



5

# GUPTA KHOWALA & ASSOCIATES

## INDEPENDENT AUDITORS' REPORT

To  
The Members  
M/s Pragati Infratech (India) Private Limited

### 1. Opinion

We have audited the accompanying financial statements of M/s Pragati Infratech (India) Private Limited ("The Company") which comprise the Balance Sheet as at 31<sup>st</sup> March 2022 and the Statement of Profit & Loss 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 principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its Profit for the year ended on that date.

### 2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, 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.

### 3. 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 Board report and the annexures thereon, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.





# GUPTA KHOWALA & ASSOCIATES

## 4. Management's Responsibility for the Financial Statements

The Company's Board of Directors ("the management") is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performances of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate Accounting records in accordance with the provision of the Act for safeguarding of 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 control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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 the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

## 5. Auditor's Responsibility for the audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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.





## GUPTA KHOWALA & ASSOCIATES

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are not 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 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 material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

### 6. Report on Other Legal and Regulatory Requirements

(A) 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 Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

(B) As required by Section 143(3) of the Act, we report, to the extent applicable, that::

- i) we have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii) in our opinion, proper Books of Account, as required by law, have been kept by the Company, so far as appears from our examination of those books;





## GUPTA KHOWALA & ASSOCIATES

- iii) the Balance Sheet and the Statement of Profit and Loss, dealt with by this report, are in agreement with the Books of Account;
- iv) in our opinion, the aforesaid statements comply with the Accounting Standards specified under section 133 of the companies Act, 2013 read with the rule 7 of the Companies (Accounts) Rules 2014;
- v) on the basis of the written representation received from the directors as on 31<sup>st</sup> March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2022 from being appointed as a director in terms of Section 164(2) of the Act;
- vi) this report does not include a statement of matters with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, significance the same is not applicable to the company; and
- vii) with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - a. As informed, the company does not have any pending litigation which would impact its financial position.
  - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - d. Representation regarding "Ultimate Beneficiaries":
    - (i) The management has represented that to the best of its knowledge and belief, no funds (other than those disclosed in Accounts) has been advanced or loaned or invested (either from borrowed funds or share premium or any other source or kind of fund) by the company to / in any person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the intermediary shall 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.





# GUPTA KHOWALA & ASSOCIATES

(ii) The management has represented that to the best of its knowledge and belief, no funds (other than those disclosed in Accounts) have been received by the company from any person(s) or entity(ies), 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.

(iii) Based in such audit procedures that are considered reasonable and appropriate in the circumstances, nothing has come to our notice that might cause us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

e . No dividend has been declared / paid by the company.

For GUPTA KHOWALA & ASSOCIATES  
Chartered Accountants  
[ Reg No. – 328340E ]

*Saurabh Gupta*  
(SAURABH GUPTA)

Partner

Mem No 068454

UDIN - 22068459SHVYF5838



Place : Kolkata

Date : 17 AUG 2022



# GUPTA KHOWALA & ASSOCIATES

## Annexure "A" to Auditors' Report of M/s Pragati Infratech (India) Private Limited

According to the information and explanations given to us and based on the records of the company, as produced before us, we report that

- 1 a) The Company, in our opinion, has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.  
b) In our opinion, the Fixed Assets have been physically verified by the Management at reasonable intervals having regard to the size of the company and nature of its assets. No material discrepancies between Book records and the physical inventory are reported to have been noticed.  
c) There are no immovable properties in the name of the company.
- 2 a) The Inventories lying with the company are reported to have been physically verified by the Management during the year at reasonable interval.  
b) No material discrepancies are reported to have been noticed on physical verification.
- 3 According to the records of the company as produced before us and according to the information and explanations given to us, the company has, during the year, not granted any loan, Secured or Unsecured, to the Companies, Firms, Limited Liability Partnerships or other parties covered in the Register maintained u/s 189 of the Companies Act, 2013 and, accordingly, provisions of clause 3(iii) of the order are not applicable.
- 4 During the year the Company has not given any loans, investments or guarantees as specified under sections 185 and 186 of the Companies Act, 2013 and accordingly, provision of clause 3(iv) of the order are not applicable.
- 5 In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year under the provision of section 73 to 76 and other relevant provisions of the Companies Act and the rules framed there under.
- 6 On the basis of our knowledge and according to the information and explanation given to us, the Central Government has not prescribed for the maintenance of Cost records u/s 148(1) of the Companies Act, 2013 in the case of the Company.
- 7 a) According to the information and explanations given to us and according to the books and records produced before us and examined by us, in our opinion, the company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Custom duty, Excise duty, VAT, cess and other statutory dues applicable to it.





