212/213, Pratibha I, Opp. Gandhigram Railway Station,
B/h Sakar I, Navrangpura, Ahmedabad 380009

Prakash B. Sheth & Co.
Chartered Accountants

# 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 2022, 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 2022, 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'.

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

**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.

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

- 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 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

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

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.

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.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or any entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(b) Management has represented that to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been received by the company from any persons or any entities, including foreign entities ("Funding Parties") with the understanding, whether recorded in writing or otherwise, that the company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representation under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. (a) The company did not declare or paid dividend during the year hence question of compliance with section 123 of the Companies Act, 2013 does not arise.

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,

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

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**

PBSheth

**(Prakash B. Sheth)**
**Proprietor**
**Membership No.:036831**
**UDIN 22036831AJKOYC5883**

**Place : Ahmedabad**
**Date : May 23, 2022**

## 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. In respect of the Company's Property, Plant & Equipment and Intangible Assets:

Since Company does not own Property, Plant & Equipment and Intangible Assets hence reporting under clauses 3(i)(a)(A) and (B), 3(i)(b), 3(i)(c), 3(i)(d) and 3(i)(e) of the Order are not applicable.

ii. (a) As explained to us, inventories have been physically verified at reasonable intervals by the management during the year. In our opinion, the coverage and the procedure of such verification is appropriate. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed during such verification.

(b) The company has not been sanctioned working capital limit in excess of Rs. 5 Crore, in aggregate, ay any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

iii. The company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firm, Limited Liability Partnership or any other parties hence reporting under clauses 3(iii) (a)(A)(B), 3(iii)(b), 3(iii)(c), 3(iii)(d) and 3(iii)(e) of the Order 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 hence reporting under clause 3(iv) of the Order is not applicable .

v. In our opinion, and according to the information and explanations given to us the company has not accepted any deposits or amounts which are deemed to be 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 and hence reporting under clause 3(v) of the Order is not applicable.

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 Companies Act, 2013 for any of the products manufactured/ services rendered by the company hence reporting under clause 3(vi) of the Order is not applicable.

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, Sales tax, Service Tax, duty of customs, duty of excise, value added tax and other material statutory dues, as applicable.

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

According to the information and explanations given to us and the records of the Company examined by us, in our opinion, no undisputed amounts payable in respect of goods and service tax, provident fund, employees' state insurance, income tax, sales tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months 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 statutory dues referred to in clause (a) above as at 31 March, 2022 which have not been deposited with the appropriate authorities on account of any dispute.

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. (a) 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 other borrowings to any lender.

(b) The Company has not been declared willful defaulter by any bank of financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence reporting under clause 3(ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) The company has no subsidiaries, associates or joint ventures hence reporting under clause 3(ix)(e) of the Order is not applicable.

(f) The Company has not raised any loans during the year hence reporting under clause 3(ix)(f) of the Order is not applicable.

x. (a) Based on the information and explanations given by the management and on an overall examination of the balance sheet, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) Based on the information and explanations given by the management and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) hence reporting under clause 3(x)(b) of the Order is not applicable.

xi. (a) 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, no fraud by the Company and no material fraud on the Company has been notices or reported during the year.

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

(b) No report under sub section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) Based on the information and explanations given by the management no whistle-blower complaints, if any, received during the year by the Company.

xii. In our opinion, the company is not a Nidhi Company hence reporting under clause (xii) of the Order is not applicable.

xiii. Based on our examination of records of the Company and according to the information and explanations given to us, the transactions with related parties are in compliance with the provisions of Section 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standard.

xiv. (a) Looking to the size and the nature of the business Company does not require to have an internal audit system.

(b) Since Company does not require to have an internal audit system hence reporting under clause (xiv)(b) of the Order is not applicable.

xv. In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any noncash transactions with its directors or persons connected with him hence provisions of section 192 of the Companies act, 2013 are not applicable to the Company.

xvi. (a) In our opinion the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(b) In our opinion, there is no core investment company within the group (as defined in the Core Investment Companies (Reserve Bank Directions, 2016) and accordingly reporting under clause 3(xvi) (d) of the Order is not applicable.

xvii. The Company has incurred cash losses in the financial year and in the immediately financial year.

The cash losses for the financial year is Rs. 41.33 lakhs and for the immediately financial year is Rs. 287.28 lakhs.

xviii. There has been no resignation of the statutory auditors of the Company during the year.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due

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

within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. a) Based on our examination of records of the Company and according to the information and explanations given to us the provisions of Corporate Social Responsibility as per section 135 of the Companies Act, 2013 are not applicable to the Company for the year under audit. Accordingly, reporting under clauses 3(xx)(a) and clause 3(xx)(b) of the Order are not applicable for the year.

xxi. There are no Companies of which reports are included in the consolidated financial statements. Hence, reporting under clauses 3(xxi) of the Order is not applicable.

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

PBSheth

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

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

**Place : Ahmedabad.**
**Date : May 23, 2022**

## 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, 2022 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

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

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, to the best of 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, 2022, 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**

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

PBSheth

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

**Place : Ahmedabad**
**Date : May 23, 2022**

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 ('The Act'), read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (IND AS compliant Schedule III), as applicable to the financial statement.

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) Property, Plant and Equipment:

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.

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

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.

**C) Fair value measurement of Financial Instruments:**

When the fair values of financials assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

**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.

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

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

b) Depreciation:

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

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

c) Derecognition:

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

**2.6 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.

**2.7 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.

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

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.

**2.8 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.

**2.9 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.

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

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.

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.

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

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

### 2.11 Revenue Recognition:

Revenue from Contracts with Customers:

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

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

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..

**2.12 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.

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

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.

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.

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

**2.13 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.

**2.14 Lease Accounting:**

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contracts.

**2.15 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. The company's chief operating decision maker is the Director.

**2.16 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.

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

**2.17 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.

**2.18 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.

**2.19 Recent new Accounting Pronouncements:**

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated 23 March, 2022 to amend the following IND AS which are effective from 01 April, 2022.

a) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37

The amendments to Ind AS 37 specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs for example direct labour and materials and an allocation of other costs directly related to contract activities for example an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

b) Reference to the Conceptual Framework –Amendments to Ind AS 103

The amendments replaced the reference to the ICAI's "Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards" with the reference to the "Conceptual Framework for Financial Reporting under Indian Accounting Standard" without significantly changing its requirements.

The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately.

It has also been clarified that the existing guidance in Ind AS 103 for contingent assets would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards.

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

c) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

d) Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

e) Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability.

f) Ind AS 116 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration.

The amendments are effective for annual reporting periods beginning on or after 1 April, 2022. The Company has evaluated the amendments and the impact is not expected to be material.

