INDEPENDENT AUDITOR'S REPORT

To the Members of PSP Projects & Proactive Constructions Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of PSP Projects & Proactive Constructions Private Limited ("the Company"), which comprise the balance sheet as at 31stMarch 2019, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and its profits, changes in equity and cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors' Report including Annexures to the Directors' Report but does not include the standalone financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.
Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
When we read the other Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

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Management's Responsibility for the Standalone Financial Statements

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

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

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in

PRAKASH B. SHETH & CO. CHARTERED ACCOUNTANTS M. NO.: 0368[illegible] FRN: 10806[illegible]W AHMEDABAD our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

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

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with rule 7 of the Companies (accounts) Rules, 2014.

   e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31stMarch, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, we report that:

In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, section 197 of the Act related to the managerial remuneration is not applicable.

h) 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 does not have any pending litigations which would impact its financial position

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2). As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure 'B' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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

Place : Ahmedabad
Date : May 25, 2019

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ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

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

Referred to in our report of even date

i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) According to the information and explanation given to us, the Fixed Assets have been physically verified by the management 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 3 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.

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 goods and service tax, provident fund, employees' state insurance, income tax, duty of customs, 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 duty of customs or other material statutory dues, as applicable, as at 31 March, 2019 which have not been deposited with the appropriate authorities on account of any dispute.

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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. The company being private limited company, provisions of Section 197, read with Schedule V to the Act are not applicable. Therefore the provisions of clause 3(xi) of the Order are not applicable to the Company, hence not commented upon.

xii. As the company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of clause 3(xii) of the Order are not applicable to the Company.

xiii. According to the records of the Company examined by us and the information and explanation given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Financial Statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

xiv. According to the records of the Company examined by us and the information and explanation given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the 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 with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. According to the records of the Company examined by us and the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

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

Place : Ahmedabad.
Date : May 25, 2019

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ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

(Annexure referred to in paragraph 1(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 under Clause (i) of Sub-section 3 of Section 143 of 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, 2019 in conjunction with our audit of the Financial Statements of the Company for the period 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, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanation 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, 2019, 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
FRN: 108069W

Place : Ahmedabad
Date : May 25, 2019

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

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 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.

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) <u>Property, Plant and Equipment:</u>

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful lives specified in Schedule II to the Companies Act, 2013, or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined.

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The Useful lives are determined 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 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.

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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) Construction Materials:

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) Work in Progress:

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

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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

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

PRAKASH B. SHETH & CO. CHARTERED ACCOUNTANTS
M. NO.: 036831
FRN: 108069W
AHMEDABAD

hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

2.12 Revenue Recognition:

Revenue from Contracts with Customers:

The Company has adopted Ind AS 115 "Revenue from Contracts with Customers" effective April 1, 2018. The Company has applied modified retrospective approach in adopting the new standard and accordingly, there were no significant adjustment required to the retained earnings as at April 1, 2018.

The Company recognises revenue from contracts with customers when it satisfies a performance obligation by transferring promised goods or service to a customer. The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Performance obligation is satisfied over time when the transfer of control of good or service to a customer is done over time and in other cases, performance obligation is satisfied at a point in time. For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

For contracts where the aggregate of contract cost incurred to date plus recognised profits (or minus recognised losses as the case may be) exceeds the progress billing, the surplus is shown as contract asset and termed as "Due from customers". For contracts where progress billing exceeds the aggregate of contract costs incurred to-date plus recognised profits (or minus recognised losses, as the case may be), the surplus is shown as contract liability and termed as "Due to customers". Amounts received before the related work is performed are disclosed in the Balance Sheet as contract liability and termed as "Advances from customer". The amounts billed on customer for work performed and are unconditionally due for payment i.e only passage of time is required before payment falls due, are disclosed in the Balance Sheet as trade receivables. The amount of retention money held by the customers pending completion of performance milestone is disclosed as part of contract asset and is reclassified as trade receivables when it becomes due for payment.

Transaction price is the amount of consideration to which the Company expects it to be entitled in exchange for transferring goods or services to a customer excluding amounts collected on behalf of a third party. Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. Payment terms agreed with a customer are as per business practice and the financing component, if significant, is separated from the transaction price and accounted as interest income.

Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged-off in profit & loss immediately in the period in which such costs are incurred. Incremental costs of obtaining a contract, if any, and costs incurred to fulfil a contract are amortised over the period of execution of the contract in proportion to the progress measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract cost incurred that are likely to be recoverable. An expected loss on the contract is recognized as an expense immediately.

PRAKASH B. SHETH & CO. CHARTERED ACCOUNTANTS
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The differences between the timing of our revenue recognised (based on costs incurred) and customer billings (based on contractual terms) results in changes to revenue in excess of billing or billing in excess of revenue.

Cost incurred towards future contract activity is classified as project work in progress.

Sale of goods:

Revenue from sale of goods is recognised when the control of the same is transferred to the customer and it is probable that the Company will collect the consideration to which it is entitled for the exchanged goods.

Performance obligations in respect of contracts for sale of manufactured and traded goods is considered as satisfied at a point in time when the control of the same is transferred to the customer and where there is an alternative use of the asset or the company does not have either explicit or implicit right of payment for performance completed till date.

