for a period of more than six months from the date they became payable. (b) According to the information and explanations given to us no disputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Custom Duty, and Excise Duty, and Cess. In respect of Service Tax details of disputed dues not deposited are given hereunder:

Name of Statue	Nature of the Dues	Amount	Period to which amount relates	Forum where dispute is pending
Central Board of Excise & Customs	Service Tax	8,69,813/-	2006-07, 2007-08 & 2008-09	Additional commissioner of Service Tax, Ahmedabad

- x. The Company has no accumulated losses more than 50% at the end of the financial year. The Company has not incurred cash losses during the financial year under report and in the immediately preceding financial year.
- xi. On the basis of the records examined by us and the information and explanations given to us the Company has not defaulted in repayment of dues to financial institution, banks or debenture holders.
- xii. As explained to us the Company has not granted any loans or advances on the basis of security by the way of pledge of shares, debentures or any other securities;
- xiii. Looking to the nature of activities being carried on, at present, by the company and also considering the nature of the matters referred to in the various clauses of the Companies (Auditor's Report) order 2003, the said clause is in our opinion not applicable to the company.
- xiv. On the basis of the records examined by us and the information and explanations given to us, the company has not traded in shares, and securities, debentures and other investments during the year.



- xv. According to the information and explanations given to us, and the representations made by the management, the Company has not given guarantee for loans taken by others from any bank or financial institution;
- xvi. On the basis of information and explanations given to us, the term loan availed by the company have been utilized for the purpose for which the said loans have been taken.
- xvii. According to the information and explanations given to us and on an overall examination of the Financial statements of the Company and after placing reliance on reasonable assumptions made by the Company for classification of long term and short term usages of funds, we are of the opinion that funds raised for the short term basis have not been used for long term investment.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act 1956;
- xix. On the basis of the records and the documents maintained by us, Company has not issued any secured debentures during the year;
- xx. The Company has not raised any money by public issue during the year;
- xxi. According to the information and explanations given to us, and to best of our knowledge and belief, no fraud on or by the company, has been noticed or reported by the Company during the year;

For Prakash B Sheth & Co.
Chartered Accountants
Firm Reg. No.108069W



Place: Ahmedabad

Date: 03.09.2012




Proprietor
M.No.036831

PSP PROJECTS PVT. LTD.				
Balance Sheet as at 31st March 2012				
			Amt. in Rupees	
	PARTICULARS	NOTE NO	As at March 31, 2012	As at March 31, 2011
I	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	Share capital	3	80,00,000	62,76,770
	Reserves and Surplus	4	14,86,49,661	6,16,86,579
			15,66,49,661	6,79,63,349
2	Non-current liabilities			
	Long term borrowings	5	15,28,18,181	5,13,08,934
	Deferred tax liabilities (net)		11,19,214	2,92,700
			15,39,37,395	5,16,01,634
3	Current liabilities			
	Short term borrowings	6	8,87,77,179	8,73,78,695
	Trade payables	7	20,72,49,606	16,43,84,586
	Other current liabilities	8	33,07,63,932	15,18,08,733
			62,67,90,716	40,35,72,014
	Total		93,73,77,772	52,31,36,997
II	ASSETS			
1	Non current assets			
	<i>Fixed assets:</i>			
	Tangible assets	9	18,01,78,939	13,29,02,399
	Non current investments	10	21,33,750	24,48,750
	Long term loans and advances	11	3,25,72,829	27,35,134
	Other non-current assets	12	1,13,86,430	4,46,87,836
			22,62,71,948	18,27,74,119
2	Current Assets			
	Current investments	13	10,00,000	11,88,089
	Inventories	14	1,42,13,160	2,85,84,000
	Trade receivables	15	20,86,49,071	7,87,27,889
	Cash and cash equivalent	16	35,93,53,083	17,15,94,176
	Short Term loans and advances	17	11,54,97,031	6,02,68,724
	Other current assets	18	1,23,93,478	-
			71,11,05,823	34,03,62,878
	Total		93,73,77,772	52,31,36,997

Notes forming part of the Account 1 to 26

As per our Report of even date attached

FOR, PRAKASH B. SHETH & CO.
Chartered Accountants
FRN : 108069W


Prakash B. Sheth
Proprietor
M.No.036831

Place : Ahmedabad

DATE : 3rd September, 2012

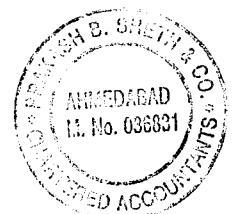
FOR, PSP PROJECTS PVT. LTD.