**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
FRN: 108069W
AHMEDABAD
CHARTERED ACCOUNTANTS

**PSP PROJECTS & PROACTIVE CONSTRUCTIONS PRIVATE LIMITED**
**BALANCE SHEET AS AT MARCH 31, 2022**

(Rs. in Lakhs)

| Particulars | Note No. | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| **ASSETS** | | | |
| **(1) Non - current Assets** | | | |
| (a) Property, Plant and Equipment | | - | - |
| (b) Financial Assets | | | |
| Other Financial Assets | 3 | 0.18 | 0.18 |
| (c) Deferred Tax Asset (Net) | 4 | 209.47 | 198.72 |
| **Total Non-current Assets** | | **209.65** | **198.90** |
| **(2) Current Assets** | | | |
| (a) Inventories | 5 | 119.93 | - |
| (b) Financial Assets | | | |
| (i) Trade Receivables | 6 | - | 450.00 |
| (ii) Cash and Cash Equivalents | 7 | 41.53 | 2.66 |
| (iii) Bank Balances other than (ii) above | 7 | 74.97 | - |
| (iv) Other Financial Assets | 3 | 0.20 | 0.20 |
| (c) Other Current Assets | 8 | 11.70 | 0.13 |
| **Total Current Assets** | | **248.33** | **452.99** |
| **Total Assets** | | **457.98** | **651.89** |
| **EQUITY AND LIABILITIES** | | | |
| **(1) Equity** | | | |
| (a) Equity Share Capital | 9 | 500.00 | 500.00 |
| (b) Other Equity | 10 | (470.54) | (439.96) |
| **Total Equity** | | **29.46** | **60.04** |
| **LIABILITIES** | | | |
| **(2) Current Liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 11 | 200.00 | 590.45 |
| (ii) Trade Payables | 12 | | |
| - Total outstanding dues of micro enterprises and small enterprises | | 0.10 | - |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | | 136.22 | - |
| (iii) Other Financial Liabilities | 13 | 0.25 | 0.25 |
| (b) Other Current Liabilities | 14 | 91.95 | 1.15 |
| **Total Current Liabilities** | | **428.52** | **591.85** |
| **Total Liabilities** | | **428.52** | **591.85** |
| **Total Equity and Liabilities** | | **457.98** | **651.89** |

**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 23, 2022**

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

**For and on behalf of the Board of Directors**

| | |
|---|---|
| **Prahaladbhai S. Patel** | **Shilpaben P. Patel** |
| **Director** | **Director** |
| **(DIN: 00037633)** | **(DIN: 02261534)** |

**Place : Ahmedabad**
**Date : May 23, 2022**

PSP PROJECTS & PROACTIVE CONSTRUCTIONS PVT. LTD. AHMEDABAD

PSP PROJECTS & PROACTIVE CONSTRUCTIONS PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(Rs. in Lakhs)

| | Particulars | Note No. | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|---|---|
| I | Revenue From Operations | 15 | - | - |
| II | Other Income | 16 | 0.02 | 41.17 |
| III | **Total Income (I+II)** | | **0.02** | **41.17** |
| IV | **EXPENSES** | | | |
| | Cost of Construction Material Consumed | 17 | 0.61 | - |
| | Changes in Inventories of Work-In-Progress | 18 | (99.07) | - |
| | Construction Expenses | 19 | 98.46 | 0.18 |
| | Employee Benefits Expense | 20 | - | 0.34 |
| | Finance Cost | 21 | 35.96 | 81.18 |
| | Depreciation and Amortization Expense | | - | - |
| | Other Expenses | 22 | 5.39 | 246.75 |
| | **Total Expenses (IV)** | | **41.35** | **328.45** |
| V | **Profit/(Loss) Before Tax (III-IV)** | | **(41.33)** | **(287.28)** |
| VI | **Tax Expense:** | | | |
| | Deferred Tax | 24 | (10.75) | (83.17) |
| VII | **Profit/(Loss) for the year (V-VI)** | | **(30.58)** | **(204.11)** |
| 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)** | | **(30.58)** | **(204.11)** |
| XI | **Earnings per equity share:** | | | |
| | Basic and Diluted (Face value Rs.10 per equity share) | 23 | (0.61) | (4.08) |

**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 23, 2022**

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

**For and on behalf of the Board of Directors**

**Prahaladbhai S. Patel**
**Director**
**(DIN: 00037633)**

S.P. Patel

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

**Place : Ahmedabad**
**Date : May 23, 2022**

PSP PROJECTS & PROACTIVE CONSTRUCTIONS PVT. LTD. AHMEDABAD

**PSP PROJECTS & PROACTIVE CONSTRUCTIONS PRIVATE LIMITED**

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022**

(Rs. in Lakhs)

| | Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| A | **Cash flow from operating activities** | | |
| | Profit/ (Loss) before tax | (41.33) | (287.28) |
| | **Adjustments for :** | | |
| | Finance costs | 9.21 | 19.16 |
| | Interest Income | (0.02) | (9.71) |
| | **Operating Profit/(Loss) before working capital changes** | **(32.14)** | **(277.83)** |
| | **Movements in working capital:** | | |
| | (Increase)/Decrease in trade receivable | 450.00 | 667.51 |
| | (Increase)/Decrease in other assets | (11.56) | 28.34 |
| | Increase/(Decrease) in trade payables | 136.32 | (51.79) |
| | Increase /(decrease) in other liabilities | 90.80 | (48.03) |
| | **Cash generated from operations:** | **513.48** | **318.20** |
| | Direct taxes paid (net) | - | 94.87 |
| | **Net cash generated from operating activities (A)** | **513.48** | **413.07** |
| B | **Cash flows from investing activities** | | |
| | Purchase of term deposits (net) | (74.97) | - |
| | Interest received | 0.02 | 9.71 |
| | **Net cash (used) in Investing activities (B)** | **(74.95)** | **9.71** |
| C | **Cash flow from financing activities :** | | |
| | Proceeds from / (Repayment) current borrowings | (390.45) | (402.90) |
| | Interest paid | (9.21) | (19.16) |
| | **Net cash (used) in Financing activities (C)** | **(399.66)** | **(422.06)** |
| | **NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS [(A) + (B) + (C)]** | **38.87** | **0.71** |
| | **Add: Cash and cash equivalents as at beginning of the year** | **2.66** | **1.95** |
| | **Cash and Cash Equivalents as at the end of the year** | **41.53** | **2.66** |

**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, 2022 | As at March 31, 2021 |
|---|---|---|
| Cash on hand | 0.07 | 0.07 |
| **Balances with banks** | | |
| In current accounts | 41.46 | 2.59 |
| **CASH AND CASH EQUIVALENTS AS PER NOTE 7** | **41.53** | **2.66** |
| **CASH AND CASH EQUIVALENTS AS PER CASH FLOW STATEMENT** | **41.53** | **2.66** |

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

**Reconciliation of liabilities arising from financing activities**

**As at March 31, 2022** **(Rs. in Lakhs)**

| Particulars | Opening Balance | Cash Flows | Non Cash Changes | Closing Balance |
|---|---|---|---|---|
| Current Borrowings | 590.45 | (390.45) | - | 200.00 |
| **Total liabilities from financing activities** | **590.45** | **(390.45)** | - | **200.00** |

**As at March 31, 2021** **(Rs. in Lakhs)**

| Particulars | Opening Balance | Cash Flows | Non Cash Changes | Closing Balance |
|---|---|---|---|---|
| Current Borrowings | 993.35 | (402.90) | - | 590.45 |
| **Total liabilities from financing activities** | **993.35** | **(402.90)** | - | **590.45** |