# GUPTA KHOWALA & ASSOCIATES

- b) According to the information and explanations given to us, no undisputed amounts payable in respect of above dues were in arrears, as at the end of 31<sup>st</sup> March 2022 for a period of more than six months from the date they became payable.
- c) According to the information and explanation given to us there are no dues at the end of the year of income tax, sales tax, wealth tax, service tax, custom duty, excise duty, VAT and cess which have not been deposited on account of any dispute.
- 8 According to the records of the Company and as per the information and explanation given to us, the Company has not taken any loan from Financial Institutions, Banks, Government or Debenture Holders.
- 9 On the basis of records examined by us and the information and explanations given to us, the company has not raised any money by way of Public issue and / or Terms loan during the year.
- 10 Based upon the audit procedures performed and according to the information and explanations given to us, no fraud on or by the company, by its officers / employees has been noticed or reported during the course of our audit.
- 11 No Managerial remuneration has been paid / provided during the year
- 12 The Company is not Nidhi company and accordingly Clause 3(xii) of the Order is not applicable.
- 13 Transactions with the related parties have been made in compliance with Sections 177 and 188 of the Companies Act, 2013, wherever applicable and the details have been disclosed in the Financial Statements etc. as required by applicable accounting standards.
- 14 The Company has not made any preferential allotment / private placement of shares / convertible debentures during the year.
- 15 The Company has not entered into any non-cash transaction with Directors or persons connected with him.
- 16 Though the Company invests / advances its surplus fund from time to time, the main activities of the company are not finance and as informed by the Management, on the basis of opinion obtained by them, the company is not required to be registered u/s 45 IA of the Reserve Bank of India Act, 1934.

For GUPTA KHOWALA & ASSOCIATES  
Chartered Accountants  
[ Reg No. – 328340E ]

Saurabh Gupta  
(SAURABH GUPTA)  
Partner

Mem No 068454  
UDIN - 22062454ASHVYF5838



Place : Kolkata

Date : 17 AUG 2022

TODI MANSION, 4TH FLOOR, ROOM NO: 4E, P-15, INDIA EXCHANGE PLACE, KOLKATA – 700 073  
guptakhowalaandassociates@gmail.com

**PRAGATI INFRATECH (INDIA) PVT. LTD**

**BALANCE SHEET AS AT 31 MARCH, 2022**

PARTICULARS	NOTE	--- (Amount in ₹ hundreds) ---	
		31 March, 2022	31 March, 2021
<b>A EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	10,100.00	10,100.00
Reserves and Surplus	2	108,235.65	88,026.56
		118,335.65	98,126.56
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	3	326,834.89	483,948.93
		326,834.89	483,948.93
<b>Current Liabilities</b>			
Short-Term Borrowings	4	27,212.62	119,345.38
Trade Payables	5	158.26	1,146.15
Other Current Liabilities	6	2,650.20	20,458.50
Short-Term Provisions	7	457.79	94.40
		30,478.87	141,044.43
<b>TOTAL</b>		<b>475,649.40</b>	<b>723,119.92</b>
<b>B ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed assets</b>			
Tangible Assets	8	1,500.15	2,169.75
Deferred Tax Assets (net)	20	938.00	994.95
		2,438.15	3,164.70
<b>Current Assets</b>			
Current Investments	9	Nil	47,409.52
Inventories	10	102,518.24	263,843.68
Cash and Cash Equivalents	11	56,238.14	98,149.59
Short-Term Loans and Advances	12	314,304.35	298,485.14
Other Current Assets	13	150.53	12,067.30
		473,211.26	719,955.23
<b>TOTAL</b>		<b>475,649.41</b>	<b>723,119.93</b>
Accounting Policies & Additional Disclosure to Financial Statement	20		

Notes 1 to 13 and 20 referred to above form an integral part of the Balance Sheet

Signed in terms of our report  
of even date annexed hereto  
For Gupta Khowala & Associates  
Chartered Accountants