Prahladbhai S. Patel
Directors


Shilpaben S. Patel
Directors

Place : Ahmedabad

DATE : 3rd September, 2012



PSP PROJECTS PVT. LTD.				
Profit and loss statement for the year ended 31st March 2012				
			Amt. in Rupees	
	PARTICULARS	NOTE NO	For the year 2011-12	For the year 2010-11
I	Revenue from operations	20	1,78,64,23,008	1,27,48,21,379
	Less: Excise Duty		-	-
			1,78,64,23,008	1,27,48,21,379
II	Other income	21	2,11,12,877	1,34,95,392
III	Total Revenue (I+II)		1,80,75,35,885	1,28,83,16,771
IV	Expenses			
	Cost of materials consumed	22	63,99,04,557	45,84,03,571
	Changes in inventories of finished goods, Work in Progress and Stock in Trade	23	1,48,87,340	(1,41,29,500)
	Employee benefits expenses	24	4,89,19,217	3,09,05,373
	Finance cost	25	2,26,68,243	78,18,838
	Depreciation and amortization expenses	12	2,83,87,700	1,41,87,284
	Other expenses	26	92,34,85,728	73,79,41,699
	Total expenses		1,67,82,52,785	1,23,51,27,265
V	Profit before exceptional and extraordinary items and tax (III-IV)		12,92,83,100	5,31,89,505
VI	Exceptional items		-	-
VII	Profit before extraordinary items and tax (V-VI)		12,92,83,100	5,31,89,505
VIII	Profit before tax (VII)		12,92,83,100	5,31,89,505
IX	Tax expenses			
	Current tax		4,14,93,504	1,71,48,110
	Deferred tax		8,26,514	6,25,840
X	Profit (Loss) for the period from continuing operations		8,69,63,082	3,54,15,555
	Tax Adjustment of Earlier Year		-	-
	Profit (Loss) after Tax Adjustment		8,69,63,082	3,54,15,555
XI	Profit (Loss) for the period (X)		8,69,63,082	3,54,15,555
XII	Earning per equity share		108.70	56.42
	Basic and diluted			

As per our Report of even date attached

FOR, PRAKASH B. SHETH & CO.
Chartered Accountants
FRN : 108069W

Prakash B. Sheth
Prakash B. Sheth
Proprietor
M.No.036831

FOR, PSP PROJECTS PVT. LTD.

Prahladbhai S. Patel
Prahladbhai S. Patel
Directors

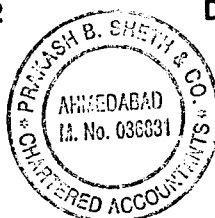
S. P. Patel
Shilpaben S. Patel
Directors

Place : Ahmedabad

Place : Ahmedabad

DATE : 3rd September, 2012

DATE : 3rd September, 2012



PSP PROJECTS PVT. LTD.**NOTES TO FINANCIAL STATEMENTS****NOTE : 3****SHARE CAPITAL****AUTHORISED**

10,00,000 Equity Shares of Rs. 10/- Each

**AS ON
31/03/2012****AS ON
31/03/2011****1,00,00,000****1,00,00,000****ISSUED, SUBSCRIBED & PAID UP**8,00,000 Equity Shares of Rs. 10/-
each fully paid up
(6,27,677 Equity Shares of Rs. 10/-
each fully paid up)**80,00,000****62,76,770****Total****80,00,000****62,76,770****Terms/Rights attached to Equity Shares**

The Company is having only one class of Equity shares having par value of Rs. 10/ each

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**Equity Shares**

	31-03-12		31-03-11	
	No.	Amount Rs.	No.	Amount Rs.
At the beginning of the period	6,27,677	62,76,770	6,27,677	62,76,770
Add: New issue during the period	1,72,323	17,23,230	-	-
Outstanding at the end of period	8,00,000	80,00,000	6,27,677	62,76,770

Details of shareholders holding more than 5% shares in the Company

Name of the Shareholders	Percentage Holding		No. of Shares	
	31-03-12	31-03-11	31-03-12	31-03-11
Prahladbhai S. Patel	99.50%	99.36%	7,96,000	6,23,677
Shilpaben P. Patel	0.50%	0.64%	4,000	4,000

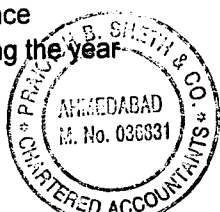
As per the records of the Company, including its register of shareholders/Members and other declarations received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares

NOTE : 4**RESERVE AND SURPLUS****AS ON
31/03/2012****AS ON
31/03/2011****Surplus**

Opening Balance

6,16,86,579**2,62,71,024**

Additions during the year

8,69,63,082**3,54,15,555****14,86,49,661****6,16,86,579****Total****14,86,49,661****6,16,86,579**

NOTE : 5**LONG TERM BORROWINGS****Term Loans from Schedule Bank:**

For Plant & Machinery

The Kalupur Comm. Co. Op. Bank Ltd.

(Secured Agst. HYWA Ashok Leyland Crane)

AXIS Bank Ltd.

(Secured Agst. Mercedes Benz Car)

HDFC Bank Ltd.

(Secured Agst. Transit Mixture)

HDFC Bank Ltd.

