PSP PROJECTS & PROACTIVE CONSTRUCTIONS PVT. LTD.

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

STATUTORY AUDIT REPORT

ACCOUNTING YEAR : 2017-18

--- : **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 ON STANDALONE FINANCIAL STATEMENTS

To
The Members of
PSP Projects & Proactive Constructions Private Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone Ind AS financial statements of PSP Projects & Proactive Constructions Private Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (herein after referred to as 'standalone Ind AS financial statements').

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with Companies (Indian Accounting Standard) Rules, 2015, as amended and other accounting policies generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

PRAKASH B. SHETH & CO.
M.No.036831
FRN : 108069W
Ahmedabad.
CHARTERED ACCOUNTANTS

We conducted our audit of the standalone Ind AS financial statements 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including Ind AS, of the state of affairs of the Company as at March 31, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the **Annexure A**, a statement on the matters specified in the paragraph 3 and 4 of the order.

2. As required by Section 143 (3) of the Act, based on our audit we report that:

   (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) the Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in equity dealt with by this Report are in agreement with the books of account;

   (d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

PRAKASH B. SHETH & CO. M.No.036831 FRN : 108069W Ahmedabad. CHARTERED ACCOUNTANTS

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Navrangpura, Ahmedabad - 380009. **P** : 26583021 **M** : 9825048856
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Prakash B. Sheth & Co.
Chartered Accountants

(e) on the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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**; Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

(i) The Company do 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;

(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
Firm Registration No.: 108069W

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

Place: Ahmedabad

Date: May 10, 2018

PRAKASH B. SHETH & CO. M.No.036831 FRN : 108069W Ahmedabad. CHARTERED ACCOUNTANTS

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our report the members of PSP Projects & Proactive Constructions Private Limited 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 once during the period and no material discrepancies were noticed on such verification.

(c) The company does not own immovable properties as disclosed in Note 4 on fixed assets to the Financial Statements; the question of title deeds in the name of the Company does not arise.

ii. As explained to us, inventories have been physically verified at reasonable intervals by the management during the period. In our opinion, the frequency of such verification is reasonable. No material discrepancies were noticed during such verification.

iii. The company has not granted any loans, secured or unsecured to companies, firm, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act.

The company has not granted any loans, the sub clause (a), (b) and (c) are not applicable.

iv. According to the information and explanations given to us and on the basis of examination of the records of the company, the company has not given any loans, guarantees and securities and made investments covered under section 185 and 186 of the Companies Act, 2013.

v. In our opinion, and according to the information and explanations 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. As informed to us and according to the explanations given to us The Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Act, 2013 for any of the products manufactured/ services rendered by the company.

PRAKASH B. SHETH & CO.
M.No.036831
FRN : 108069W
Ahmedabad.
CHARTERED ACCOUNTANTS

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, goods and service 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 period end, 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, there are no disputed dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax as at 31 March, 2018 which have not been deposited with the appropriate authorities on account of any dispute.

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 period.

ix. According to the records of the Company examined by us and the information and explanation given to us, the company has not obtained any term loans during the period hence this clause does not apply.

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 period, nor have we been informed of any such case by the Management.

xi. Section 197 of the Act does not apply to the private limited companies hence question of remuneration has paid in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act does not arise.

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 by the applicable accounting standard.

PRAKASH B. SHETH & CO. M.No.036831 FRN : 108069W Ahmedabad. CHARTERED ACCOUNTANTS

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 period under review. Accordingly, the provisions of Clause 3(xiv) of the Order is 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 to its directors and hence provisions of section 192 of the Companies Act, 2013 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
Firm Registration No. 036831

PRAKASH B. SHETH & CO. M.No.036831 FRN: 108069W Ahmedabad. CHARTERED ACCOUNTANTS

(Prakash B.Sheth)
Proprietor
Membership number: 036831

Place: Ahmedabad

Date: May 10, 2018

ANNEXURE - B

TO INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under "Report on Other Legal and Regulatory Requirements" section of our report the members of PSP Projects & Proactive Constructions Private Limited of even date)

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

We have audited the internal financial controls over financial reporting of PSP Projects & Proactive Constructions Private Limited ('the Company') as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Director of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the 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 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. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

PRAKASH B. SHETH & CO. M.No.036831 FRN : 108069W Ahmedabad. CHARTERED ACCOUNTANTS

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of formation and according to explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Prakash B.Sheth & Co.
Chartered Accountants
Firm Registration No. 036831

PRAKASH B. SHETH & CO. M.No.036831 FRN : 108069W Ahmedabad. CHARTERED ACCOUNTANTS

Place: Ahmedabad

(Prakash B.Sheth)
Proprietor
Membership number: 036831

Date: May 10, 2018

PSP PROJECTS & PROACTIVE CONSTRUCTIONS PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2018

(Rs. in Lakhs)

	Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
	ASSETS				
(1)	**Non-current Assets**				
	(a) Property, Plant and Equipment	3	105.03	132.38	131.44
	(b) Other Intangible Assets	4	0.25	0.32	0.39
	(c) Financial Assets				
	(i) Other Financial Assets	5	516.91	362.50	127.28
	(d) Deferred Tax Asset (Net)	6	95.65	132.66	158.63
	(e) Other Non-current Assets	7	-	-	0.83
	Total Non-current Assets		**717.84**	**627.86**	**418.57**
(2)	**Current Assets**				
	(a) Inventories	8	26.47	56.58	504.49
	(b) Financial Assets				
	(i) Trade Receivables	9	851.52	607.74	978.09
	(ii) Cash and Cash Equivalents	10	2.43	8.52	16.69
	(iii) Bank Balances other than (ii) above	10	454.54	454.64	455.38
	(c) Other Current Assets	7	2.14	41.25	135.21
	(d) Current Tax Assets (Net)	11	79.61	58.10	69.57
	Total Current Assets		**1,416.71**	**1,226.83**	**2,159.43**
	Total Assets		**2,134.55**	**1,854.69**	**2,578.00**
	EQUITY AND LIABILITIES				
(1)	**Equity**				
	(a) Equity Share capital	12	500.00	500.00	500.00
	(b) Other Equity	13	(86.32)	(268.94)	(310.62)
	Total Equity		**413.68**	**231.06**	**189.38**
	LIABILITIES				
(2)	**Current Liabilities**				
	(a) Financial Liabilities				
	(i) Borrowings	14	860.88	724.87	151.49
	(ii) Trade Payables	15	708.51	606.78	1,238.14
	(iii) Other Financial Liabilities	16	3.29	3.53	14.14
	(b) Other Current Liabilities	17	148.19	288.45	984.85
	Total Current Liabilities		**1,720.87**	**1,623.63**	**2,388.62**
	Total Liabilities		**1,720.87**	**1,623.63**	**2,388.62**
	Total Equity and Liabilities		**2,134.55**	**1,854.69**	**2,578.00**

The Notes on Account form Integral part of the Financial Statements 1 to 38 (As per our report of even date)

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

PBSheth

Prakash B. Sheth
Proprietor
Membership No.- 036831
Place : Ahmedabad
Date : May 10, 2018

PRAKASH B. SHETH & CO. ★ CHARTERED ACCOUNTANT ★ M. No. 036831 FRN : 108069W Ahmedabad.