Interest:

Interest income is accrued on a time basis by reference to the principal outstanding using effective interest rate 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.

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.

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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.

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.

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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.

PRAKASH B. SHETH & CO.
M. NO.: 036831
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CHARTERED ACCOUNTANTS

PSP PROJECTS & PROACTIVE CONSTRUCTIONS PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2019

(Rs. in Lakhs)

	Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
	ASSETS			
(1)	**Non-current Assets**			
	(a) Property, Plant and Equipment	3	1.89	105.03
	(b) Other Intangible Assets	4	-	0.25
	(c) Financial Assets			
	(i) Other Financial Assets	5	0.18	516.91
	(d) Deferred Tax Asset (Net)	6	103.87	95.65
	Total Non-current Assets		**105.94**	**717.84**
(2)	**Current Assets**			
	(a) Inventories	7	-	26.47
	(b) Financial Assets			
	(i) Trade Receivables	8	606.38	851.52
	(ii) Cash and Cash Equivalents	9	3.16	2.43
	(iii) Bank Balances other than (ii) above	9	-	454.54
	(iv) Other Financial Assets	5	633.17	-
	(c) Other Current Assets	10	8.39	2.14
	(d) Current Tax Assets (Net)	11	102.69	79.61
	Total Current Assets		**1,353.79**	**1,416.71**
	Total Assets		**1,459.73**	**2,134.55**
	EQUITY AND LIABILITIES			
(1)	**Equity**			
	(a) Equity Share capital	12	500.00	500.00
	(b) Other Equity	13	(171.65)	(86.32)
	Total Equity		**328.35**	**413.68**
	LIABILITIES			
(2)	**Current Liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	14	981.63	860.88
	(ii) Trade Payables	15		
	- Total outstanding dues of micro enterprises and small enterprises		-	-
	- Total outstanding dues of creditors other than micro enterprises and small enterprises		148.47	713.21
	(iii) Other Financial Liabilities	16	0.09	3.29
	(b) Other Current Liabilities	17	1.19	143.49
	Total Current Liabilities		**1,131.38**	**1,720.87**
	Total Liabilities		**1,131.38**	**1,720.87**
	Total Equity and Liabilities		**1,459.73**	**2,134.55**

The Notes on Account form Integral part of the Financial Statements 1 to 36 (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 25, 2019

PRAKASH B. SHETH & CO. CHARTERED ACCOUNTANTS 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 Shah
Company Secretary
Place : Ahmedabad
Date : May 25, 2019

PSP Projects & Proactive Constructions Pvt. Ltd.

PSP PROJECTS & PROACTIVE CONSTRUCTIONS PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(Rs. in Lakhs)

	Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
I	Revenue From Operations	18	1,046.80	3,491.12
II	Other Income	19	9.66	31.74
III	**Total Income (I+II)**		**1,056.46**	**3,522.86**
IV	**EXPENSES**			
	Cost of Construction Material Consumed	20	362.94	1,890.00
	Construction Expenses	21	691.33	1,223.97
	Employee Benefits Expense	22	3.43	0.22
	Finance Costs	23	68.45	59.55
	Depreciation and Amortization Expense	24	7.27	30.36
	Other Expenses	25	16.59	42.88
	Total Expenses (IV)		**1,150.01**	**3,246.98**
V	**Profit Before Tax (III-IV)**		**(93.55)**	**275.88**
VI	**Tax Expense:**			
	(a) Current Tax	27	-	56.25
	(b) MAT Credit Entitlement	27	-	(56.25)
	(c) Deferred Tax	27	(8.22)	93.26
VII	**Profit for the year (V-VI)**		**(85.33)**	**182.62**
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)**		**(85.33)**	**182.62**
XI	**Earnings per equity share:**			
	Basic and Diluted (Face value Rs. 10 per equity share)	26	(1.71)	3.65

The Notes on Account form Integral part of the Financial Statements 1 to 36 (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 25, 2019

PRAKASH B. SHETH & CO. CHARTERED ACCOUNTANTS 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 Shah
Company Secretary
Place : Ahmedabad
Date : May 25, 2019

PSP PROJECTS & PROACTIVE CONSTRUCTIONS PRIVATE LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019

(Rs. in Lakhs)