Saurabh Gupta  
SAURABH GUPTA  
Partner  
Membership No. : 068454



For and on behalf of the Board of  
Directors

*Ajit Kr Sarawgi*  
AJIT KR SARAWGI  
DIRECTOR  
[DIN 00781646]

*Sandeep Sureka*  
SANDEEP SUREKA  
DIRECTOR  
[DIN 00401731]

Place : Kolkata

Date :

17 AUG 2022



**PRAGATI INFRA TECH (INDIA) PVT. LTD**

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

PARTICULARS	NOTE	--- (Amount in ₹ hundreds) ---	
		31 March, 2022	31 March, 2021
<b>A INCOME</b>			
Revenue from Operations	14	264,735.28	334,300.43
Other Income	15	20,060.94	11,294.00
<b>TOTAL</b>		<b>284,796.22</b>	<b>345,594.43</b>
<b>B EXPENSES</b>			
Cost of Goods Sold	16	161,325.44	196,218.56
Employee Benefit Expenses	17	31,091.69	30,464.87
Finance Cost	18	26,567.91	43,685.41
Depreciation and Amortisation Expense	8	669.60	973.84
Other Expenses	19	35,767.54	36,253.79
<b>TOTAL</b>		<b>255,422.18</b>	<b>307,596.47</b>
<b>Profit before tax</b>		<b>29,374.04</b>	<b>37,997.96</b>
<b>Tax expense:</b>			
For current year		7,192.97	9,355.42
Relating to prior years		1,915.04	Nil
Net current tax expense		9,108.01	9,355.42
Deferred tax		56.95	445.91
Total		9,164.96	9,801.33
<b>Profit for the year</b>		<b>20,209.08</b>	<b>28,196.63</b>
<b>Earnings per share :</b>		20.01	27.92
Accounting Policies & Additional Disclosure to Financial Statement	20		

Notes 8 and 14 to 20 referred to above form an integral part of the Statement of Profit & Loss

Signed in terms of our report  
of even date annexed hereto  
For Gupta Khowala & Associates  
Chartered Accountants

Saurabh Gupta  
SAURABH GUPTA  
Partner  
Membership No. : 068454




Place : Kolkata  
Date :

17 AUG 2022

For and on behalf of the Board of  
Directors

  
AJIT KR SARAWGI  
DIRECTOR  
[DIN 00781646]

  
SANDEEP SUREKA  
DIRECTOR  
[DIN 00401731]

**PRAGATI INFRA TECH (INDIA) PVT. LTD****Notes forming part of the Balance Sheet**

--- (Amount in ₹ hundreds) ---

31 March, 2022

31 March, 2021

**NOTE : 1 : SHARE CAPITAL**Authorised

Equity shares of ₹ 10 each

Issued, Subscribed and fully paid up

Equity shares of ₹ 10 each

No of shares	Amount	No of shares	Amount
250,000	25,000.00	250,000	25,000.00
101,000	10,100.00	101,000	10,100.00

- Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period :

No Change

- Terms/rights attached to equity shares :

The company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees.

The equity shares issued during the year rank pari-passu with the existing equity shares of the company.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

- Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates :

The company is having no holding, subsidiary or associates.

- Details of shareholders holding more than 5% shares :

Name	No of shares	% holding	No of shares	% holding	% change during yr
Manju Sarawgi	40,000	39.60%	40,000	39.60%	Nil
Sanjana Sureka	22,500	22.28%	22,500	22.28%	Nil
Sonam Sureka	22,500	22.28%	22,500	22.28%	Nil

- Details of Promoters Holding :Name

Ajit Kumar Sarawgi

Sandeep Sureka

No of shares	% holding	No of shares	% holding	% change during yr
5,000	4.95%	5,000	4.95%	Nil
5,000	4.95%	5,000	4.95%	Nil

**NOTE : 2 : RESERVES AND SURPLUS**Surplus in Statement of Profit and Loss

Balance as per last Financial Statement

Profit for the year

88,026.56	59,829.93
20,209.08	28,196.63
<b>108,235.65</b>	<b>88,026.56</b>



--- (Amount in ₹ hundreds) ---

31 March, 2022

31 March, 2021

**NOTE : 3 : LONG-TERM BORROWINGS**

Other Long-Term Loans and Borrowings

Secured	Unsecured	Secured	Unsecured
6,242.56	320,592.33	Nil	483,948.93
<b>6,242.56</b>	<b>320,592.33</b>	<b>NIL</b>	<b>483,948.93</b>

- Secured loans from Punjab National Bank are secured against hypothecation of Fixed Deposits.