**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**

**For and on behalf of the Board of Directors**

**Prahaladbhai S. Patel**
**Director**
**(DIN: 00037633)**

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

**Prakash B. Sheth**
**Proprietor**
**Membership No.- 036831**
**Place : Ahmedabad**
**Date : May 23, 2022**

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

**Place : Ahmedabad**
**Date : May 23, 2022**

PSP PROJECTS & PROACTIVE CONSTRUCTIONS PVT. LTD. AHMEDABAD

**PSP PROJECTS & PROACTIVE CONSTRUCTIONS PRIVATE LIMITED**
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021**

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

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Balance at the beginning of the year** | 500.00 | 500.00 |
| Changes in Equity Share Capital due to prior period errors | - | - |
| **Restated balance as at 1st April, 2021** | **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:** **(Rs. in Lakhs)**

| Particulars | Reserves & Surplus | | | Total |
|---|---|---|---|---|
| | General Reserve | Securities Premium | Retained Earnings | |
| **Balance as at March 31, 2020** | - | - | **(235.85)** | **(235.85)** |
| Changes in Other equity due to prior period errors | - | - | - | - |
| **Restated Balance as at March 31, 2020 (A)** | - | - | **(235.85)** | **(235.85)** |
| **Additions during the year:** | | | | |
| Loss for the year | - | - | (204.11) | (204.11) |
| **Total Comprehensive Income for the year 2020-21 (B)** | - | - | **(204.11)** | **(204.11)** |
| **Balance as at March 31, 2021 (C) = (A) + (B)** | - | - | **(439.96)** | **(439.96)** |
| Changes in Other equity due to prior period errors | - | - | - | - |
| **Restated Balance as at March 31, 2021 (D)** | - | - | **(439.96)** | **(439.96)** |
| **Additions during the year:** | | | | |
| Loss for the year | | | (30.58) | (30.58) |
| **Total Comprehensive Income for the year 2021-22 (E)** | - | - | **(30.58)** | **(30.58)** |
| **Balance as at March 31, 2022 (F) = (D) + (E)** | - | - | **(470.54)** | **(470.54)** |

**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 23, 2022**

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

**For and on behalf of the Board of Directors**

S-P-Patel

| | |
|---|---|
| **Prahaladbhai S. Patel** | **Shilpaben P. Patel** |
| **Director** | **Director** |
| **(DIN: 00037633)** | **(DIN: 02261534)** |

**Place : Ahmedabad**
**Date : May 23, 2022**

PSP PROJECTS & PROACTIVE CONSTRUCTIONS PVT. LTD. AHMEDABAD

PSP PROJECTS & PROACTIVE CONSTRUCTIONS PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

**3 Other Financial Assets** (Rs. in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Non - current** | | |
| **Unsecured, considered good** | | |
| Security deposits | 0.18 | 0.18 |
| **Total** | **0.18** | **0.18** |
| **Current** | | |
| **Unsecured, considered good** | | |
| Security deposits | 0.20 | 0.20 |
| **Total** | **0.20** | **0.20** |

**4 Deferred Tax Assets** (Rs. in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Deferred Tax Asset | 209.47 | 198.72 |
| **Total** | **209.47** | **198.72** |

**Deferred tax asset/(liabilities) in relation to:** (Rs. in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Opening balance** | | |
| Losses Brought Forward | 126.53 | 43.36 |
| Property, plant and equipment | - | - |
| MAT Credit Entitlement | 72.18 | 72.18 |
| **Total** | **198.71** | **115.54** |
| **Recognised in Profit or loss** | | |
| Losses Brought Forward | 10.75 | 83.17 |
| **Total** | **10.75** | **83.17** |
| **Closing balance** | | |
| Losses Brought Forward | 137.28 | 126.53 |
| MAT Credit Entitlement | 72.18 | 72.18 |
| **Total** | **209.46** | **198.71** |

**5 Inventories** (Rs. in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Construction Materials | 20.86 | - |
| Work in Progress | 99.07 | - |
| **Total** | **119.93** | **-** |

The cost of inventories recognised as an expense during the year is disclosed in Note No. 17 & 18)

**6 Trade Receivables** (Rs. in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| From others - Unsecured | - | 450.00 |
| **Total** | **-** | **450.00** |

**Break up of security details** (Rs. in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Trade receivables considered good - secured | - | - |
| Trade receivables considered good - unsecured | - | 450.00 |
| Trade receivables which have significant increase in credit risk | - | - |
| Trade receivables - credit impaired | - | - |
| **Total** | **-** | **450.00** |

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

**PSP PROJECTS & PROACTIVE CONSTRUCTIONS PRIVATE LIMITED**
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022**

**6 Trade Receivables**

(i) General payment terms include mobilisation advance, monthly progress payments with a credit period ranging from 7 to 60 days and certain retention money to be released at the end of the project as per the relevant contract terms. In certain contracts, short term advances are received before the performance obligation is satisfied. In some cases, retentions are substituted with bank guarantees.

(ii) Trade Receivable (Current) ageing:

**As at March 31, 2022** **(Rs. in Lakhs)**

| **Particulars** | | **Outstanding for following periods from due date of payment** | | | | | |
|---|---|---|---|---|---|---|---|
| | **Not Due** | **0-6 Months** | **6-12 Months** | **1-2 Years** | **2-3 Years** | **Above 3 Year** | **Total** |
| (i) Undisputed Trade Receivable- Considered Good | - | - | - | - | - | - | - |
| (ii) Undisputed Trade Receivable – Which have significant increase in Credit Risk | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivable – Credit Impaired | - | - | - | - | - | - | - |
| (iv)Disputed Trade Receivable – Considered good | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivable – Which have significant increase in Credit Risk | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivable – Credit Impaired | - | - | - | - | - | - | - |
| **Grand Total** | - | - | - | - | - | - | - |
| Less:- Impairment allowance for Trade Receivables-Credit Impaired | | | | | | | - |
| **Total Current Trade Receivable** | | | | | | | - |

**As at March 31, 2021** **(Rs. in Lakhs)**

| **Particulars** | | **Outstanding for following periods from due date of payment** | | | | | |
|---|---|---|---|---|---|---|---|
| | **Not Due** | **0-6 Months** | **6-12 Months** | **1-2 Years** | **2-3 Years** | **Above 3 Year** | **Total** |
| (i) Undisputed Trade Receivable- Considered Good | - | - | - | - | 450.00 | - | **450.00** |
| (ii) Undisputed Trade Receivable – Which have significant increase in Credit Risk | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivable – Credit Impaired | - | - | - | - | - | - | - |
| (iv)Disputed Trade Receivable – Considered good | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivable – Which have significant increase in Credit Risk | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivable – Credit Impaired | - | - | - | - | - | - | - |
| **Grand Total** | - | - | - | - | **450.00** | - | **450.00** |
| Less:- Impairment allowance for Trade Receivables-Credit Impaired | | | | | | | - |
| **Total Current Trade Receivable** | | | | | | | - |

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

**PSP PROJECTS & PROACTIVE CONSTRUCTIONS PRIVATE LIMITED**
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022**

**7 Cash and Bank Balances** (Rs. in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Cash and Cash Equivalents** | | |
| Cash on Hand | 0.07 | 0.07 |
| **Balances with banks** | | |
| In current accounts | 41.46 | 2.59 |
| In deposit accounts | 74.97 | - |
| **Total** | **116.50** | **2.66** |
| Less: Fixed deposits having maturity more than 3 months & less than 12 months shown under other bank balances | 74.97 | - |
| **Total** | **41.53** | **2.66** |
| **Other Bank Balances** | | |
| In deposit accounts (Maturity more than 3 months & less than 12 months) | 74.97 | - |
| **Total** | **74.97** | - |

**8 Other Current Assets** (Rs. in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Current** | | |
| **Unsecured, considered good** | | |
| Advances to Vendors | - | 0.02 |
| Balance with Government Authorities | 11.70 | 0.11 |
| **Total** | **11.70** | **0.13** |