	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A	**Cash flow from operating activities**		
	Profit before tax	(93.55)	275.88
	Adjustments for :		
	Finance costs	45.20	59.17
	Depreciation and amortisation expense	7.27	30.36
	Interest Income	(9.66)	(31.67)
	Loss on Sale of Asset	0.05	-
	Operating Profit before working capital changes	**(50.69)**	**333.74**
	Movements in working capital:		
	(Increase)/Decrease in Inventories	26.47	30.11
	(Increase)/Decrease in trade receivable	245.14	(243.76)
	(Increase)/Decrease in other assets	(122.69)	(115.32)
	Increase/(Decrease) in trade payables	(564.74)	101.73
	Increase /(decrease) in other liabilities	(145.50)	(140.50)
	Cash generated from operations:	**(612.01)**	**(34.01)**
	Direct taxes paid (net)	(23.08)	(77.75)
	Net cash generated from operating activities (A)	**(635.09)**	**(111.76)**
B	**Cash flows from investing activities**		
	Payment for property, plant and equipment (PPE)	(0.59)	(2.94)
	Proceeds on sale of property, plant and equipment (PPE)	96.66	-
	Purchase of term deposits (net)	454.54	0.10
	Interest received	9.66	31.67
	Net cash (used) in Investing activities (B)	**560.27**	**28.83**
C	**Cash flow from financing activities :**		
	Proceeds from current borrowings	120.75	136.01
	Interest paid	(45.20)	(59.17)
	Net cash (used) in Financing activities (C)	**75.55**	**76.84**
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS [(A) + (B) + (C)]	**0.73**	**(6.09)**
	Add: Cash and Cash Equivalents as at beginning of the year	**2.43**	8.53
	Cash and Cash Equivalents as at the end of the year	**3.16**	**2.43**

PRAKASH B. SHETH & CO. CHARTERED ACCOUNTANTS
M. NO.: 036831
FRN: 108069W
AHMEDABAD

PSP PROJECTS & PROACTIVE CONSTRUCTIONS PRIVATE LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2019

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, 2019**	**As at March 31, 2018**
Cash on hand	0.15	0.50
Balances with banks		
In current accounts	3.01	1.93
CASH AND CASH EQUIVALENTS AS PER NOTE 09	**3.16**	**2.43**
CASH AND CASH EQUIVALENTS AS PER CASH FLOW STATEMENT	**3.16**	**2.43**

3 **Disclosure as required by Ind AS 7**

Reconciliation of liabilities arising from financing activities

As at March 31, 2019 **(Rs. in Lakhs)**

Particulars	**Opening Balance**	**Cash Flows**	**Non Cash Changes**	**Closing Balance**
Current Borrowings	860.88	120.75	-	981.63
Total liabilities from financing activities	**860.88**	**120.75**	**-**	**981.63**

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

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

The Notes on Account form Integral part of the Financial Statements 1 to 36 (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 25, 2019

PRAKASH B. SHETH & CO. CHARTERED ACCOUNTANTS 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 Shah
Shreya Shah
Company Secretary
Place : Ahmedabad
Date : May 25, 2019

PSP Projects & Proactive Constructions Pvt. Ltd.

PSP PROJECTS & PROACTIVE CONSTRUCTIONS PRIVATE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

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

Particulars	As at March 31, 2019	As at March 31, 2018
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 March 31, 2017 (A)	-	-	**(268.94)**	-	**(268.94)**
Additions during the year:					
Profit for the year	-	-	182.62	-	182.62
Total Comprehensive Income for the year 2017-18 (B)	-	-	**182.62**	-	**182.62**
Balance as at March 31, 2018 (C) = (A) + (B)	-	-	**(86.32)**	-	**(86.32)**
Additions during the year:					
Loss for the year	-	-	(85.33)	-	(85.33)
Total Comprehensive Income for the year 2018-19 (D)		-	**(85.33)**	-	**(85.33)**
Balance as at March 31, 2019 (E) = (C) + (D)	-	-	**(171.65)**	-	**(171.65)**

The Notes on Account form Integral part of the Financial Statements 1 to 36 (As per our report of even date)

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

Pgsheth

Prakash B. Sheth
Proprietor
Membership No.- 036831
Place : Ahmedabad
Date : May 25, 2019

PRAKASH B. SHETH & CO. CHARTERED ACCOUNTANTS M. NO.: 036831 FRN: 108069W AHMEDABAD

For and on behalf of the Board of Directors

Prahaladbhai S. Patel
Director
(DIN: 00037633)

S.P. Patel
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Shreya Shah
Company Secretary
Place : Ahmedabad
Date : May 25, 2019

PSP Projects & Proactive Constructions Pvt. Ltd.

PSP PROJECTS & PROACTIVE CONSTRUCTIONS PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

3 Property, Plant and Equipment

(Rs. in Lakhs)

Particulars	Furniture & Fixture	Plant & Equipment	Office Equipments	Computers	Vehicles	Total
Gross Carrying amount						
As at March 31, 2017	**0.20**	**163.44**	**1.77**	**2.04**	**7.19**	**174.64**
Additions	-	2.94	-	-	-	**2.94**
Deductions / Disposal	-	-	-	-	-	**-**
As at March 31, 2018	**0.20**	**166.38**	**1.77**	**2.04**	**7.19**	**177.58**
Additions	-	-	0.47	0.12	-	**0.59**
Deductions / Disposal	0.20	163.63	2.24	1.90	7.19	**175.16**
As at March 31, 2019	**-**	**2.75**	**-**	**0.26**	**-**	**3.01**
Accumulated depreciation						
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 / Disposal	-	-	-	-	-	**-**
As at March 31, 2018	**0.10**	**65.88**	**0.77**	**1.80**	**4.00**	**72.55**
Depreciation for the year	0.03	5.73	0.35	0.16	0.99	**7.26**
Deductions / Disposal	0.13	70.74	1.12	1.71	4.99	**78.69**
As at March 31, 2019	**-**	**0.87**	**-**	**0.25**	**-**	**1.12**
Net carrying amount						
As at March 31, 2019	**-**	**1.88**	**-**	**0.01**	**-**	**1.89**
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**