For and on behalf of the Board of Directors

Prahaladbhai S. Patel
Director
(DIN: 00037633)

S.P. Patel

Shilpaben P. Patel
Director
(DIN: 02261534)

Shreya M. Shah

Shreya Shah
Company Secretary
Place : Ahmedabad
Date : May 10, 2018

PSP PROJECTS & PROACTIVE CONSTRUCTIONS PVT. LTD. AHMEDABAD

PSP PROJECTS & PROACTIVE CONSTRUCTIONS PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in Lakhs)

	Particulars	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
I	Revenue From Operations	18	3,491.12	5,167.39
II	Other Income	19	31.67	38.90
III	**Total Income (I+II)**		**3,522.79**	**5,206.29**
IV	**EXPENSES**			
	Cost of Construction Material Consumed	20	1,906.98	2,463.53
	Changes in Inventories of Work-in-Progress	21	-	443.71
	Sub-Contracting Expenses		116.78	154.84
	Construction Expenses	22	1,090.21	1,890.08
	Employee Benefits Expense	23	0.22	-
	Finance Costs	24	59.55	41.42
	Depreciation and Amortization Expense	25	30.36	36.22
	Other Expenses	26	42.81	92.91
	Total Expenses (IV)		**3,246.91**	**5,122.71**
V	**Profit Before Tax (III-IV)**		**275.88**	**83.58**
VI	**Tax Expense:**			
	(a) Current Tax	28	56.25	15.93
	(b) MAT Credit Entitlement	28	(56.25)	(15.93)
	(c) Deferred Tax	28	93.26	41.90
VII	**Profit for the year (V-VI)**		**182.62**	**41.68**
VIII	**Other Comprehensive Income**			
A	Items that will not be reclassified to profit or loss			
	- Remeasurement expenses of Defined benefit plans		-	-
B	(i) Items that will be reclassified to profit or loss			
	- Net fair value gain on investment in debt instruments through OCI		-	-
	(ii) Income tax expenses relating to items that will be reclassified to profit or loss		-	-
IX	**Total Other Comprehensive Income (VIII(A) + VIII(B))**		-	-
X	**Total Comprehensive Income for the year (VII+IX)**		**182.62**	**41.68**
XI	**Earnings per equity share:**			
	Basic and Diluted (Face value Rs. 10 per equity share)	27	3.65	0.83

The Notes on Account form Integral part of the Financial Statements 1 to 38 (As per our report of even date)

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

Prakash B. Sheth
Proprietor
Membership No.- 036831
Place : Ahmedabad
Date : May 10, 2018

PRAKASH B. SHETH & CO. M. No. 036831 FRN : 108069W Ahmedabad. CHARTERED ACCOUNTANT

For and on behalf of the Board of Directors

Prahaladbhai S. Patel
Director
(DIN: 00037633)

Shilpaben P. Patel
Director
(DIN: 02261534)

Shreya Shah
Company Secretary
Place : Ahmedabad
Date : May 10, 2018

PSP PROJECTS & PROACTIVE CONSTRUCTIONS PVT. LTD. AHMEDABAD

PSP PROJECTS & PROACTIVE CONSTRUCTIONS PRIVATE LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in Lakhs)

	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
A	**Cash flow from operating activities**		
	Profit before tax	275.88	83.58
	Adjustments for :		
	Finance costs	59.17	38.97
	Depreciation and amortisation expense	30.36	36.22
	Interest Income	(31.67)	(35.69)
	Profit on Sale of Asset	-	(0.04)
	Operating Profit before working capital changes	**333.74**	**123.04**
	Movements in working capital:		
	(Increase)/Decrease in Inventories	30.11	447.91
	(Increase)/Decrease in trade receivable	(243.78)	370.35
	(Increase)/Decrease in other assets	(115.30)	(140.43)
	Increase/(Decrease) in trade payables	101.73	(631.36)
	Increase /(decrease) in other liabilities	(140.50)	(707.01)
	Cash generated from operations:	**(34.00)**	**(537.50)**
	Direct taxes paid (net)	(77.76)	(4.46)
	Net cash generated from operating activities (A)	**(111.76)**	**(541.96)**
B	**Cash flows from investing activities**		
	Payment for property, plant and equipment (PPE)	(2.94)	(37.42)
	Proceeds on sale of Fixed Asset	-	0.37
	Purchase of term deposits (net)	0.10	0.74
	Interest received	31.67	35.69
	Net cash (used) in Investing activities (B)	**28.83**	**(0.62)**
C	**Cash flow from financing activities :**		
	Proceeds from current borrowings	136.01	573.38
	Interest paid	(59.17)	(38.97)
	Net cash (used) in Financing activities (C)	**76.84**	**534.41**
	NET INCREASE IN CASH AND CASH EQUIVALENTS [(A) + (B) + (C)]	**(6.09)**	**(8.17)**
	Add: Cash and cash equivalents as at beginning of the year	**8.52**	**16.69**
	Cash and Cash Equivalents as at the end of the year	**2.43**	**8.52**

PRAKASH B. SHETH & CO. * CHARTERED ACCOUNTANT *
M. No. 036831
FRN : 108069W
Ahmedabad.

PSP PROJECTS & PROACTIVE CONSTRUCTIONS PRIVATE LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in Lakhs)

Note to Cash Flow Statement:

1 The above Cash Flow Statement has been prepared under the 'Indirect method' as set out in the Ind AS - 7 Statement of Cash Flow.

2 Cash And Cash Equivalents comprises of: (Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Cash on hand	0.50	0.38	3.09
Balances with banks			
In current accounts	1.93	8.14	13.60
In deposit accounts (Maturity less than 3 months)	-	-	-
CASH AND CASH EQUIVALENTS AS PER NOTE 10	**2.43**	**8.52**	**16.69**
CASH AND CASH EQUIVALENTS AS PER CASH FLOW STATEMENT	**2.43**	**8.52**	**16.69**

3 Disclosure as required by Ind AS 7

Reconciliation of liabilities arising from financing activities

As at March 31, 2018 (Rs. in Lakhs)

Particulars	Opening Balance	Cash Flows	Non Cash	Closing Balance
Current Borrowings	724.87	136.01	-	860.88
Total liabilities from financing activities	**724.87**	**136.01**	-	**860.88**

As at March 31, 2017 (Rs. in Lakhs)

Particulars	Opening Balance	Cash Flows	Non Cash	Closing Balance
Current Borrowings	151.49	573.38	-	724.87
Total liabilities from financing activities	**151.49**	**573.38**	-	**724.87**

The Notes on Account form Integral part of the Financial Statements 1 to 38 (As per our report of even date)

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

Prakash B. Sheth
Proprietor
Membership No.- 036831
Place : Ahmedabad
Date : May 10, 2018