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

## 9 Equity Share Capital

(Rs. in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **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, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|
| | 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, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|
| | No. of shares | % | No. of shares | % |
| PSP PROJECTS LIMITED | 50,00,000 | 100.00% | 50,00,000 | 100.00% |
| PROACTIVE CONSTRUCTIONS PVT LTD | - | 0.00% | - | 0.00% |

**(d) Equity shares held by Promoters**

| Name of the Shareholders | As at March 31, 2022 | | As at March 31, 2021 | | % Change during the year |
|---|---|---|---|---|---|
| | No. of shares | % | No. of shares | % | |
| PSP PROJECTS LIMITED | 50,00,000 | 100.00% | 50,00,000 | 100.00% | 0.00% |

| Name of the Shareholders | As at March 31, 2021 | | As at March 31, 2020 | | % Change during the year |
|---|---|---|---|---|---|
| | No. of shares | % | No. of shares | % | |
| PSP PROJECTS LIMITED | 50,00,000 | 100.00% | 37,00,000 | 74.00% | 26.00% |
| PROACTIVE CONSTRUCTIONS PVT LTD | - | 0.00% | 13,00,000 | 26.00% | -26.00% |

## 10 Other equity

(Rs. in Lakhs)

| Particulars | Reserves & Surplus | | | Total |
|---|---|---|---|---|
| | General Reserve | Securities Premium | Retained Earnings | |
| **Balance as at March 31, 2020 (A)** | - | - | (235.85) | (235.85) |
| **Additions during the year:** | - | - | - | - |
| Loss for the year | - | - | (204.11) | (204.11) |
| **Total Comprehensive Income for the year 2020-21 (B)** | - | - | (204.11) | (204.11) |
| **Balance as at March 31, 2021 (C) = (A) + (B)** | - | - | (439.96) | (439.96) |
| **Additions during the year:** | - | - | - | - |
| Loss for the year | - | - | (30.58) | (30.58) |
| **Total Comprehensive Income for the year 2021-22 (D)** | - | - | (30.58) | (30.58) |
| **Balance as at March 31, 2022 (E) = (C) + (D)** | - | - | (470.54) | (470.54) |

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

**PSP PROJECTS & PROACTIVE CONSTRUCTIONS PRIVATE LIMITED**
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022**

**11 Borrowings** **(Rs. in Lakhs)**

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Current** | | |
| **Secured (At Amortised Cost)** | | |
| **Working Capital Loans** | | |
| From Banks | - | 290.45 |
| **Unsecured** | | |
| From Related Parties (Refer Note.28) | 200.00 | 300.00 |
| **Total** | **200.00** | **590.45** |

| Nature of Borrowing | Terms of Repayment | Interest Rate |
|---|---|---|
| **Current Borrowing**<br>Working Capital Loans | Repayable on Demand | 7% to 9% |
| Unsecured Loan | Repayable on Demand | 10% |

**Note on Nature of Security:**

Working Capital Loans repayable on demand from the Kalupur Commercial Co-operative Bank Ltd. Is secured against Fixed Deposit held in the name of PSP Projects Limited (Holding Company).

**Notes:**

(i) Funds raised on short term basis have not been utilised for long term purposes.

(ii) Borrowed funds were applied for the purpose for which the loans were obtained.

(iii) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(iv) The Company do not have any charges or satisfaction, which is yet to be registered with ROC beyond the statutory period.

**12 Trade Payables** **(Rs. in Lakhs)**

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Total outstanding dues of micro enterprises and small enterprises | 0.10 | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | |
| Due to Related Parties (Refer Note No. 28) | 110.27 | |
| Trade Payables-Others | 25.95 | - |
| **Total** | **136.32** | **-** |

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

## 12 Trade Payables

(i) Trade Payables ageing:

**As at March 31, 2022** (Rs. in Lakhs)

| Particulars | | Outstanding for following periods from due date of payment | | | | |
|---|---|---|---|---|---|---|
| | Not Due | 0-1 Year | 1-2 Year | 2-3 Year | More than 3 Years | Total |
| (i) Due to MSME | 0.10 | - | - | - | - | 0.10 |
| (ii) Due to Other | 136.22 | - | - | - | - | 136.22 |
| (iii) Disputed dues-MSME | - | - | - | - | - | - |
| (iv) Disputed dues-Others | - | - | - | - | - | - |
| **Total** | **136.32** | **-** | **-** | **-** | **-** | **136.32** |

**As at March 31, 2021** (Rs. in Lakhs)

| Particulars | | Outstanding for following periods from due date of payment | | | | |
|---|---|---|---|---|---|---|
| | Not Due | 0-1 Year | 1-2 Year | 2-3 Year | More than 3 Years | Total |
| (i) Due to MSME | - | - | - | - | - | - |
| (ii) Due to Other | - | - | - | - | - | - |
| (iii) Disputed dues-MSME | - | - | - | - | - | - |
| (iv) Disputed dues-Others | - | - | - | - | - | - |
| **Total** | **-** | **-** | **-** | **-** | **-** | **-** |

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

## 13 Other Financial Liabilities

(Rs. in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Other Financial Liabilities | 0.25 | 0.25 |
| **Total** | **0.25** | **0.25** |

## 14 Other Current Liabilities

(Rs. in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Statutory Payables | 2.67 | 1.15 |
| **Contract Liabilities** | | |
| Mobilisation Advance received from Customers | 89.28 | - |
| **Total** | **91.95** | **1.15** |

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

**15 Revenue from Operations** (Rs. in Lakhs)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| Revenue from Contracts with Customers | - | - |
| Other Operating Revenue | - | - |
| **Total** | **-** | **-** |

**16 Other Income** (Rs. in Lakhs)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| **Interest Income** | | |
| On Fixed Deposits | 0.02 | - |
| Interest on IT Refund | - | 9.71 |
| | **0.02** | **9.71** |
| Others - Kasar/Sundry Balances written off | - | 31.46 |
| **Total** | **0.02** | **41.17** |

**17 Cost of Construction Material Consumed** (Rs. in Lakhs)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| Opening Stock | - | - |
| Add: Purchases | 21.47 | - |
| | 21.47 | - |
| Less: Closing Stock | 20.86 | - |
| **Total** | **0.61** | **-** |

**18 Changes in inventories of Work-In-Progress:** (Rs. in Lakhs)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| Inventories at the end of the year: | | |
| Work In Progress | 99.07 | - |
| | **99.07** | **-** |
| Inventories at the beginning of the year: | | |
| Work In Progress | - | - |
| | **-** | **-** |
| **Net (increase) / decrease in Inventories** | **(99.07)** | **-** |

**19 Construction Expenses** (Rs. in Lakhs)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| Labour expenses | 28.49 | - |
| Sub-Contracting Expenses | 69.55 | - |
| Site Expenses | - | 0.18 |
| Transportation expenses | 0.42 | - |
| **Total** | **98.46** | **0.18** |

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

**20 Employee benefits expense** (Rs. in Lakhs)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| Salaries and Wages | - | 0.32 |
| Contributions to Provident Fund and Other Funds | - | 0.02 |
| **Total** | **-** | **0.34** |

**21 Finance costs** (Rs. in Lakhs)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| **Interest costs:** | | |
| Working Capital Loan | 9.21 | 19.16 |
| Others | 26.74 | 62.00 |
| Other Borrowing costs | 0.01 | 0.02 |
| **Total** | **35.96** | **81.18** |

**22 Other Expenses** (Rs. in Lakhs)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| Rates & Taxes | 1.11 | 0.03 |
| Auditor's Remuneration (Refer note below) | 0.25 | 0.25 |
| Legal & Professional expenses | 4.03 | 0.29 |
| Bad Debts writtern off | - | 246.18 |
| **Total** | **5.39** | **246.75** |

