



*Build to Last*

**PSP Projects LTD.**

# **ANNUAL REPORT 2015 - 2016**



## NOTICE

**NOTICE IS HEREBY GIVEN THAT THE 8<sup>TH</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY WILL BE HELD ON WEDNESDAY, 28<sup>TH</sup> SEPTEMBER, 2016 AT 11.30 A. M. AT "PSP HOUSE" OPP. CELESTA COURTYARD, OPP. LANE OF VIKARAMNAGAR COLONY, ISCON-AMBLI ROAD, AND AHMEDABAD-380054 TO TRANSACT THE FOLLOWING BUSINESS:**

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### **ORDINARY BUSINESS**

#### **Item No. 1-**

To receive, consider and adopt the Audited Financial Statement (including the consolidated financial statement) of the Company for the Financial Year ended March 31, 2016, together with the Report of the Board of Directors and the Auditors thereon.

#### **Item No. 2- Appointment of a Director**

To appoint a Director in the place of Mrs. Shilpaben P. Patel (DIN: 02261534), who retires by rotation and, being eligible, seeks re-appointment.

#### **Item No. 3- Ratification of auditors**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, the Company hereby ratifies the appointment of M/s. Prakash B. Sheth & Co., Chartered Accountants (Firm's Registration No. 108069W) as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 9<sup>th</sup> Annual General Meeting of the Company to be held in year 2017 to examine and audit the accounts of the Company for the Financial Year 2016-17 at such remuneration plus service tax, out-of-pocket expenses etc., as may be mutually agreed between the Board of Directors and the Auditors."

### **SPECIAL BUSINESS:**

#### **Item No. 4- To consider and declare Bonus Shares**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to provisions Section 63 and in accordance with other applicable provisions of the Companies Act, 2013, or any amendment or re-enactment thereof and Article 168 of the Articles of Association of the Company, the recommendation of the Board of Directors of the Company ('the Board', which term



shall be deemed to include any Committee thereof) and subject to such approvals, consents, permissions and sanctions as may be necessary from appropriate authorities, consent be and is hereby accorded to the Board for capitalization of a sum not exceeding 25,60,00,000/- (Rupees Twenty Five Crores and Sixty Lacs Only) from the credit of Reserves and surplus of the Company for the purpose of issue of Bonus Shares of Rs. 10/- (Rupees Ten Only) each, credited as fully paid-up to the holders of the Equity Shares of the Company whose names shall appear on the Register of Members on the 'Record Date' determined by the Board or a Committee thereof for the purpose, in the proportion of 8 (Eight) Bonus Share of `10/- for every 1 (One) fully paid-up Equity Shares of `10/- each held by them and that the Bonus Shares so distributed shall, for all purposes, be treated as an increase in the paid up Capital of the Company held by each such Member, and not as income."

**RESOLVED FURTHER THAT** the Bonus Shares so allotted shall rank pari passu in all respects with the fully paid – up equity shares of the Company as existing on the record date determined by the Board or a Committee thereof for the purpose of issue of Bonus Shares."

**RESOLVED FURTHER THAT** the Bonus Shares so allotted shall always be subject to the terms and conditions contained in the Memorandum and Articles of Association of the Company."

**RESOLVED FURTHER THAT** no letter of allotment shall be issued in respect of the Bonus Shares and in the case of Members who hold Shares or opt to receive the Shares in dematerialized form, the Bonus Shares shall be credited to the respective beneficiary accounts of the Members with their respective Depository Participants and in the case of Members who hold Equity Shares in certificate form, the share certificates in respect of the Bonus Shares shall be despatched, within such time as prescribed by law and the relevant authorities."

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things and to give such directions as may be necessary or expedient, and to settle any question, difficulty or doubt that may arise in this regard as the Board in its absolute discretion may deem necessary or desirable and its decision shall be final and binding."

**Item No. 5- Revision in the remuneration payable to Mr. Prahalad S. Patel (DIN:00037633), Managing Director & CEO of the Company**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as **Special Resolution**:

**'RESOLVED THAT** IN modification of the earlier resolution passed at the Extra Ordinary General Meeting of the Company held on July 09, 2015, and subject to the provisions of Section 197, 198 and any other applicable provisions of the Companies Act, 2013 and rules thereof as may be applicable, the approval of the members of the Company be and is hereby accorded for revision in remuneration payable to Mr.



Prahladbhai S Patel as the Managing Director & CEO of the Company w.e.f. 01/09/2016 for a period from 01/09/2016 to 08/07/2020 upto 7% of the Net Profits of the Company for the financial year during the said period by way of salary and/or commission within the ceiling limits of 10% of Net profit as prescribed under the Act.

**RESOLVED FURTHER THAT** in the event of any loss, absence or inadequacy of profits of the Company in any financial year during the term of office of Mr. Prahladbhai S Patel as Managing Director & CEO, the remuneration mentioned herein above shall be paid to the said Managing Director & CEO as minimum remuneration and the same shall be subject to section II of part II of Schedule V to the Companies Act, 2013."

**RESOLVED FURTHER THAT** any of the Directors of the Company be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writing as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors to give effect to the aforesaid resolutions."

**Item No. 6- Revision in the remuneration payable to Mrs. Shilpaben P. Patel (DIN: 02261534), Whole-time Director of the Company**

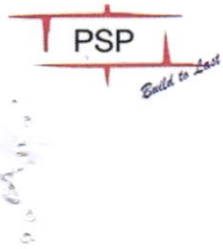
To consider and if thought fit, to pass with or without modification(s), the following Resolution as **Special Resolution**:

**"RESOLVED THAT IN** modification of the earlier resolution passed at the Annual General Meeting of the Company held on September 30, 2015, and subject to the provisions of Section 197, 198 and any other applicable provisions of the Companies Act, 2013 and rules thereof as may be applicable, the approval of the members of the Company be and is hereby accorded for revision in remuneration payable to Mrs. Shilpaben P Patel as Whole Time Director of the Company w.e.f. 01/09/2016 for a period from 01/09/2016 to 31/08/2020 upto 2% of the Net Profits of the Company for the financial year during the said period by way of salary and/or commission within the ceiling limits of 10% of Net profit as prescribed under the Act.

**RESOLVED FURTHER THAT** in the event of any loss, absence or inadequacy of profits of the Company in any financial year during the term of office of Mrs. Shilpaben P Patel as Whole Time Director, the remuneration mentioned herein above shall be paid to the said Whole Time Director as minimum remuneration and the same shall be subject to section II of part II of Schedule V to the Companies Act, 2013."

**RESOLVED FURTHER THAT** any of the Directors of the Company be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writing as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors to give effect to the aforesaid resolutions."





**Item No. 7- Revision in the remuneration payable to Ms. Pooja P. Patel (DIN: 07168083), Executive Director of the Company**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as **Special Resolution**:

**"RESOLVED THAT IN** modification of the earlier resolution passed at the Annual General Meeting of the Company held on September 30, 2015, and subject to the provisions of Section 197, 198 and any other applicable provisions of the Companies Act, 2013 and rules thereof as may be applicable, the approval of the members of the Company be and is hereby accorded for revision in remuneration payable to Ms. Pooja P. Patel as Executive Director of the Company w.e.f. 01/09/2016 for a period from 01/09/2016 to 31/08/2020 upto 1% of the Net Profits of the Company for the financial year during the said period by way of salary and/or commission within the ceiling limits of 10% of Net profit as prescribed under the Act.

**RESOLVED FURTHER THAT** in the event of any loss, absence or inadequacy of profits of the Company in any financial year during the term of office of Ms. Pooja P. Patel as Executive Director, the remuneration mentioned herein above shall be paid to the said Executive Director as minimum remuneration and the same shall be subject to section II of part II of Schedule V to the Companies Act, 2013.

**RESOLVED FURTHER THAT** any of the Directors of the Company be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writing as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors to give effect to the aforesaid resolutions."

### Item No. 8 – Ratification of Cost Auditors' remuneration

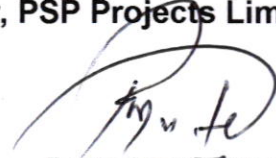
To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, the Company hereby ratifies the remuneration of Rs. 60,000/-plus out-of-pocket expenses payable to M/s. K.V. Melwani & Associates, Practising Cost Accountant (Firm's Registration No. 100497) who have been appointed by the Board of Directors as the Cost Auditors of the Company, to conduct the audit of the cost records of the Company, for the Financial Year ending 31 March, 2016."

**Date: 03/09/2016**

**Place: Ahmedabad**

**By Order of the Board of Directors  
For, PSP Projects Limited**



**Prahalad S. Patel  
Chairman- Managing Director & CEO**

**Regd. Office:**

"PSP House",  
Opp. Celesta Courtyard,,  
Opp. lane of Vikram Nagar Colony,  
Iscon - Ambli Road, Ahmedabad  
Gujarat 380054  
**CIN: U45201GJ2008PLC054868**

**Notes:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM OF THE COMPANY IS ENTITLED TO APPOINT ONE OR MORE PROXIES, TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE AGM.
2. The explanatory statement pursuant to Section 102 of the Companies Act, 2013, is annexed hereto and forms part of this notice.
3. Members and/or proxies should bring the attendance slips duly filled in at the meeting to avoid any inconvenience.



## EXPLANATORY STATEMENT

### Annexure to Notice: Explanatory Statement under Section 102 of the Companies Act, 2013.

#### **Item No.4:**

The Board of Directors of the Company in its meeting held on September 3, 2016, has recommended for approval of the shareholders, issue of bonus shares to the holders of equity shares of the Company in the ratio of 8:1 (i.e. Eight bonus shares of Rs. 10/- for every One fully paid up equity shares of Rs. 10/- each held) by increasing the Issued, Subscribed and Paid-up Share Capital of the Company to a sum not exceeding Rs. 25,60,00,000/- (Rupees Twenty Five Crores and Sixty Lacs Only) from the credit of Reserves and surplus, as per the Audited Accounts of the Company for the financial year ended March 31, 2016.

The fully paid-up Bonus Shares shall be distributed to the Members of your Company, whose names shall appear on its Register of Members on the Record Date to be determined by the Board of Directors of your Company (which term shall be deemed to include any Committee thereof) for the purpose of issue of Bonus Shares, in the proportion of 8(Eight) Bonus Share of Rs. 10/- for every 1 (One) Equity Shares of Rs. 10/- each held by them on the Record Date.

The Bonus Shares so allotted shall rank pari passu in all respects with the fully paid-up Equity Shares of the Company as existing on the Record Date fixed for the purpose of issue of such Bonus shares.

Accordingly, the consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for issue of Bonus Shares.

Directors of your Company are interested in this Resolution to the extent of their respective shareholdings in the Company.

The Board recommends the resolution set forth in Item No. 4 for the approval of the Members.

#### **Item No.5:**

The Members of the Company at the Extra ordinary General Meeting of the Company held on July 09, 2015, had approved the appointment of Mr. Prahalad S. Patel as Managing Director of the Company and the terms of remuneration payable to him for the period from July 09, 2015 to July 08, 2020.

The members had inter alia approved remuneration in alignment with provision of Section 196, 197 and 198 of the Act, 2013 with the authority to the Board to fix the salary within the said limit from time to time.

Taking into consideration his present salary and future revisions, if any, and based on the recommendation of Nomination and Remuneration Committee, the Board of Directors on 3<sup>rd</sup> September, 2016 decided to revise the remuneration applicable to Mr. Prahalad S. Patel from the existing 5% of Net Profit to 7% Net Profit of the year. All other terms and conditions relating to his appointment and remuneration as approved earlier by the members remain unchanged.

Total Remuneration of Mr. Prahalad S. Patel in any financial year shall not exceed 7% of the net profit of the Company during that year.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, except Mr. Prahalad S. Patel, to whom the resolution relates, are concerned or interested in the Resolution mentioned at Item No. 5 of the Notice.

The Board recommends the resolution set forth in Item No. 5 for the approval of the Members.

#### **Item No.6:**

The Members of the Company at the 7<sup>th</sup> Annual General Meeting of the Company held on September 30, 2015, had approved the appointment of Mrs. Shilpaben P. Patel as Whole-time Director of the Company and the terms of remuneration payable to her for the period from September 01, 2015 to August 31, 2020.

The members had inter alia approved remuneration not exceeding Rs. 10,00,000 (Rupees Ten Lacs) per month including all the perquisites and with an increment of 10% with the authority to the Board to fix the salary within the said limit from time to time.

Taking into consideration her contribution and future revisions, if any, and based on the recommendation of Nomination and Remuneration Committee, the Board of Directors on 3<sup>rd</sup> September, 2016 decided to revise the remuneration applicable to Mrs. Shilpaben P. Patel from the existing Rs. 10,00,000 (Rupees Ten Lacs) per month to 2% Net Profit of the year. All other terms and conditions relating to her appointment and remuneration as approved earlier by the members remain unchanged.

Total Remuneration of Mrs. Shilpaben P. Patel in any financial year shall not exceed 2% of the net profit of the Company during that year.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, except Mrs. Shilpaben P. Patel, to whom the resolution relates, are concerned or interested in the Resolution mentioned at Item No. 6 of the Notice.

The Board recommends the resolution set forth in Item No. 6 for the approval of the Members.



**Item No.7:**

The Members of the Company at the 7<sup>th</sup> Annual General Meeting of the Company held on September 30, 2015, had approved the appointment of Ms. Pooja P. Patel as Executive Director of the Company and the terms of remuneration payable to her for the period from September 01, 2015 to August 31, 2020.

The members had inter alia approved remuneration not exceeding Rs. 3,00,000 per month in including all the perquisites and with an increment of 10% with the authority to the Board to fix the salary within the said limit from time to time.

Taking into consideration her contribution and future revisions, if any, and based on the recommendation of Nomination and Remuneration Committee, the Board of Directors on 3<sup>rd</sup> September, 2016 decided to revise the remuneration applicable to Ms. Pooja P. Patel from the existing Rs. 3,00,000 per month to 1% of Net Profit of the year. All other terms and conditions relating to his appointment and remuneration as approved earlier by the members remain unchanged.

Total Remuneration of Ms. Pooja P. Patel in any financial year shall not exceed 1% of the net profit of the Company during that year.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, except Ms. Pooja P. Patel, to whom the resolution relates, are concerned or interested in the Resolution mentioned at Item No. 7 of the Notice.

The Board recommends the resolution set forth in Item No. 7 for the approval of the Members.

**Item No.8:**

The Company is required under Section 148 of the Act to have the audit of its cost records conducted by a Cost Accountant in Practice. The Board of Directors of the Company has on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. K.V. Melwani & Associates, the Cost Auditors of the Company to conduct audit of cost records of the Company for products covered under the Companies (Cost Records and Audit) Rules, 2014 for the Financial Year ending 31 March, 2017, at a remuneration of Rs. 60,000/- plus reimbursement of out-of-pocket expenses.

In accordance with the provisions of Section 148 of the Act read with Companies (Cost Records and Audit) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors has to be ratified by the members of the Company.