(Secured Agst. Transit Mixture)

HDFC Bank Ltd.

(Secured Agst. Transit Mixture)

HDFC Bank Ltd.

(Secured Agst. Transit Mixture)

HDFC Bank Ltd.

(Secured Agst. Batching Plant - 1)

HDFC Bank Ltd.

(Secured Agst. Batching Plant - 2)

HDFC Bank Ltd.

(Secured Agst. Eicher Truck)

HDFC Bank Ltd.

(Secured Agst. Ashok Leyland)

HDFC Bank Ltd.

(Secured Agst. Ashok Leyland)

HDFC Bank Ltd.

(Secured Agst. Concrete Pump)

HDFC Bank Ltd.

(Secured Agst. Concrete Pump)

HDFC Bank Ltd.

(Secured Agst. Transit Mixture)

HDFC Bank Ltd.

(Secured Agst. Transit Mixture)

HDFC Bank Ltd.

(Secured Agst. Transit Mixture)

HDFC Bank Ltd.

(Secured Agst. Transit Mixture)

HDFC Bank Ltd.

(Secured Agst. Transit Mixture)

HDFC Bank Ltd.

(Secured Agst. Transit Mixture)

ICICI Bank Ltd.

(Secured Agst. Transit Mixture)

ICICI Bank Ltd.

(Secured Agst. ACE Tower Crane)

ICICI Bank Ltd.

(Secured Agst. ACE Tower Crane)

ICICI Bank Ltd.

(Secured Agst. ACE Tower Crane)

ICICI Bank Ltd.

(Secured Agst. ACE Tower Crane)

ICICI Bank Ltd.

(Secured Agst. Transit Mixture)

ICICI Bank Ltd.

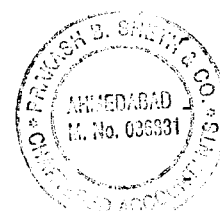
(Secured Agst. Transit Mixture)

ICICI Bank Ltd.

(Secured Agst. Transit Mixture)

**AS ON
31/03/2012****AS ON
31/03/2011**

-	-
11,70,000	15,60,000
11,28,358	21,49,775
4,67,821	10,40,347
4,67,821	10,40,347
4,67,814	10,40,339
4,67,814	10,40,339
6,73,755	17,43,421
22,23,504	46,42,314
2,66,427	5,28,100
3,42,124	8,85,288
3,42,128	8,85,295
3,68,256	9,52,904
5,90,411	12,32,680
2,25,357	5,01,153
2,25,357	5,01,153
2,25,357	5,01,153
2,25,357	5,01,153
1,55,430	4,02,194
1,55,430	4,02,194
11,35,814	-
14,05,471	-
14,05,471	-
14,05,471	-
14,05,471	-
4,73,290	-
4,73,290	-
4,73,290	-



ICICI Bank Ltd. (Secured Agst. Transit Mixture)	11,35,814	-
ICICI Bank Ltd. (Secured Agst. Transit Mixture)	11,35,814	-
ICICI Bank Ltd. (Secured Agst. Concrete Pump)	11,27,759	-
The Kalupur Comm. Co. Op. Bank Ltd. (Secured Agst. Liebherr Tower Crane)	21,51,500	-
From Others		
Kotak Mahindra Prime Ltd. (Secured Agst. Honda Accord Car)	-	6,71,951
Kotak Mahindra Prime Ltd. (Secured Agst. Verna Car)	20,087	2,95,831
BMW India Finance Services Pvt. Ltd. (Secured Agst. BMW 320D)	12,68,145	-
Reliance Capital Fund (Secured Agst. Tata 207 Mobile Car)	-	51,967
Sundram Finance Ltd. (Secured Agst. Tata 207 Mobile Car)	60,308	2,00,809
(The above loan is secured against Hypothecations of Machinery)		
Loans and advances from related parties		
From Directors	11,98,77,662	2,25,63,231
From Others	76,75,000	59,75,000
Total	15,28,18,181	5,13,08,934

NOTE : 6

SHORT TERM BORROWINGS

	AS ON 31/03/2012	AS ON 31/03/2011
KCCB BD - 001 (Secured agst. Book-debts of the co. and Equitable mortgage of residence & office of Directors & Personal Guarantee of Directors. The same is repayable on demand and carries interest @ 13%)	5,03,03,917	1,88,39,560
KCCB FDOD - 56 (Secured agst. Fixed Deposit of the co. The same is repayable on demand and carries interest @ 10.50%)	3,84,73,261	3,89,39,299
Cash Credit facilities from a scheduled bank (Secured agst. Equitable mortgage of residence office of Directors & Personal Guarantee of Directors. The same is repayable on demand and carries interest @13.50%.)	-	2,95,99,836
Total	8,87,77,179	8,73,78,695



NOTE : 7**TRADE PAYABLES**

Micro, Small and Medium Enterprises
Others

Total

AS ON
31/03/2012

AS ON
31/03/2011

-	-
20,72,49,606	16,43,84,586
20,72,49,606	16,43,84,586

NOTE : 8**OTHER CURRENT LIABILITIES****Current Maturities of Long Term Debt**

The Kalupur Comm. Co. Op. Bank Ltd.