4 Other Intangible assets

(Rs. in Lakhs)

Particulars	Computer Softwares	Total
Gross Carrying amount		
As at March 31, 2017	0.40	**0.40**
Additions	-	**-**
Deductions / Disposal	-	**-**
As at March 31, 2018	0.40	**0.40**
Additions	-	**-**
Deductions / Disposal	0.40	**0.40**
As at March 31, 2019	-	**-**
Accumulated depreciation		
As at March 31, 2017	0.08	**0.08**
Depreciation for the year	0.07	**0.07**
Deductions / Disposal	-	**-**
As at March 31, 2018	0.15	**0.15**
Depreciation for the year	0.01	**0.01**
Deductions / Disposal	0.16	**0.16**
As at March 31, 2019	-	**-**
Net carrying amount		
As at March 31, 2019	-	**-**
As at March 31, 2018	0.25	**0.25**
As at March 31, 2017	0.32	**0.32**

PRAKASH B. SHETH & CO. CHARTERED ACCOUNTANTS
M. NO.: 036831
FRN: 108069W
AHMEDABAD

PSP PROJECTS & PROACTIVE CONSTRUCTIONS PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(Rs. in Lakhs)

5 Other Financial Assets

Particulars	As at March 31, 2019	As at March 31, 2018
Non-current		
Unsecured, considered good		
Security deposits	0.18	24.04
Contract Assets		
Retention money receivable from customer	-	492.87
Total	**0.18**	**516.91**
Current		
Unsecured, considered good		
Security deposits	2.90	-
Contract Assets		
Retention money receivable from customer	534.70	-
Amount due from customer	95.57	-
Total	**633.17**	-

6 Deferred Tax Assets

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred Tax Asset	103.87	95.65
Total	**103.87**	**95.65**

Deferred tax asset/(liabilities) in relation to:

Particulars	As at March 31, 2019	As at March 31, 2018
Opening 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**
Recognised in Profit or loss		
Losses Brought Forward	4.01	(85.13)
Property, plant and equipment	4.21	(8.13)
MAT Credit Entitlement	-	56.25
Total	**8.22**	**(37.01)**
Closing balance		
Losses Brought Forward	32.18	28.17
Property, plant and equipment	(0.49)	(4.70)
MAT Credit Entitlement	72.18	72.18
Total	**103.87**	**95.65**

7 Inventories

Particulars	As at March 31, 2019	As at March 31, 2018
Construction Materials	-	26.47
Total	-	**26.47**

The cost of inventories recognised as an expense during the year is disclosed in Note No. 20

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(Rs. in Lakhs)

8 Trade Receivables

Particulars	As at March 31, 2019	As at March 31, 2018
From related parties (Refer Note 31)	-	44.45
From others	606.38	807.07
Total	**606.38**	**851.52**

Break up of security details

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	606.38	851.52
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Total	**606.38**	**851.52**

9 Cash and Bank Balances

Particulars	As at March 31, 2019	As at March 31, 2018
Cash and Cash Equivalents		
Cash on Hand	0.15	0.50
Balances with banks		
In current accounts	3.01	1.93
In deposit accounts (Refer Note 9.1 below)	-	454.54
Sub Total	**3.16**	**456.97**
Less: Fixed deposits having maturity more than 3 months & less than 12 months shown under other bank balances	-	454.54
Total	**3.16**	**2.43**
Bank Balances other than above		
In deposit accounts (Maturity more than 3 months & less than 12 months)	-	454.54
Total	-	**454.54**

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

Particulars	As at March 31, 2019	As at March 31, 2018
Fixed deposits pledged with banks as security against credit facilities	-	454.54
Total	-	**454.54**

10 Other assets

Particulars	As at March 31, 2019	As at March 31, 2018
<u>**Current**</u>		
Unsecured, considered good		
Advances to vendors	-	0.28
Balance with Government authorities	8.37	-
Prepaid Expenses	0.02	1.86
Total	**8.39**	**2.14**

11 Current Tax Assets

Particulars	As at March 31, 2019	As at March 31, 2018
Current Tax Assets (Net)	102.69	79.61
Total	**102.69**	**79.61**

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12 Equity Share Capital

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised Equity Share Capital		
50,00,000 (previous year - 50,00,000) Equity Shares of Rs. 10 each	500.00	500.00
	500.00	**500.00**
Issued, Subscribed and Paid up capital		
50,00,000 (previous year - 50,00,000) Equity Shares of Rs. 10 each fully paid up	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, 2019		As at March 31, 2018	
	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**
At the end of the year	**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, 2019		As at March 31, 2018	
	No. of shares	%	No. of shares	%
PSP PROJECTS LIMITED	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 Other equity