Accordingly, the consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 8 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending 31 March, 2017.

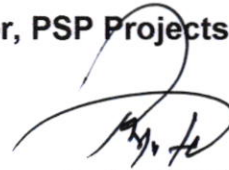
None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 8 of the Notice.

The Board recommends the resolution set forth in Item No. 8 for the approval of the Members.

**Date: 03/09/2016**

**Place: Ahmedabad**

**By Order of the Board of Directors  
For, PSP Projects Limited**



**— Prahlad S. Patel  
Chairman- Managing Director & CEO**

**Regd. Office:**

"PSP House",  
Opp. Celesta Courtyard,,  
Opp. lane of Vikram Nagar Colony,  
Iscon - Ambli Road, Ahmedabad  
Gujarat 380054  
**CIN: U45201GJ2008PLC054868**



## **DIRECTORS' REPORT**

To  
The Members,

Your Directors have pleasure in presenting the 8<sup>th</sup> Annual Report of your Company along with the standalone and consolidated summary financial statements for the year ended March 31, 2016. Consolidated performances of the Company and its subsidiaries have been referred to wherever required.

### **1. FINANCIAL RESULTS:**

(Rs. In Lacs)

| Particulars                                    | F.Y. 2015-16 |            | F.Y. 2014-15 |            |
|--|--------------|------------|--------------|------------|
|  | Consolidated | Standalone | Consolidated | Standalone |
| Sales & Other Income                           | 48,629.46    | 46,824.36  |              | 28,689.39  |
| Profit before finance cost, depreciation & tax | 4,519.07     | 4,953.56   |              | 2,833.56   |
| Finance Cost                                   | 335.27       | 307.09     |              | 239.22     |
| Depreciation                                   | 712.85       | 706.26     |              | 516.69     |
| Profit before Tax                              | 3,470.96     | 3,940.21   | -            | 2,077.64   |
| Provision for Tax                              | 1,458.44     | 1,465.36   |              | 726.54     |
| Deferred Tax [Liabilities/Assets]              | 196.85       | -38.22     |              | -35.39     |
| Profit after Tax                               | 2,209.37     | 2,513.07   | -            | 1,386.49   |
| Exceptional Items                              | -            | -          |              | -          |
| Profit/(Loss) for the Year                     | 2,209.37     | 2,513.07   | -            | 1,386.49   |
| Appropriations:                                |              |            |              |            |
| Transfer to General Reserves                   | 394.02       | 394.02     |              | 207.64     |
| Proposed Dividend                              | 480.00       | 480.00     |              | 160.00     |
| Dividend Distribution Tax                      | 95.97        | 95.97      |              | 31.99      |

## 2. FINANCIAL OVERVIEW

During the financial year 2015-16, the Company has on a standalone basis, clocked a total income of Rs. 46,824.36 lakh as compared to Rs.28,689.39 Lakh for the previous year ended March 31, 2015, an increase of 63% on a year-on-year basis. Profit after tax was at Rs.2,513.07 Lakhs for the financial year ended March 31, 2016 as compared to Rs.1386.49 Lakh for the previous year, an increase by 81.25%.

The consolidated revenue for the Company for the financial year 2015-16 was Rs. 48629.46 lakhs as PSP Projects & Proactive Constructions Private Limited & GDCL & PSP Joint Venture incorporated during the year under review.

There has been no change in the nature of business of the company during the year under review.

## 3. SUBSIDIARY/ JOINT VENTURE AND ASSOCIATES

As on date, Your Company has two Direct subsidiaries: PSP Projects & Proactive Constructions Private Limited; PSP Projects INC at US and one step-down subsidiary P&J Builders LLC; and one Joint Venture with Gannon Dunkerley & Co. Limited which is GDCL & PSP Joint Venture. There has been no material change in the nature of business of the said Companies and only PSP Projects & Proactive Constructions Private Limited & GDCL & PSP Joint Venture started operating during the year under review.

## 4. DIVIDEND:

In the month of March, the Company declared an Interim Dividend of Rs. 15 per share. Considering the aforesaid interim dividend, the Company has not recommended any final dividend for the financial year 2015-2016 on the equity shares of the Company.

The total outflow on account of the interim dividends (including distribution tax, surcharge and education cess) amounts to Rs. 95.97 lacs for the financial year 2015-2016.

## 5. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

Since there was no unpaid/unclaimed Dividend declared and paid last year, the provision of section 125 of the Companies Act, 2013 do not apply.

## 6. ISSUE OF BONUS SHARES:

Your Directors have pleasure in recommending for approval of the members at the Annual General Meeting issue of bonus shares in the ratio of 8:1 i.e. Eight new fully paid equity shares of Rs. 10/- for every one equity share of Rs. 10/- held in the Company. The bonus issue if approved at the forth coming Annual General Meeting, will result in capitalization of a sum not exceeding 25,60,00,000/- (Rupees Twenty



Five Crores and Sixty Lacs Only) from the credit of Reserves and surplus of the Company.

## **7. TRANSFER TO RESERVES**

An amount of Rs. 394.02 lacs has been transferred out of the current year's profit to General Reserve towards future capital expansion.

## **8. FINANCIAL STATEMENTS OF SUBSIDIARIES AND ASSOCIATE COMPANY**

The Consolidated Financial Statements of the Company are prepared in accordance with relevant Accounting Standards viz. AS-21, AS-23 and AS-27 issued by the Institute of Chartered Accountants of India and forms an integral part of this Report.

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of Subsidiaries/Associate Companies/Joint Ventures is given in Form AOC-1 as Annexure-A and forms an integral part of this Report.

## **9. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND DATE OF THE REPORT:**

### Issue of Bonus Shares

Your Board of Directors in their meeting held on July 07, 2015, recommended the issue of Bonus Shares to the existing members of the Company in the ratio of 3 Equity Shares of the Company of Re. 10 each for every 1 Equity Share of the Company of Re. 10 each and the members in their EGM held on July 09, 2015 approved the same by means of a special resolution. Accordingly, the Company issued 24,00,000 equity shares of Re. 10 each as bonus shares. The total capitalization on account of this bonus issue is Rs. 24,00,000.

## **10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

### Conservation of Energy and Technology Absorption

As the Company renders Engineering, Procurement and Construction (EPC) Service, Conservation of energy and Technology absorption are not applicable.

### Foreign Exchange

| Particulars  | 2015-16 (Rs.) |
|--|---------------|
| - Earning in foreign Exchange (Value of Export on FOB Basis) | Nil           |
| - Foreign Exchange Outgo                                     | 20,97,627     |

## **11. PARTICULARS OF LOANS, GUARANTEE OR INVESTMENTS**

Details of Loans, Guarantee and Investment covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes to the Financial Statements.

## **12. INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company has an Internal Financial Control System, commensurate with the size, scale and complexity of its operations. The Internal Financial Control is exercised its compliances with operating system, accounting procedures and policies through internal audit conducted by an external firm of Chartered Accountants appointed by the Board. The Audit observation and corrective actions taken thereon are periodically reviewed by the Board members to ensure effectiveness of the Internal Financial Control System.

## **13. INDUSTRIAL RELATION:**

During the year under review, your Company enjoyed cordial relationship with workers and employees at all levels.

## **14. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, state the following:

- that in the preparation of the annual financial statements for the year ended March 31, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- they 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 and loss of the Company for that period;
- the directors had taken proper and sufficient care for the 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 fraud and other irregularities;
- they have prepared the annual accounts on a going concern basis; and
- they have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and operating effectively.
- They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



**15. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

In accordance with the provisions of the Act and the Articles of Association of the Company, Mrs. Shilpaben P. Patel, Whole-time Director (DIN: 02261534) will retire by rotation at the ensuing Annual General Meeting and being eligible, has offered herself for reappointment.

Mr. Prahalad S. Patel has been re-designated as Managing Director & CEO of the Company w.e.f. September 03, 2016.

Ms. Minakshi Tak has been appointed as Company Secretary of the Company by the Board with effect from February 02, 2016 and Compliance officer from September 03, 2016.

During the period under review, no appointment and cessation has taken place. The strength of the Board of Directors of PSP Projects Limited as on March 31, 2016 were 7 (Seven), comprising 3 Executive Directors (Functional Directors including CMD) and 3 (Three) Independent Directors.

**16. RELATED PARTY TRANSACTIONS:**

No agreement was entered with related parties by the Company during the current year. All the related party transactions were entered by the Company in ordinary course of business and were in arm's length basis. The Company presents all related party transactions before the Board specifying the nature, value, and the terms and conditions of the transaction. Transactions with related parties are conducted in a transparent manner with the interest of the Company and stakeholders as utmost priority.

Since all the related party transactions were entered by the Company in ordinary course of business and were in arm's length basis, Form AOC-2 is not applicable to the Company.

**17. INSURANCE:**

The Company has taken adequate insurance to cover the risk to its people, plants and machineries, building and other assets.

**18. ISO CERTIFICATION:**

Your Directors have pleasure informing you that the Company has got renewed ISO-9001:2008 certification from the world renowned Institution for management and execution of Residential, commercial, Industrial, institutional buildings and infrastructure projects. Your Company also got ISO- 14001:2004 for environment and BS OHSAS 18001:2007 for safety.

Your Company is enjoying coveted and prestigious ISO 9001:2008, 14001:2004 & BS OHSAS 18001:2007 status. Company has successfully met all the stringent and rigorous revaluation and surveillance measures.

## **19. CORPORATE SOCIAL RESPONSIBILITY:**

Details about the CSR Policy and initiatives taken by the Company on CSR during the year are available on our website [www.pspprojects.com](http://www.pspprojects.com). The annual report on CSR activities is annexed to this Report in Annexure -B.

## **20. COMMITTEE OF THE BOARD**

During the year, in accordance with the Companies Act, 2013, the Board re-constituted Corporate Social Responsibility and Nomination & Remuneration Committee by inducting independent director in the committee.

## **21. EXTRACT OF ANNUAL RETURN:**

In accordance with Section 134(3) of the Companies Act, 2013, an extract of the annual return in MGT-9 is enclosed herewith as Annexure-C to the this Report.

## **22. MEETING OF THE BOARD:**

During the financial year ended March 31, 2016, the Board of Directors met regularly to review strategic, operational and financial matters and has a formal schedule of matters reserved for its decision. The Board met 11 (Eleven) times during the financial year under review.

## **23. AUDITORS & AUDITORS REPORT:**

The Members of the Company at the Sixth Annual General Meeting held on August 30, 2014, approved the appointment of M/s. Prakash B. Sheth & Co., Chartered Accountants (Firm Registration Number 108069W) as the Statutory Auditors of the Company for a period of 5 years till the conclusion of Tenth Annual General, which is subject to annual ratification by the members of the Company in terms of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014.

The resolution relating to annual ratification of statutory auditors appointment is part of the notice of the Eighth Annual General Meeting. Members may ratify the appointment of M/s. Prakash B. Sheth & Co., Chartered Accountants as the Statutory Auditors of the Company for the financial year 2016-17.

There are no qualifications or adverse remarks in the Statutory Auditors' Report for the financial statement for the year ended March 31, 2016 which requires any explanation from the Board of Directors.

## **24. SECRETARIAL AUDITOR & REPORTS**

Pursuant to provisions of the Companies Act, 2013, the Board of Directors of the Company have appointed Mr. Rohit S. Dudhela, Practicing Company Secretaries (CP No. 7396) to conduct the Secretarial Audit for the financial year 2015-16 and his Report on Company's Secretarial Audit is appended as Annexure-D to this Report.



There are no qualifications or adverse remarks in the Secretarial Audit Report which requires any explanation from the Board of Directors.

## 25. COST AUDITORS

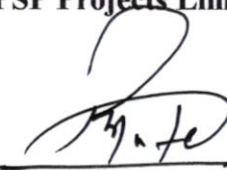
The Board of Directors of the Company have appointed M/s. K.V. Melanie & Associates, Practicing Cost Accountant (Firm Regn No. 100497) as Cost Auditor of the Company for the financial year 2016-17 at a fee of Rs. 60,000 plus out-of-pocket expenses subject to ratification of the said fees by the Shareholders at the ensuing Annual General Meeting of the Company pursuant to provisions of Section 148 of the Companies Act, 2013.

## 26. ACKNOWLEDGEMENTS:

Your Directors would like to express their appreciation for the assistance and co-operation received from the financial Institutions, Banks, Government authorities, Customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the commitment services by the Company's executives, staff and workers.

**Date: 03/09/2015**  
**Place: Ahmedabad**

**On behalf of the Board of Directors**  
**For, PSP Projects Limited**



**(Prahalad S. Patel)**

**Chairman-Managing Director & CEO**

## Annexure-A

### Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

#### Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

| Sl. No. | Particulars   | Details  |
|---------|---|--|
| 1       | Sl. No.   | 1  |
| 2       | Name of the subsidiary  | PSP Project& Proactive Constructions Private Limited |
| 3       | The date since when subsidiary was acquired   | 07/01/2016 (Incorporated)                            |
| 4       | Reporting period for the subsidiary concerned, if different from the holding company's reporting period                     | N.A.   |
| 5       | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | N.A.   |
| 6       | Share capital   | 5,00,00,000  |
| 7       | Reserves & surplus  | -3,10,62,223   |
| 8       | Total assets  | 25,70,81,802   |
| 9       | Total Liabilities   | 23,81,44,025   |
| 10      | Investments   | Nil  |
| 11      | Turnover  | 20,67,83,572   |
| 12      | Profit before taxation  | -4,69,25,133   |
| 13      | Provision for taxation  | -1,58,62,910   |
| 14      | Profit after taxation   | -3,10,62,223   |
| 15      | Proposed Dividend   | Nil  |
| 16      | Extent of shareholding (In percentage)  | 74%  |

**Notes:** The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations – PSP Projects INC
- Names of subsidiaries which have been liquidated or sold during the year. – NA



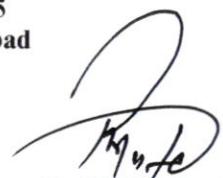
**Annexure-B**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

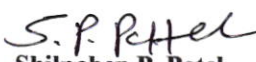
| Name of associates/Joint Ventures   | GDCL & PSP    |
|---|---------------|
| 1. Latest audited Balance Sheet Date  | 31.03.2016    |
| 2. Date on which the Associate or Joint Venture was associated or Acquired    | 27/05/2015    |
| 3. Shares of Associate/Joint Ventures held by the company on the year end     | 49%           |
| Amount of Investment in Associates/Joint Venture                              | 44,59,000     |
| Extend of Holding (In percentage)   | 49%           |
| 4. Description of how there is significant influence                          | Joint Venture |
| 5. Reason why the associate/joint venture is not consolidated                 | NA            |
| 6. Net worth attributable to shareholding as per latest audited Balance Sheet | 66,97,209     |
| 7. Profit/Loss for the year   | -18,83,785    |
| i. Considered in Consolidation  | -9,23,055     |
| ii. Not Considered in Consolidation   | -9,60,730     |

1. Names of associates or joint ventures which are yet to commence operations. NA  
2. Names of associates or joint ventures which have been liquidated or sold during the year. NA

Date: 03/09/2015  
Place: Ahmedabad

  
**Pralhad S. Patel**  
Managing Director  
DIN: 00037633

On behalf of the Board of Directors  
For, PSP Projects, Limited

  
**Shilpaben P. Patel**  
Whole Time Director  
DIN: 02261534

  
**Minakshi Tak**  
Company Secretary

## Annexure – B

### Annual report on CSR Activities

(Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of Companies (Corporate Social Responsibility) Rules, 2014)

**1. A brief of the company's CSR policy, including overview of projects or programme proposed to be undertaken:**

Consequent to the implementation of the Companies Act, 2013, the company has adopted the CSR Policy through CSR Committee. The Company's through its policies aims to bring improvement in the lives of the communities in & around our operations with an objective to energize and enable them to realize their potential.