**22.1 Remuneration to Auditors**

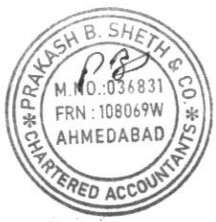
| | | |
|---|---|---|
| **Payment to Statutory Auditors** | | |
| For Audit Fees | 0.15 | 0.15 |
| For Taxation Matters | 0.10 | 0.10 |
| **Total** | **0.25** | **0.25** |

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

## 23 Earnings per share (EPS)

**(Rs. in Lakhs)**

| Particulars | Unit | Year Ended March 31, 2022 | Year Ended March 31, 2021 |
|---|---|---|---|
| (i) Net Profit/(Loss ) after Tax attributable to holders of the Company | In Rs. | (30.58) | (204.11) |
| (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. | (0.61) | (4.08) |



(Rs. in Lakhs)

**24 Tax Expense**

**(a) Amounts recognised in profit and loss**

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| **Deferred Tax Expense** | | |
| Origination and reversal of temporary differences | (10.75) | (83.17) |
| **Tax Expense recognised in the income statement** | **(10.75)** | **(83.17)** |

**(b) Reconciliation of effective tax rate**

| Particulars | Year ended March 31, 2022 | | Year ended March 31, 2021 | |
|---|---|---|---|---|
| | % | Amount | % | Amount |
| **Profit/(Loss) Before Tax** | | **(41.33)** | | **(287.28)** |
| Tax using the Company's domestic tax rate | 26.000% | (10.75) | 26.000% | (74.69) |
| **Tax effect of:** | | | | |
| Others | 0.00% | - | 2.95% | (8.48) |
| **Effective income tax rate / income tax expense** | 26.00% | **(10.75)** | 28.95% | **(83.17)** |

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

PSP PROJECTS & PROACTIVE CONSTRUCTIONS PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Rs. in Lakhs)

**25 Fair value measurement hierarchy:**

| Particulars | As at March 31, 2022 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Carrying amount | Amortised Cost | FVTOCI | FVTPL | Level of input used in | | |
| | | | | | Level 1 | Level 2 | Level 3 |
| **Financial assets** | | | | | | | |
| Trade receivables | - | - | - | - | - | - | - |
| Cash and cash equivalents and Other Bank Balances | 116.50 | 116.50 | - | - | - | - | - |
| Other financial assets | 0.38 | 0.38 | - | - | - | - | - |
| | **116.88** | **116.88** | - | - | - | - | - |
| **Financial liabilities** | | | | | | | |
| Borrowings | 200.00 | 200.00 | - | - | - | - | - |
| Trade payables | 136.32 | 136.32 | - | - | - | - | - |
| Other Financial liabilities | 0.25 | 0.25 | - | - | - | - | - |
| | **336.57** | **336.57** | - | - | - | - | - |

| Particulars | As at March 31, 2021 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Carrying amount | Amortised Cost | FVTOCI | FVTPL | Level of input used in | | |
| | | | | | Level 1 | Level 2 | Level 3 |
| **Financial assets** | | | | | | | |
| Trade receivables | 450.00 | 450.00 | - | - | - | - | - |
| Cash and cash equivalents and Other Bank Balances | 2.66 | 2.66 | - | - | - | - | - |
| Other financial assets | 0.38 | 0.38 | - | - | - | - | - |
| | **453.04** | **453.04** | - | - | - | - | - |
| **Financial liabilities** | | | | | | | |
| Borrowings | 590.45 | 590.45 | - | - | - | - | - |
| Trade payables | - | - | - | - | - | - | - |
| Other Financial liabilities | 0.25 | 0.25 | - | - | - | - | - |
| | **590.70** | **590.70** | - | - | - | - | - |

**Fair value of financial assets and financial liabilities measured at amortised cost.**

The carrying amounts of trade receivables, loans, advances, cash and other bank balances are considered to be the same as their fair values due to their short term nature.

The carrying amount of trade and other payables are considered to be the same as their fair values due to their short term nature. The carrying amonts of borrowings with floating rate of interest are considered to be close to fair value.

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

**26 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, 2022** | **As at March 31, 2021** |
|---|---|---|
| Non-current borrowing | - | - |
| Current borrowing | 200.00 | 590.45 |
| **Total Debt** | **200.00** | **590.45** |
| **Total equity** | **29.46** | **60.04** |
| **Adjusted net debt to adjusted equity ratio** | **6.79** | **9.83** |

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

## 27 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.

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

**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, 2022** **(Rs. in Lakhs)**

| **Particulars** | **Note No.** | **Carrying Amount** | **Less than 12 months** | **More than 12 months** | **Total** |
|---|---|---|---|---|---|
| Current Borrowings | 11 | 200.00 | 200.00 | - | 200.00 |
| Trade Payables | 12 | 136.32 | 136.32 | - | 136.32 |
| Other Financial Liabilities | 13 | 0.25 | 0.25 | - | 0.25 |
| **Total** | | **336.57** | **336.57** | **-** | **336.57** |

**As at March 31, 2021** **(Rs. in Lakhs)**

| **Particulars** | **Note No.** | **Carrying Amount** | **Less than 12 months** | **More than 12 months** | **Total** |
|---|---|---|---|---|---|
| Current Borrowings | 11 | 590.45 | 590.45 | - | 590.45 |
| Trade Payables | 12 | - | - | - | - |
| Other Financial Liabilities | 13 | 0.25 | 0.25 | - | 0.25 |
| **Total** | | **590.70** | **590.70** | **-** | **590.70** |

### 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)**

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Fixed-rate instruments** | | |
| Financial Assets | - | - |
| Financial Liabilities | - | - |
| **Variable-rate instruments** | | |
| Financial Assets | - | - |
| Financial Liabilities | 200.00 | 590.45 |

**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, 2022 | Year ended March 31, 2021 |
|---|---|---|
| Increase in 100 basis points | (1.48) | (4.37) |
| Decrease in 100 basis points | 1.48 | 4.37 |

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

**28 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 & Relatives**

| Name of the Key Management Personnel | Status |
|---|---|
| Prahaladbhai S. Patel | Director |
| Shilpaben P. Patel | Director |
| Shreya Shah | Company Secretary (Resigned from May 31, 2020) |

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

| Name of the Entities | |
|---|---|
| PSP Properties Private Limited | M/s. A P Constructions |
| Sprybit Softlabs LLP | Shilp Products LLP |
| PSP Projects INC (Ceased w.e.f. December 23, 2021) | M/s. Adishwaram Innovative LLP |
| P&J Builders LLC (Ceased w.e.f. December 01, 2021) | PSP Foundation |
| PSP Fremont LLC (Ceased w.e.f. December 01, 2021) | M/s. GDCL & PSP Joint Venture |
| Guttenberg Projects LLC (Ceased w.e.f. December 01, 2021) | M/s. SIM Developers |

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

| Particulars | For the year ended on March 31, 2022 | For the year ended on March 31, 2021 |
|---|---|---|
| **Purchase of Concrete Mix** | | |
| PSP Projects Limited | 0.59 | - |
| **Receipt of Services** | | - |
| PSP Projects Limited | 69.55 | - |
| M/s. A P Constructions | 28.42 | |
| **Interest Expenses** | | |
| PSP Projects Limited | 26.74 | 50.00 |
| Prahaladbhai S. Patel | - | 12.00 |
| **Loan Repaid to Director** | | |
| Prahaladbhai S. Patel | - | 100.00 |
| **Loan Repaid to Holding Co.** | | |
| PSP Projects Limited | 100.00 | 200.00 |
| **Remuneration** | | |
| Shreya Shah | - | 0.34 |

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

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Loans** | | |
| PSP Projects Limited | 200.00 | 300.00 |
| **Trade Payables** | | |
| PSP Projects Limited | 77.21 | - |
| M/s. A P Constructions | 33.06 | |

**(iv) Terms and conditions**

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

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

**29 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)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| India | - | - |

**(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, 2022 | As at March 31, 2021 |
|---|---|---|
| **Trade Receivables** | - | 450.00 |
| **Contract assets** | | |
| Retention money receivable from customers | - | - |
| Amount due from customers | - | - |
| **Contract liabilities** | | |
| Advance received from Customers | - | - |
| Amount due to customers | - | - |

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.