Particulars	Reserves & Surplus			Debt instruments through OCI	Total
	General Reserve	Securities Premium	Retained Earnings		
Balance as at March 31, 2017 (A)	-	-	(268.94)	-	**(268.94)**
Additions during the year:					
Profit for the year	-	-	182.62	-	182.62
Total Comprehensive Income for the year 2017-18 (B)	**-**	**-**	**182.62**	**-**	**182.62**
Balance as at March 31, 2018 (C) = (A) + (B)	**-**	**-**	**(86.32)**	**-**	**(86.32)**
Additions during the year:					
Loss for the year	-	-	(85.33)	-	**(85.33)**
Total Comprehensive Income for the year 2018-19 (D)	**-**	**-**	**(85.33)**	**-**	**(85.33)**
Balance as at March 31, 2019 (E) = (C) + (D)	**-**	**-**	**(171.65)**	**-**	**(171.65)**

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(Rs. in Lakhs)

14 Borrowings

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Secured (At Amortised Cost)		
Working Capital Loans		
From Banks	381.63	860.88
Unsecured		
From Related Parties (Refer Note.31)	600.00	-
Total	**981.63**	**860.88**

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

Note on Nature of Security:

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, 2019	As at March 31, 2018
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	148.47	713.21
Total	**148.47**	**713.21**

16 Other Financial Liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Payable for capital expenditures	-	0.25
Other Payables	0.09	3.04
Total	**0.09**	**3.29**

17 Other Current Liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Statutory Payables	1.19	18.42
Contract Liabilities		
Advance received from Customer	-	49.57
Mobilisation Advance received from Customer	-	75.50
Total	**1.19**	**143.49**

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(Rs. in Lakhs)

18 Revenue from Operations

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from Contracts with Customers	957.54	2,633.02
Other Operating Revenue	89.26	858.10
Total	**1,046.80**	**3,491.12**

19 Other Income

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest Income		
On Fixed Deposits	9.66	31.67
Others	-	0.07
Total	**9.66**	**31.74**

20 Cost of Construction Material Consumed

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening Stock	26.47	56.58
Add: Purchases	336.47	1,859.89
	362.94	**1,916.47**
Less: Closing Stock	-	26.47
Total	**362.94**	**1,890.00**

21 Construction Expenses

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Labour Expenses	276.48	614.60
Sub-Contracting Expenses	153.88	116.78
Stores, Spares & Other Consumables	5.41	17.07
Power & Fuel	54.17	127.62
Site Expenses	3.50	5.72
Machinery Rent	170.25	302.77
Insurance	6.29	8.78
Repairs & Maintenance:		
Machineries	10.55	15.16
Vehicles	0.03	0.94
Transportation Expenses	0.55	0.52
Security Expenses	10.21	14.01
Total	**691.32**	**1,223.97**

22 Employee benefits expense

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries and Wages	3.31	0.22
Contributions to Provident Fund and Other Funds	0.12	-
Total	**3.43**	**0.22**

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(Rs. in Lakhs)

23 Finance costs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest costs:		
Working Capital Loan	45.20	59.17
Others	23.19	0.37
Other Borrowing costs	0.06	0.01
Total	**68.45**	**59.55**

24 Depreciation and Amortization Expense

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation Expenses	7.26	30.29
Amortization Expenses	0.01	0.07
Total	**7.27**	**30.36**

25 Other Expenses

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Rates & Taxes	0.04	7.61
Repairs & Maintenance:		
Vehicle	0.04	0.31
Computers	0.23	0.03
Building	0.12	0.27
Printing & Stationery Expenses	0.56	1.06
Communication Expenses	1.22	1.09
Auditor's Remuneration	0.25	0.25
Legal & Professional Expenses	11.80	31.14
Travelling & Conveyance	0.78	0.64
Advertisement Expenses	0.25	0.25
Net Loss on PPE written off	0.79	-
Net Loss on sale of assets	0.05	-
Miscellaneous Expenses	0.46	0.23
Total	**16.59**	**42.88**

25 Remuneration to Auditors:

Payment to Statutory Auditors		
For Audit Fees	0.25	0.25
For Taxation Matters	0.15	-
Total	**0.40**	**0.25**

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(Rs. in Lakhs)

26 Earnings per share (EPS)

Particulars	**Unit**	**Year Ended March 31, 2019**	**Year Ended March 31, 2018**
(i) Net Profit/(Loss) after Tax attributable to equity holders of the Company	In Rs.	(85.33)	182.62
(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.	(1.71)	3.65

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(Rs. in Lakhs)

27 Tax Expense

(a) Amounts recognised in profit and loss

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current tax expense (A)		
Current year	-	56.25
Changes in estimates relating to prior years	-	-
	-	56.25
Deferred tax expense (B)		
Origination and reversal of temporary differences	(8.22)	93.26
MAT Credit Entitlement	-	(56.25)
Tax expense recognised in the income statement	**(8.22)**	**93.26**

(b) Reconciliation of effective tax rate

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	%	Amount	%	Amount
Profit/(Loss) Before Tax		**(93.55)**		**275.88**
Tax using the Company's domestic tax rate	26.00%	(24.32)	33.06%	91.21
Tax effect of:				
Effect of Expenses that are not deductible in determining taxable profit/(loss)	-2.26%	2.11	3.64%	10.04
Effect of income that is exempt from taxation	0.00%	-	-2.77%	(7.63)
Effect of Expenses that are deductible in determining taxable profit/(loss)	0.45%	(0.42)	0.00%	-
Others	-15.41%	14.42	-0.13%	(0.36)
Effective income tax rate	8.78%	**(8.22)**	33.80%	**93.26**
Adjustments recognised in current year in relation to the current tax of prior years		**0.00**		**(0.00)**
Income tax expense / (income)		**(8.22)**		**93.26**