[Refer Note 19 (B) 4]

**NOTE : 4 : SHORT-TERM BORROWINGS**

Other Short Term Loans and Borrowings

Secured	Unsecured	Secured	Unsecured
NIL	27,212.62	NIL	119,345.38
<b>NIL</b>	<b>27,212.62</b>	<b>NIL</b>	<b>119,345.38</b>

**NOTE : 5 : TRADE PAYABLES**

(Unsecured, Unconfirmed, Considered good)

Sundry Parties

	158.26		1,146.15
	<b>158.26</b>		<b>1,146.15</b>

**NOTE : 6 : OTHER CURRENT LIABILITIES**

Statutory Liabilities

Liabilities for Expenses

	1,656.30		1,885.42
	993.90		18,573.08
	<b>2,650.20</b>		<b>20,458.50</b>

**NOTE : 7 : SHORT-TERM PROVISIONS**

- For tax (Net of advances ₹, PY - Nil)

Provisions - Others

	363.39		Nil
	94.40		94.40
	<b>457.79</b>		<b>94.40</b>

**NOTE : 8 : FIXED ASSETS**

As per separate sheet attached

[Refer Note 20 (B) 5]

	<b>1,500.15</b>		<b>2,169.75</b>
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**NOTE : 9 : CURRENT INVESTMENTS**

Investment in Mutual Funds

NAV of unquoted investments

No. of Units	Amount	No. of Units	Amount
Nil	Nil	Nil	47,409.52
	NIL		47,409.52
	Nil		130,358.26



--- (Amount in ₹ hundreds) ---

31 March, 2022

31 March, 2021

**NOTE : 10 : INVENTORIES***(As taken, valued and certified by the Management)*

Finished Product	102,518.24	263,843.68
	<b>102,518.24</b>	<b>263,843.68</b>

**NOTE : 11 : CASH AND CASH EQUIVALENTS**

Balances with banks		
- Fixed Deposits	50,000.00	87,553.86
- Current Account	3,566.40	8,279.93
Cash in hand (As certified by the Management)	2,671.74	2,315.80
	<b>56,238.14</b>	<b>98,149.59</b>

**NOTE : 12 : SHORT-TERM LOANS AND ADVANCES***(Unsecured, Unconfirmed, Considered good)*

Advances for Goods & Others	Nil	1,058.49
Other Short-term Loans & Advances	314,304.35	297,426.65
	<b>314,304.35</b>	<b>298,485.14</b>

**NOTE : 13 : OTHER CURRENT ASSETS**

Interest accrued on deposits	Nil	3,475.65
Security Deposits	Nil	1,163.66
Prepaid expenses	150.53	810.22
- TDS and Income Tax (net of provisions)	Nil	6,617.77
	<b>150.53</b>	<b>12,067.30</b>



**PRAGATI INFRA TECH (INDIA) PVT. LTD****Notes forming part of the Statement of Profit & Loss**

--- (Amount in ₹ hundreds) ---

**PARTICULARS****31 March, 2022**      **31 March, 2021****NOTE : 14 : REVENUE FROM OPERATIONS**

Sale of Property

264,735.28	334,300.43
264,735.28	334,300.43
<b>264,735.28</b>	<b>334,300.43</b>

**NOTE : 15 : OTHER INCOME**

Interest income

Profit on sale of long-term investments

Liabilities / provisions no longer required written back

Miscellaneous income

14,708.78	5,433.25
3,584.87	5,409.52
1,018.86	Nil
748.43	451.23
<b>20,060.94</b>	<b>11,294.00</b>

**NOTE : 16 : COST OF GOODS SOLD**

Opening stock

Less: Closing stock

263,843.68	460,062.24
<b>263,843.68</b>	<b>460,062.24</b>
102,518.24	263,843.68
<b>161,325.44</b>	<b>196,218.56</b>