(Secured Agst. HYWA Ashok Leyland Crane)

AXIS Bank Ltd.

(Secured Agst. Mercedes Benz Car)

BMW India Finance Services Pvt. Ltd.

(Secured Agst. BMW 320D)

HDFC Bank Ltd.

(Secured Agst. Maruti Swift)

HDFC Bank Ltd.

(Secured Agst. Transit Mixture)

HDFC Bank Ltd.

(Secured Agst. Transit Mixture)

HDFC Bank Ltd.

(Secured Agst. Transit Mixture)

HDFC Bank Ltd.

(Secured Agst. Transit Mixture)

HDFC Bank Ltd.

(Secured Agst. Batching Plant - 1)

HDFC Bank Ltd.

(Secured Agst. Batching Plant - 2)

HDFC Bank Ltd.

(Secured Agst. Eicher Truck)

HDFC Bank Ltd.

(Secured Agst. Ashok Leyland)

HDFC Bank Ltd.

(Secured Agst. Ashok Leyland)

HDFC Bank Ltd.

(Secured Agst. Concrete Pump)

HDFC Bank Ltd.

(Secured Agst. Concrete Pump)

HDFC Bank Ltd.

(Secured Agst. Transit Mixture)

HDFC Bank Ltd.

(Secured Agst. Transit Mixture)

HDFC Bank Ltd.

(Secured Agst. Transit Mixture)

HDFC Bank Ltd.

(Secured Agst. Transit Mixture)

HDFC Bank Ltd.

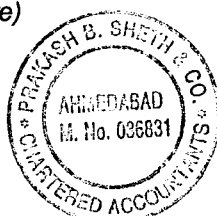
(Secured Agst. Transit Mixture)

HDFC Bank Ltd.

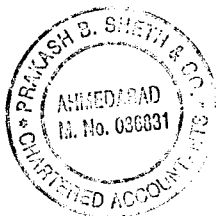
AS ON
31/03/2012

AS ON
31/03/2011

-	-
3,90,000	3,90,000
10,21,417	8,51,025
5,70,995	-
-	1,46,987
5,72,526	5,18,999
5,72,526	5,18,999
5,72,525	5,19,005
5,72,525	5,19,005
10,69,665	9,70,501
24,18,810	21,72,907
2,61,673	2,34,495
5,43,164	4,92,811
5,84,648	5,30,444
5,43,166	4,92,807
6,42,268	5,71,036
2,75,796	2,50,013
2,75,796	2,50,013
2,75,796	2,50,013
2,75,796	2,50,013
2,46,763	2,23,888
2,46,763	2,23,888



(Secured Agst. Transit Mixture)		
ICICI Bank Ltd.	5,86,872	-
(Secured Agst. Transit Mixture)		
ICICI Bank Ltd.	6,53,318	-
(Secured Agst. ACE Tower Crane)		
ICICI Bank Ltd.	6,53,318	-
(Secured Agst. ACE Tower Crane)		
ICICI Bank Ltd.	6,53,318	-
(Secured Agst. ACE Tower Crane)		
ICICI Bank Ltd.	6,53,318	-
(Secured Agst. ACE Tower Crane)		
ICICI Bank Ltd.	2,44,506	-
(Secured Agst. Transit Mixture)		
ICICI Bank Ltd.	2,44,506	-
(Secured Agst. Transit Mixture)		
ICICI Bank Ltd.	2,44,506	-
(Secured Agst. Transit Mixture)		
ICICI Bank Ltd.	5,86,872	-
(Secured Agst. Transit Mixture)		
ICI Bank Ltd.	5,86,872	-
(Secured Agst. Transit Mixture)		
ICICI Bank Ltd.	5,83,907	-
(Secured Agst. Concrete Pump)		
The Kalupur Comm. Co. Op. Bank Ltd.	6,99,996	-
(Secured Agst. Liebherr Tower Crane)		
Kotak Mahindra Prime Ltd.	2,75,744	2,50,587
(Secured Agst. Verna Car)		
Reliance Capital Fund	51,967	1,46,142
(Secured Agst. Tata 207 Mobile Car)		
Sundram Finance Ltd.	1,40,501	1,26,181
(Secured Agst. Tata 207 Mobile Car)		
Duties & Taxes Payable	34,96,260	33,26,735
Advances from Customers	13,31,92,310	4,73,05,119
Unpaid Expenses	2,87,99,593	3,83,417
Mobilization Advance	14,64,83,633	8,98,93,703
Total	33,07,63,932	15,18,08,733