**2. The composition of the CSR Committee:**

Members of the committee are:

- |      |                         |          |
|------|-------------------------|----------|
| i.   | Shri Prahlad S. Patel   | Chairman |
| ii.  | Smt. Shilpaben P. Patel | Member   |
| iii. | Shri Sandeep H. Shah    | Member   |

**3. Average net profit of the company for last three financial years:**

Rs. 18.06 Crores

**4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):**

Rs. 36.13 Lacs

**5. Details of CSR spent during the financial year:**

(a) Total amount spent for the financial year: Rs. 21.25 Lacs

(b) Amount unspent, if any: Rs. 14.88 Lacs

(c) Manner in which the amount spent during the financial year is detailed below:

| Sr. No. | CSR projects/ activities | Sector in which the Project covered | Location where project is undertaken: State (Local area/District) | Amount outlay (budget) Project/Programs wise | Amount spent on the projects or programs (1) Direct expenditure on projects (2) Overheads: | Cumulative expenditure upto to the reporting period | Amount spent Direct through implementing agency* |
|---------|--------------------------|-------------------------------------|---|--|--|---|--|
|         |                          |                                     |   |  |  |   |  |



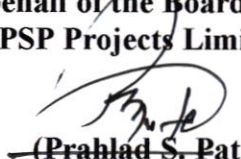
|    |                              |                              |                     |           |                    |   |                     |
|----|------------------------------|------------------------------|---------------------|-----------|--------------------|---|---------------------|
| 1. | Promoting education          | Promoting education          | Ambawadi, Ahmedabad | 6.25 lacs | Direct Expenditure | - | Implementing Agency |
| 2. | SWATCH Bharat Abhiyan        | SWATCH Bharat Abhiyan        | Ahmedabad           | 5 lacs    | Direct Expenditure | - | Implementing Agency |
| 3. | Environmental Sustainability | Environmental Sustainability | Ahmedabad           | 10 lacs   | Direct Expenditure | - | Implementing Agency |

\* Details of the implementing agency: Jivdaya Charitable Trust , OBSSA, Tulsi Vallabh Nidhi, SVVP

6. As the Company is in the process of evaluating and identifying the specific programmes and is in dialogue with various organization for implementing the CSR activities. Company has taken steps in the right direction and going forward is committed to actively engage with the partners/NGO to execute the projects and programme and incur expenditure in accordance with Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibilities Policy) Rules, 2014.
7. The CSR Committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of your Company.

**Date: 03/09/2015**  
**Place: Ahmedabad**

**On behalf of the Board of Directors  
For, PSP Projects Limited**

  
**(Prahlad S. Patel)**  
**Chairman & Managing Director  
and Chairman of CSR Committee**

## Annexure – C

## Form No. MGT 9

Extract of Annual Return as on the Financial Year ended 31<sup>st</sup> March, 2015

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

### I REGSITRATION AND OTHER DETAILS:

|   |  |
|---|--|
| CIN   | U45201GJ2008PLC054868  |
| Registration Date   | 26-08-2008   |
| Name of the Company   | PSP PROJECTS LIMITED (formerly known as PSP Projects Pvt. Ltd, converted from Pvt. to Public on 10/07/2015)  |
| Category/Sub-category of the Company                                      | Public Limited Company having Share Capital<br>Non-Government Indian Company   |
| Address of the Registered Office & Contact details                        | "PSP House", Opp. Celesta Courtyard,,<br>Opp. lane of Vikram Nagar Colony, IsconAmbli<br>Road<br>Ahmedabad, Gujarat380054<br>Email Id : minakshi@pspprojects.com |
| Whether Listed Company  | No   |
| Name, Address & Contact details of the Registrar & Transfer Agent, if any | Not Applicable   |

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

| Sr No | Name and Description of Main Paroducts/Services | NIC Code of the product/service | % of total turnover of the company |
|-------|---|---------------------------------|------------------------------------|
| 1     | Construction of building and others             | 4100                            | 100                                |

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: None**

#### IV SHARE HOLDING PATTERN (Equity Share Capital Breakup as % of Total Equity)

(i)Category-wise Share Holding

[illegible]



|  |    |       |       |      |    |           |           |     |    |
|--|----|-------|-------|------|----|-----------|-----------|-----|----|
| Other Individuals                                    | -- | --    | --    | --   | -- | --        | --        | --  | -- |
| Bodies Corporate                                     | -- | --    | --    | --   | -- | --        | --        | --  | -- |
| Banks/FI   | -- | --    | --    | --   | -- | --        | --        | --  | -- |
| Any other  | -- | --    | --    | --   | -- | --        | --        | --  | -- |
| <b>Sub Total (A)(2)</b>                              | -- | --    | --    | --   | -- | --        | --        | --  | -- |
| <b>Total Shareholding of Promoters (A)(1)+(A)(2)</b> | -- | 80000 | 80000 | 100% | -- | 32,00,000 | 32,00,000 | 100 | -- |
| <b>B PUBLIC SHAREHOLDING</b>                         |    |       |       |      |    |           |           |     |    |
| Institutions   | -- | --    | --    | --   | -- | --        | --        | --  | -- |
|  | -- | --    | --    | --   | -- | --        | --        | --  | -- |
| Banks/FI   | -- | --    | --    | --   | -- | --        | --        | --  | -- |
| Central Govt.  | -- | --    | --    | --   | -- | --        | --        | --  | -- |
| State Govt.  | -- | --    | --    | --   | -- | --        | --        | --  | -- |
| Venture Capital Fund                                 | -- | --    | --    | --   | -- | --        | --        | --  | -- |
| Insurance Companies                                  | -- | --    | --    | --   | -- | --        | --        | --  | -- |
| FIs  | -- | --    | --    | --   | -- | --        | --        | --  | -- |
| Foreign Venture Capital Funds                        | -- | --    | --    | --   | -- | --        | --        | --  | -- |
| Others (Specify)                                     | -- | --    | --    | --   | -- | --        | --        | --  | -- |
| Foreign Banks/FCW                                    | -- | --    | --    | --   | -- | --        | --        | --  | -- |
| <b>Sub Total (B)(1)</b>                              | 0  | 0     | 0     | 0    | 0  | 0         | 0         | 0   | 0  |
| <b>Non Institutions</b>                              |    |       |       |      |    |           |           |     |    |
| Bodies Corporates                                    | -- | --    | --    | --   | -- | --        | --        | --  | -- |
| Indian   | -- | --    | --    | --   | -- | --        | --        | --  | -- |
| Overseas   | -- | --    | --    | --   | -- | --        | --        | --  | -- |
| Individuals  | -- | --    | --    | --   | -- | --        | --        | --  | -- |
| Upto Rs.1 lac  | -- | --    | --    | --   | -- | --        | --        | --  | -- |
| More than Rs 1 Lac                                   | -- | --    | --    | --   | -- | --        | --        | --  | -- |
| Others   | -- | --    | --    | --   | -- | --        | --        | --  | -- |
| NRIs/OCBs  | -- | --    | --    | --   | -- | --        | --        | --  | -- |
| Trusts   | -- | --    | --    | --   | -- | --        | --        | --  | -- |
| Clearing Members                                     | -- | --    | --    | --   | -- | --        | --        | --  | -- |
| Foreign Portfolio-Corporate                          | -- | --    | --    | --   | -- | --        | --        | --  | -- |
| <b>Sub Total (B)(2)</b>                              | 0  | 0     | 0     | 0    | 0  | 0         | 0         | 0   | 0  |
| <b>Total Public Shareholding(B)=(B)(1)+(B)(2)</b>    | 0  | 0     | 0     | 0    | 0  | 00        | 0         | 0   | 0  |
| Shares held by Custodian for GDRs & ADRs             | -- | --    | --    | --   | -- | --        | --        | --  | -- |
| <b>Grand Total (A) + (B)</b>                         | -- | 80000 | 80000 | 100% | -- | 32,00,000 | 32,00,000 | 100 | -- |

**(ii) Shareholding of Promoters**

| Sr No |                       | Shareholding at the beginning of the year |                                  |  | Shareholding at the end of the year |                                  |  |   |
|-------|-----------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|---|
|       |                       | No of Shares                              | % of Total Shares of the Company | % of Shares Pledged/encumbered to total shares | No of Shares                        | % of total Shares of the Company | % of Shares Pledged/encumbered to total shares |   |
| 1     | Mr.Prahlad S. Patel   | 4,40,000                                  | 55                               | --   | 17,60,000                           | 55                               | --   | - |
| 2     | Mr.Shilpaben P. Patel | 1,60,000                                  | 20                               | --   | 6,40,000                            | 20                               | --   | - |

**(iii) Change in Promoters Shareholding (Please specify, if there is no change)**

| Sr No | Name of the Shareholders     | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|-------|------------------------------|---|----------------------------------|---|----------------------------------|
|       |                              | No of Shares                              | % of Total Shares of the Company | No of Shares                            | % of total Shares of the Company |
| 1     | Mr.Prahlad S. Patel          |   |                                  |   |                                  |
|       | At the beginning of the year | 4,40,000                                  | 55                               |   |                                  |
|       | Allotment of Bonus Shares    | 13,20,000                                 | -                                |   |                                  |
|       | At the end of the year       | 17,60,000                                 | 55.00                            | 17,60,000                               | 55.00                            |
| 2.    | Mrs. Shilpaben P. Patel      |   |                                  |   |                                  |
|       | At the beginning of the year | 1,60,000                                  | 20                               |   |                                  |
|       | Allotment of Bonus Shares    | 4,80,000                                  | -                                |   |                                  |
|       | At the end of the year       | 6,40,000                                  | 20                               | 6,40,000                                | 20                               |

**(iv) Shareholding Pattern of top 10 Shareholders (Other than Directors, Promoters, and Holders of GDRs & ADRs):**

| Sr. No. | Name of Shareholder | Shareholding at the beginning of the year 01-04-2015 |                                  | Changes in Shareholding (No. of Shares) |          | Cumulative Shareholding at the end of the year 31-03-2016 |                                  |
|---------|---------------------|--|----------------------------------|---|----------|---|----------------------------------|
|         |                     | No. of Shares  | % of total shares of the Company | Increase                                | Decrease | No. of Shares   | % of total shares of the Company |
| 1.      | Naginbhai K. Patel  | -  | -                                | 100                                     |          | 100   | 0.003                            |
| 2.      | Jalpaben N. Patel   | -  | -                                | 100                                     |          | 100   | 0.003                            |
| 3.      | Sandip N. Patel     | -  | -                                | 100                                     |          | 100   | 0.003                            |
| 4.      | Khusboo A. Patel    | -  | -                                | 100                                     |          | 100   | 0.003                            |

**(v) Shareholding of Directors & Key Managerial Personnel**

| Sr No | Name of the Shareholders     | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|-------|------------------------------|---|----------------------------------|---|----------------------------------|
|       |                              | No of Shares                              | % of Total Shares of the Company | No of Shares                            | % of total Shares of the Company |
| 1     | Mr.Prahlad S. Patel          |   |                                  |   |                                  |
|       | At the beginning of the year | 4,40,000                                  | 55                               |   |                                  |



|    |                              |           |       |           |       |
|----|------------------------------|-----------|-------|-----------|-------|
|    | Allotment of Bonus Shares    | 13,20,000 | -     |           |       |
|    | At the end of the year       | 17,60,000 | 55.00 | 17,60,000 | 55.00 |
| 2. | Mrs. Shilpaben P. Patel      |           |       |           |       |
|    | At the beginning of the year | 1,60,000  | 20    |           |       |
|    | Allotment of Bonus Shares    | 4,80,000  | -     |           |       |
|    | At the end of the year       | 6,40,000  | 20    | 6,40,000  | 20    |

## V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

|   | Secures Loans<br>excluding<br>deposits | Unsecured<br>Loans | Deposits | Total<br>Indebtedness |
|---|--|--------------------|----------|-----------------------|
| Indebtness at the beginning of the financial year |  |                    |          |                       |
| Principal Amount                                  | 33,32,05,917                           | -                  | -        | 33,32,05,917          |
| Interest due but not paid                         | -                                      | 8,69,911           | -        | 8,69,911              |
| Interest accrued but not due                      | -                                      | -                  | -        | -                     |
| Total (i+ii+iii)                                  | 33,32,05,917                           | 8,69,911           | -        | 33,40,75,828          |
| Change in Indebtedness during the financial year  |  |                    |          |                       |
| Additions   | 12,91,36,804                           | -                  | -        | 12,91,36,804          |
| Reduction   | 98,61,564                              | 8,69,911           | -        | 1,07,31,475           |
| Net Change  | 11,92,75,240                           | -8,69,911          | -        | 11,84,05,329          |
| Indebtedness at the end of the Financial Year     |  |                    |          |                       |
| Principal Amount                                  | 45,24,81,158                           | -                  | -        | 45,24,81,158          |
| Interest due but not paid                         | -                                      | -                  | -        | -                     |
| Interest accrued but not due                      | -                                      | -                  | -        | -                     |
| Total (i+ii+iii)                                  | 45,24,81,158                           | -                  | -        | 45,24,81,158          |

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A Remuneration to Managing Director, Whole Time Director and/ or Manager

| Sr No | Particulars of Remuneration   | Mr. Prahlad S. Patel<br>(Managing Director) | Mrs. Shilpaben P. Patel<br>(Whole-time Director) | Ms. Pooja P. Patel<br>(Executive Director) | Total       |
|-------|---|---|--|--|-------------|
| 1     | Gross Salary  |   |  |  |             |
|       | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 | 1,94,00,000                                 | 85,00,000  | 15,00,000                                  | 2,94,00,000 |
|       | (b) Value of perquisites U/s 17(2) of the Income Tax Act, 1961                      | Nil   | Nil  | Nil  | Nil         |
|       | (c) Profits in lieu of salary U/s 17(3) of the Income Tax Act, 1961                 | Nil   | Nil  | Nil  | Nil         |

|   |                                       |             |           |           |             |
|---|---------------------------------------|-------------|-----------|-----------|-------------|
| 2 | Stock Option                          | Nil         | Nil       | Nil       | Nil         |
| 3 | Sweat Equity                          | Nil         | Nil       | Nil       | Nil         |
| 4 | Commission                            |             |           |           |             |
|   | As % of profit(1% of total revenue)   | Nil         | Nil       | Nil       | Nil         |
|   | Others (Specify)                      | Nil         | Nil       | Nil       | Nil         |
| 5 | Others, please specify                |             |           | Nil       |             |
|   | NPS, PF, Gratuity and Super Annuation | Nil         | Nil       | Nil       | Nil         |
|   | Total (A)                             | 1,94,00,000 | 85,00,000 | 15,00,000 | 2,94,00,000 |