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28 Fair value measurement hierarchy:

(Rs. in Lakhs)

Particulars	As at March 31, 2019						
	Carrying amount	Amortised Cost	FVTOCI	FVTPL	Level of input used in		
					Level 1	Level 2	Level 3
Financial assets							
Trade receivables	606.38	606.38	-	-	-	-	-
Cash and cash equivalents and Other Bank Balances	3.16	3.16	-	-	-	-	-
Other financial assets	0.18	0.18	-	-	-	-	-
	609.72	**609.72**	**-**	**-**	**-**	**-**	**-**
Financial liabilities							
Borrowings	981.63	981.63	-	-	-	-	-
Trade payables	148.47	148.47	-	-	-	-	-
Other Financial liabilities	0.09	0.09	-	-	-	-	-
	1,130.19	**1,130.19**	**-**	**-**	**-**	**-**	**-**

(Rs. in Lakhs)

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	-	-	-	-	-
Trade payables	713.21	713.21	-	-	-	-	-
Other Financial liabilities	3.29	3.29	-	-	-	-	-
	1,577.38	**1,577.38**	**-**	**-**	**-**	**-**	**-**

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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.

29 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, 2019**	**As at March 31, 2018**
Non-current borrowing	-	-
Current borrowing	981.63	860.88
Total Debt	**981.63**	**860.88**
Total equity	**328.35**	**413.68**
Adjusted net debt to adjusted equity ratio	**2.99**	**2.08**

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30 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.

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, 2019

Particulars	Note No.	Carrying Amount	Less than 12 months	More than 12 months	Total
Current Borrowings	14	981.63	981.63	-	981.63
Trade Payables	15	148.47	148.47	-	148.47
Other Financial Liabilities	16	0.09	0.09	-	0.09
Total		**1,130.19**	**1,130.19**	**-**	**1,130.19**

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	713.21	713.21	-	713.21
Other Financial Liabilities	16	3.29	3.29	-	3.29
Total		**1,577.38**	**1,577.38**	**-**	**1,577.38**

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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, 2019	As at March 31, 2018
Fixed-rate instruments		
Financial Assets	-	-
Financial Liabilities	-	-
Variable-rate instruments		
Financial Assets	-	-
Financial Liabilities	981.63	860.88

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 tax (Rs. in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Increase in 100 basis points	(7.26)	(5.76)
Decrease in 100 basis points	7.26	5.76

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31 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

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

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

(ii) Transactions with related parties: (Rs. in Lakhs)

Particulars	2018-19	2017-18
Purchase of Concrete Mix		
PSP Projects Limited	114.52	-
Sale of Concrete Mix		
PSP Projects Limited	64.47	857.67
Sales of Assets - Plant & Machinery & Vehicle & Computer & Intangible Assets		
PSP Projects Limited	95.88	-
Receipt of Services	-	
PSP Projects Limited	228.39	451.79
Interest Expenses		
PSP Projects Limited	17.21	-
Prahaladbhai S. Patel	5.98	-
Loan Received from Director		
Prahaladbhai S. Patel	110.00	-
Loan Repaid to Director		
Prahaladbhai S. Patel	10.00	
Loan Received from Holding Co.		
PSP Projects Limited	700.00	-
Loan Repaid to Holding Co.		
PSP Projects Limited	200.00	-
Remuneration		
Shreya Shah	3.36	0.22

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

Particulars	As at March 31, 2019	As at March 31, 2018
Trade Receivables		
PSP Projects Limited	-	44.45
Loans		
PSP Projects Limited	500.00	-
Prahaladbhai S. Patel	100.00	-
Trade Payables		
PSP Projects Limited	75.02	81.10
Remuneration Payable		
Shreya Shah	0.26	0.21

(iv) Terms and conditions

Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.

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32 Revenue from contracts with customers (Disclosure as per Ind AS 115)

(a) Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical area.

(Rs. in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
India	957.54	2,633.02

(b) Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with

(Rs. in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade Receivables	606.38	851.52
Contract assets		
Retention money receivable from customers	534.70	492.87
Amount due from customers	95.57	-
Contract liabilities		
Advance received from Customers	-	49.57
Mobilisation Advance received from Customer	-	75.50

A contract asset is Company's right to consideration for work completed but not billed at the reporting date and a right to consideration that is conditioned on achievement of milestone specified in the contract excluding any amounts presented as a receivable. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Company issues an invoice to the customer or milestones are achieved as specified in the contract. The contract liabilities primarily relate to the advance consideration received from customers for construction for which revenue is recognised over time.

Amounts due from contract customers represents the gross unbilled amount expected to be collected from customers for contract work performed till date. It is measured at cost plus profit recognised till date less progress billings and recognised losses when incurred.