NOTE : 9

FIXED ASSETS

		GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
Sr. No.	Assets	Opening Balance 01-04-11	Addition During The Year	Deduction	Closing Balance 31-03-12	Opening Balance 01-04-11	Provided For The Year	Written Back	Closing Balance 31-03-12	As on 31-03-12	As on 31-03-11
1	Building	48,01,108	17,86,847	-	65,87,955	4,80,111	5,02,105	-	9,82,216	56,05,739	43,20,997
2	Furniture & Fixture	43,18,152	6,20,679	-	49,38,831	13,51,792	6,06,234	-	19,58,026	29,80,805	29,66,360
3	Plant & Machinery	13,43,71,395	5,76,08,512	-	19,19,79,907	1,80,73,784	2,29,02,454	-	4,09,76,238	15,10,03,669	11,62,97,611
4	Computer	6,97,968	1,16,11,713	-	1,23,09,681	2,43,174	19,13,723	-	21,56,897	1,01,52,784	4,54,794
5	Vehicles*	1,13,80,907	41,78,789	3,11,182	1,52,48,514	25,18,270	24,63,184	1,68,882	48,12,572	1,04,35,942	88,62,637
	Total	15,55,69,530	7,58,06,540	3,11,182	23,10,64,888	2,26,67,131	2,83,87,700	1,68,882	5,08,85,949	18,01,78,939	13,29,02,399

* Vehicles owned in the name of Mr. Prahladbhai S. Patel (Director)

Vehicle Name Registration No.

Bajaj Platina Bike GJ-1-JF-2431
 BMW 320D GJ-1-KR-8010
 Honda Accord GJ-1-HS-3583
 Hyundai Verna GJ-1-KE-8010
 Maruti Swift GJ-1-HM-2295
 Maruti Swift GJ-1-KA-4010
 Mercedes - Benz GJ-1-KJ-8010
 Tata Mobile GJ-24-U-8010
 Tata Mobile GJ-1BU-8010
 Tata Mobile GJ-1-BX-8484



NOTE : 10**NON-CURRENT INVESTMENTS**

84,350 Shares Of Kalupur Comm. Co.Op. Bank
each of Rs. 25/-. (Last Yr. 56,950 Shares)
6 years National Saving Certificate
SSNL FDR Certificate

Total
AS ON
31/03/2012

21,08,750

25,000

-

21,33,750

AS ON
31/03/2011

14,23,750

25,000

10,00,000

24,48,750

Quoted Investments
Unquoted Investments
Provision for dimunition in value

-

21,33,750

-

-

14,48,750

-

NOTE : 11**LONG TERM LOANS AND ADVANCES**

(Unsecured considered good)
Loans & Advances
Deposit

Total
AS ON
31/03/2012

-

3,25,72,829

3,25,72,829

AS ON
31/03/2011

2,00,000

25,35,134

27,35,134

NOTE : 12**OTHER NON CURRENT ASSETS**

Unsecured, considered good
Retention Money Deposit
Preliminary Expenses

Total
AS ON
31/03/2012

1,13,86,430

-

83,308

-

1,13,86,430

AS ON
31/03/2011

4,46,04,528

83,308

4,46,87,836

NOTE : 13**CURRENT INVESTMENTS**

SSNL FDR

Total
AS ON
31/03/2012

10,00,000

10,00,000

AS ON
31/03/2011

11,88,089

11,88,089

Quoted Investments
Unquoted Investments
Provision for dimunition in value

-

10,00,000

-

-

11,88,089

-

NOTE : 14**INVENTORIES**

Raw Materials
Work in Progress
Stores & Spares

Total
AS ON
31/03/2012

98,50,500

43,62,660

-

1,42,13,160

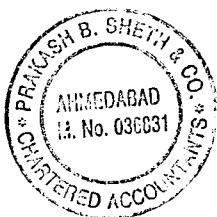
AS ON
31/03/2011

93,34,000

1,92,50,000

-

2,85,84,000



NOTE : 15**TRADE RECEIVABLES**

Unsecured, considered good
 More than six months
 Others

Total

AS ON
31/03/2012

2,70,25,760
18,16,23,311

20,86,49,071

AS ON
31/03/2011

97,28,668
6,89,99,221

7,87,27,889**NOTE : 16****CASH & CASH EQUIVALENTS**

Balances with banks

- Bank of Baroda - FDOD

- KCCB - FDOD

- KCCB - CC

- Current Account

Cash on hand

Fixed Deposit With Bank with maturity within 3 months

Other Bank Balance

Fixed Deposit with bank with maturity between 4
 to 12 months

Fixed Deposit - Maturity more than 12 months

Total

AS ON
31/03/2012

4,68,494
13,085
8,66,245
3,04,44,812
7,39,459
6,19,52,789

19,38,65,821
7,10,02,378

35,93,53,083

AS ON
31/03/2011

-
10,83,823
-
3,31,27,272
9,85,641
3,11,94,813

8,26,72,614
2,25,30,014

17,15,94,176**NOTE : 17****SHORT TERM LOANS AND ADVANCES****(Unsecured Considered Good)****Loans and advances to related parties**