M. No. 036831 FRN : 108069W Ahmedabad. PRAKASH B. SHETH & CO. CHARTERED ACCOUNTANT

For and on behalf of the Board of Directors

Prahaladbhai S. Patel
Director
(DIN: 00037633)

Shilpaben P. Patel
Director
(DIN: 02261534)

Shreya Shah
Company Secretary
Place : Ahmedabad
Date : May 10, 2018

PSP PROJECTS & PROACTIVE CONSTRUCTIONS PVT. LTD. AHMEDABAD

PSP PROJECTS & PROACTIVE CONSTRUCTIONS PRIVATE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

a. Equity Share Capital: (Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	500.00	500.00
Changes in equity share capital during the year	-	-
Balance at the end of the year	**500.00**	**500.00**

b. Other Equity:

Particulars	Reserves & Surplus			Debt instruments through OCI	Total
	General Reserve	Securities Premium	Retained Earnings		
Balance as at April 01, 2016 (A)	-	-	(310.62)		(310.62)
Additions during the year:					
Profit for the year	-	-	41.68	-	41.68
Total Comprehensive Income for the year 2016-17 (B)	-	-	41.68	-	41.68
Balance as at March 31, 2017 (C) = (A) + (B)	-	-	(268.94)	-	(268.94)
Additions during the year:					
Profit for the year	-	-	182.62	-	182.62
Total Comprehensive Income for the year 2017-18 (D)	-	-	182.62	-	182.62
Balance as at March 31, 2018 (E) = (C) + (D)	-	-	(86.32)	-	(86.32)

The Notes on Account form integral part of the Financial Statements 1 to 38 (As per our report of even date)

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

Prakash B. Sheth
Proprietor
Membership No.- 036831
Place : Ahmedabad
Date : May 10, 2018

PRAKASH B. SHETH & CO. M. No. 036831 FRN : 108069W Ahmedabad. CHARTERED ACCOUNTANT

For and on behalf of the Board of Directors

S.P. Patel

Prahaladbhai S. Patel
Director
(DIN: 00037633)

Shilpaben P. Patel
Director
(DIN: 02261534)

Shreya Shah
Company Secretary
Place : Ahmedabad
Date : May 10, 2018

PSP PROJECTS & PROACTIVE CONSTRUCTIONS PVT. LTD. AHMEDABAD

1. Company Overview:

PSP Projects & Proactive Constructions Private Limited ("the Company") is a private limited company domiciled in India and has its registered office in Ahmedabad, Gujarat, India. The company has been incorporated under the provisions of Company's act 2013.

The company is engaged in Construction of commercial Projects.

2. Significant Accounting Policies, Key Accounting Estimates & Judgement:

2.1 Basis of preparation of financial statements:

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS') as notified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

These financial statements for the year ended March 31, 2018 are the Company`s first Ind AS financial statements.

The Company had prepared its financial statements for all periods up to and including the year ended March 31, 2017, in accordance with Accounting Standards notified under the Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP'). Detailed explanation on how the transition from previous GAAP to Ind AS has affected the Company's Balance Sheet, financial performance and cash flows is given under Note 29.

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

2.2 Functional and presentation currency:

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise stated.

2.3 Key accounting estimates and judgements:

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

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Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

a) Property, Plant and Equipment:

Property, Plant and Equipment represents a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined as per schedule II of Companies Act, 2013 at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

b) Income taxes:

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

2.4 Current / Non-Current Classification:

Any asset or liability is classified as current if it satisfies any of the following conditions:

i. the asset/liability is expected to be realized/settled in the Company's normal operating cycle;
ii. the asset is intended for sale or consumption;
iii. the asset/liability is expected to be realized/settled within twelve months after the reporting period;
iv. the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
v. In the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realization in cash and cash equivalents.

2.5 Property, Plant & Equipment:

a) Measurement at recognition:

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes

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purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

b) Depreciation:

Depreciation on each part of an item of property, plant and equipment is provided using the Written down Value (WDV) Method based on the useful life of the asset as prescribed in Schedule II of the Companies Act, 2013.

The useful lives, residual values of each part of an item of property, plant and equipment and the depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

c) Derecognition:

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the Derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Statement of Profit and Loss when the item is derecognized.

2.6 Intangible Assets:

a) Measurement at recognition:

Intangible assets i.e. Software acquired separately are measured on initial recognition at cost. Subsequently, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any.

b) Amortization:

Intangible Assets are amortized on a Straight-Line basis over the estimated useful economic life. The amortization expense on intangible assets is recognized in the Statement of Profit and Loss. The estimated useful life of software is considered 6 years.

The amortization period and the amortization method for an intangible asset is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

c) Derecognition:

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the Derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Statement of Profit and Loss when the asset is derecognized

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2.7 Borrowing Costs:

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized. All other borrowing costs are expensed in the period in which they occur.

2.8 Impairment of non-financial assets:

Assets that are subject to depreciation and amortization are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists, the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

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

2.9 Inventory:

a) <u>Construction Materials:</u>

Construction materials 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 of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

b) <u>Work in Progress:</u>

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.

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2.10 Financial Instrument:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets:

a) Initial recognition and measurement:

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

b) Subsequent measurement:

i. Financial assets measured at amortized cost:
A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii. Financial assets measured at fair value through other comprehensive income (FVTOCI):
A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii. Financial assets measured at fair value through profit & loss (FVTPL):
A financial asset which is not classified in any of the above categories are measured at FVTPL.

c) Impairment of financial assets:

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

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

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

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At

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every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

Financial Liabilities

a) Initial recognition and measurement:
All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

b) Subsequent measurement:
Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

2.11 Fair Value:

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3 — inputs that are unobservable for the asset or liability

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Assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

2.12 Revenue Recognition:

Revenue is recognized when it is probable that economic benefits associated with a transaction flows to the Company in the ordinary course of its activities and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable.

Contract revenue:

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably.

When the outcome of a construction contract can be estimated reliably, contract revenue is recognised in the statement of profit or loss in proportion to the stage of completion of the contract. The stage of completion is assessed by reference to surveys of work performed. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

Full provision is made for any loss in the year in which it is first foreseen
Cost incurred towards future contract activity is classified as project work in progress.

Sale of goods:

Revenue from sale of goods is recognized when the Company transfers all significant risks and rewards of ownership to the buyer, while the Company retains neither continuing managerial involvement nor effective control over the goods sold.

Interest:

Interest income is recognized using effective interest method.

2.13 Income Taxes:

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

a) Current tax:

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible in accordance with applicable tax laws. Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities.