Significant changes in contract asset and contract liabilities balances during the year are as follows :

(Rs. in Lakhs)

Particulars	Year ended March 31, 2019
Due from contract customers	
At the beginning of the reporting period	-
Cost incurred plus attributable profits on contracts-in-progress	10,814.97
Progressive billings made towards contracts-in-progress	(10,719.40)
Due from contract customers impaired during the reporting period	-
Significant changes due to other reasons	-
At the end of the reporting period	95.57

(c) Performance obligation

The Company recognises revenue from contracts with customers when it satisfies a performance obligation by transferring promised good or service to a customer. The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Performance obligation is satisfied over time when the transfer of control of asset (good or service) to a customer is done over time and in other cases, performance obligation is satisfied at a point in time. For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation.

For contracts where the aggregate of contract cost incurred to date plus recognised profits (or minus recognised losses as the case may be) exceeds the progress billing, the surplus is shown as contract asset and termed as "Due from customers". For contracts where progress billing exceeds the aggregate of contract costs incurred to-date plus recognised profits (or minus recognised losses, as the case may be), the surplus is shown as contract liability and termed as "Due to customers". Amounts received before the related work is performed are disclosed in the Balance Sheet as contract liability and termed as "Advances from customer". The amounts billed on customer for work performed and are unconditionally due for payment i.e. only passage of time is required before payment falls due, are disclosed in the Balance Sheet as trade receivables. The amount of retention money held by the customers pending completion of performance milestone is disclosed as part of contract asset and is reclassified as trade receivables when it becomes due for payment.

(d) Reconciliation of revenue recognised in the Statement of Profit and Loss

(Rs. in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Contract price of the revenue recognised	957.54	2,633.02
Add : Performance Bonus	-	-
Add : Incentives	-	-
Less : Liquidated damages	-	-
Revenue recognised in the statement of Profit and Loss	**957.54**	**2,633.02**

PRAKASH B. SHETH & CO. CHARTERED ACCOUNTANTS
M. NO.: 036831
FRN: 108069W
AHMEDABAD

PSP PROJECTS & PROACTIVE CONSTRUCTIONS PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

33 Dues to Micro, Small and Medium Enterprises

Disclosure required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006.

(Rs. in Lakhs)

Sr.No.	Particulars	As at March 31, 2019	As at March 31, 2018
a)	(i) Principal amount remaining unpaid to supplier under the MSMED Act 2006	-	-
	(ii) Interest on a) (i) above	-	-
b)	The amount of interest paid by the Group in terms of section 16 of the MSMED, along with amount of payment made to the supplier beyond the appointed date during the accounting year.	-	-
c)	The amount of interest accrued and remaining unpaid at the end of the financial year	-	-
d)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding interest specified under MSMED.	-	-
e)	The amount of further interest remaining due and payable even in the succeeding year	-	-

34 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.

35 Standards Issued but not yet effective:

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

Ind AS 116 Leases was notified in October 2018 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.
Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company intends to adopt these standards, if applicable, when they become effective. As the Company does not have any material leases, therefore the adoption of this standard is not likely to have a material impact in its Financial Statements.

Amendments to Ind AS 12, Income Taxes, clarify that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transactions that generated the distributable profits – i.e. in profit or loss, other comprehensive income or equity. Further Appendix C, uncertainty over income tax treatments has been added to clarify how entities should reflect uncertainties over income tax treatments, in particular when assessing the outcome a tax authority might reach with full knowledge and information if it were to make an examination

Amendment to Ind AS 19, Employee Benefits - The amendment to Ind AS 19 clarifies that on amendment, curtailment or settlement, curtailment or settlement. Any change in that effect is recognized in other comprehensive income (except for amounts included in net interest). of a defined benefit plan, the current service cost and net interest for the remainder of the annual reporting period are calculated using updated actuarial assumptions – i.e. consistent with the calculation of a gain or loss on the plan amendment, curtailment or settlement. This amendment also clarifies that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognized in profit or loss. The entity then determines the effect of the asset ceiling after plan amendment, curtailment or settlement. Any change in that effect is recognized in other comprehensive income (except for amounts included in net interest).

36 Approval of Financial Statements:

The financial statements are approved for issue by the Board of Directors at their meetings held on May 25, 2019.

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

Prakash B. Sheth
Proprietor
Membership No.- 036831
Place : Ahmedabad
Date : May 25, 2019

PRAKASH B. SHETH & CO. CHARTERED ACCOUNTANTS M. NO.: 036831 FRN: 108069W AHMEDABAD

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 25, 2019

PSP Projects & Proactive Constructions Pvt. Ltd.

