

STATUTORY AUDITOR'S EXAMINATION REPORT ON RESTATED FINANCIAL INFORMATION

To,
The Board of Directors
PDP SHIPPING & PROJECTS LIMITED
A-606, Mahavir Icon,
Plot nos. 89 & 90 Sector 15, CBD Belapur
Navi Mumbai Mumbai City MH400614 IN

Dear Sirs,

1. We have examined the attached Restated Financial Information of **PDP Shipping & Projects Limited** (the "**Company**" or the "**Issuer**"), comprising the Restated Balance Sheet for the period ended November 30, 2024 and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022, the Restated Profit and Loss Statements and the Restated Cash Flow Statement for the period ended November 30, 2024, and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022, the Summary Statement of Significant Accounting Policies and other explanatory information (collectively, the "**Restated Financial Information**"), as approved by the Board of Directors of the Company at their meeting held on 9th December, 2024 for the purpose of inclusion in the Prospectus prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("**IPO**") prepared in terms of the requirements of:
 - a) Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended (the "**Act**");
 - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**ICDR Regulations**"); and
 - c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("**ICAI**"), as amended (the "**Guidance Note**").
2. The Company's Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the Prospectus to be filed with the Securities and Exchange Board of India and Bombay Stock Exchange in connection with the proposed IPO. The Restated Financial Information have been prepared by the management of the Company on the basis of preparation stated in note 2B (ii) to the Restated Financial Information. The responsibility of the respective Board of Directors of the companies includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The respective Board of Directors are also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.
3. We have examined such Restated Financial Information taking into consideration:
 - a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated November 15, 2024 in connection with the proposed IPO of equity shares of the Issuer;
 - b) The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
 - c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and
 - d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.
4. These Restated Financial Information have been compiled by the management from:
 - a) We have Audited the special purpose standalone financial statements of the company as at and for the Eight-month period ended on November 30, 2024 prepared by the company in accordance with as prescribed under Section 133 of the Act read with Companies (Accounting Standards) Rules 2006, as amended, and other accounting principles generally accepted in India for the limited purpose of complying with the requirement of Restated Audited Financial statements in the offer documents should not be more than six months old from the issue opening date as required by ICDR Regulations in relation to the proposed IPO. We have issued our report dated 9th December, 2024 on this special purpose which have been approved by the Board of Directors at their meeting held on 9th December, 2024.

- b) Audited financial statements of the Company as at and for the years ended March 31, 2024, 2023 and 2022 prepared in accordance with the Accounting Standards Rules 2006, as amended, and other accounting principles generally accepted in India which had been approved by the Board of Directors at their meeting held on 26th August 2024, 4th September 2023 and 22nd September 2022 respectively.

Audit for the financial year ended March 31, 2024 and March 31, 2023 was conducted by Company's previous auditor, MASD & Co LLP and for financial year ended March 31, 2022 by SSRV & Associates (Mr. Vishnu Kant Kabra), and accordingly reliance has been placed on the financial information examined by them for the said years. The financial report included for these years is based solely on the report submitted by the previous auditor.

5. For the purpose of our examination, we have relied on:
- a) The reports issued by the Previous Auditors named MASD & Co LLP having FRN.146249W/W101021 dated 26th August 2024 and 4th September 2023 for F.Y 2023-2024 and F.Y 2022-2023, SSRV & Associates (Mr. Vishnu Kant Kabra) having FRN.135901W dated 22nd September 2022 for F.Y 2021-2022 on the Indian GAAP financial statements of the Company as referred in Paragraph 4 above.
6. Based on our examination and according to the information and explanations given to us, we report that the Restated Financial Information:
- a) Have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively for the period ended November 30, 2024 and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the 8 months period ended November 30, 2024;
- b) Do not require any adjustment for modification as there is no modification in the underlying audit reports; and
- c) Have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
8. The Restated Financial Information does not reflect the effects of events that occurred subsequent to the dates of the report on audited financial statements mentioned in paragraph 4 above.
9. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
11. Our report is intended solely for use of the Board of Directors for inclusion in the Prospectus to be filed with the Securities and Exchange Board of India and Bombay Stock Exchange in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.
- We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for period ended November 30, 2024 and for the Financial year ended March 31, 2024, March 31, 2023, and March 31, 2022 proposed to be included in the Offer Document for the proposed IPO.

Particulars	Note No.
Restated Statement of Share Capital	Note 2
Restated Reserves and surplus	Note 3
Restated Long-term borrowings	Note 4
Restated Deferred Tax (Assets)/ Liabilities	Note 5

Restated Short-term borrowings	Note 6
Restated Trade payables	Note 7
Restated Other current liabilities	Note 8
Restated Short-term provisions	Note 9
Property, Plant & Equipment	Note 10
Restated Deferred Tax Assets/ (Liabilities)	Note 11
Restated Long Term Loans and Advances	Note 12
Restated Other Non-Current Assets	Note 13
Restated Trade Receivables	Note 14
Restated Cash and cash equivalents	Note 15
Restated Short Term Loans & Advances	Note 16
Restated Other current Assets	Note 17
Restated Revenue From Operations	Note 18
Restated Other Income	Note 19
Restated Operating Expense	Note 20
Restated Employee benefits expense	Note 21
Restated Finance Costs	Note 22
Restated Depreciation and amortization expenses	Note 23
Restated Other Expenses	Note 24
Restated Earnings Per Share	Note 25
Effective Tax Rate	Note 26
Effective Tax Rate Shelter	Note 27
Related Party Disclosures	Note 28
Restated transactions with struck off companies	Note 29
Restated Borrowing against current assets	Note 30
Ratio Analysis	Note 31
Gratuity Note	Note 32
Contingent Liability	Note 33
Revaluation made by the Company	Note 34
Purchases of its own shares out of free reserves or securities premium account	Note 35
Compliance of Financial statement with the accounting standards	Note 36
Corporate Social Responsibility (CSR)	Note 37
Post reporting date events	Note 38
Director Personal Expenses	Note 39