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MAT credit entitlement represents the amounts paid in a year under Section 115JB of the Income-tax Act, 1961 ('IT Act') which is in excess of the tax payable, computed on the basis of normal provisions of the IT Act. Such excess amount can be carried forward for set off in future periods in accordance with the relevant provisions of the IT Act. Since such credit represents are source controlled by the Company as a result of past events and there is evidence as at the reporting date that the Company will pay normal income-tax during the specified period, when such credit would be adjusted, the same has been disclosed as "MAT Credit entitlement", in the balance sheet with a corresponding credit to the Statement of Profit and Loss, as a separate line item. Such assets are reviewed at each reporting date and written down to reflect the amount that will not be available as a credit to be set off in future, based on the applicable taxation law then in force.

b) Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period

c) Presentation of current and deferred tax:

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/ expense are recognized in Other Comprehensive Income.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

2.14 Provision & Contingencies:

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

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A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

2.15 Lease Accounting:

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

In respect of assets taken on operating lease, lease rentals are recognized as an expense in the Statement of Profit and Loss on straight line basis over the lease term unless

a) Another systematic basis is more representative of the time pattern in which the benefit is derived from the leased asset; or

b) The payments to the lessor are structured to increase in the line with expected general inflation to compensate for the lessor's expected inflationary cost increases

2.16 Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

2.17 Earnings per share:

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

2.18 Cash Flow Statement:

Cash Flow are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non- cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

2.19 Cash and Cash Equivalents:

Cash and Cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments.

2.20 Events after reporting date:

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

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2.21 First Time Adoption of Ind AS:

The Company has adopted Ind AS with effect from April 1, 2017 with comparatives being restated. Accordingly, the impact of transition has been provided in the Opening Reserves as at April 1, 2016. The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Division II of Schedule III to Companies Act, 2013.

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PSP PROJECTS & PROACTIVE CONSTRUCTIONS PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in Lakhs)

3 Property, Plant and Equipment

Particulars	Furniture & Fixture	Plant & Equipment	Office Equipments	Computers	Vehicles	Total
Gross Carrying amount						
Cost / Deemed cost as at April 01, 2016	**0.20**	**126.77**	**1.38**	**2.04**	**7.19**	**137.58**
Additions	-	37.04	0.39	-	-	**37.43**
Deductions	-	0.37	-	-	-	**0.37**
As at March 31, 2017	**0.20**	**163.44**	**1.77**	**2.04**	**7.19**	**174.64**
Additions	-	2.94	-	-	-	**2.94**
Deductions	-	-	-	-	-	-
As at March 31, 2018	**0.20**	**166.38**	**1.77**	**2.04**	**7.19**	**177.58**
Accumulated depreciation						
As at April 1, 2016	**0.01**	**5.41**	**0.06**	**0.24**	**0.43**	**6.15**
Depreciation for the year	0.05	32.43	0.40	1.15	2.12	**36.15**
Deductions	-	0.04	-	-	-	**0.04**
As at March 31, 2017	**0.06**	**37.80**	**0.46**	**1.39**	**2.55**	**42.26**
Depreciation for the year	0.04	28.08	0.31	0.41	1.45	**30.29**
Deductions						-
As at March 31, 2018	**0.10**	**65.88**	**0.77**	**1.80**	**4.00**	**72.55**
Net carrying amount						
As at March 31, 2018	**0.10**	**100.50**	**1.00**	**0.24**	**3.19**	**105.03**
As at March 31, 2017	**0.14**	**125.64**	**1.31**	**0.65**	**4.64**	**132.38**
As at April 01, 2016	**0.19**	**121.37**	**1.32**	**1.80**	**6.76**	**131.44**

Note:

Carrying values of other items of property, plant and equipment are in accordance with the requirements of Ind AS 16 - Property, Plant and Equipment. (Refer Note 29).

4 Other Intangible assets

Particulars	Computer Softwares	Total
Gross Carrying amount		
Cost as at April 01, 2016	0.40	**0.40**
Additions	-	-
Deductions	-	-
As at March 31, 2017	**0.40**	**0.40**
Additions	-	-
Deductions	-	-
As at March 31, 2018	**0.40**	**0.40**
Accumulated depreciation		
As at April 01, 2016	0.01	**0.01**
Depreciation for the year	0.07	**0.07**
Deductions	-	-
As at March 31, 2017	**0.08**	**0.08**
Depreciation for the year	0.07	**0.07**
Deductions	-	-
As at March 31, 2018	**0.15**	**0.15**
Net carrying amount		
As at March 31, 2018	**0.25**	**0.25**
As at March 31, 2017	**0.32**	**0.32**
As at April 01, 2016	**0.39**	**0.39**

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PSP PROJECTS & PROACTIVE CONSTRUCTIONS PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in Lakhs)

5 Other Financial Assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non-current			
Unsecured, considered good			
Security deposits	24.04	24.04	24.19
Retention deposits and other deposits	492.87	338.46	103.09
Total	**516.91**	**362.50**	**127.28**

6 Deferred Tax Assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Deferred Tax Asset	95.65	132.66	158.63
Total	**95.65**	**132.66**	**158.63**

Deferred tax asset/(liabilities) in relation to:

Particulars	As at March 31, 2018	As at March 31, 2017
Opening balance		
Losses Brought Forward	113.30	160.27
Property, plant and equipment	3.43	(1.64)
MAT Credit Entitlement	15.93	-
Total	**132.66**	**158.63**
Recognised in Profit or loss		
Losses Brought Forward	(85.13)	(46.97)
Property, plant and equipment	(8.13)	5.07
Expenses allowable on actual payment	-	-
MAT Credit Entitlement	56.25	15.93
Total	**(37.01)**	**(25.97)**
Closing balance		
Losses Brought Forward	28.17	113.30
Property, plant and equipment	(4.70)	3.43
MAT Credit Entitlement	72.18	15.93
Total	**95.65**	**132.66**

7 Other assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non-current			
Unsecured, considered good			
Capital Advances	-	-	0.83
Total	**-**	**-**	**0.83**
Current			
Unsecured, considered good			
Advances to vendors	0.28	8.15	81.49
Balance with Government authorities	-	32.54	53.25
Prepaid Expenses	1.86	0.56	0.47
Total	**2.14**	**41.25**	**135.21**

8 Inventories

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Construction Materials	26.47	56.58	60.78
Work-in-Progress	-	-	443.71
Total	**26.47**	**56.58**	**504.49**

The cost of inventories recognised as an expense during the year is disclosed in Note 20 & 21

(Rs. in Lakhs)

9 Trade Receivables

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
a) Unsecured, considered good			
From related parties (Refer Note 33)	44.45	4.99	-
From others	807.07	602.75	978.09
Total	**851.52**	**607.74**	**978.09**

10 Cash and Bank Balances

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Cash and Cash Equivalents			
Cash on Hand	0.50	0.38	3.09
Balances with banks			
In current accounts	1.93	8.14	13.60
In deposit accounts (Refer Note 10.1 below)	454.54	454.64	455.38
Sub Total	**456.97**	**463.16**	**472.07**
Less: Fixed deposits having maturity more than 3 months & less than 12 months shown under other bank balances	454.54	454.64	455.38
Total	**2.43**	**8.52**	**16.69**
Other Bank Balances			
In deposit accounts (Maturity more than 3 months & less than 12 months)	454.54	454.64	455.38
Total	**454.54**	**454.64**	**455.38**

10.1 The details of Fixed deposits pledged with banks/clients as given below:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Fixed deposits pledged with banks as security against credit facilities	454.54	454.64	455.38
Total	**454.54**	**454.64**	**455.38**