**B. Remuneration to other Directors:**

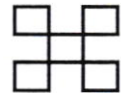
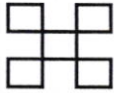
| S. No. | Particulars of Remuneration                 | Name of Independent Directors |                    |                        | Total         |
|--------|---|-------------------------------|--------------------|------------------------|---------------|
|        |   | Mr. Sandeep H. Shah           | Mr. Chirag N. Shah | Mr. Vasishtha P. Patel |               |
| 1.     | <b>Independent Directors</b>                |                               |                    |                        |               |
|        | Fees for attending board Committee meetings | 15,000                        | -                  | 15,000                 | 30,000        |
|        | Commission                                  | -                             | -                  | -                      | -             |
|        | Other, Please specify                       | -                             | -                  | -                      | -             |
|        | <b>Total (1)</b>                            | <b>15,000</b>                 | <b>-</b>           | <b>15,000</b>          | <b>30,000</b> |
| 2.     | <b>Other Non-executive Directors</b>        |                               |                    |                        |               |
|        | Fees for attending board Committee meetings | -                             | -                  | -                      | -             |
|        | Commission                                  | -                             | -                  | -                      | -             |
|        | Other, Please specify                       | -                             | -                  | -                      | -             |
|        | <b>Total (2)</b>                            | <b>-</b>                      | <b>-</b>           | <b>-</b>               | <b>-</b>      |
|        | <b>Total (1)+(2)</b>                        | <b>15,000</b>                 | <b>-</b>           | <b>15,000</b>          | <b>30,000</b> |
|        | <b>Total Managerial Remuneration</b>        | <b>-</b>                      | <b>-</b>           | <b>-</b>               | <b>-</b>      |
|        | <b>Overall ceiling as per the Act</b>       | <b>-</b>                      | <b>-</b>           | <b>-</b>               | <b>-</b>      |

**C REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD : NIL**

**VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES : NIL**

| Type                               | Section of the Companies Act | Brief Description | Details of Penalty/Punishment/Compounding Fees Imposed | Authority(RD/NCLT/Court) | Appeal made if any (give details) |
|------------------------------------|------------------------------|-------------------|--|--------------------------|-----------------------------------|
| <b>A Company</b>                   |                              | Penalty           | NIL  |                          |                                   |
| Punishment                         |                              | Compounding       |  |                          |                                   |
| <b>B Directors</b>                 |                              | Penalty           |  |                          |                                   |
| Punishment                         |                              | Compounding       |  |                          |                                   |
| <b>C Other Officers in Default</b> |                              | Penalty           |  |                          |                                   |
| Punishment                         |                              | Compounding       |  |                          |                                   |





## **PSP PROJECTS LIMITED**

(Formerly Known as PSP Projects Pvt Ltd)

PSP House, Opp. Celesta Courtyard,  
Opp. Lane of Vikramnagar Colony,  
Iscon Ambli Road,  
Ahmedabad - 380058

### **STATUTORY AUDIT REPORT**

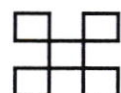
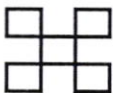
**ACCOUNTING YEAR : 2015-2016**

--- : AUDITORS : ---

### **PRAKASH B.SHETH & CO.**

**CHARTERED ACCOUNTANTS**  
212/213, PRATIBHA I, B/H SAKAR I,  
OPP. GANDHIGRAM RLY. STATION,  
NAVRANGPURA, AHMEDABAD.

PH. NO. 26583021



## ***Independent Auditor's Report***

To the Members of  
PSP PROJECTS LIMITED

### **Report on the Financial Statements**

1. We have audited the accompanying Standalone financial statements of PSP Projects Limited ("the Company") formerly known as PSP Projects Pvt. Ltd., which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management Responsibility for the Financial Statements**

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance 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 Rules 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.

### **Auditor's Responsibility**

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

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

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

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the





reasonableness of the accounting estimates made by Company's director, as well as evaluating the overall presentation of the financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

## **Opinion**

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the company as at 31<sup>st</sup> March, 2016, and its profit and cash flows for the year ended on that date.

## **Report on other legal and regulatory Requirements**

9. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A statement on the matters specified in paragraphs 3 and 4 of the Order.

10. As required by section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016, from being appointed as a director in terms of section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 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 does not have any pending litigations which would impact its financial position.



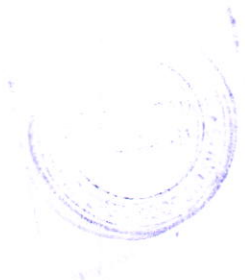
- ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

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

*PB Sheth*

**Prakash B.Sheth  
(Proprietor)  
Membership No. : 036831**

**Place : Ahmedabad  
Date : 3<sup>rd</sup> September, 2016**





## **ANNEXURE A TO INDEPENDENT AUDITORS' REPORT**

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of PSP Projects Limited on the standalone financial statements for the year ended March 31, 2016.

### ***Referred to in our report of even date***

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
  
(b) According to the information and explanation given to us, the Fixed Assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.  
  
(c) According to the information and explanations given by the management the title deeds of land included in fixed assets and having gross book value of Rs. 18,81,52,500 are mortgaged with the ICICI Bank Ltd. As per confirmation from the bank and the information provided to us by the management, the title deeds are held in the name of the Company.
- ii. As explained to us, inventories have been physically verified at reasonable intervals by the management during the year. No material discrepancies were noticed during such verification.
- iii. According to the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firm or other parties covered in the register maintained under section 189 of the Companies Act.  
  
As the company has not granted any loans the sub clause (a), (b) and (c) are not applicable to the company.
- iv. In our opinion, and according to the information and explanation given to us the company has not given any loans, or provided any guarantees or securities or made investments which require compliance in terms of the provisions contained in the section 185 or section 186 of the Companies Act, 2013.
- v. In our opinion, and according to the information and explanation given to us the company has not accepted deposits as per the directives issued by the reserve bank of India under the provision of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3 (V) of the order is not applicable to the company.
- vi. We have broadly reviewed the books of accounts maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records u/s 148(1) of the Companies Act 2013, related to Infrastructure projects of the company, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues in respect of sales tax including value added tax, provident fund, employees' state insurance, income tax, service tax,



duty of customs, duty of excise, cess and other material statutory dues, as applicable, though there has been a slight delay in few cases, with the appropriate authorities. Further, No undisputed amount payable in respect thereof were outstanding at the yearend for the period of more than six month from the date they became payable.

(b) According to the information and explanations given to us and the records of the company examined by us, dues in respect of income tax and service tax as at 31<sup>st</sup> March, 2016, which have been not been deposited on account of disputes pending is as under:

| 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        | 17,44,626/- | 2008-09                        | Appeal is filed in tribunal & unconditional stay has been in receipt & matter pending for final PH. |
| Central Board of Excise & Customs | Service Tax        | 97,38,603/- | 2008-09                        | Appeal is filed in tribunal & unconditional stay has been in receipt & matter pending for final PH. |

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government as at the balance sheet date. The company did not have any outstanding dues to debenture holders during the year.
- ix. According to the records of the Company examined by us and the information and explanation given to us, the term loans were applied for the purposes for which loans were obtained. The company has not raised any monies by way of initial public offer or further public offer (including debt instruments).
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. According to the records of the Company examined by us and the information and explanation given to us, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.





- xii. As the company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- xiii. According to the records of the Company examined by us and the information and explanation given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. According to the records of the Company examined by us and the information and explanation given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. According to the records of the Company examined by us and the information and explanation given to us, the Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. According to the records of the Company examined by us and the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

**For, Prakash B Sheth & CO**  
**Chartered Accountants**  
**FRN: 108069W**

*Prakash B. Sheth*

**(Prakash B. Sheth)**  
**Proprietor**  
**Membership No.: 36831**

**Place : Ahmedabad**  
**Date : 3<sup>rd</sup> September, 2016**



## **ANNEXURE B TO INDEPENDENT AUDITORS' REPORT**

Referred to in paragraph 10 (f) of the Independent Auditors' Report of even date to the members of PSP Projects Limited on the standalone financial statements for the year ended 31st March, 2016

### **Report on the internal Financial controls under clause (i) of Sub-section 3 of Section 143 of the Act**

1. We have audited the internal financial controls over financial reporting of PSP Projects Limited ("the Company") as of 31st March, 2016 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**

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

#### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.





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

### **Meaning of internal Financial controls over Financial Reporting**

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

### **Inherent Limitations of internal Financial controls over Financial Reporting**

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

### **Opinion**

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, 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.

**Place : Ahmedabad**  
**Date : 3<sup>rd</sup> September, 2016**



**For, Prakash B Sheth & CO**  
**Chartered Accountants**  
**FRN: 108069W**

**(Prakash B. Sheth)**  
**Proprietor**  
**Membership No.: 36831**

PSP Projects Limited  
(Formerly Known as PSP Projects Pvt Ltd)  
Balance Sheet as at 31st March 2016

Amt. in Rupees

|           | Particulars   | Note No. | As At 31st March 2016 | As At 31st March 2015 |
|-----------|---|----------|-----------------------|-----------------------|
| <b>I</b>  | <b>EQUITY AND LIABILITIES</b>   |          |                       |                       |
| <b>1</b>  | <b>Shareholders' funds</b>  |          |                       |                       |
|           | Share capital   | 3        | 3,20,00,000           | 80,00,000             |
|           | Reserves and surplus  | 4        | 63,10,62,476          | 46,13,52,485          |
|           |   |          | 66,30,62,476          | 46,93,52,485          |
| <b>2</b>  | <b>Non-current liabilities</b>  |          |                       |                       |
|           | Long term borrowings  | 5        | 1,04,11,071           | 40,76,335             |
|           | Long term provisions  | 6        | 62,95,680             | 62,68,009             |
|           |   |          | 1,67,06,751           | 1,03,44,344           |
| <b>3</b>  | <b>Current liabilities</b>  |          |                       |                       |
|           | Short term borrowings   | 7        | 43,31,68,132          | 32,51,99,239          |
|           | Trade payables  | 8        | -                     | -                     |
|           | Total outstanding dues of micro enterprises and small enterprises         |          | -                     | -                     |
|           | Total outstanding dues of creditors other than micro and small enterprise |          | 69,41,03,234          | 63,12,62,982          |
|           | Other current liabilities   | 9        | 49,47,02,672          | 51,79,75,846          |
|           | Short term provisions   | 10       | 3,39,79,773           | 2,01,84,646           |
|           |   |          | 1,65,59,53,811        | 1,49,46,22,713        |
|           | <b>Total</b>  |          | <b>2,33,57,23,038</b> | <b>1,97,43,19,542</b> |
| <b>II</b> | <b>ASSETS</b>   |          |                       |                       |
| <b>1</b>  | <b>Non current assets</b>   |          |                       |                       |
|           | <i>Fixed assets:</i>  |          |                       |                       |
|           | (a) Tangible assets   | 11       | 51,91,16,002          | 33,18,41,940          |
|           | (b) Intangible assets   | 11       | 30,72,901             | 3,09,668              |
|           | (c) Capital work-in-progress  | 11       | -                     | 23,75,375             |
|           |   |          | 52,21,88,903          | 33,45,26,983          |
|           | Non current investments   | 12       | 4,98,33,079           | 82,71,584             |
|           | Deferred tax assets (net)   | 13       | 87,47,376             | 49,25,226             |
|           | Long term loans and advances  | 14       | 4,73,03,354           | 4,00,63,372           |
|           | Other non-current assets  | 15       | 7,50,52,520           | 8,91,88,854           |
|           |   |          | 70,31,25,232          | 47,69,76,019          |
| <b>2</b>  | <b>Current assets</b>   |          |                       |                       |
|           | Current investments   | 16       | 12,98,16,316          | 11,90,19,507          |
|           | Inventories   | 17       | 4,03,93,609           | 4,21,03,469           |
|           | Trade receivables   | 18       | 15,22,97,716          | 34,84,75,399          |
|           | Cash and bank balances  | 19       | 1,06,38,20,415        | 84,81,68,758          |
|           | Short term loans and advances   | 20       | 19,44,45,820          | 9,90,58,772           |
|           | Other current assets  | 21       | 5,18,23,930           | 4,05,17,618           |
|           |   |          | 1,63,25,97,806        | 1,49,73,43,523        |
|           | <b>Total</b>  |          | <b>2,33,57,23,038</b> | <b>1,97,43,19,542</b> |

Significant Accounting Policies and Notes to Accounts

1 to 37

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 2016



Minakshi Tak  
Company Secretary



For and on behalf of Board

FOR, PSP PROJECTS LTD.