**NOTE : 17 : EMPLOYEE BENEFIT EXPENSES**

Salaries, Wages and Bonus

31,091.69	30,464.87
<b>31,091.69</b>	<b>30,464.87</b>

**NOTE : 18 : FINANCE COST**

Interest Expense

26,567.91	43,685.41
<b>26,567.91</b>	<b>43,685.41</b>

**NOTE : 19 : OTHER EXPENSES**

Repairs and Maintenance - Others

Commission

Advertisement

Insurance

Rates and Taxes

Electricity Expenses

Travelling and Conveyance

Printing and Stationery

Legal and Professional fees

Payments to auditors :

As auditors - Statutory audit

- Tax audit

- Others

Miscellaneous Expenses

15,792.96	14,466.90
13,236.76	16,635.02
Nil	260.00
276.15	311.68
184.18	183.03
Nil	1,868.76
4,510.63	1,904.32
52.93	36.01
413.00	454.30
50.00	50.00
30.00	30.00
14.40	14.40
1,206.53	39.37
<b>35,767.54</b>	<b>36,253.79</b>



## NOTE : 8 : FIXED ASSETS

(Amount in ₹ hundreds)

Particulars	Gross Block			Depreciation / Ammortisation				Net Carrying Value		
	Balance as at 01 April, 2021	Additions during the period	Disposals/ Other adjustments	Balance as at 31 March, 2022	Upto Last Year	For the year	Adjustments	Upto 31 March, 2022	As at 31 March, 2022	As at 31 March, 2021
<b>A. Tangible Assets</b>										
Car	14,047.00	Nil	Nil	14,047.00	11,966.54	651.10	Nil	12,617.64	1,429.36	2,080.46
Furniture and Fixtures	115.00	Nil	Nil	115.00	104.75	2.90	Nil	107.65	7.35	10.25
Pump Set	363.12	Nil	Nil	363.12	303.03	15.60	Nil	318.63	44.49	60.09
Computer	379.00	Nil	Nil	379.00	360.05	Nil	Nil	360.05	18.95	18.95
<b>Total</b>	<b>14,904.12</b>	<b>Nil</b>	<b>Nil</b>	<b>14,904.12</b>	<b>12,734.37</b>	<b>669.60</b>	<b>Nil</b>	<b>13,403.97</b>	<b>1,500.15</b>	<b>2,169.75</b>
Previous year	14,904.12	Nil	Nil	14,904.12	11,760.53	973.84	Nil	12,734.37	2,169.75	3,143.59

*Dr. + 24-1-2022*  
*Sharma*



## NOTE : 20 : ACCOUNTING POLICIES & ADDITIONAL DISCLOSURE TO FINANCIAL STATEMENT

### A) ACCOUNTING POLICIES

#### 1 Basis of Accounting

##### a) General

The Financial Statements have been prepared under the Mercantile basis and the Historical Cost Convention on the basis of 'Going Concern' Concept in accordance with the generally accepted accounting principles, applicable Accounting Standards issued by the Institute of Chartered Accountants of India and prescribed u/s 133 of the Companies Act 2013 read with rule 7 of the Companies (Accounts) Rules 2014, the provision of the Act (to the extent notified) and other accounting principles generally accepted in India, to the extent applicable.

Accounting Policies not referred to specifically, are consistent with the Generally Accepted Accounting Customs.

##### b) Revenue Items

Items of incomes and expenses are accounted for on accrual basis,

##### c) Estimates

The preparation of financial statements require estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

##### d) Project

Project completion method is followed. All the expenses upto completion are charged to 'Project work-in-progress' and on completion, the total cost is transferred to Profit & Loss Account. Correspondingly, Sale price of the portion of the project sold during the year are credited to Profit & Loss Account and unsold portion is valued at proportionate cost and treated as inventory.

#### 2 Purchases & Sales

Purchase & Sale are accounted for as and when the transaction takes place.

#### 3 Property, Plant & Equipment

Property, Plant & Equipment are stated at cost of acquisition less accumulated depreciation / amortisation, impairment of loss, if any. Depreciation is provided on written down value at the rates and in the manner prescribed under the Income Tax Act, 1961 / Schedule II to the Companies Act, 2013 read with the Rules framed thereunder.

#### 4 Impairment of Assets

The carrying amount of assets is reviewed at each Balance Sheet date for any indication of impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and its value in use. In assessing the value in use, estimated future cash flows are discounted to their present value at the weighted average cost of capital.