11 Current Tax Assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current Tax Assets (Net)	79.61	58.10	69.57
Total	**79.61**	**58.10**	**69.57**

(Rs. in Lakhs)

12 Equity Share Capital

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Authorised Equity Share Capital			
50,00,000 (previous year - 50,00,000 and April 01, 2016 - 50,00,000) Equity Shares of Rs. 10 each	500.00	500.00	500.00
	500.00	**500.00**	**500.00**
Issued, Subscribed and Paid up capital			
50,00,000 (previous year - 50,00,000 and April 01, 2016 - 50,00,000) Equity Shares of Rs. 10 each fully paid up	500.00	500.00	500.00
	500.00	**500.00**	**500.00**

(a) Reconciliation of shares outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of Shares	Rs. in Lakhs	No. of Shares	Rs. in Lakhs	No. of Shares	Rs. in Lakhs
At the beginning of the year	50,00,000	500.00	50,00,000	500.00	50,00,000	500.00
At the end of the year	50,00,000	500.00	50,00,000	500.00	50,00,000	500.00

(b) Terms & Rights attached to each class of shares;

- The Company has only one class of equity shares having par value of Rs. 10 per share.
- Each holder of equity shares is entitled to one vote per share.
- In the event of the liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Equity shares held by shareholders each holding more than 5 % of the shares

Name of the Shareholders	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of shares	%	No. of shares	%	No. of shares	%
PSP PROJECTS LIMITED	37,00,000	74.00%	37,00,000	74.00%	37,00,000	74.00%
PROACTIVE CONSTRUCTIONS PVT LTD	13,00,000	26.00%	13,00,000	26.00%	13,00,000	26.00%

13 Other equity

Particulars	Reserves & Surplus			Debt instruments through OCI	Total
	General Reserve	Securities Premium	Retained Earnings		
Balance as at April 01, 2016 (A)	-	-	**(310.62)**	-	**(310.62)**
Additions during the year:					
Profit for the year			41.68		41.68
Total Comprehensive Income for the year 2016-17 (B)	-	-	**41.68**	-	**41.68**
Balance as at March 31, 2017 (C) = (A) + (B)	-	-	**(268.94)**	-	**(268.94)**
Additions during the year:					
Profit for the year		-	182.62		182.62
Total Comprehensive Income for the year 2017-18 (D)	-	-	**182.62**	-	**182.62**
Balance as at March 31, 2018 (E) = (C) + (D)	-	-	**(86.32)**	-	**(86.32)**

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(Rs. in Lakhs)

14 Borrowings

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current			
Secured (At Amortised Cost)			
Working Capital Loans			
From Banks	860.88	724.87	151.49
Total	**860.88**	**724.87**	**151.49**

Nature of Borrowing	Terms of Repayment	Interest Rate	Nature of Security
Current Borrowing			
Working Capital Loans	Repayable on Demand	7% to 9%	Refer note below

Note:

Working Capital Loans repayable on demand from HDFC Bank is secured against Fixed Deposits held in the name of company whereas loans repayable on demand from the Kalupur Bank secured against Fixed Deposit held in the name of PSP Projects Limited (Holding Company).

15 Trade Payables

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Dues to Micro, Small and Medium enterprises (Refer Note 35)	-	-	-
Due to Related Parties (Refer Note 33)	81.10	101.08	60.86
Dues to Others	627.41	505.70	1,177.28
Total	**708.51**	**606.78**	**1,238.14**

16 Other Financial Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Payable for capital expenditures	0.25	-	12.93
Other Payables	3.04	3.53	1.21
Total	**3.29**	**3.53**	**14.14**

17 Other Current Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advance received from Customers	49.57	28.79	246.06
Mobilisation Advance	75.50	236.60	655.67
Others			
Statutory Payables	23.12	23.06	83.12
Total	**148.19**	**288.45**	**984.85**

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(Rs. in Lakhs)

18 Revenue from Operations

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Contract Revenue	2,633.02	5,162.59
Other Operating Revenue	858.10	4.80
Total	**3,491.12**	**5,167.39**

19 Other Income

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
a) Interest Income		
On Fixed Deposits	31.67	35.69
Others	-	3.17
	31.67	**38.86**
b) Other gains and losses		
Net Gain on sale of Property, Plant & Equipment	-	0.04
	-	**0.04**
Total (a+b)	**31.67**	**38.90**

20 Cost of Construction Material Consumed

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening Stock	56.58	60.78
Add: Purchases	1,876.87	2,459.33
	1,933.45	**2,520.11**
Less: Closing Stock	26.47	56.58
Total	**1,906.98**	**2,463.53**

21 Changes in inventories of Work-in-Progress:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Inventories at the end of the year:		
Work-in-Progress	-	-
	-	-
Inventories at the beginning of the year:		
Work-in-Progress	-	443.71
	-	**443.71**
Net (increase) / decrease in Inventories	-	**443.71**

22 Construction expenses

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Labour Expenses	614.59	1,161.32
Power & Fuel	127.61	142.35
Site Expenses	5.83	7.26
Machinery Rent	302.77	540.44
Insurance	8.78	11.89
Repairs & Maintenance:		
Machineries	15.16	0.94
Vehicles	0.94	0.47
Transportation Expenses	0.52	4.83
Security Expenses	14.01	20.58
Total	**1,090.21**	**1,890.08**

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(Rs. in Lakhs)

23 Employee benefits expense

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries and Wages	0.22	-
Total	**0.22**	-

24 Finance costs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest costs:		
Working Capital Loan	59.17	38.97
Others	0.37	2.39
Other Borrowing costs	0.01	0.06
Total	**59.55**	**41.42**

25 Depreciation and Amortization Expense

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation Expenses	30.29	36.15
Amortization Expenses	0.07	0.07
Total	**30.36**	**36.22**

26 Other Expenses

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Rates & Taxes	7.60	37.51
Insurance	-	0.22
Repairs & Maintenance:		
Vehicle	0.31	0.28
Computers	0.03	0.25
Building	0.27	-
Printing & Stationery Expenses	1.06	1.81
Communication Expenses	1.09	1.54
Auditor's Remuneration (Refer Note 26.1 below)	0.25	0.25
Legal & Professional Expenses	31.14	49.99
Travelling & Conveyance	0.64	0.61
Advertisement Expenses	0.25	-
Miscellaneous Expenses	0.17	0.45
Total	**42.81**	**92.91**

26.1 Remuneration to Auditors:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Payment to Statutory Auditors		
For Audit Fees	0.25	0.25
Total	**0.25**	**0.25**

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(Rs. in Lakhs)

27 Earnings per share (EPS)

Particulars	Unit	Year Ended March 31, 2018	Year Ended March 31, 2017
(i) Net Profit after Tax attributable to equity holders of the Company	In Rs.	182.62	41.68
(ii) Weighted average number of shares outstanding during the year	In Nos.	50,00,000	50,00,000
(iii) Basic and Diluted Earnings Per Share ((i)/(ii))	In Rs.	3.65	0.83