Amounts due to contract customers represents the excess of progressive billing over the revenue recognised (cost plus attributable profits) for the contract work performed till date.

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

(Rs. in Lakhs)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|---|---|
| **Due from contract customers** | | |
| At the beginning of the reporting period | - | 28.47 |
| Cost incurred plus attributable profits on contracts-in-progress | - | 10,815.82 |
| Progressive billings made towards contracts-in-progress | - | (10,815.82) |
| Due from contract customers impaired during the reporting period | - | - |
| Significant changes due to other reasons | - | - |
| **At the end of the reporting period** | - | - |

**(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.

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2022 is Rs. 900 Lakhs. The revenue recognition mainly depends on meeting the delivery schedules, contractual terms and conditions with customers, availability of customer sites, changes in scope, variation in prices etc. In view of these, it is not practical to define the accurate percentage of conversion to revenue on yearly basis. However, a tentative bifurcation of remaining performance obligation within next 3 years is as follows :

(Rs. in Lakhs)

| Particulars | Mar-23 | Mar-24 | Mar-25 |
|---|---|---|---|
| Contract revenue | 700.00 | 200 | - |

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

**30 Disclosure of Creditors outstanding under MSMED Act, 2006**

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

(Rs. in Lakhs)

| Sr.No. | Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| a) | (i) Principal amount remaining unpaid to supplier under the MSMED Act 2006 | 0.10 | - |
| | (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 | - | - |

**31 Segment Information**

The Company is engaged in construction project activities. Considering the nature of company's business and operations as well as reviews of operating results by the Chief Operating Decision Makers to make decisions about resource allocation and performance allocation and performance measurement the company has identified construciton project acvities as only responsibile segment in accordance with the requirements of Ind AS 108 operating segment.

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, 2022

**32 Ratio Analysis:**

| Sr. No. | Ratios | Numerator | Denominator | As at March 31, 2022 | As at March 31, 2021 | (%) Change | Reason for Variance |
|---|---|---|---|---|---|---|---|
| 1 | Current Ratio (times) | Current Assets | Current Liabilities | 0.58 | 0.77 | -24.68% | Reduction in Trade receivable by way of collection. |
| 2 | Debt Equity Ratio (times) | Total Borrowings | Total Equity | 6.79 | 9.83 | -30.93% | Reduction in Debt by way of payment of FDOD facility and partial payment of unsecured loan. |
| 3 | Debt Service Coverage Ratio (times) | Earnings for debt service (i) | Debt service (ii) | - | - | - | |
| 4 | Return on Equity Ratio (%) | Net Profit After Tax | Average Total Equity | -68.34% | -125.92% | -45.73% | Reduction in overall expense from lower finance cost and other expense. |
| 5 | Inventory Turnover Ratio (times) | Cost of Goods Sold | Average Inventory | (1.64) | - | - | |
| 6 | Trade Receivable Turnover Ratio (times) | Revenue from Operations | Average Trade Receivables | - | - | - | |
| 7 | Trade Payables Turnover Ratio (times) | Cost of Goods Sold | Average Trade Payable | - | 0.01 | -100.00% | No operation during the current financial year reusult into NIL COGS. |
| 8 | Net Capital Turnover Ratio (times) | Revenue from Operations | Average Working Capital | - | - | - | |
| 9 | Net Profit Ratio (%) | Net Profit After Tax | Revenue from Operations | 0.00% | 0.00% | - | |
| 10 | Return on Capital Employed (%) | Earning Before Interest & Taxes | Average Capital Employed (Total Equity + Long term Borrowings) | -18.30% | -411.84% | -95.56% | Last year bad debts created result into lower EBIT. |
| 11 | Return on Investment (%) | Net Profit After Tax | Average total assets | -5.51% | -20.30% | -72.86% | Last year bad debts created result into higher other expenses impact overall PAT. |
| | (i) Earning for Debt Service = Net Profit after tax+ Non-cash operating expenses (depreciation and amortisation, ECL, Provision for Loss on Loan)+ Interest on Term Loan+ other adjustments like Loss on sale of property, plant and equipment, Reversal of Impairment of Loan, Provision for Loss on Impairment of Investment | | | | | | |
| | (ii) Debt Services = Interest on Term Loan + Principal Repayment of Long Term Borrowings | | | | | | |
| NOTE | **Further explanation shall be provided for any change in the ratio by more than 25% as compared to the preceding year.** | | | | | | |

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

**33 Code on Social Security**

The Code on Social Security, 2020 ('Code') has been notified in the Official Gazette in September 2020 which could impact the contribution by the Group towards certain employment benefits. The effective date from which the changes and rules would become applicable is yet to be notified. Impact of the changes will be assessed and accounted in the relevant period of notification of relevant provisions.

**34 Approval of Financial Statements:**

The financial statements are approved for issue by the Board of Directors at their meetings held on May 23, 2022.

**35 Statutory Information / Compliance:**

**(i)** The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.)

**(ii)** The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

**(iii)** No proceedings have been initiated or are pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act,1988 (45 of 1988) and rules made thereunder.

**(iv)** The Company do not have any transactions with companies struck off.

**(v)** The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

**(vi)** The Company has not entered with any Scheme(s) of arrangement in terms of sections 230 to 237 of the Companies Act, 2013.

**(vii)**

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

**36** The figures of the prevous year have been regrouped/reclassified, whereever necessary, to confirm the current year's classification.

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 23, 2022**

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

**For and on behalf of the Board of Directors**

**Prahaladbhai S. Patel**
**Director**
**(DIN: 00037633)**

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

**Place : Ahmedabad**
**Date : May 23, 2022**

PSP PROJECTS & PROACTIVE CONSTRUCTIONS PVT. LTD. AHMEDABAD

Prakash B.Sheth & Co.
Chartered Accountants

212/213, Pratibha I, B/h Sakar I,
Opp. Gandhigram Railway Station,
Navrangpura, Ahmedabad 380009

# INDEPENDENT AUDITOR'S REPORT

To the Members of PSP Foundation

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of PSP Foundation ("the Company"), which comprise the balance sheet as at 31st March 2022, the statement of income and expenditure Account for the period then ended, and notes to the financial statements, including a summary of significant account ting 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, 2021, as amended ("Accounting Standards") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its income and expenditure for the period 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.

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

Prakash B.Sheth & Co.
Chartered Accountants

212/213, Pratibha I, B/h Sakar I,
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Navrangpura, Ahmedabad 380009

If based on the work we have performed, we conclude that there is a material misstatement of this other information, 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'

**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 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

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

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 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.