Advance to Staff

Excise Duty Refund Receivable

Taxes paid in advance

Advances to Suppliers

Works Contract Tax

Loans & Advances

Retention Money Deposit

EMD Deposit

Prepaid Expenses

Total

AS ON
31/03/2012

-
7,95,455
10,19,700
1,36,19,918
1,54,92,747
12,08,721
15,04,396
7,96,66,208
-
21,89,886

11,54,97,031

AS ON
31/03/2011

-
4,05,200
7,10,700
1,32,68,742
1,00,34,909
-
2,23,11,345
79,50,452
49,00,000
6,87,376

6,02,68,724**NOTE : 18****OTHER CURRENT ASSETS**

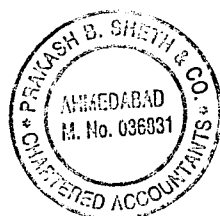
Interest Accrued but not due on Fixed Deposit
 with bank and on NSC

Total

AS ON
31/03/2012

1,23,93,478**1,23,93,478**

AS ON
31/03/2011

-**-**

NOTE : 19**CONTINGENT LIABILITIES & COMMITMENTS****Contingent Liabilities**

Claims against the company not
acknowledged as debt

Total

AS ON
31/03/2012

AS ON
31/03/2011

8,69,813

-

8,69,813

-

NOTE : 20**REVENUE FROM OPERATIONS**

Sale of Products
Other Operating Revenue
Less:
Excise Duty

Total

CURRENT YEAR
31/03/2012

PREVIOUS YEAR
31/03/2011

44,75,765

-

1,78,19,47,243

1,27,48,21,379

-

-

1,78,64,23,008

1,27,48,21,379

Sale of Products comprises

✓ Ready Mix Concrete

44,75,765

-

Other Operating Revenue Comprises

Contract Receipts

1,78,19,47,243

1,27,48,21,379

1,78,64,23,008

1,27,48,21,379

NOTE : 21**OTHER INCOME**

Interest Received on Fixed Deposit with Banks
Interest Received on Income Tax Refund
Interest Received from Loans & Advances
Interest on SSNL Bond
Interest on NSC
Dividend Income
Kasir / Discount

Total

CURRENT YEAR
31/03/2012

PREVIOUS YEAR
31/03/2011

1,72,21,449

67,91,740

13,925

-

22,64,401

47,15,369

6,57,949

80,000

2,153

-

1,03,750

45,000

8,49,249

18,63,284

2,11,12,877

1,34,95,392

NOTE : 22**COST OF MATERIAL CONSUMED**

Opening Stock
Add: Purchases

Less: Closing Stock

Total

CURRENT YEAR
31/03/2012

PREVIOUS YEAR
31/03/2011

93,34,000

21,50,500

64,04,21,057

46,55,87,071

64,97,55,057

46,77,37,571

98,50,500

93,34,000

63,99,04,557

45,84,03,571

Materials Consumed comprises of :

Steel
Cement
Stone
Bricks
Concrete
Wood
Kapchi & Greet
Sanitary & Plumbing Items
Others

15,31,77,597

10,60,86,844

9,05,04,751

6,42,30,981

5,89,37,909

5,57,15,131

5,49,48,139

3,50,93,546

3,50,50,838

4,52,84,637

3,01,88,235

2,31,07,461

2,86,12,913

1,50,87,531

2,80,32,651

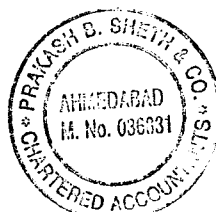
2,08,97,909

16,04,51,524

9,28,99,531

63,99,04,557

45,84,03,571



NOTE : 23**CHANGES IN INVENTORIES OF FINISHED GOODS,
WORK-IN PROGRESS AND SOCK IN TRADE****Inventories at the end of the year**

Work-in-progress	43,62,660	1,92,50,000
	<u>43,62,660</u>	<u>1,92,50,000</u>

Inventories at the beginning of the year

Work-in-progress	1,92,50,000	51,20,500
	<u>1,92,50,000</u>	<u>51,20,500</u>
Net (Increase)/Decrease	<u>1,48,87,340</u>	<u>(1,41,29,500)</u>

NOTE : 24**EMPLOYEE BENEFIT EXPENSE****CURRENT YEAR
31/03/2012****PREVIOUS YEAR
31/03/2011**

Salary	3,37,70,322	1,90,25,215
Bonus	26,77,973	14,47,065
Director Salary	33,00,000	30,45,000
Conveyance Allowances	40,32,406	30,54,495
Transport Allowances	10,09,686	10,13,943
Medical Reimbursement	15,26,509	15,15,517
Uniform Allowances	18,76,827	12,75,278
House Rent Allowances	23,410	-
Leave Travel Allowances	2,123	-
Contribution to Provident Fund	1,63,217	1,11,612
ESI Contribution	27,706	-
Medical Expenses	5,09,038	4,17,248
Total	<u>4,89,19,217</u>	<u>3,09,05,373</u>