Pranadbhai S. Patel  
Managing Director  
DIN : 00037633

Shilpaben P. Patel  
Whole Time Director  
DIN : 02261534

Place : Ahmedabad  
DATE : 3rd September 2016



**PSP Projects Limited**  
(Formerly Known as PSP Projects Pvt Ltd)  
**Statement of Profit and Loss for the year ended 31st March 2016**

|      |   |          |                                       | Amt. in Rupees                        |
|------|---|----------|---------------------------------------|---------------------------------------|
|      | Particulars   | Note No. | For the year ended on 31st March 2016 | For the year ended on 31st March 2015 |
| I    | Revenue from operations   | 23       | 4,58,05,27,604                        | 2,80,50,69,295                        |
|      | Less: Excise Duty   |          | 7,62,008                              | 4,49,652                              |
|      |   |          | 4,57,97,65,596                        | 2,80,46,19,643                        |
| II   | Other income  | 24       | 10,26,70,168                          | 6,43,19,638                           |
| III  | <b>Total Revenue (I+II)</b>   |          | <b>4,68,24,35,764</b>                 | <b>2,86,89,39,281</b>                 |
| IV   | <b>Expenses</b>   |          |                                       |                                       |
|      | Cost of materials consumed  | 25       | 1,90,02,32,474                        | 1,33,32,79,814                        |
|      | Changes in inventories of finished goods, Work in Progress and Stock in Trade | 26       | 16,94,522                             | (1,69,17,650)                         |
|      | Subcontracting Expenses   |          | 68,31,60,305                          | 43,50,36,241                          |
|      | Construction Expenses   | 27       | 1,30,67,63,019                        | 49,93,20,853                          |
|      | Employee benefits expenses  | 28       | 13,98,29,148                          | 24,31,19,344                          |
|      | Finance cost  | 29       | 3,07,08,866                           | 2,39,22,307                           |
|      | Depreciation and amortization expenses  | 11       | 7,06,25,878                           | 5,16,69,286                           |
|      | Other expenses  | 30       | 15,54,00,577                          | 9,17,45,030                           |
|      | <b>Total expenses</b>   |          | <b>4,28,84,14,789</b>                 | <b>2,66,11,75,225</b>                 |
| V    | Profit before exceptional and extraordinary items and tax (III-IV)            |          | 39,40,20,975                          | 20,77,64,056                          |
| VI   | Exceptional items   |          |                                       |                                       |
| VII  | Profit before extraordinary items and tax (V-VI)                              |          | 39,40,20,975                          | 20,77,64,056                          |
| VIII | Profit before tax (VII)   |          | 39,40,20,975                          | 20,77,64,056                          |
| IX   | Tax expenses  |          |                                       |                                       |
|      | Current tax   |          | 14,58,43,882                          | 7,25,30,387                           |
|      | Deferred tax  |          | (38,22,150)                           | (35,38,897)                           |
| X    | Profit (Loss) for the period from continuing operations                       |          | 25,19,99,243                          | 13,87,72,566                          |
|      | Tax Adjustment of Earlier Year  |          | 6,92,053                              | 1,23,755                              |
|      | Profit (Loss) after Tax Adjustment  |          | 25,13,07,190                          | 13,86,48,811                          |
| XI   | Profit (Loss) for the period (X)  |          | 25,13,07,190                          | 13,86,48,811                          |
| XII  | Earning per equity share  |          | 78.53                                 | 43.33                                 |
|      | Basic and diluted   |          |                                       |                                       |

Significant Accounting Policies and Note 1 to 37  
to Accounts

As per our Report of even date attached

For and on behalf of Board

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

*Prakash B. Sheth*

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



*Minakshi Tak*  
**Minakshi Tak**  
Company Secretary

**FOR, PSP PROJECTS LTD.**

*Prahladhai S. Patel*  
**Prahladhai S. Patel**  
Managing Director  
DIN : 00037633

*S. P. Patel*  
**Shilpaben P. Patel**  
Whole Time Director  
DIN : 02261534

Place : Ahmedabad  
DATE : 3rd September 2016

Place : Ahmedabad  
DATE : 3rd September 2016



PSP Projects Limited  
(Formerly Known as PSP Projects Pvt Ltd)  
Cash Flow Statement for the year ended on 31st March 2016

Amt. in Rupees

| Particulars   | For the year ended on<br>31st March 2016 |                       | For the year ended on<br>31st March 2015 |                       |
|---|--|-----------------------|--|-----------------------|
|   | (In Rupees)                              | (In Rupees)           | (In Rupees)                              | (In Rupees)           |
| <b>1. CASH FLOW FROM OPERATING ACTIVITIES :</b>                                     |  |                       |  |                       |
| Net Profit before Taxation  |  | 39,40,20,975          |  | 20,77,64,056          |
| <b>Add:</b>   |  |                       |  |                       |
| Depreciation  | 7,06,25,878                              |                       | 5,16,69,286                              |                       |
| Bad Debts   | 20,76,681                                |                       | -  |                       |
| Interest on Bank Borrowing  | 1,68,29,548                              |                       | 1,30,59,836                              |                       |
| Loss From Partnership Firm  | 9,23,055                                 |                       |  |                       |
| Adjustments to the Carrying Amount of investments                                   | 34,77,896                                |                       |  |                       |
| Provision for Gratuity net of Payments  | 27,671                                   | 9,39,60,729           | 62,68,009                                | 7,09,97,131           |
| <b>less:</b>  |  |                       |  |                       |
| Profit on sale of fixed assets  | (2,12,695)                               |                       | (15,244)                                 |                       |
| Dividend income   | (3,19,009)                               |                       | (3,80,813)                               |                       |
| Interest income   | (9,41,59,826)                            | (9,46,91,530)         | (6,10,77,446)                            | (6,14,73,503)         |
| <b>Operating profit before working capital changes</b>                              |  | <b>39,32,90,174</b>   |  | <b>21,72,87,684</b>   |
| <b>ADD/LESS Changes for working capital</b>   |  |                       |  |                       |
| Increase/(Decrease) in Trade Payables   | 6,28,40,252                              |                       | 23,19,90,878                             |                       |
| (Increase)/Decrease in Inventories  | 17,09,860                                |                       | (2,64,56,704)                            |                       |
| (Increase)/Decrease in Trade Receivables  | 19,41,01,004                             |                       | (21,60,06,584)                           |                       |
| (Increase)/Decrease in other current assets   | (1,13,06,313)                            |                       | (1,34,39,776)                            |                       |
| (Increase)/Decrease in other non current assets                                     | 1,41,36,334                              |                       | (5,47,74,934)                            |                       |
| Increase/(Decrease) in Other Current Liabilities                                    | (2,32,73,174)                            |                       | 17,91,74,774                             |                       |
| (Increase)/Decrease in Long Term loans & advances                                   | (72,39,982)                              |                       | (27,54,053)                              |                       |
| (Increase)/Decrease in Short Term loans & advances                                  | (9,53,87,048)                            | 13,55,80,933          | 4,99,45,022                              | 14,76,78,621          |
| <b>Less: Adjustment for Taxes:</b>  |  |                       |  |                       |
| Direct Taxes paid   | (11,82,16,211)                           |                       | (7,63,43,030)                            |                       |
| Wealth Tax paid   | (1,25,297)                               |                       | (1,19,207)                               |                       |
| Income Tax Refund   | -  | (11,83,41,508)        | 99,94,635                                | (6,64,67,602)         |
| <b>Cash generated from operation (A)</b>  |  | <b>41,05,29,599</b>   |  | <b>29,84,98,703</b>   |
| <b>2. CASH FLOW FROM INVESTING ACTIVITIES :</b>                                     |  |                       |  |                       |
| Interest income   | 9,41,59,826                              |                       | 6,10,77,445                              |                       |
| Increase in Current Investments   | (1,42,74,704)                            |                       | (3,63,21,901)                            |                       |
| Increase in Non Current Investments   | (4,24,84,550)                            |                       | (2,69,834)                               |                       |
| Net Investment in Bank Deposits<br>(Having Original Maturity of more than 3 Months) | (21,25,18,434)                           |                       | (7,90,02,024)                            |                       |
| Sale of fixed assets  | 2,75,000                                 |                       | 19,200                                   |                       |
| Purchase of fixed assets  | (25,83,50,103)                           |                       | (20,12,16,235)                           |                       |
| Dividend income   | 3,19,009                                 | (43,28,73,957)        | 3,80,814                                 | (25,53,32,535)        |
| <b>Net cash flow from Investing Activities (B)</b>                                  |  | <b>(43,28,73,957)</b> |  | <b>(25,53,32,535)</b> |
| <b>3 CASH FLOW FROM FINANCING ACTIVITIES :</b>                                      |  |                       |  |                       |
| Repayment of Long Term Borrowings   | -  |                       | (16,59,006)                              |                       |
| Proceeds From Long Term Borrowings  | 63,34,736                                |                       | -  |                       |
| Proceeds from Short Term Borrowings   | 10,79,68,892                             |                       | 7,98,68,746                              |                       |
| Interest on Bank Borrowing  | (1,68,29,548)                            |                       | (1,30,59,836)                            |                       |
| Dividend paid   | (6,00,00,000)                            |                       | (2,00,00,000)                            |                       |
| Dividend Distribution Tax paid  | (1,19,96,499)                            | 2,54,77,581           | (35,18,967)                              | 4,16,30,937           |
| <b>Net cash flow from financing Activities (C)</b>                                  |  | <b>2,54,77,581</b>    |  | <b>4,16,30,937</b>    |
| <b>Net increase ( decrease ) in Cash and Cash Equivalents (A+B+C)</b>               |  | <b>31,33,223</b>      |  | <b>8,47,97,106</b>    |
| Opening Cash and Cash equivalents   |  | 20,97,53,709          |  | 12,49,56,603          |
| Closing Cash and Cash equivalents (Refer Note No.19)                                |  | <b>21,28,86,932</b>   |  | <b>20,97,53,709</b>   |

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 2016



Minakshi Tak  
Company Secretary

For and on behalf of Board  
FOR, PSP PROJECTS LTD.

Prahladbhai S. Patel  
Managing Director  
DIN : 00037633

Shilpaben P. Patel  
Whole Time Director  
DIN : 02261534

Place : Ahmedabad  
DATE : 3rd September 2016





## **PSP PROJECTS LIMITED**

Formerly Known as PSP PROJECTS PVT. LTD.

### **STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES :**

#### **1. Corporate Information:**

PSP Projects Pvt Ltd is converted in to Limited Company from 10<sup>th</sup> July, 2015 as per ROC letter dated 10<sup>th</sup> July, 2015. PSP Projects Ltd. is a 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**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis, Pursuant to section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) of Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

"The Ministry of Corporate Affairs (MCA) has notified the Companies (Accounting Standards) Amendment Rules, 2016 vide its notification dated 30 March 2016. The said notification read with Rule 3(2) of the Companies (Accounting Standards) Rules, 2006 is applicable to accounting period commencing on or after the date of notification i.e. 1 April 2016"

All the assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle to be 12 months for the purpose of current – non current classification of assets and liabilities.

##### **2.2 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.



### **2.3 Fixed assets**

All 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.

### **2.4 Depreciation and amortization**

Depreciation on assets has been provided on the written down value method based on the useful lives prescribed in Schedule II to the Companies Act 2013. In respect of addition and sales of assets during the year, depreciation is provided on pro rata basis. The Company has kept the residual value @5% of original cost.

Intangible assets are amortized over a period of six years.

### **2.5 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.

### **2.6 Inventories**

Raw Materials and Spares:

Construction materials, stores and spares, tools and consumable are valued at lower of cost or net realizable value, on the basis of weighted average method after providing for obsolescence and other losses, where considered necessary. Cost includes cost of purchase and other expenses incurred in bringing inventory to their respective present location and condition.

Work in Progress:

Inventory work-in-progress represents cost incurred directly in respect of construction activity and indirect construction cost to the extent to which the expenditure is related to the construction or incidental thereto is valued at lower of cost or net realizable value.

### **2.7 Investments**

- a) Long-term investments (excluding investment in properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.
- b) 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.





## **2.8 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:

### **Income from Service:**

Running Account Bills for work completed are recognized on percentage of completion method based on completion of physical proportion of the contract work. Income on account of claims and extra item work are recognized to the extent Company expects reasonable certainty about receipts or acceptance from the client.

Determination of revenues under the percentage of completion method necessarily involves making estimates, some of which are of a technical nature, concerning, where relevant, the percentages of completion, costs to completion, the expected revenues from the project or activity and the foreseeable losses to completion. Estimates of project income, as well as project costs, are reviewed periodically. The effect of changes, if any, to estimates are recognized in the financial statements for the period in which such changes are determined. Losses, if any, are fully provided for immediately.

### **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.

### **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.

### **Dividend:**

Dividend income is recognized when the company's right to receive the dividend is established by the reporting date.

## **2.9 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.

The Company's liability towards gratuity is determined on the basis of actuarial valuation done by an independent actuary, taking effect of actuarial gains and losses.



## 2.10 Income Taxes:

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.

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 to the extent 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.

## 2.11 Earning per Share:

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of Equity Shares outstanding during the period.

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

## 2.12 Provisions, Contingent liabilities And Contingent Assets:

**A provision** is recognised when the company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle obligation and in respect of which a reliable estimate can be made. Provisions are determined based on management estimate required to settle the obligation on reporting date.

**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.





**Contingent assets** are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

### **2.13 Cash and cash equivalents (for purposes of Cash Flow Statement):**

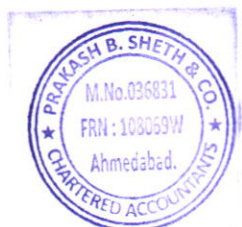
Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### **2.14 Cash flow statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

### **2.15 Leases**

The Company's leasing arrangements are mainly in respect of operating leases for premises and construction equipment. The leasing arrangements are of 11 Months generally and are usually cancellable / renewable by mutual consent on agreed terms. The aggregate lease rents payable are charged as rent in the Statement of Profit and Loss.



**PSP Projects Limited**  
(Formerly Known as PSP Projects Pvt Ltd.)

**NOTES TO FINANCIAL STATEMENTS**

**NOTE : 3**

**SHARE CAPITAL**

**AUTHORISED**

50,00,000 (Previous Year : 10,00,000) Equity Shares of Rs. 10/- Each

As At  
31st March 2016

As at  
31st March 2015

5,00,00,000

1,00,00,000

**ISSUED, SUBSCRIBED & PAID UP**

32,00,000 (Previous Year : 8,00,000) Equity Shares of Rs. 10/- each fully paid up

3,20,00,000

80,00,000

**Total**

3,20,00,000

80,00,000

24,00,000 Equity Shares of Rs. 10 each fully paid up, were issued as bonus shares during the year 2015-16, by utilisation of Rs.2,40,00,000 from surplus, pursuant to a bonus issue approved by shareholders.