#### 5 Investments

a) i) Long term investments are stated at cost. Provision for diuination in the value of long term investment is made only if such decline is other than temporary.

ii) Current investments are valued at lower of cost or market value on individual investment basis.

b) Profit/ Loss is accounted for sale/disposal

c) Dividend is accounted for with reference to the date of receipt of dividend

#### 6 Inventories

Inventories are valued at proportionate cost incurred during the period of construction.

#### 7 Employee Benefit

a) Short-Term employee benefits are recognised as an expense at the undiscounted amount in the Profit & Loss Account of the year in which the related service is rendered.

b) Post employment and other long term employee benefits are recognised as an expense in the Profit & Loss Account for the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined.

#### 8 Contingent Liabilities

Contingent liabilities, if any, not provided are disclosed by way of notes to the accounts.

#### 9 Taxation

a) Current Tax is the amount of tax payable on the taxable income for the year determined in accordance with the Provision of Income Tax Act, 1961 and the rules framed thereunder.

b) i) Payments for Tax demands on completion of assessments interest on income tax refunds and deposits are accounted for with reference to the dates of payments/receipts, as the case may be.

ii) Adjustments for short/excess provisions, if any, for Income Tax/Fringe Benefit Tax for earlier years/current year are being made in accounts as and when assessments are completed.



- c) Deferred Tax is recognised on timing difference, being the difference between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets subject to the consideration of prudence are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. The tax effect is calculated on the accumulated timing difference at the year end based on the tax rates and laws enacted or substantially enacted / effective on the Balance Sheet date.

**B) ADDITIONAL DISCLOSURE TO FINANCIAL STATEMENT**

- 1 Contingent liabilities and commitments Nil (PY - Nil)  
2 Deferred Tax

The component of Deferred Tax Asset/Liabilities are as follows:-

--- (Amount in ₹ hundreds) ---

Particulars	31 March, 2022	31 March, 2021
<u>Tax effect of items constituting deferred tax liability</u>		
A	Nil	Nil
<u>Tax effect of items constituting deferred tax assets</u>		
On difference between book balance and tax balance of fixed asset	938.00	994.95
B	938.00	994.95
<b>Net deferred tax (liability) / asset</b> A-B	938.00	995.00

3 Impairment of Assets

The management has certified that no provision for impairment of loss of assets as per the provisions of AS 28 issued by the Institute of Chartered Accountants of India is required to be made in the accounts as the estimated realisable value of assets including fixed assets and inventories will be more or equal to the carrying amount stated in the Balance Sheet.

- 4 Accounts in respect of Long term borrowings, Short term borrowings, Trade payables, Other current liabilities, Long-term Loans & Advances, Trade receivables, Short-term Loans & Advances are subject to confirmations of respective parties.  
5 In the opinion of the Management, the realisable value of all assets other than Fixed assets & Non-current Investments in the ordinary courses of business would not be less than the amount at which they are stated in the Balance Sheet. Provision for all known liabilities are provided in full in the Books of Accounts and the same are adequate and not in excess of the amount reasonably necessary.  
6 Cost of flat sold has been ascertained on the proportionate basis of area of sq. ft sold. Since the new project is also completed, the WIP has been transferred to Inventory.  
7 The Company has no Immovable Property.  
b) Revaluation of Property, Plant and Equipment  
There was no Revaluation of Property, Plant and Equipment during the year.

8 Creation / Satisfaction of Charge

The are no mortgage for which charge was required to be created by the company.

- 9 Details of Loans granted to promoters, directors, KMPs and the related parties either severally or jointly with any other  
a repayable on demand or  
b without specifying any terms or period of repayment

Types of Borrower	Amt of Loan/Adv o/s	% of total L & A
Entities in which KMP / relatives of KMP have significant in	236,000.00	75%

- 10 The Company has neither received nor advanced / loaned / invested any Fund with the undertaking to advance or invest the same for the benefit of ultimate beneficiaries or utilise the same for giving guarantee, security etc. on behalf of ultimate

11 Trade Receivables

There are no Trade Receivables at current year end as well as previous year end.

12 Trade Payables

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(ii) Others	66.56	91.70	Nil	Nil	Nil	158.26
(iii) Disputed dues- MSME	Nil	Nil	Nil	Nil	Nil	Nil
(iv) Disputed dues- Others	Nil	Nil	Nil	Nil	Nil	Nil





- 13 The Company has not been declared 'Wilful Defaulter' by any Bank or Financial Institution.  
 14 There is no dealing in Crypto Currency.  
 15 According to management, there is no transaction or balance with 'Struck off' Companies.