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(Rs. in Lakhs)

28 Tax Expense

(a) Amounts recognised in profit and loss

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Current tax expense (A)		
Current year	56.25	15.93
Changes in estimates relating to prior years	-	-
	56.25	15.93
Deferred tax expense (B)		
Origination and reversal of temporary differences	93.26	41.90
MAT Credit Entitlement	(56.25)	(15.93)
Tax expense recognised in the income statement	**93.26**	**41.90**

(b) Reconciliation of effective tax rate

Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
	%	Amount	%	Amount
Profit Before Tax		**275.88**		**83.58**
Tax using the Company's domestic tax rate	33.06%	91.21	33.06%	27.63
Tax effect of:				
Effect of Expenses that are not deductible in determining taxable profit	3.64%	10.04	14.36%	12.00
Effect of income that is exempt from taxation	-2.77%	(7.63)	-10.58%	(8.84)
Effect of Expenses that are deductible in determining taxable profit	0.00%	-	0.00%	-
Others	-0.13%	(0.36)	13.29%	11.11
Effective income tax rate	33.80%	**93.26**	50.13%	**41.90**
Adjustments recognised in current year in relation to the current tax of prior years		-		-
Income tax expense		**93.26**		**41.90**

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29 First time adoption of Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The Company has adopted Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs with effect from April 01, 2017, with a transition date of April 01, 2016. Set out below are the Ind AS 101 optional exemptions availed as applicable and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A. Applicable Mandatory Exceptions

(a) Estimates

Estimates in accordance with Ind AS at the transition date will be consistent with estimates made for the same date in accordance with IGAAP (after adjustments to reflect any difference in Accounting Policies) unless there is objective evidence that those estimates were in error.

(b) Derecognition of financial assets and financial liabilities

Derecognition of financial assets and liabilities as required by Ind AS 109 shall be applied prospectively i.e. after the transition date.

(c) Classification and measurement of financial instrument

As required under Ind AS 101 the Company has assessed the classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS except where practicable, measurement of financial assets accounted at amortised cost has been done retrospectively.

B. <u>Transition to Ind AS - Reconciliations</u>

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from IGAAP to Ind AS:

(i) Reconciliation of Balance sheet as at April 01, 2016 (Transition Date);
(ii) Reconciliation of Balance sheet as at March 31, 2017;
(iii) Reconciliation of Total Comprehensive Income for the year ended March 31, 2017;
(iv) Reconciliation of Equity as at April 1, 2016 and as at March 31, 2017;
(v) Reconciliation Summary of Total Comprehensive Income for the year ended March 31, 2017
(vi) Adjustments to Statement of Cash Flows.

The presentation requirements under Previous GAAP differs from Ind AS, and hence, Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The re-grouped Previous GAAP information is derived from the Financial Statements of the Company prepared in accordance with Previous GAAP.

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i) Reconciliation of Balance sheet as at April 01, 2016 (Transition Date): **(Rs. in Lakhs)**

Particulars	As at April 01, 2016		
	Regrouped IGAAP	Effects of transition to Ind AS	Ind AS
ASSETS			
Non-current Assets			
(a) Property, Plant and Equipment	131.44	-	131.44
(b) Other Intangible Assets	0.39	-	0.39
(c) Financial Assets			-
(i) Other Financial Assets	127.28	-	127.28
(d) Deferred Tax Asset (Net)	158.63	-	158.63
(e) Other Non-current Assets	0.83	-	0.83
Total Non-current Assets	**418.57**	**-**	**418.57**
Current Assets			
(a) Inventories	504.49	-	504.49
(b) Financial Assets			
(i) Trade Receivables	978.09	-	978.09
(ii) Cash and Cash Equivalents	16.69	-	16.69
(iii) Bank Balances other than (ii) above	455.38	-	455.38
(c) Other Current Assets	135.21	-	135.21
(d) Current Tax Assets (Net)	69.57	-	69.57
Total Current Assets	**2,159.43**	**-**	**2,159.43**
Total Assets	**2,578.00**	**-**	**2,578.00**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	500.00	-	500.00
(b) Other Equity	(310.62)	-	(310.62)
Total Equity	**189.38**	**-**	**189.38**
LIABILITIES			
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	151.49	-	151.49
(ii) Trade Payables	1,238.14	-	1,238.14
(iii) Other Financial Liabilities	14.14	-	14.14
(b) Other Current Liabilities	984.85	-	984.85
Total Current liabilities	**2,388.62**	**-**	**2,388.62**
Total Liabilities	**2,388.62**	**-**	**2,388.62**
TOTAL EQUITY AND LIABILITIES	**2,578.00**	**-**	**2,578.00**

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ii) Reconciliation of Balance sheet as at March 31, 2017: **(Rs. in Lakhs)**

Particulars	As at March 31, 2017		
	Regrouped IGAAP	Effects of transition to Ind AS	Ind AS
ASSETS			
Non-current Assets			
(a) Property, Plant and Equipment	132.38	-	132.38
(b) Other Intangible Assets	0.32	-	0.32
(c) Financial Assets			
(i) Other Financial Assets	362.50	-	362.50
(d) Deferred Tax Asset (Net)	132.66	-	132.66
(e) Other Non-current Assets	-	-	-
Total Non-current Assets	**627.86**	**-**	**627.86**
Current Assets			
(a) Inventories	56.58	-	56.58
(b) Financial Assets			
(i) Trade Receivables	607.74	-	607.74
(ii) Cash and Cash Equivalents	8.52	-	8.52
(iii) Bank Balances other than (ii) above	454.64	-	454.64
(c) Other Current Assets	41.25	-	41.25
(d) Current Tax Assets (Net)	58.10	-	58.10
Total Current Assets	**1,226.83**	**-**	**1,226.83**
Total Assets	**1,854.69**	**-**	**1,854.69**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	500.00	-	500.00
(b) Other Equity	(268.94)	-	(268.94)
Total Equity	**231.06**	**-**	**231.06**
LIABILITIES			
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	724.87	-	724.87
(ii) Trade Payables	606.78	-	606.78
(iii) Other Financial Liabilities	3.53	-	3.53
(b) Other Current Liabilities	288.45	-	288.45
Total Current liabilities	**1,623.63**	**-**	**1,623.63**
Total Liabilities	**1,623.63**	**-**	**1,623.63**
TOTAL EQUITY AND LIABILITIES	**1,854.69**	**-**	**1,854.69**

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

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iii) Reconciliation of Total Comprehensive Income for the year ended March 31, 2017:

(Rs. in Lakhs)