PSP PROJECTS INC

REGISTERED ADDRESS: 2257 PARK PLACE CIR ROUND ROCK TEXAS - 78681

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

PSP Projects INC

Balance Sheet as at 31st March 2019

	Particulars	Note No.	As At 31st March 19	As At 31st March 18
			USD	USD
I	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	Share capital	1	10,000.00	10,000.00
	Reserves and surplus	2	(1,18,434.55)	(93,720.74)
			(1,08,434.55)	(83,720.74)
2	**Non-current liabilities**			
	Long term borrowings	3	34,50,000.00	28,50,000.00
3	**Current liabilities**			
	Other current liabilities	4	59,548.00	50,242.00
	Total		34,01,113.45	28,16,521.26
II	**ASSETS**			
1	**Non current assets**			
	Non current investments	5	(23,268.50)	(10,149.75)
	Long term loans and advances	6	32,99,500.00	27,59,500.00
			32,76,231.50	27,49,350.25
2	**Current assets**			
	Cash and cash equivalent	7	67,931.95	21,659.01
	Other current assets	8	56,950.00	45,512.00
			1,24,881.95	67,171.01
	Total		34,01,113.45	28,16,521.26

For, PSP Projects INC

Authorised Signatory

PSP Projects INC

Statement of Profit and Loss for the year ended 31st March 2019

	Particulars	Note No.	For the year ended 31st March 2019 USD	For the year ended 31st March 2018 USD
I	Other income	9	2,05,262.00	1,72,380.98
	Total Revenue		**2,05,262.00**	**1,72,380.98**
II	**Expenses**			
	Finance cost	10	2,14,541.00	1,83,544.00
	Other expenses	11	15,435.03	21,083.72
	Total expenses		**2,29,976.03**	**2,04,627.72**
III	**Profit/(Loss) before taxes (I - II)**		**(24,714.03)**	**(32,246.74)**
IV	**Tax expenses**			
	Current tax		-	-
	Deferred tax		-	-
	Net Tax Expenses		-	-
V	**Profit / (Loss) for the year (III - IV)**		**(24,714.03)**	**(32,246.74)**

For, PSP Projects INC

Authorised Signatory

PSP PROJECTS INC

NOTES TO THE FINANCIAL STATEMENTS

NOTE : 1 SHARE CAPITAL		
Particulars	**As at 31st March 2019**	**As at 31st March 2018**
	USD	**USD**
10,000 (Previous Year : 10,000) Shares of USD 1/- Each	10,000.00	10,000.00
Total	**10,000.00**	**10,000.00**

NOTE : 2 RESERVES AND SURPLUS		
Particulars	**As at 31st March 2019**	**As at 31st March 2018**
	USD	**USD**
Surplus / (Deficit)		
Opening Balance	(93,720.52)	(61,474.00)
Profit / (Loss) for the year upto 31/12/2018	(24,165.97)	
Profit / (Loss) for the Q4 upto 31/03/2019	(548.06)	(32,246.74)
Closing Balance	- **1,18,434.55**	- **93,720.74**

NOTE : 3 LONG TERM BORROWINGS		
Particulars	**As at 31st March 2019**	**As at 31st March 2018**
	USD	**USD**
Loan from Holding Company	34,50,000.00	28,50,000.00
Total	**34,50,000.00**	**28,50,000.00**

NOTE : 4 OTHER CURRENT LIABILITIES		
Particulars	**As at 31st March 2019**	**As at 31st March 2018**
	USD	**USD**
Duties & Taxes Payable	8,932.00	7,379.00
Unpaid Expenses	-	1,050.00
Interest Payable on Loan	50,616.00	41,813.00
Total	**59,548.00**	**50,242.00**

NOTE : 5 NON CURRENT INVESTMENTS		
Particulars	**As at 31st March 2019**	**As at 31st March 2018**
	USD	**USD**
Investment in P & J Builders LLC upto 31/12/2018	(18,173.40)	(10,149.75)
Loss on investment Q4 upto 31/03/2019	(5,095.10)	-
Total	**(23,268.50)**	**(10,149.75)**

For, PSP Projects INC

Authorised Signatory

PSP PROJECTS INC

NOTES TO THE FINANCIAL STATEMENTS

NOTE : 6 LONG TERM LOANS AND ADVANCES		
Particulars	As at 31st March 2019	As at 31st March 2018
	USD	USD
Loan to P & J Builders LLC	32,99,500.00	27,59,500.00
Total	32,99,500.00	27,59,500.00

NOTE : 7 CASH AND CASH EQUIVALENTS		
Particulars	As at 31st March 2019	As at 31st March 2018
	USD	USD
Balances with banks	67,931.95	21,659.01
Total	67,931.95	21,659.01

NOTE : 8 OTHER CURRENT ASSETS		
Particulars	As at 31st March 2019	As at 31st March 2018
	USD	USD
Interest Accrued but not due	56,950.00	45,512.00
Total	56,950.00	45,512.00

NOTE : 9 OTHER INCOME		
Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
	USD	USD
Interest Income	2,05,262.00	1,72,380.98
Total	2,05,262.00	1,72,380.98

NOTE : 10 FINANCE COST		
Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
	USD	USD
Interest Expenses	2,14,403.00	1,83,406.00
Bank Charges	138.00	138.00
Total	2,14,541.00	1,83,544.00

NOTE : 11 OTHER EXPENSES		
Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
	USD	USD
Legal & Professional Charges	400.00	8,055.00
Penalty	316.06	118.72
Rates & Taxes	1,600.00	-
Loss on Investment upto 31/12/2018	12,570.91	-
Loss on Investment upto 31/03/2019	548.06	12,910.00
Total	15,435.03	21,083.72

For, PSP Projects INC

Authorised Signatory