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

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212/213, Pratibha I, B/h Sakar I,
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**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 income and expenditure 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

   f) The reporting requirements with respect to adequacy of the internal financial control of the Company and the operating effectiveness of such controls are not applicable in case of the company in terms of Notification No. G.S.R. 583(E) dated June 13, 2017.

   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.

      iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share

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

212/213, Pratibha I, B/h Sakar I,
Opp. Gandhigram Railway Station,
Navrangpura, Ahmedabad 380009

premium or any other sources or kind of funds) by the company to or in any other persons or any entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(b) Management has represented that to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been received by the company from any persons or any entities, including foreign entities ("Funding Parties") with the understanding, whether recorded in writing or otherwise, that the company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representation under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. (a) The company did not declare or paid dividend during the period hence question of compliance with section 123 of the Companies Act, 2013 does not arise.

2. This report does not include the statement 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 Act, on the matters specified in paragraphs 3 and 4 of the Order as it is not applicable to the company.

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

PBSheth

**(Prakash B. Sheth)**
**Proprietor**
**Membership No.:036831**
**UDIN 22036831ANUJFB6086**

**Place : Ahmedabad**
**Date: July 28, 2022**

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

**PSP Foundation**
**Balance Sheet as at March 31, 2022**

Rs. In Hundreds

| | Particulars | Note No. | As At March 31, 2022 | As At March 31, 2021 |
|---|---|---|---|---|
| I | **EQUITY AND LIABILITIES** | | | |
| 1 | **Shareholders' funds** | | | |
| | Share capital | 3 | 1,000.00 | - |
| | Reserves and surplus | 4 | (457.51) | - |
| | | | 542.49 | - |
| 2 | **Current Liabilities** | | | |
| | Other current liabilities | 5 | 150.00 | - |
| | **Total** | | 692.49 | - |
| II | **ASSETS** | | | |
| 1 | **Current assets** | | | |
| | Cash and bank balances | 6 | 692.49 | - |
| | | | 692.49 | - |
| | **Total** | | 692.49 | - |

The notes on account form integral part of the financial Statement 1 to 17

As per our report of even date

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

PBSheth

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

**Place : Ahmedabad**
**Date : July 28, 2022**

**For and on behalf of the Board of Directors**

S.P. Patel

**Prahaladbhai S. Patel**
**Director**
**(DIN: 00037633)**

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

**Place : Ahmedabad**
**Date : July 28, 2022**

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

**PSP Foundation**
**Statement of Income and Expenditue for the period ended March 31, 2022**

Rs. In Hundreds

| | Particulars | Note No. | period ended March 31, 2022 | period ended March 31, 2021 |
|---|---|---|---|---|
| I | Donations received | | - | - |
| II | **Total Income** | | - | - |
| III | **Expenses** | | | |
| | Other expenses | 7 | 457.51 | - |
| | **Total expenses** | | 457.51 | - |
| IV | Profit before exceptional and extraordinary items and tax (II-III) | | (457.51) | - |
| V | Exceptional items | | | - |
| VI | Profit before extraordinary items and tax (IV-V) | | (457.51) | - |
| VII | Profit before tax (VII) | | (457.51) | - |
| VIII | Tax expenses | | | |
| | Current tax | | - | - |
| | Deferred tax | | - | - |
| IX | Profit (Loss) for the period from continuing operations | | (457.51) | - |
| | Tax Adjustment of Earlier Year | | - | - |
| | Profit (Loss) after Tax Adjustment | | (457.51) | - |
| X | Profit (Loss)for the period (X) | | (457.51) | - |
| XI | Earning per equity share Basic and diluted | 8 | (4.58) | - |

The notes on account form integral part of the financial Statement 1 to 17

As per our report of even date

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

PBS

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

**Place : Ahmedabad**
**Date : July 28, 2022**

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

**For and on behalf of the Board of Directors**

S.P. Patel

**Prahaladbhai S. Patel**
**Director**
**(DIN: 00037633)**

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

**Place : Ahmedabad**
**Date : July 28, 2022**

**PSP Foundation**

## STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES:

### 1. Corporate Information:

PSP Foundation ("the company") was incorporated on February 26, 2021 under section 8 of the Companies Act, 2013. The company is primarily engaged in the following activities either by itself or otherwise by an entity covered under rule 4 of the Companies Rules, 2014 on non-profit basis.

i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.

ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.

iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.

The accounts of the company are prepared for the period February 26, 2021 to March 31,2022.

### 2. Significant accounting policies

2.1 Basis of accounting and preparation of financial statements

The company is a Small and Medium Sized Company (SMC) as defined in the Companies (Accounting Standard) Rules, 2021 notified under the Companies Act, 2013. Accordingly, the Company has complied with the Accounting Standards as applicable to a Small and Medium Sized Company. The Financial Statements have been prepared under the historical cost convention on an accrual basis.

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

2.2 Use of Estimates

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

2.3 Property, Plant and Equipment

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

2.4 Depreciation and amortization

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

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

2.5 Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.

2.6 Cash and cash equivalents

Cash and cash equivalents comprise each cash balances on hand, cash balance with bank and highly liquid investments with original maturities, at the date of purchase/ investment, of three months or less..

2.7 Income Tax

The company is exempted from Income Tax under section 12A read with section 12AB of the Income Tax.

2.8 Provisions:

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

2.9 Contingent liabilities:

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but disclosed its existence in the financial statements.

2.10 Revenue Recognition

Revenue of the company mainly comprises of Donations. Donations in form of voluntary contribution is recognized on receipt basis as per below criteria;

(i) Donations received for general purpose are recognized as income in the year of receipt.

(ii) Contribution received as corpus donation are credited to “Corpus Fund” and shown appropriately in the Balance-Sheet. Such contributions are transferred to the statement of income and expenditure as per the direction of the management for carrying out activities of the Company.

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

# PSP Foundation

**NOTES TO FINANCIAL STATEMENTS** **Rs. In Hundreds**

| NOTE : 3<br>SHARE CAPITAL | | As at<br>March 31, 2022 | | As at<br>March 31, 2021 |
|---|---|---|---|---|
| ***AUTHORISED*** | | | | |
| 1,50,000 Equity Shares of Rs. 10/- Each | | 15,000.00 | | - |
| ***ISSUED, SUBSCRIBED & PAID UP*** | | | | |
| 10,000 Equity Shares of Rs. 10/- each fully paid up | | 1,000.00 | | - |
| TOTAL Rs. >>> | | 1,000.00 | | - |

**Termes/Rights attached to Equity Shares**

The Company has single class of equity shares having par value of Rs.10 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend declared from time to time.