**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**

|   | 31/03/2016       |                    | 31/03/2015      |                  |
|---|------------------|--------------------|-----------------|------------------|
|   | No.              | Amount Rs.         | No.             | Amount Rs.       |
| At the beginning of the period          | 8,00,000         | 80,00,000          | 8,00,000        | 80,00,000        |
| Add: New issue during the period        | 24,00,000        | 2,40,00,000        | -               | -                |
| <b>Outstanding at the end of period</b> | <b>32,00,000</b> | <b>3,20,00,000</b> | <b>8,00,000</b> | <b>80,00,000</b> |

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

**Name of the Shareholders**

**Percentage Holding**

**Percentage Holding**

|                                | 31/03/2016 | 31/03/2015 |
|--------------------------------|------------|------------|
| Prahladbhai S Patel            | 55.00%     | 55.00%     |
| Shilpaben P Patel              | 20.00%     | 20.00%     |
| Master Sagar Prahladbhai Patel | 15.00%     | 15.00%     |
| Pooja P Patel                  | 9.99%      | 10.00%     |

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 At<br>31st March 2016 |               | As at<br>31st March 2015 |
|--|---------------|--------------------------|---------------|--------------------------|
| <b>Surplus</b>   |               |                          |               |                          |
| Opening Balance  | 40,71,44,247  |                          | 30,85,03,545  |                          |
| <b>Less:</b>   |               |                          |               |                          |
| Proposed Dividend  | (4,80,00,000) |                          | (1,60,00,000) |                          |
| Provision for Dividend Distribution Tax  | (95,97,199)   |                          | (31,99,067)   |                          |
| Issue of Bonus Shares (24,00,000 * 10 )  | (2,40,00,000) |                          |               |                          |
| Trf. To General Reserve  | (3,94,02,098) |                          | (2,07,64,030) |                          |
| Depreciation charged against retained earnings pursuant to schedule II to the act (net of tax) (Refer Note 11.2) | -             |                          | (45,012)      |                          |
| <b>Add :</b>   |               |                          |               |                          |
| Additions during the year  | 25,13,07,190  | 53,74,52,140             | 13,86,48,811  | 40,71,44,247             |
| <b>General Reserve</b>   |               |                          |               |                          |
| Opening Balance  | 5,42,08,238   |                          | 3,34,44,208   |                          |
| Add : Transferred from Current profit  | 3,94,02,098   | 9,36,10,336              | 2,07,64,030   | 5,42,08,238              |
| <b>Total</b>   |               | <b>63,10,62,476</b>      |               | <b>46,13,52,485</b>      |

**NOTE : 5****LONG TERM BORROWINGS**

|   |  | As At<br>31st March 2016 |  | As at<br>31st March 2015 |
|---|--|--------------------------|--|--------------------------|
| <b>Secured</b>  |  |                          |  |                          |
| <b>Term Loans from Schedule Bank:</b>   |  |                          |  |                          |
| <i>For Plant &amp; Machinery</i>  |  |                          |  |                          |
| The Kalupur Comm. Co. Op. Bank Ltd.   |  | -                        |  | 51,512                   |
| (Secured Agst. Liebherr Tower Crane)  |  |                          |  |                          |
| (The above loan is payable in 60 installments and carries interest @ 13 % p.a.)   |  |                          |  |                          |
| <b>From Others</b>  |  |                          |  |                          |
| AXIS Bank Ltd.  |  | -                        |  | 1,76,261                 |
| (Secured Agst. Bolero)  |  |                          |  |                          |
| (The above loan is payable in 36 installments and carries interest @ 10.75% p.a.) |  |                          |  |                          |
| AXIS Bank Ltd.  |  | -                        |  | 7,11,142                 |
| (Secured Agst. JCB)   |  |                          |  |                          |
| (The above loan is payable in 36 installments and carries interest @ 10.25% p.a.) |  |                          |  |                          |
| AXIS Bank Ltd.  |  | -                        |  | 7,11,142                 |
| (Secured Agst. JCB)   |  |                          |  |                          |
| (The above loan is payable in 36 installments and carries interest @ 10.25% p.a.) |  |                          |  |                          |
| AXIS Bank Ltd.  |  | -                        |  | 7,11,142                 |
| (Secured Agst. JCB)   |  |                          |  |                          |
| (The above loan is payable in 36 installments and carries interest @ 10.25% p.a.) |  |                          |  |                          |
| (The above loan is secured against Hypothecations of Machineries)                 |  |                          |  |                          |
| HDFC Bank Ltd.  |  | 1,38,644                 |  | 17,15,136                |
| (Secured Agst. Volvo)   |  |                          |  |                          |
| (The above loan is payable in 36 installments and carries interest @ 10.07% p.a.) |  |                          |  |                          |
| HDFC Bank Ltd.  |  | 13,74,689                |  | -                        |
| (Secured Agst. JCB )  |  |                          |  |                          |
| (The above loan is payable in 36 installments and carries interest @ 9.20% p.a.)  |  |                          |  |                          |



|   |           |   |
|---|-----------|---|
| HDFC Bank Ltd.<br>(Secured Agst. JCB )<br>(The above loan is payable in 36 installments<br>and carries interest @ 9.20% p.a.)             | 13,74,690 | - |
| HDFC Bank Ltd.<br>(Secured Agst. CHASSIS )<br>(The above loan is payable in 36 installments<br>and carries interest @ 9.40% p.a.)         | 13,59,039 | - |
| HDFC Bank Ltd.<br>(Secured Agst. CHASSIS )<br>(The above loan is payable in 36 installments<br>and carries interest @ 9.40% p.a.)         | 13,59,039 | - |
| HDFC Bank Ltd.<br>(Secured Agst. CHASSIS )<br>(The above loan is payable in 36 installments<br>and carries interest @ 9.40% p.a.)         | 13,59,039 | - |
| HDFC Bank Ltd.<br>(Secured Agst. CHASSIS )<br>(The above loan is payable in 36 installments<br>and carries interest @ 9.40% p.a.)         | 13,59,039 | - |
| HDFC Bank Ltd.<br>(Secured Agst. Transit Mixture )<br>(The above loan is payable in 36 installments<br>and carries interest @ 9.40% p.a.) | 5,21,723  | - |
| HDFC Bank Ltd.<br>(Secured Agst. Transit Mixture )<br>(The above loan is payable in 36 installments<br>and carries interest @ 9.40% p.a.) | 5,21,723  | - |
| HDFC Bank Ltd.<br>(Secured Agst. Transit Mixture )<br>(The above loan is payable in 36 installments<br>and carries interest @ 9.40% p.a.) | 5,21,723  | - |
| HDFC Bank Ltd.<br>(Secured Agst. Transit Mixture )<br>(The above loan is payable in 36 installments<br>and carries interest @ 9.40% p.a.) | 5,21,723  | - |

Total

1,04,11,071

40,76,335

NOTE : 6

#### LONG TERM PROVISIONS

Provision for gratuity

62,95,680

62,68,009

62,95,680

62,68,009





**NOTE : 7****SHORT TERM BORROWINGS****Loans repayable on demand  
Secured**

|   | As At<br>31st March 2016 | As at<br>31st March 2015 |
|---|--------------------------|--------------------------|
| KCCB BD - 001<br>(Secured agst. Book-debts of the co. and<br>Equitable mortgage of residence & office of<br>Directors & Personal Guarantee of Directors.)                     | -                        | 5,27,86,626              |
| KCCB FDOD - 56<br>(Secured agst. Fixed Deposit of the co.)  | 42,28,17,906             | 21,71,80,443             |
| KCCB CC - 009<br>Cash Credit facilities from a scheduled bank<br>(Secured agst. Equitable mortgage of residence<br>office of Directors & Personal Guarantee of<br>Directors.) | 197                      | 4,21,92,946              |
| HDFC FDOD - 11<br>(Secured agst. Fixed Deposit of the co.)  | 1,03,50,029              | 1,21,69,313              |
| <i>Unsecured</i><br><i>Loans and advances from related parties</i><br>From Directors  | -                        | 8,69,911                 |
| <b>Total</b>  | <b>43,31,68,132</b>      | <b>32,51,99,239</b>      |

**NOTE : 8****TRADE PAYABLES**

|                                     | As At<br>31st March 2016 | As at<br>31st March 2015 |
|-------------------------------------|--------------------------|--------------------------|
| Micro, Small and Medium Enterprises | -                        | -                        |
| Others                              | 69,41,03,234             | 63,12,62,982             |
| <b>Total</b>                        | <b>69,41,03,234</b>      | <b>63,12,62,982</b>      |

In terms of Section 22 of the Micro, Small and Medium Enterprises Development Act 2006, the outstanding, interest due thereon, interest paid etc to these enterprises are required to be disclosed. However, these enterprises are required to be registered under the Act. In absence of information about registration of the enterprises under the above Act, the required information could not be furnished



## NOTE : 9

## OTHER CURRENT LIABILITIES

|   | As At<br>31st March 2016 | As at<br>31st March 2015 |
|---|--------------------------|--------------------------|
| <b>Current Maturities of Long Term Debt</b>   |                          |                          |
| The Kalupur Comm. Co. Op. Bank Ltd.<br>(Secured Agst. HYWA Ashok Leyland Crane)<br>(The above loan is payable in 60 installments<br>and carries interest @ 13.50% p.a.) | -                        | 3,90,000                 |
| The Kalupur Comm. Co. Op. Bank Ltd.<br>(Secured Agst. Liebherr Tower Crane)<br>(The above loan is payable in 60 installments<br>and carries interest @ 13 % p.a.)       | 51,512                   | 6,99,996                 |
| AXIS Bank Ltd.<br>(Secured Agst. Bolero)<br>(The above loan is payable in 36 installments<br>and carries interest @ 10.75% p.a.)  | 1,76,261                 | 1,73,551                 |
| AXIS Bank Ltd.<br>(Secured Agst. JCB)<br>(The above loan is payable in 36 installments<br>and carries interest @ 10.25% p.a.)   | 7,11,142                 | 7,03,532                 |
| AXIS Bank Ltd.<br>(Secured Agst. JCB)<br>(The above loan is payable in 36 installments<br>and carries interest @ 10.25% p.a.)   | 7,11,142                 | 7,03,532                 |
| AXIS Bank Ltd.<br>(Secured Agst. JCB)<br>(The above loan is payable in 36 installments<br>and carries interest @ 10.25% p.a.)   | 7,11,142                 | 7,03,532                 |
| HDFC Bank Ltd.<br>(Secured Agst. Volvo)<br>(The above loan is payable in 36 installments<br>and carries interest @ 10.07% p.a.)   | 15,76,492                | 14,26,111                |
| HDFC Bank Ltd.<br>(Secured Agst. JCB )<br>(The above loan is payable in 36 installments<br>and carries interest @ 9.20% p.a.)   | 6,86,860                 | -                        |
| HDFC Bank Ltd.<br>(Secured Agst. JCB )<br>(The above loan is payable in 36 installments<br>and carries interest @ 9.20% p.a.)   | 6,86,860                 | -                        |
| HDFC Bank Ltd.<br>(Secured Agst. CHASSIS )<br>(The above loan is payable in 36 installments<br>and carries interest @ 9.40% p.a.)                                       | 6,48,638                 | -                        |
| HDFC Bank Ltd.<br>(Secured Agst. CHASSIS )<br>(The above loan is payable in 36 installments<br>and carries interest @ 9.40% p.a.)                                       | 6,48,638                 | -                        |
| HDFC Bank Ltd.<br>(Secured Agst. CHASSIS )<br>(The above loan is payable in 36 installments<br>and carries interest @ 9.40% p.a.)                                       | 6,48,638                 | -                        |
| HDFC Bank Ltd.<br>(Secured Agst. CHASSIS )<br>(The above loan is payable in 36 installments<br>and carries interest @ 9.40% p.a.)                                       | 6,48,638                 | -                        |
| HDFC Bank Ltd.<br>(Secured Agst. CHASSIS )<br>(The above loan is payable in 36 installments<br>and carries interest @ 9.40% p.a.)                                       | 6,48,638                 | -                        |
| HDFC Bank Ltd.<br>(Secured Agst. Transit Mixture )<br>(The above loan is payable in 36 installments<br>and carries interest @ 9.40% p.a.)                               | 2,48,998                 | -                        |





|  |          |   |
|--|----------|---|
| HDFC Bank Ltd.   | 2,48,998 | - |
| (Secured Agst. Transit Mixture )   |          |   |
| (The above loan is payable in 36 installments and carries interest @ 9.40% p.a.) |          |   |
| HDFC Bank Ltd.   | 2,48,998 | - |
| (Secured Agst. Transit Mixture )   |          |   |
| (The above loan is payable in 36 installments and carries interest @ 9.40% p.a.) |          |   |
| HDFC Bank Ltd.   | 2,48,998 | - |
| (Secured Agst. Transit Mixture )   |          |   |
| (The above loan is payable in 36 installments and carries interest @ 9.40% p.a.) |          |   |

|                             |                     |                     |
|-----------------------------|---------------------|---------------------|
| Duties & Taxes Payable      | 1,30,86,782         | 4,36,02,341         |
| Advances from Customers     | 18,14,57,969        | 32,18,46,497        |
| Creditors For Capital Goods | 14,17,690           | 12,96,337           |
| Vendor Security Deposit     | 3,94,37,453         | 4,05,18,369         |
| Unpaid Expenses             | 1,17,87,437         | 82,73,705           |
| Mobilization Advance        | 23,86,13,386        | 9,76,38,343         |
| <b>Total</b>                | <b>49,47,02,672</b> | <b>51,79,75,846</b> |

**NOTE : 10**

**SHORT TERM PROVISIONS**

|   | As At<br>31st March 2016 | As at<br>31st March 2015 |
|---|--------------------------|--------------------------|
| Provision for Wealth-Tax                      | -                        | 1,25,297                 |
| Provision for Income-Tax (Net of Advance Tax) | 3,39,79,773              | 56,60,049                |
| Proposed Dividend                             | -                        | 1,20,00,000              |
| Provision for Dividend Distribution Tax       | -                        | 23,99,300                |
| <b>Total</b>                                  | <b>3,39,79,773</b>       | <b>2,01,84,646</b>       |

**NOTE : 12**

**NON-CURRENT INVESTMENTS**

(Valued at cost, fully paid up, unless otherwise specified)

Non Trade Investments :

(A) Investment in Equity Shares :

(i) In Subsidiary Companies in India

PSP Projects & Proactive Constructions Pvt Ltd

37,00,000 (Previous Year : 0) Equity Shares of Rs. 10 Each

3,70,00,000

-

(ii) Others

Kalupur Comm. Co.Op. Bank

84,350 (Previous Year:84,350) Equity Shares of Rs.25 Each

21,08,750

21,08,750

(B) Others

(i) In Partnership Firm (JV)