NOTE : 25**FINANCE COST****CURRENT YEAR
31/03/2012****PREVIOUS YEAR
31/03/2011****Interest on Borrowing :**

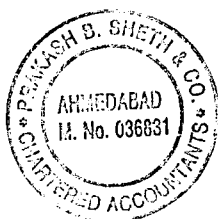
Interest on Machinery Loan	30,61,904	2,85,915
Interest on Vehicle Loan	4,55,715	2,62,152
Interest on Bank Borrowing	48,46,326	29,50,946

Interest Expenses Others :

Interest on Loan	1,00,03,005	6,60,868
Interest on Excise	710	-
Interest on Professional Tax	58	-
Interest on TDS	8,847	4,193

Other Borrowing Cost :

Finance Charges	27,215	-
Stamping Expenses	2,45,849	5,38,458
Bank Guarantee Charges	31,47,808	29,10,610
Bank Charges	8,70,806	2,05,697
Total	<u>2,26,68,243</u>	<u>78,18,838</u>



NOTE : 26**OTHER EXPENSES****CURRENT YEAR
31/03/2012****PREVIOUS YEAR
31/03/2011****Manufacturing Expenses:**

Carting Expenses	3,18,81,330	46,59,688
Electricity Expenses	2,52,902	-
Labour Expenses	52,83,284	13,63,938
Site Expenses	1,10,34,283	11,36,589
Total	4,84,51,799	71,60,215

Contract**Receipts**

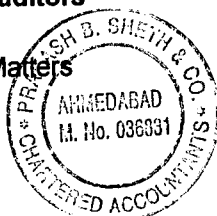
Carting Expenses	10,29,82,426	6,85,35,943
Electricity Expenses	31,42,285	13,33,999
Labour Expenses	58,47,92,720	60,67,45,850
Site Expenses	1,73,98,803	2,10,25,557
Sub Contract Expenses	11,38,82,000	-
Total	82,21,98,234	69,76,41,349

Administrative Expenses:

Duties & Taxes	1,43,11,535	94,83,467
Penalty	97,095	-
Insurance Expenses	78,05,050	49,68,768
Repairs & Maintenance - Machinery	86,64,845	33,66,162
Repairs & Maintenance - Computer	1,33,315	93,850
Repairs & Maintenance - Vehicle	13,53,011	4,40,555
Advertisement Exps.	1,08,242	1,49,744
AMC Administrative Charges	10,00,000	-
Bad Debts Written Off	28,82,134	41,52,394
Business Promotion	4,95,631	2,96,158
Travelling & Conveyance	10,39,400	6,37,151
Donation	3,35,600	3,20,676
Electricity Charges	2,43,324	1,53,404
Office Expenses	7,97,754	3,57,453
Rent - Office	12,30,000	9,60,000
Rent - Godown Navapura	7,50,000	-
Rent - Machinery	2,45,560	23,57,023
Legal & Professional Charges	18,67,882	5,54,354
SAP Maintenance Charges	2,25,300	-
Security Service Charges	49,77,744	24,50,769
Printing & Stationery Charges	7,39,498	5,48,919
Tender Fees	1,20,978	1,66,980
Miscellaneous Expenses	4,97,931	2,35,296
Payment to Auditors	50,000	35,000
Petrol & Diesel - Vehicle	17,40,705	8,13,561
Toll Tax Expenses - Vehicle	3,98,360	19,359
Telephone & Internet Charges	7,24,801	5,79,093
Total	5,28,35,696	3,31,40,135

Total**Payment to Auditors**

Audit Fees	35,000	25,000
For Taxation Matters	15,000	10,000
Total	50,000	35,000



PSP PROJECTS PVT. LTD.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES :

1. Corporate Information:

PSP Projects Pvt. Ltd. is a Private Limited company domiciled in India and incorporated under the Provisions of Companies Act, 1956. The company is engaged in the manufacturing of Ready Mix Concrete & Construction of Infrastructure Projects etc.

2. Significant accounting policies

2.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 Presentation and disclosure of financial statements:

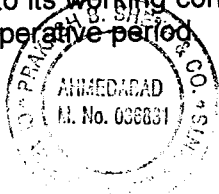
During the year ended 31st March, 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule – VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

2.3 Use of Estimates

The preparation of financial statements in conformity with Indian Accounting Standards requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

2.4 Tangible fixed assets

All Tangible Fixed Assets are valued at cost. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use and all the expenses incurred up to preoperative period.



2.5 Depreciation and amortization

Depreciation has been provided on the written down value method as per the rates prescribed in Schedule XIV to the Companies Act, 1956. In respect of addition and sales of assets during the year, depreciation is provided on prorata basis.