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

| Equity Shares | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|
| | No.of shares | Amount Rs. | No.of shares | Amount Rs. |
| At the beginning of the period | - | - | - | - |
| Add: New issue during the period | 10,000.00 | 1,000.00 | - | - |
| **Outstanding at the end of period** | 10,000.00 | 1,000.00 | - | - |

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

| Name of the Shareholders | Percentage Holding As at | | No. of Shares As at | |
|---|---|---|---|---|
| | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 |
| PSP Projects Limited | 100.00% | 0.00% | 10000 | 0 |

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

| Shares held by promoters at the end of the year | As at March 31, 2022 | | As at March 31, 2021 | | % Changes |
|---|---|---|---|---|---|
| Promoters' Names | No.of Shares | % of total Shares | No.of Shares | % of total Shares | |
| PSP Projects Limited | 10,000 | 100.00% | 0 | 0.00% | 0 |

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

| NOTE : 4<br>RESERVE AND SURPLUS | | As at<br>March 31, 2022 | | As at<br>March 31, 2021 |
|---|---|---|---|---|
| ***Surplus***<br>Opening Balance<br>Additions during the year | -<br>(457.51) | | -<br>- | |
| TOTAL Rs. >>> | | (457.51) | | - |

| NOTE : 5<br>OTHER CURRENT LIABILITIES | | As at<br>March 31, 2022 | | As at<br>March 31, 2021 |
|---|---|---|---|---|
| uNPAID Expenses | | 150.00 | | - |
| TOTAL Rs. >>> | | 150.00 | | - |

| NOTE : 6<br>CASH & CASH EQUIVALENTS | | As at<br>March 31, 2022 | | As at<br>March 31, 2021 |
|---|---|---|---|---|
| Balances with banks<br>Current Account<br>Other Bank Balance<br>Fixed Deposit - Maturity more than 12 months<br>Cash on hand | | <br>658.49<br><br>-<br>34.00 | | <br>-<br><br>-<br>- |
| TOTAL Rs. >>> | | 692.49 | | - |

| NOTE : 7<br>OTHER EXPENSES | Period ended<br>March 31, 2022 | Period ended<br>March 31, 2021 |
|---|---|---|
| ***Administrative Expenses:***<br>Auditor's Remuneration<br>Stationery Expenses<br>Professional Fees<br>Preliminary Expenses | <br>150.00<br>6.25<br>25.00<br>276.26 | <br>-<br>-<br>-<br>- |
| TOTAL Rs. >>> | 457.51 | - |

| NOTE : 7.1<br>REMUNERATION TO AUDITORS | Period ended<br>March 31, 2022 | Period ended<br>March 31, 2021 |
|---|---|---|
| Auditor's Remuneration comprises of<br>Audit fees<br>Income tax matters | <br>100.00<br>50.00 | <br>-<br>- |
| TOTAL Rs. >>> | 150.00 | - |

| NOTE : 8<br>EARNING PER SHARE | Period ended<br>March 31, 2022 | Period ended<br>March 31, 2021 |
|---|---|---|
| Profit for the year attributable to the Equity Shareholders (In Rs.) | (458) | - |
| Basic/Weighted average number of equity shares outstanding during the year | 10000 | |
| Nominal value of equity share | 10 | 10 |
| Basic/Diluted/Adjusted Earning per share (Rs) | (4.58) | - |

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

**Note : 9**

**Related Party Disclosure**

**i) Related parties and their relationship**

**(a) Subsidiary/Associate/Joint Venture**

| Name of the entity | Type |
|---|---|
| PSP Projects Ltd | Prahaladbhai S. Patel is MD |
| PSP Projects & Proactive Constructions Pvt Ltd | Prahaladbhai S. Patel is Director |
| GDCL & PSP Joint Venture | Prahaladbhai S Patel is Partner |
| Shilp Products LLP | Shilpaben P. Patel is Partner |
| Sprybit Softlabs LLP | Prahaladbhai S Patel is Partner |

**(b) Key Management Personnel & Relatives**

| (i) Name of the Management Personnel | Type |
|---|---|
| Mr. Prahaladbhai S. Patel | Director |
| Mrs. Shilaben P. Patel | Director |

**ii) Transactions with related parties –**

**There is no transactions with related parties.**

| | Period ended March 31, 2022 | Period ended March 31, 2021 |
|---|---|---|
| **NOTE : 10** | | |
| **Value of imports calculated on C.I.F. basis**<br>(If there is any import on C.I.F. basis value to be given for: Raw Material, Components and spare parts and Capital Goods) | 0.00 | 0.00 |
| **NOTE : 11** | | |
| **Expenditure in foreign currency :** | 0.00 | 0.00 |
| **NOTE : 12** | | |
| **Value of imported and indigenous raw materials, spare parts and components consumption :** | 0.00 | 0.00 |
| **NOTE : 13** | | |
| Remittance in foreign currency on account of dividend | 0.00 | 0.00 |
| **NOTE : 14** | | |
| **Earnings in foreign exchange** | 0.00 | 0.00 |

**NOTE : 15**

**PARTICULARS REALTING TO CORPORATE SOCIAL RESPONSIBILITY**

Provision of Corporate Social Responsibility is not applicable to the Company.

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

NOTE : 16

ADDITIONAL REGULATORY INFORMATION

(a) RATIOS

| Ratios | Numerator | Denominator | March 31, 2022 Ratio | March 31, 2021 Ratio | Variance | Explanation for any change in the ratio by more than 25% as compared to the preceding year. |
|---|---|---|---|---|---|---|
| (a) Current Ratio, | Current Assets | Current Liabilities | 0.00 | 0.00 | 0.00 | |
| (b) Debt-Equity Ratio, | Total Debt | Shareholder's Equity | 0.00 | 0.00 | 0.00 | |
| (c) Debt Service Coverage Ratio, | Earnings available for Debt Servicing | Total Debt Service | 0.00 | 0.00 | 0.00 | |
| (d) Return on Equity Ratio, | Net profit after taxes less preference dividend (if any) | Average shareholder's Equity | -0.62 | 0.00 | -0.62 | |
| (e) Inventory Turnover Ratio, | Cost of Goods Sold or sales | Average Inventory | 0.00 | 0.00 | 0.00 | |
| (f) Trade Receivables Turnover Ratio, | Net credit sales | Average Trade Receivables | 0.00 | 0.00 | 0.00 | |
| (g) Trade Payables Turnover Ratio, | Net credit purchase | Average Trade Payables | 0.00 | 0.00 | 0.00 | |
| (h) Net Capital Turnover Ratio, | Net sales | Average working Capital | 0.00 | 0.00 | 0.00 | |
| (i) Net Profit Ratio, | Net Profit After Taxes | Net sales | 0.00 | 0.00 | 0.00 | |
| (j) Return on Capital Employed, | Earning Before Interest and Taxes | Capital Employed | -0.44 | 0.00 | -0.44 | |
| (k) Return on Investment. | Income from Investments | Cost of Investment | 0.00 | 0.00 | 0.00 | |

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

**NOTE : 16 (b)**

**Particulars of transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 are given hereunder:**

There is no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956

**NOTE : 16 (c)**

**DETAILS OF BENAMI PROPERTY HELD**

No proceedings have been initiated or pending against the company for holding any benami property.

**NOTE : 16 (d)**

**Title deeds of Immovable Property not held in name of the Company**

The Company does not own any immovable proprety.

**NOTE : 16 (e)**

**Compliance with number of layers of companies :**
Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017

**NOTE : 16 (f)**
**Compliance with approved Scheme(s) of Arrangements**
Company has not prepared any Scheme of Arrangements in terms of sections 230 to 237 of the Companies Act, 2013,

**NOTE : 16 (g)**

**Utilisation of Borrowed funds and Share Premium**

a) During the year, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or

b) During the year, no funds have been received by the Company from any persons or entities, including foreign entities

**NOTE : 17**

Figures of previous year have not been given as this is the first year of the company.

The notes on account form integral part of the financial Statement 1 to 17

As per our report of even date

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

PBS

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

**Place : Ahmedabad**
**Date : July 28, 2022**

**For and on behalf of the Board of Directors**

**Prahaladbhai S. Patel**
**Director**
**(DIN: 00037633)**

S.P. Patel

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

**Place : Ahmedabad**
**Date : July 28, 2022**

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