GDCL And PSP Joint Venture

36,25,945

-

(ii) Others

SSNL Bonds

70,98,384

61,62,834

**Total**

**4,98,33,079**

**82,71,584**

Quoted Investments

-

-

Unquoted Investments

4,98,33,079

82,71,584

Provision for diminution in value

-

-



**PSP Projects Limited**  
(Formerly Known as PSP Projects Pvt Ltd.)

NOTE : 11

**FIXED ASSETS**

|     |                              | GROSS BLOCK (AT COST)   |              |                           | ACCUMULATED DEPRECIATION |                         |             | NET BLOCK                 |                          |                         |
|-----|------------------------------|-------------------------|--------------|---------------------------|--------------------------|-------------------------|-------------|---------------------------|--------------------------|-------------------------|
|     |                              | As At<br>1st April 2015 | Additions    | Disposals/<br>Adjustments | As at<br>31st March 2016 | As At<br>1st April 2015 | Additions   | Disposals/<br>Adjustments | As at<br>31st March 2016 | As at<br>1st March 2015 |
| (A) | Tangible Assets              |                         |              |                           |                          |                         |             |                           |                          |                         |
|     | Building                     | 65,87,954               | 45,74,708    |                           | 1,11,62,662              | 24,67,756               | 3,99,187    |                           | 82,95,719                | 41,20,198               |
|     | Furniture & Fixture          | 52,86,628               | 82,18,718    |                           | 1,35,05,346              | 35,62,385               | 10,21,266   |                           | 89,21,695                | 17,24,243               |
|     | Plant & Machinery            | 44,63,04,101            | 5,03,33,705  |                           | 49,66,37,806             | 13,86,70,815            | 6,18,86,161 |                           | 29,60,80,830             | 30,76,33,286            |
|     | Computer                     | 1,47,30,559             | 18,96,938    |                           | 1,66,27,497              | 1,32,90,022             | 9,14,817    |                           | 24,22,658                | 14,40,537               |
|     | Vehicles*                    | 3,40,24,398             | 46,04,325    | 3,93,027                  | 3,82,35,696              | 1,71,00,722             | 62,23,096   | 3,30,722                  | 1,52,42,600              | 1,69,23,676             |
|     | Land                         | -                       | 18,81,52,500 |                           | 18,81,52,500             |                         |             | -                         | 18,81,52,500             | -                       |
|     | Sub Total                    | 50,69,33,640            | 25,77,80,894 | 3,93,027                  | 76,43,21,506             | 17,50,91,701            | 7,04,44,527 | 3,30,722                  | 24,52,05,505             | 33,18,41,940            |
| (B) | Intangible Assets            |                         |              |                           |                          |                         |             |                           |                          |                         |
|     | Computer Software            | 3,18,033                | 29,44,584    |                           | 32,62,617                | 8,365                   | 1,81,351    | -                         | 1,89,716                 | 3,09,668                |
|     | Sub Total                    | 3,18,033                | 29,44,584    | -                         | 32,62,617                | 8,365                   | 1,81,351    | -                         | 1,89,716                 | 3,09,668                |
| (C) | Capital work-in-progress     |                         |              |                           |                          |                         |             |                           |                          |                         |
|     | Machinery under installation | 23,75,375               | -            | 23,75,375                 | -                        | -                       | -           | -                         | -                        | 23,75,375               |
|     | Sub Total                    | 23,75,375               | -            | 23,75,375                 | -                        | -                       | -           | -                         | -                        | 23,75,375               |
|     | Total                        | 50,96,27,048            | 26,07,25,478 | 27,68,402                 | 76,75,84,123             | 17,51,00,066            | 7,06,25,878 | 3,30,722                  | 24,53,95,221             | 33,45,26,983            |
|     | Previous year                | 30,84,89,934            | 19,88,40,860 | 79,121                    | 50,72,51,673             | 12,34,37,754            | 5,16,69,285 | 6,973                     | 17,51,00,066             | 18,50,52,180            |

**11.1 Vehicles owned in the name of Mr. Prahlabhai 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  
Mahindra XUV GJ-01-RG-7020  
VOLVO XC60 D5 SUMMUM GJ-01-RG-8010



**11.2** Effective from 1st April 2014, the company has charged depreciation based on the remaining useful life of the assets as per requirements of Schedule II of Companies Act, 2013. Consequent to this, depreciation charge for the year ended on 31st March 2015 is higher by 64.15 lacs. In accordance with transitional provisions provided in Note 7(b) of Schedule II of the Act, an amount of Rs 45,012 (net of deferred tax adjustment Rs 23,178) has been adjusted against the opening balance of retained earning in respect of assets wherein the remaining useful life of the asset is Nil.



**NOTE : 13****DEFERRED TAX ASSETS (NET)****Deferred Tax Assets**

Difference between book depreciation and tax depreciation

65,45,389

27,71,552

Tax effect of depreciation charged against opening balance of retained earnings

23,178

23,178

Tax effect of provision for unpaid gratuity debited to the statement of profit &amp; loss

21,78,809

21,30,496

**Deferred Tax Liabilities****Total****87,47,376****49,25,226****NOTE : 14****LONG TERM LOANS AND ADVANCES**

(Unsecured considered good)

Security Deposit

2,89,94,350

2,13,33,559

Advance for Capital Goods

1,83,09,004

1,87,29,813

**Total****4,73,03,354****4,00,63,372****NOTE : 15****OTHER NON CURRENT ASSETS**

Unsecured, considered good

Retention Money Deposit

7,50,52,520

8,91,88,854

**Total****7,50,52,520****8,91,88,854****NOTE : 16****CURRENT INVESTMENTS**

(Carried at lower of cost and quoted / fair value)

**Others**

SSNL Bonds

2,26,000

2,26,000

Sardar Sarovar Narmada Nigam Ltd.- Rajbhavan

2,26,000

2,26,000

Investment in NCD and Bonds

12,87,89,545

11,85,88,425

11.50 ITNL NCD 21/06/2024

2,51,55,000

72,39,542

(25 bonds of Rs 10,00,000 each)

10.15% BAJAJ FINANCE LTD (TIER II) NCD 19/09/2024

-

1,44,94,507

(14 bonds of 10,00,000)

9.80% GSPC NCD SERIES 2

71,60,300

73,49,914

[ 7 (Previous Year : 7 ) bonds of Rs 10,00,000 each ]

8.60% GOI 2028

1,58,40,000

-

[ 1,50,000 (Previous Year : 0 ) bonds of Rs 100 each ]

8.83% GOI 12/12/2041

1,52,85,200

67,70,598

[ 1,40,000 (Previous Year : 60,000 ) bonds of Rs 100 each ]

10.20% DENA BANK PERPETUAL BONDS

99,85,000

-

[ 10 (Previous Year : 0 ) bonds of Rs 10,00,000 each ]

9.48% OBC PERPETUAL BONDS

2,30,50,600

-

[ 23 (Previous Year : 0 ) bonds of Rs 10,00,000 each ]

10.45% GSPC NCD 28/09/2072

1,70,59,200

-

[ 16 (Previous Year : 0 ) bonds of Rs 10,00,000 each ]



|  |           |             |
|--|-----------|-------------|
| 10.90% FAMILY CREDIT LTD (SERIES C OF FY 2013-14)<br>[ 2 (Previous Year : 0 ) bonds of Rs 10,00,000 each ]     | 21,72,000 | -           |
| 8.14% NPCIL BONDS (SERIES XXX-D) 25/03/2029<br>[ 5 (Previous Year : 0 ) bonds of Rs 10,00,000 each ]           | 50,03,845 | -           |
| 8.94% BAJAJ FINANCE LTD NCD (SERIES 141)<br>[ 8 (Previous Year : 0 ) bonds of Rs 10,00,000 each ]              | 80,78,400 | -           |
| 10.75% IDBI BANK LTD OMNI PERPETUAL BOND<br>[ 0 (Previous Year : 5 ) bonds of Rs 10,00,000 each ]              | -         | 54,35,089   |
| 9.51% MAHARASHTRA SDL 11/09/2023<br>[ 0 (Previous Year : 90,000 ) bonds of Rs 100 each ]                       | -         | 2,35,96,768 |
| 11.00% BOI PERPETUAL BONDS<br>[ 0 (Previous Year : 8 ) bonds of Rs 10,00,000 each ]                            | -         | 83,62,323   |
| 9.72% TANGENDCO BONDS (SR. 1/214-15) 16/07/2024<br>[ 0 (Previous Year : 3 ) bonds of Rs 10,00,000 each ]       | -         | 31,70,053   |
| 8.74% RRVUNL (TRANCHE II) 26/03/2027<br>[ 0 (Previous Year : 12 ) Debentures of Rs 10,00,000 each ]            | -         | 1,20,11,494 |
| 11.10% TMFL Perpetual NCD (Series "A" FY 14-15)<br>[ 0 (Previous Year : 10 ) Debentures of Rs 10,00,000 each ] | -         | 1,00,00,000 |
| 11% Bank of India Perpetual Bond<br>[ 0 (Previous Year : 20 ) Debentures of Rs 10,00,000 each ]                | -         | 2,01,58,137 |
| BARODA PIONEER LIQ MF<br>[ 799.87 (Previous Year : 199.78 ) units of Rs 1001.126 each ]                        | 8,00,771  | 2,00,082    |
| 6 years National Saving Certificate  | -         | 5,000       |

|              |                     |                     |
|--------------|---------------------|---------------------|
| <b>Total</b> | <b>12,98,16,316</b> | <b>11,90,19,507</b> |
|--------------|---------------------|---------------------|

**Details of aggregate investments :**

|                                   | Cost Value          | Market Value | Cost Value          | Market Value        |
|-----------------------------------|---------------------|--------------|---------------------|---------------------|
| Quoted Investments                | 13,30,68,212        | 12,95,90,471 | 11,87,88,507        | 11,83,83,437        |
| Unquoted Investments              | 2,26,000            | -            | 2,31,000            | -                   |
| Provision for diminution in value | -                   | -            | -                   | -                   |
|                                   | <b>13,32,94,212</b> |              | <b>11,90,19,507</b> | <b>11,83,83,437</b> |

**NOTE : 17**

**INVENTORIES**

|                  | As At<br>31st March 2016 | As at<br>31st March 2015 |
|------------------|--------------------------|--------------------------|
| Raw Materials    | 1,75,12,080              | 1,75,27,418              |
| Work in Progress | 2,28,81,529              | 2,45,76,051              |
| <b>Total</b>     | <b>4,03,93,609</b>       | <b>4,21,03,469</b>       |

**NOTE : 18**

**TRADE RECEIVABLES**

|                            | As At<br>31st March 2016 | As at<br>31st March 2015 |
|----------------------------|--------------------------|--------------------------|
| Unsecured, considered good |                          |                          |
| More than six months       | 57,00,622                | 7,45,39,968              |
| Others                     | 14,65,97,094             | 27,39,35,431             |
| <b>Total</b>               | <b>15,22,97,716</b>      | <b>34,84,75,399</b>      |





**NOTE : 19****CASH & BANK BALANCES****(Cash and Cash Equivalents)**

Balances with banks  
 - Current Account  
 Cash on hand  
 Fixed Deposit With Bank with maturity within 3 months

As At  
 31st March 2016

As at  
 31st March 2015

12,72,528  
 24,58,655  
 20,91,55,749  
 21,28,86,932

5,15,74,520  
 8,08,561  
 15,73,70,628  
 20,97,53,709

**Other Bank Balance**

Fixed Deposit with bank with maturity between 4 to 12 Months  
 Fixed Deposit - Maturity more than 12 months

68,43,02,820  
 16,66,30,663  
 85,09,33,483

38,52,82,916  
 25,31,32,133  
 63,84,15,049

**Total**

1,06,38,20,415

84,81,68,758

FD pledged as margin money against bank guarantee  
 (with KCCB Rs. 8,78,65,229. With ICICI Rs.1,08,50,655)  
 (Previous Year : with KCCB Rs.7,62,83,476)

9,87,15,884

7,62,83,476

FD pledged against overdraft facility  
 (With HDFC Rs 2,13,74,359. With KCCB Rs. 61,48,60,206)  
 (Previous Year : with HDFC Rs. 2,00,00,000. With KCCB Rs.23,01,91,395)

63,62,34,565

26,09,13,796

Fixed Deposit pledged as security deposit

12,01,38,783

11,82,12,719

With Executive Engineer, Capital Project, Gandhinagar

41,56,105

38,22,000

With Executive Engineer, GHB, Ahmedabad

8,40,34,928

8,27,61,998

With Executive Engineer, Capital Project, Gandhinagar

2,80,11,986

2,80,11,986

With Executive Engineer Abad city (RB) Division

9,23,579

9,23,579

With Executive Engineer Abad city (RB) Division

7,50,000

-

With Executive Engineer, Capital Project, Gandhinagar

-

8,97,719

With Executive Engineer, Capital Project, Gandhinagar

-

17,95,437

With Executive Engineer, Capital Project, Gandhinagar

22,62,185

-

**NOTE : 20****SHORT TERM LOANS AND ADVANCES****(Unsecured Considered Good)**

Advance to Staff  
 Excise Duty Refund Receivable  
 Advances to Suppliers  
 Service Tax Receivable  
 Excise Duty Receivable  
 Works Contract Tax  
 Loans & Advances  
 Retention Money Deposit  
 EMD Deposit  
 Prepaid Expenses

3,43,658  
 4,02,029  
 6,98,45,107  
 2,12,17,152  
 12,69,462  
 9,55,277  
 5,44,200  
 9,46,15,239  
 23,00,000  
 29,53,696

2,24,384  
 34,521  
 4,76,78,857  
 75,85,140  
 24,15,916  
 6,08,141  
 8,16,763  
 3,61,13,543  
 11,50,000  
 24,31,507

**Total**

19,44,45,820

9,90,58,772

**NOTE : 21****OTHER CURRENT ASSETS**

Interest Accrued but not due on Fixed Deposit

As At  
 31st March 2016

As at  
 31st March 2015

5,18,23,930

4,05,17,618

**Total**

5,18,23,930

4,05,17,618

**NOTE : 22****CONTINGENT LIABILITIES & COMMITMENTS****Contingent Liabilities**

Claims against the company not acknowledged as debt

As At  
 31st March 2016

As at  
 31st March 2015

1,14,83,229  
 1,14,83,229

1,33,14,999  
 1,33,14,999

**Total**

**NOTE : 23****REVENUE FROM OPERATIONS**

|  | For the year ended on<br>31st March 2016 | For the year ended on<br>31st March 2015 |
|--|--|--|
| Sale of Products                         | 3,88,62,412                              | 2,22,86,060                              |
| Other Operating Revenue                  | 4,54,16,65,192                           | 2,78,27,83,235                           |
| Less:                                    |  |  |
| Excise Duty                              | 7,62,008                                 | 4,49,652                                 |
| <b>Total</b>                             | <b>4,57,97,65,596</b>                    | <b>2,80,46,19,643</b>                    |
| <b>Sale of Products comprises</b>        |  |  |
| Ready Mix Concrete                       | 3,81,00,404                              | 2,18,36,408                              |
| <b>Other Operating Revenue Comprises</b> |  |  |
| Contract Receipts                        | 4,54,16,65,192                           | 2,78,27,83,235                           |
|  | <b>4,57,97,65,596</b>                    | <b>2,80,46,19,643</b>                    |

**NOTE : 24****OTHER INCOME**

|   | For the year ended on<br>31st March 2016 | For the year ended on<br>31st March 2015 |
|---|--|--|
| Interest Received on Fixed Deposit with Banks | 7,40,61,566                              | 5,27,11,412                              |
| Interest Received from Loans & Advances       | 20,72,868                                | 4,33,339                                 |
| Interest Received on Investment               | 1,56,16,477                              | 56,23,031                                |
| Interest Received on Investment-Exempt        | -  | 32,742                                   |
| Other Interest Income                         | 24,25,278                                | 22,79,256                                |
| Dividend Income                               | 2,53,050                                 | 3,16,313                                 |
| Profit / Loss on sale of assets               | 2,12,695                                 | 15,244                                   |
| Kasar / Discount                              | 1,06,594                                 | 958                                      |
| Discount Received / Kasar-Income              | 37,170                                   | 3,44,142                                 |
| Dividend income from Mutual Fund              | 65,959                                   | 64,501                                   |
| MISC Income                                   | 33,750                                   | -  |
| Bad Debt Recovery                             | 53,00,000                                | -  |
| Staff Mess Income                             | 2,00,922                                 | -  |
| Interest Received on Investment in Associates | 4,63,488                                 | -  |
| Profit on sale of Investment                  | 18,20,351                                | 24,98,700                                |
| <b>Total</b>                                  | <b>10,26,70,168</b>                      | <b>6,43,19,638</b>                       |