Particulars	Regrouped IGAAP	Effects of transition to Ind AS	Ind AS
Revenue From Operations	5,167.39	-	5,167.39
Other Income	38.90	-	38.90
Total Income	**5,206.29**	-	**5,206.29**
EXPENSES			
Cost of Construction Material Consumed	2,463.53	-	2,463.53
Changes in Inventories of Work-in-Progress	443.71	-	443.71
Sub-Contracting Work Expenses	154.84	-	154.84
Construction Expenses	1,890.08	-	1,890.08
Finance Costs	41.42	-	41.42
Depreciation and Amortization Expense	36.22	-	36.22
Other Expenses	92.91	-	92.91
Total Expenses	**5,122.71**	-	**5,122.71**
Profit Before Tax	**83.58**	-	**83.58**
Tax expense:			
(a) Current Tax	15.93	-	15.93
(b) MAT Credit Entitlement	(15.93)	-	(15.93)
(c) Deferred Tax	41.90	-	41.90
Profit for the year	**41.68**	-	**41.68**
Other Comprehensive Income			
(A) Items that will not be reclassified to profit or loss			
- Remeasurement expenses of Defined benefit plans	-	-	-
(B) (i) Items that will be reclassified to profit or loss	-	-	-
- Net fair value gain on investment in debt instruments through OCI			
(ii) Income tax expenses relating to items that will be reclassified to profit or loss	-	-	-
Total Other Comprehensive Income	-	-	-
Total Comprehensive Income for the year	**41.68**	-	**41.68**
Earnings per equity share:			
Basic and Diluted (Face value Rs. 10 per equity share)	0.83	-	0.83

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iv) Reconciliation of Equity as at April 01, 2016 and March 31, 2017

(Rs. in Lakhs)

Particulars	March 31, 2017	April 01, 2016
Total Equity as per Previous GAAP	231.06	189.38
Effect of measuring financial instrument at fair value	-	-
Fair Valuation as deemed cost for Property, Plant & Equipment	-	-
Deferred tax on above	-	-
Total Impact	-	-
Total Equity as per Ind AS	231.06	189.38

v) Reconciliation of Total Comprehensive Income for the year ended March 31, 2017

Particulars	Year Ended March 31, 2017
Net Profit as per previous GAAP	41.68
Remeasurement Cost of net defined benefit liability	-
Effect of measuring financial instrument at fair value	-
Fair Valuation as deemed cost for Property, Plant & Equipment	-
Deferred tax on above	-
Net Profit as per Ind AS	41.68
Other Comprehensive Income (Net of Taxes)	-
Total Comprehensive Income as per Ind AS	41.68

vi) Adjustments to Statement of Cash Flows.

On account of transition to Ind AS, there is no material adjustment to the Statement of Cash Flows for the year ended March 31, 2017

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(Rs. in Lakhs)

30 Fair value measurement hierarchy:

Particulars	As at March 31, 2018						
	Carrying amount	Amortised Cost	FVTOCI	FVTPL	Level of input used in		
					Level 1	Level 2	Level 3
Financial assets							
Trade receivables	851.52	851.52	-	-	-	-	-
Cash and cash equivalents and Other Bank Balances	456.97	456.97	-	-	-	-	-
Other financial assets	516.91	516.91	-	-	-	-	-
	1,825.40	**1,825.40**	-	-	-	-	-
Financial liabilities							
Borrowings	860.88	860.88	-	-	-	860.88	-
Trade payables	708.51	708.51	-	-	-	-	-
Other Financial liabilities	3.29	3.29	-	-	-	3.29	-
	1,572.68	**1,572.68**	-	-	-	**864.17**	-

Particulars	As at March 31, 2017						
	Carrying amount	Amortised Cost	FVTOCI	FVTPL	Level of input used in		
					Level 1	Level 2	Level 3
Financial assets							
Trade receivables	607.74	607.74	-	-	-	-	-
Cash and cash equivalents and Other Bank Balances	463.16	463.16	-	-	-	-	-
Other financial assets	362.50	362.50	-	-	-	-	-
	1,433.40	**1,433.40**	-	-	-	-	-
Financial liabilities							
Borrowings	724.87	724.87	-	-	-	724.87	-
Trade payables	606.78	606.78	-	-	-	-	-
Other Financial liabilities	3.53	3.53	-	-	-	3.53	-
	1,335.18	**1,335.18**	-	-	-	**728.40**	-

Particulars	As at April 01, 2016						
	Carrying amount	Amortised Cost	FVTOCI	FVTPL	Level of input used in		
					Level 1	Level 2	Level 3
Financial assets							
Trade receivables	978.09	978.09	-	-	-	-	-
Cash and cash equivalents and Other Bank Balances	472.07	472.07	-	-	-	-	-
Other financial assets	127.28	127.28	-	-	-	-	-
	1,577.44	**1,577.44**	-	-	-	-	-
Financial liabilities							
Borrowings	151.49	151.49	-	-	-	151.49	-
Trade payables	1,238.14	1,238.14	-	-	-	-	-
Other Financial liabilities	14.14	14.14	-	-	-	14.14	-
	1,403.77	**1,403.77**	-	-	-	**165.63**	-

The financial instruments are categorised into three levels based on the inputs used to arrive at fair value measurements as described below:

i) **Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes Mutual Fund and Debt instruments that have quoted on exchanges. The same are valued at that Market Value only.

ii) **Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. In the case of Derivative contracts, the Company has valued the same using the forward exchange rate as at the reporting date.

iii) **Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3. The Company owns unlisted equity shares in companies, which are non-profit companies providing facilities for treating effluents generated during its manufacturing process. In the absence of any observable market data in relation to the said companies, the same have been categorised as Level 3. Considering the objective of investment and materiality, its fair value have been determined based on its book value as at the reporting date.

31 Capital Management:

The primary objective of capital management of the Company is to maximise Shareholder value. The Company monitors capital using Debt-Equity ratio which is total debt divided by total equity. For the purposes of capital management, the Company considers the following components of its Balance Sheet to manage capital:

Total equity includes General reserve, Retained earnings, Share capital and Security premium. Total debt includes current debt plus non-current debt.

The gearing ratio at the end of the reporting period are as under:

(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non-current borrowing	-	-	-
Current borrowing	860.88	724.87	151.49
Total Debt	**860.88**	**724.87**	**151.49**
Total equity	**413.68**	**231.06**	**189.38**
Adjusted net debt to adjusted equity ratio	**2.08**	**3.14**	**0.80**

32 Financial risk management

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

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The Company has exposure to the following risks arising from financial instruments:

A) Credit risk;

B) Liquidity risk;

C) Market risk; and

D) Interest rate risk

A. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty fails to meet its contractual obligations.

Trade receivables

Concentrations of credit risk with respect to trade receivables are limited, due to the customer base being large, diverse and across sectors. All trade receivables are reviewed and assessed for default on a quarterly basis.

Historical experience of collecting receivables of the Company is supported by low level of past default and hence the credit risk is perceived to be low.

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

Other financial assets

The Company maintains exposure in cash and cash equivalents and term deposits with banks. Credit limits and concentration of exposures are actively monitored by the finance department of the Company.