16 Related Party Transactions

*As per separate sheet attached*

- 17 Expenditure on employees drawing the amount exceeding the limit prescribed...Nil (Previous year.....Nil)  
 18 Earning, Expenditure & Remittance in foreign Currency...Nil (Previous year...Nil)  
 19 The provisions of CSR is not applicable to the Company.  
 20 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006  
 None of the creditors informed the company that they are Micro, Medium or Small enterprises. Accordingly information required under the Micro, Small and Medium Enterprise Development Act, 2006 could not be furnished.

21 Additional information as required under Schedule III to the Companies Act, 2013. - (Amount in ₹ hundreds) -

Particulars	Opening	Cost of Const	Sales	Closing
Flat	263,843.68	161,325.44	264,735.28	102,518.24
	(460,062)	(196,219)	(334,300)	(263,844)

22 Basic and Diluted Earning per Share

--- (Amount in ₹ hundreds) ---

Particulars	31 March, 2022	31 March, 2021
Profit considered for calculating EPS (Net Profit after Tax)	20,209.08	28,196.63
Weighted average number of Equity Shares (Nos.)	101,000	101,000
Nominal Value of Equity Shares	10.00	10.00
Earning Per Share	20.01	27.92

23 Ratios

Sl	Particulars	31 March, 2022	31 March, 2021
i)	Current Ratio	15.53	5.10
ii)	Debt-Equity Ratio	3.02	6.37
iii)	Debt Service Coverage Ratio	0.13	0.07
iv)	Return on Equity Ratio	0.17	0.29
v)	Inventory Turnover Ratio	0.39	0.79
vi)	Trade Receivables Turnover Ratio	0.00	0.00
vii)	Trade Payables Turnover Ratio	0.00	0.00
viii)	Net Capital Turnover Ratio	0.45	0.29
ix)	Net Profit Ratio	0.08	0.08
x)	Return on Capital Employed	0.37	0.44
xi)	Return on Investment	NA	-0.89

- 24 In accordance with our verifications and as per the informations and explanations received by us, there are no transactions with relation to Benami Properties.  
 25 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Signed in terms of our report of even date annexed hereto  
 For Gupta Khowala & Associates  
 Chartered Accountants

*Saurabh Gupta*  
 SAURABH GUPTA  
 Partner  
 Membership No. : 068454



Place : Kolkata

Date : 17 AUG 2022

For and on behalf of the Board of Directors

*Ajit Kr Sarawgi*  
 AJIT KR SARAWGI  
 DIRECTOR  
 [DIN 00781646]

*Sandeep Sureka*  
 SANDEEP SUREKA  
 DIRECTOR  
 [DIN 00401731]

RELATED PARTY TRANSACTIONS			
Details of related parties:			
Description of relationship	Names of related parties		
Key Management Personnel (KMP)	Ajit kr. Sarawgi & Sandeep Sureka		
Relatives of KMP	Sanjana Sureka (Daughter of Sandeep Sureka), Abha Sureka (wife of Sandeep Sureka), Yash Sureka (son of Sandeep Sureka)		
Enterprises in which KMP / Relatives of KMP can exercise significant influence	Pragati Cemex Pvt. Ltd. (Directors-Anup Sarawgi, Ajit kr. Sarawgi & Sandeep Sureka)		
<i>Note: Related parties have been identified by the Management.</i>			
Details of related party transactions during the year ended 31 March, 2022 and balances outstanding as at 31 March, 2022 :			( Amount in ₹ hundreds )
Particulars	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence	Total
Purchase of goods	Nil (Nil)	Nil (9,448)	Nil (9,448)
Receiving of services	17,400 (18,140)	Nil (Nil)	17,400 (18,140)
<b>Balances outstanding at the end of the year</b>			
Loans and advances	893 (893)	Nil Nil	893 (893)
Borrowings	Nil (Nil)	236,000 (100,122)	236,000 (100,122)
<i>Note: Figures in bracket relates to the previous year</i>			

*NB : Names of only those Related Parties are mentioned with whom transaction have taken place during the period under audit.*