2.6 Borrowing costs

Borrowing costs include interest, amortization of ancillary costs incurred in connection with the arrangements of borrowings. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilized for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalization of such asset is added to the cost of the assets.

2.7 Inventories

Inventories are valued at the lower of cost (on FIFO and weighted average basis) and the net realizable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress include appropriate proportion of overheads and, where applicable, excise duty.

2.8 Investments

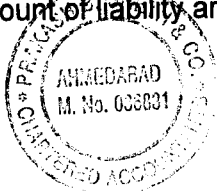
Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties.

2.9 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Sale of Goods:

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of goods. The company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue. Excise duty deducted from revenue is the amount that is included in the revenue (Gross) and not the entire amount of liability arising during the year.



Income from Service:

Revenues from contract receipts are recognized when the bills are certified by the clients whenever it is applicable. In other cases contract receipts are recognized on accrual basis.

Interest:

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

2.10 Retirement and other employee benefits:

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the Provident Fund & Employee State Insurance are charged to the statement of profit and loss for the year when contributions are due. The Company has no obligation, other than the contribution payable to the Provident Fund & Employee State Insurance.

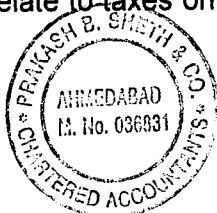
2.11 Income Tax:

Tax expenses comprise current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current Income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

2.12 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company



has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

Particulars	Up to 01-04-2011	Change During the Year	As at 31-03-2012
Deferred Tax Assets (Carry Forward Losses)	-	-	-
Deferred Tax Liabilities (Depreciation)	292,700	826,514	1,119,214
Net DTA / (DTL)	292,700	826,514	1,119,214

2.13 Earning per Share:

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

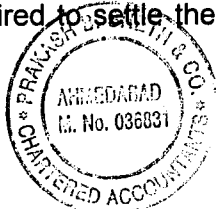
Particulars	2011-2012	2010-2011
Profit for the year attributable to the Equity Shareholders (In Rs.)	86,963,082	35,415,555
Basic / Weighted average number of Equity Shares outstanding during the year	800,000	627,677
Nominal Value of Equity Share	10	10
Basic / Diluted earning per Share	108.70	56.42

2.14 Provisions:

A provision is recognized when the company has a present obligation as a result of past event. It is possible that an outflow of resources embodying benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

2.15 Contingent liabilities:

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare



cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but disclosed its existence in the financial statements.

2.16 Value of imported calculated on C.I.F. basis by the company during the financial year in Respect of

	For the year 2011-12	For the year 2010-11
Capital Goods	71,21,037	Nil

Expenditure in Foreign Currency during financial year on account of

	For the year 2011-12	For the year 2010-11
Professional & Consultation fees	1,59,900	Nil
Others	1,58,895	Nil

2.17 Segment Reporting:

Primary Business Segment:

The Company is primarily engaged in a single business segment of Civil Construction and accordingly this is the only primary reportable segment.

Geographical Segments:

The Company primarily sells its products within India only and hence accordingly there is only single geographical reportable segment.

2.18. Related Party Disclosure

a) Name of Key Management Personnel:

	For the year 2011-12	For the year 2010-11
1. Mr. Prahladbhai S. Patel Director		
2. Mrs. Shilpaben P. Patel Director		

b) Name of the company in which policies are controlled by common key management personnel: PSP Products Pvt. Ltd.

1) Remuneration to Mr. Prahladbhai S. Patel	27,00,000	24,75,000
2) Remuneration to Mrs. Shilpaben P. Patel	6,00,000	5,70,000
3) Loan taken from Prahladbhai S. Patel	11,98,77,662.38	2,25,63,231.38



- 4) Particulars of transaction with PSP Products Pvt. Ltd. The transactions are disclosed in aggregate value for the year:

Purchase of Goods	75,440	1,07,526
Services Received	29,91,875	14,40,961
Electricity Charges Recovered	2,90,786	1,81,329

Particulars of transaction with Mr. Prahladbhai S. Patel (Director). The transactions are disclosed in aggregate value for the year:

Rent Paid	19,80,000	9,60,000
Interest Paid	1,00,17,001	6,60,868

Signature to notes 1 to 2.18

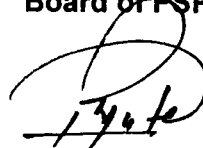
As per our attached note of even date

**For Prakash B. Sheth Co.
Chartered Accountants
FRN : 108069W**

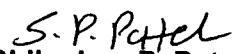


**(Prakash B. Sheth)
Proprietor
M. No. 036831**

**For and on behalf of the
Board of PSP Projects Pvt. Ltd.**



**Prahladbhai S. Patel
Director**


**Shilpaben P. Patel
Director**

**Place : Ahmedabad
Date : 03.09.2012**

**Place : Ahmedabad
Date : 03.09.2012**