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(Rs. in Lakhs)

B. Liquidity risk

The principal sources of liquidity of the Company are cash and cash equivalents, borrowings and the cash flow that is generated from operations. The Company believes that current cash and cash equivalents, tied up borrowing lines and cash flow that is generated from operations is sufficient to meet requirements. Accordingly, liquidity risk is perceived to be low. The following table shows the maturity analysis of financial liabilities of the Company based on contractually agreed undiscounted cash flows as at the Balance Sheet date:

As at March 31, 2018

Particulars	Note No.	Carrying Amount	Less than 12 months	More than 12 months	Total
Current Borrowings	14	860.88	860.88	-	860.88
Trade Payables	15	708.51	708.51	-	708.51
Other Financial Liabilities	16	3.29	3.29	-	3.29
Total		**1,572.68**	**1,572.68**	**-**	**1,572.68**

As at March 31, 2017

Particulars	Note No.	Carrying Amount	Less than 12 months	More than 12 months	Total
Current Borrowings	14	724.87	724.87	-	724.87
Trade Payables	15	606.78	606.78	-	606.78
Other Financial Liabilities	16	3.53	3.53	-	3.53
Total		**1,335.18**	**1,335.18**	**-**	**1,335.18**

As at April 01, 2016

Particulars	Note No.	Carrying Amount	Less than 12 months	More than 12 months	Total
Current Borrowings	14	151.49	151.49	-	151.49
Trade Payables	15	1,238.14	1,238.14	-	1,238.14
Other Financial Liabilities	16	14.14	14.14	-	14.14
Total		**1,403.77**	**1,403.77**	**-**	**1,403.77**

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C Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

D Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company seeks to mitigate such risk by maintaining an adequate proportion of floating and fixed interest rate borrowings. Summary of financial assets and financial liabilities has been provided below:

Exposure to interest rate risk

The interest rate profile of the Company's interest - bearing financial instrument as reported to management is as follows:

(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Fixed-rate instruments			
Financial Assets	-	-	-
Financial Liabilities	-	-	-
Variable-rate instruments			
Financial Assets	-	-	-
Financial Liabilities	860.88	724.87	151.49

Interest rate sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates. The following table demonstrates the sensitivity of floating rate financial instruments to a reasonably possible change in interest rates. The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

Impact on Profit / (loss) after t (Rs. in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Increase in 100 basis points	(5.76)	(4.85)
Decrease in 100 basis points	5.76	4.85

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33 Related party transactions

Related Party Disclosures:

(i) Names of the related parties and description of relationship

As per the Indian Accounting Standard-24 on "Related Party Disclosures", list of related parties identified of the Company are as follows.

(a) Related parties where control exists

Name of the entity	Type
PSP Projects Limited	Holding Company
Proactive Construction Private Limited	Having Substantial Interest

(b) Key Management Personnel

Name of the Key Management Personnel	Status
Prahaladbhai S. Patel	Director
Shilpaben P. Patel	Director
Shreya Shah	Company Secretary (From December 15, 2017)

(c) Entities controlled by Holding Company / Directors / Relatives of Directors:

Name of the Entities			
PSP Products Private Limited	M/s. SIM Developers	M/s. A P Constructions	Sprybit Softlabs LLP
PSP Projects INC	M/s. GDCL & PSP Joint Venture	P&J Builders LLC	

(ii) Transactions with related parties:

(Rs. in Lakhs)

Particulars	2017-18	2016-17
Purchase of Material		
PSP Products Private Limited	-	10.26
Sale of Concrete Mix		
PSP Projects Limited	857.67	4.81
Receipt of Services / Interest Expenses		
PSP Projects Limited	451.79	760.50
Prahaladbhai S. Patel	-	1.79
Loan Received from Director		
Prahaladbhai S. Patel	-	165.00
Loan Repaid to Director		
Prahaladbhai S. Patel	-	165.00
Reimbursements of Expenses		
PSP Projects Limited	-	2.22
Remuneration		
Shreya Shah	0.22	-

(iii) Outstanding balances arising from sales/purchases of goods/services with related Parties:

(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Trade Receivables		
PSP Projects Limited	44.45	4.99
Trade Payables		
PSP Projects Limited	81.10	101.08
Remuneration Payable		
Shreya Shah	0.21	-

(iv) Terms and conditions

Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. All outstanding balances are unsecured / Secured.

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34 Disclosure in respect of Construction Contract

Revenue from fixed price construction contracts are recognized on the percentage completion method, measured by reference to the percentage of the cost incurred up to the year end to estimated total cost of each contract.

(Rs. in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
I. Contract revenue recognised for the financial year	2,633.02	5,162.59
II. For contracts that are in progress: -		
a. Aggregate amount of contract costs incurred and recognized profits (less recognized losses) up-to the Balance Sheet date for all contracts in progress as at that date	9,857.44	7,224.42
b. Gross amount due from customers for contract work	806.51	602.75
c. Gross amount due to customers for contract work (advance from customers)	125.07	265.38
d. Retention amount due from customers for contracts in progress	492.87	338.46

Percentage completion method for income recognition on long term contracts involves technical estimates by engineers / technical officials of percentage completion and costs to completion of each project / contract on the basis of which profit / loss is allocated.

35 Disclosure of Creditors outstanding under MSMED Act, 2006

Disclosure of sundry creditors under current liabilities is based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" (the Act). There are no delays in payment made to such suppliers and there is no overdue amount outstanding as at the Balance sheet date.

36 Segment Information

There are no separate reportable segments as per Ind AS 108 as the entire operations of the company relate to single segment, viz Constructions / Project activities.

37 Standards Issued but not yet effective:

On March 28, 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, which has notified Ind AS 115, 'Revenue from Contracts with Customers'. The standard is applicable to the Company from April 01, 2018.

Issue of Ind AS - 115 - Revenue Contracts with Customers

Ind AS - 115 will replace the current revenue recognition related standards viz. Ind AS - 11 Construction Contracts and Ind AS - 18 Revenue and the related interpretations. Ind AS 115 provides a single model of accounting for revenue arising from contracts with customers based on identification and satisfaction of performance obligations. The standard can be applied either retrospectively to each prior reporting period presented or can be applied retrospectively with recognition of cumulative effect of contracts that are not completed contracts at the date of initial application of standard.

The Company is in the process of evaluating and identifying the key impacts along with transition options to be considered while transiting to Ind AS 115.

38 Approval of Financial Statements:

The financial statements are approved for issue by Board of Directors at their meetings held on May 10, 2018.

In terms of our report attached
For Prakash B. Sheth & Co.
Chartered Accountants
ICAI Firm Reg. No. -108069W

PBSheth

Prakash B. Sheth
Proprietor
Membership No.- 036831
Place : Ahmedabad
Date : May 10, 2018

PRAKASH B. SHETH & CO. M. No. 036831 FRN : 108069W Ahmedabad CHARTERED ACCOUNTANT

For and on behalf of the Board of Directors

Prahaladbhai S. Patel
Director
(DIN: 00037633)

S. P. Patel
Shilpaben P. Patel
Director
(DIN: 02261534)

Shreya Shah
Shreya Shah
Company Secretary
Place : Ahmedabad
Date : May 10, 2018

PSP PROJECTS & PROACTIVE CONSTRUCTIONS PVT. LTD. AHMEDABAD