**NOTE : 25****COST OF MATERIAL CONSUMED**

|  | For the year ended on<br>31st March 2016 | For the year ended on<br>31st March 2015 |
|--|--|--|
| Opening Stock                            | 1,75,27,418                              | 79,88,364                                |
| Add: Purchases                           | 1,90,02,17,136                           | 1,34,28,18,868                           |
|  | <b>1,91,77,44,554</b>                    | <b>1,35,08,07,232</b>                    |
| Less: Closing Stock                      | 1,75,12,080                              | 1,75,27,418                              |
| <b>Total</b>                             | <b>1,90,02,32,474</b>                    | <b>1,33,32,79,814</b>                    |
| <b>Materials Consumed comprises of :</b> |  |  |
| Steel                                    | 40,60,35,452                             | 40,76,08,252                             |
| Cement                                   | 28,78,09,846                             | 16,84,47,205                             |
| Stone                                    | 23,04,38,545                             | 9,18,51,199                              |
| Bricks                                   | 13,35,39,262                             | 6,70,46,742                              |
| Wood                                     | 7,54,57,426                              | 3,89,77,361                              |
| Aggregate                                | 12,60,18,429                             | 8,81,35,435                              |
| Sand                                     | 12,32,22,211                             | 8,03,76,609                              |
| Sanitary & Plumbing Items                | 22,43,91,018                             | 9,86,93,429                              |
| Others                                   | 29,33,20,285                             | 29,21,43,582                             |
|  | <b>1,90,02,32,474</b>                    | <b>1,33,32,79,814</b>                    |





**NOTE : 26****CHANGES IN INVENTORIES OF FINISHED GOODS,  
WORK-IN PROGRESS AND STOCK IN TRADE****Inventories at the end of the year**

|                  | For the year ended on<br>31st March 2016 | For the year ended on<br>31st March 2015 |
|------------------|--|--|
| Work-in-progress | 2,28,81,529                              | 2,45,76,051                              |
|                  | <u>2,28,81,529</u>                       | <u>2,45,76,051</u>                       |

**Inventories at the beginning of the year**

|                         |                    |                      |
|-------------------------|--------------------|----------------------|
| Work-in-progress        | 2,45,76,051        | 76,58,401            |
|                         | <u>2,45,76,051</u> | <u>76,58,401</u>     |
| Net (Increase)/Decrease | <u>16,94,522</u>   | <u>- 1,69,17,650</u> |

**NOTE : 27****CONSTRUCTION EXPENSES****Direct Expenses related to other Contract  
Receipts**

|                          | For the year ended on<br>31st March 2016 | For the year ended on<br>31st March 2015 |
|--------------------------|--|--|
| Carting Expenses         | 43,78,159                                | 41,78,274                                |
| Electricity Expenses     | 75,95,934                                | 50,78,915                                |
| Labour Expenses          | 1,27,10,44,841                           | 45,89,72,228                             |
| Security Service Charges | 1,30,64,493                              | 75,39,978                                |
| Site Expenses            | 1,06,79,592                              | 2,35,51,458                              |
| <b>Total</b>             | <u><u>1,30,67,63,019</u></u>             | <u><u>49,93,20,853</u></u>               |

**NOTE : 28****EMPLOYEE BENEFITS EXPENSES**

|                                | For the year ended on<br>31st March 2016 | For the year ended on<br>31st March 2015 |
|--------------------------------|--|--|
| Salary                         | 4,10,51,313                              | 4,29,73,865                              |
| Salary Arrears                 | 5,213                                    | 15,772                                   |
| Bonus                          | 95,87,977                                | 48,94,811                                |
| Gratuity Expenses              | 79,594                                   | 62,68,009                                |
| Directors' Remuneration        | 2,94,00,000                              | 2,76,00,000                              |
| Incentive to Director          | -  | 12,95,53,422                             |
| Directors' Sitting Fees        | 34,200                                   | -  |
| Conveyance Allowances          | 61,69,781                                | 22,67,839                                |
| Medical Reimbursement          | 44,14,950                                | 34,86,673                                |
| Uniform Allowances             | 82,57,496                                | 20,41,410                                |
| House Rent Allowances          | 1,89,08,200                              | 1,23,52,203                              |
| Staff Welfare Exp.             | 82,59,944                                | 61,10,466                                |
| Leave Travel Allowances        | 81,22,515                                | 16,82,206                                |
| Contribution to Provident Fund | 17,87,759                                | 5,75,299                                 |
| ESI Contribution               | 8,32,688                                 | 5,12,023                                 |
| Children Education Allowances  | 1,51,284                                 | 53,392                                   |
| Medical Expenses               | 3,89,242                                 | 5,77,793                                 |
| Other Allowances               | 23,76,992                                | 21,54,161                                |
| <b>Total</b>                   | <u><u>13,98,29,148</u></u>               | <u><u>24,31,19,344</u></u>               |



**NOTE : 29****FINANCE COST****Interest on Borrowing :**

Interest on Machinery Loan

6,60,130

10,07,127

Interest on Vehicle Loan

2,80,846

3,96,743

Interest on Bank Borrowing

1,68,29,548

1,30,59,836

Interest on Loan

23,738

9,79,120

**Interest Expenses Others :**

Interest on Excise

1,004

2,213

Interest on Service Tax

76,442

91,773

Interest on WCT

68,406

-

Interest on TDS

329

1,73,149

Interest on VAT

20

29

**Other Borrowing Cost :**

Bank Guarantee Charges

79,46,846

53,36,249

Bank Charges

48,21,557

28,76,068

**Total****3,07,08,866****2,39,22,307****NOTE : 30****OTHER EXPENSES****Manufacturing Expenses:**

Electricity Expenses

52,24,927

12,95,009

Labour Expenses

1,62,69,574

96,33,732

Site Expenses

2,69,40,780

2,12,61,669

**Total****4,84,35,281****3,21,90,410****Administrative Expenses:**

Duties &amp; Taxes

5,84,45,947

2,98,55,011

Penalty

800

32,418

Insurance Expenses

77,44,268

66,60,116

**Repairs & Maintenance**

Repairs &amp; Maintenance - Machinery

11,33,397

7,85,771

Repairs &amp; Maintenance - Office

1,56,000

1,33,099

Repairs &amp; Maintenance - Computer

71,692

74,079

Repairs &amp; Maintenance - Vehicle

20,09,271

16,23,408

26,16,357

Advertisement Exps.

3,45,157

42,700

Business Promotion Exp

1,70,500

-

Sponsorship Fees

1,00,000

5,00,000

Travelling &amp; Conveyance

38,31,032

15,72,385

Donation

2,60,000

7,46,500

Electricity Charges

34,77,267

5,94,627

Office Expenses

6,69,305

6,69,930

Rent Exp.

77,96,075

44,60,523

Legal &amp; Professional Charges

4,17,931

32,63,279

Loss From Partnership Firm

9,23,055

Adjustments to the Carrying Amount of investments

34,77,896

Consultation Charges

5,70,000

39,984

Portfolio Management Fees

9,84,593

12,71,852

Bad Debts

20,76,680

-

ROC Filing Fees

5,12,600

-

Printing &amp; Stationery Charges

17,71,025

11,35,705

Tender Fees

2,20,358

3,39,728

Miscellaneous Expenses

4,98,015

5,73,290

Auditor's Remuneration

1,35,000

1,20,000

Petrol &amp; Diesel - Vehicle

17,70,830

16,44,876

Toll Tax Expenses - Vehicle

26,81,634

13,59,547





|  |           |          |
|--|-----------|----------|
| Road Tax                                 | 6,67,300  | 6,31,030 |
| Subscription Charges                     | 40,685    | 8,532    |
| Opening Ceremony Expenses                | 7,40,850  | -        |
| Corporate Social Responsibility Expenses | 21,25,000 | 4,28,000 |
| Telephone, Postage & Internet Charges    | 11,41,135 | 9,88,229 |

|       |              |       |             |
|-------|--------------|-------|-------------|
| Total | 10,69,65,296 | Total | 5,95,54,619 |
| Total | 15,54,00,576 |       | 9,17,45,030 |

#### Payment to Auditors

|                          |          |          |
|--------------------------|----------|----------|
| Statutory Auditors' Fees | 60,000   | 50,000   |
| Cost Auditors' Fees      | 60,000   | 55,000   |
| For Taxation Matters     | 15,000   | 15,000   |
| Total                    | 1,35,000 | 1,20,000 |

#### NOTE : 31

##### EARNING PER SHARE

|   | For the year ended on<br>31st March 2016 | For the year ended on<br>31st March 2015 |
|---|--|--|
| Profit After tax  | 25,13,07,190                             | 13,86,48,811                             |
| Weighted average number of equity shares in calculating basic EPS | 32,00,000                                | 32,00,000                                |
| Nominal Value of equity share                                     | 10                                       | 10                                       |
| Basic / Diluted / Adjusted Earning Per Share                      | 78.53                                    | 43.33                                    |

#### NOTE : 32

##### VALUE OF IMPORT CALCULATED ON CIF BASIS

|                                     | For the year ended on<br>31st March 2016 | For the year ended on<br>31st March 2015 |
|-------------------------------------|--|--|
| Raw material, components and spares | -  | -  |
| Capital goods                       | 20,97,627                                | -  |
| Total                               | 20,97,627                                | -  |

#### NOTE : 33

##### RELATED PARTY DISCLOSURES

#### I. Name of related parties and related party relationship

##### (a) Related parties where control exists

|               |  |
|---------------|--|
| Subsidiary    | PSP Projects & Proactive Constructions Pvt Ltd |
| Joint Venture | GDCL & PSP Joint Venture – Partnership Firm    |

##### (b) Names of other related parties and nature of relationship

|                                  |  |
|----------------------------------|--|
| Key management personnel ("KMP") | Mr. Prahladbhai S. Patel, Chairman & Managing Director<br>Mrs. Shilpaben P. Patel, Whole Time Director<br>Miss Pooja P. Patel, Director<br>Mr Sagar P. Patel, Director |
|----------------------------------|--|

|  |  |
|--|--|
| Enterprises owned or significantly influenced by KMP | PSP Products Pvt. Ltd.<br>SIM Developers<br>Sprybit Softlabs LLP |
|--|--|



**II. Related Party Transactions**

| Nature of Transactions  | For the year ended on<br>31st March 2016 | For the year ended on<br>31st March 2015 |
|---|--|--|
| <b>Sale of Material</b>   |  |  |
| GDCL & PSP Joint Venture  | 9,75,231                                 | -  |
| PSP Projects & Proactive Constructions Pvt Ltd                  | 3,71,25,173                              | -  |
| <b>Purchase of Material</b>                                     |  |  |
| PSP Products Pvt. Ltd.  | 5,82,66,708                              | 2,66,75,471                              |
| <b>Rendering Services / Financial Income</b>                    |  |  |
| PSP Products Pvt. Ltd.  | -  | 50,000                                   |
| GDCL & PSP Joint Venture  | 10,29,888                                | -  |
| PSP Projects & Proactive Constructions Pvt Ltd                  | 1,18,97,719                              | -  |
| <b>Receiving of Services / Interest Exps.</b>                   |  |  |
| Mr. Prahladbhai S. Patel  | 75,67,000                                | 50,23,172                                |
| <b>Work Bill Receipts including sales</b>                       |  |  |
| SIM Developers  | -  | 1,26,68,484                              |
| Mr. Prahladbhai S. Patel  | 2,54,66,469                              | 1,25,27,691                              |
| <b>Directors Deposits Repaid</b>                                |  |  |
| Mr. Prahladbhai S. Patel  | 8,69,911                                 | 69,25,679                                |
| <b>Outstanding Receivables</b>                                  |  |  |
| GDCL & PSP Joint Venture  | 12,01,395                                | -  |
| Mr. Prahladbhai S. Patel  | 2,69,43,524                              | 53,12,791                                |
| PSP Products Pvt. Ltd.  | 4,15,038                                 | 4,14,538                                 |
| SIM Developers  | -  | 17,35,996                                |
| PSP Projects & Proactive Constructions Pvt Ltd                  | 60,86,468                                | -  |
| <b>Outstanding Payables</b>                                     |  |  |
| PSP Products Pvt. Ltd.  | 95,63,369                                | -  |
| <b>Directors Deposits Outstanding as at the end of the year</b> |  |  |
| Mr. Prahladbhai S. Patel  | -  | 8,69,911                                 |
| <b>Remuneration for the year</b>                                |  |  |
| Mr. Prahladbhai S. Patel  | 1,94,00,000                              | 15,11,53,422                             |
| Mrs. Shilpaben P. Patel   | 85,00,000                                | 60,00,000                                |
| Miss Pooja P. Patel   | 15,00,000                                | 3,22,499                                 |

NOTE : 34

**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.

NOTE : 35

**INTEREST IN JOINT VENTURE**

As per Accounting Standard-27, the interest and transactions in Joint Venture as defined in the Accounting Standard are given below:

Name of the Jointly Controlled entities : GDCL & PSP Joint Venture

The Company's share of the assets, liabilities, income and Expense of the jointly controlled entity are as follows:

|                                  | For the year ended on<br>31st March 2016 | For the year ended on<br>31st March 2015 |
|----------------------------------|--|--|
| Percentage of ownership interest | 49.00%                                   | 0.00%                                    |
| Total Assets                     | 6,07,86,453                              | -  |
| Total Liabilities                | 4,71,18,680                              | -  |
| Total Income                     | 4,84,32,111                              | -  |
| Total Expenditure                | 5,03,15,896                              | -  |





NOTE : 36

#### CORPORATE SOCIAL RESPONSIBILITY

Section 135 of the Companies Act, 2013 requires the Board of Directors to ensure that the Company spends in every financial year at

| Particulars                               | (Amount in Rs.) |              |              |
|---|-----------------|--------------|--------------|
|   | 2012-13         | 2013-14      | 2014-15      |
| Net Profit for the year                   | 18,32,99,440    | 15,11,42,643 | 20,76,40,301 |
| Average Net Profit of last Three Year     |                 |              | 18,06,94,128 |
| Prescribed CSR Expenditure                |                 |              | 36,13,883    |
| (2% of the amount as above)               |                 |              |              |
| Total Amount Spent for the Financial year |                 |              | 21,25,000    |
| Amount unspent for the Year 2015-16       |                 |              | 14,88,883    |

NOTE : 37

The figures of previous year have been regrouped / reclassified, wherever necessary, to conform to the current year's classification

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



Prakash B. Sheth  
Proprietor  
M.No.036831

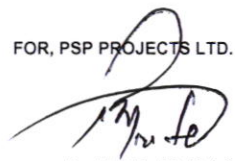
Place : Ahmedabad  
DATE : 3rd September 2016



Minakshi Tak  
Company Secretary



FOR, PSP PROJECTS LTD.



Prahladbhai S. Patel  
Managing Director  
DIN : 00037633



Shilpaben P. Patel  
Whole Time Director  
DIN : 02261534

Place : Ahmedabad  
DATE : 3rd September 2016