Particulars	Note No.
Compliance with number of layers of companies	Note 40
Benami Transactions	Note 41
Foreign Exchange Transactions	Note 42
Segment Reporting	Note 43
Material Adjustments in Restated Profit & Loss Account	Note 44
Material Adjustments in Restated Reserve & Surplus	Note 45
Wilful Defaulter	Note 46
Registration of charges or satisfaction with Registrar of Companies	Note 47
Compliance with approved Scheme(s) of Arrangements	Note 48
Utilisation of Borrowed funds and share premium	Note 49
Note for Investment in Cryptocurrency or Virtual Currency	Note 50

For and on behalf of
Bilimoria Mehta & Co
Chartered Accountants
FRN: 101490W

Aakash
Himanshu
Mehta

Digitally signed
by Aakash
Himanshu Mehta
Date: 2024.12.09
18:31:32 +05'30'

CA Aakash Mehta
Membership No.: 165824
UDIN: 24165824BKBZTP7412
Date: 09-12-2024
Place: Mumbai

Annexure IV

Significant Accounting Policy and Notes To The Restated Financial Statements.

Corporate Information

The Company was incorporated on June 01, 2009 as a Private Limited Company which is now converted in Public limited company in the financial year 2015-16. The Company carries business in Fright & Forwarding and Transportation services

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

I Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2015 (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention.

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

II Use of Estimates.

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

III Going Concern Assumption

The Management believes that the Company would be in a position to continue as a going concern for the foreseeable future and may meet its financial obligations as they fall due. Accordingly, these financial statements have been prepared under the going concern assumption.

IV Property, Plant and Equipment

Property Plant & Equipment are stated at cost of acquisition less accumulated depreciation and impairment loss, if any. Capital Work in progress are stated at cost, net off accumulated impairment losses if any. The cost of acquisition includes direct cost attributable to bringing the assets to their present location and working condition for their intended use. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date and excludes any tax for which input credit is taken.

Subsequent expenditure is capitalized only when it increases the future economic benefits for its intended from the existing assets beyond its previously assessed standard of performance. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives and capitalizes cost of replacing such parts if capitalization criteria are met. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Gains or losses arising from de-recognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized

V Depreciation

Depreciation on Tangible Assets has been provided on Written Down Value (WDV) method and the amount of depreciation has been computed as per the useful life specified under companies act 2013.

The useful life considered for depreciation are as follows:

Assets	Useful Life (In years)
Computer	3 Yrs.
Furniture & Fixture	10 Yrs.
Office Equipment	5 Yrs.
Motor Car	7 Yrs.
Building	60 Yrs.

VI. Investments

Classification of Investment:

Investment that are by their nature are readily realizable and are intended to be held for not more than one year from the date of on which such investment are made is classified as current investments.

Investment other than current investment are classified as Long term Investments.

Investments are initially recognized at cost.

Valuation of Investment:

i. Investments are initially recognized at cost.

The cost of an investment includes acquisition charges such as brokerage, fees and duties

ii. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued

iii. If an investment is acquired in exchange, or part exchange, for another asset, the acquisition cost of the investment is determined by reference to the fair value of the asset given up.

Current Investments are valued at cost or fair value whichever is lower where as long term investments are always valued at cost

VII. Revenue recognition

Revenue is recognized upon transfer of control of promised products or services to customers in a amount that reflects the consideration which the Company expects to receive in exchange for those products or services. Revenue is measured at the fair value of the consideration received or receivable, net of returns, discounts and volume rebates. The following specific recognition criteria must also be met before revenue is recognised:-

Air Freight income earned

Revenue from air freight services is recognized when the goods have been shipped, and the related services have been provided to the customer. This typically occurs when the goods are delivered to theair carrier for transportation.

Ocean Freight income earned

Revenue from ocean freight services is recognized when the goods have been shipped, and the related services have been provided to the customer. This typically occurs when the goods are loaded onto thevessel for transportation.

Inland Haulage Revenue

Revenue from inland haulage charges is recognized when the services have been provided to the customer. This typically occurs when the goods have been transported from one location to anotherwithin the country or region.

In addition to inland haulage charges, the company may provide related services such as loading, unloading, packaging, and insurance. Revenue from these services is recognized when the services areprovided to the customer.

Transportation Revenue

Revenue from transportation charges is recognized when the services have been provided to the customer. This typicallyoccurs when the goods have been transported from one location to another.

In addition to transportation charges, the company may provide related services such as loading, unloading, packaging, andinsurance. Revenue from these services is recognized when the services are provided to the customer.

Terminal Handling Revenue

Revenue from terminal handling charges is recognized when the services have been provided to the customer. This typically occurs when the goods have been received at the terminal and the handling activities, such as loading, unloading,and storage, have been completed.

In addition to terminal handling charges, the company may provide related services such as documentation, customs clearance, and cargo tracking. Revenue from these services is recognized when the services are provided to the customer.

Interest Income

Interest income is recognized on a time proportionate basis taking into account the amount outstanding and the applicable effective interest rate. Interest income is included under the head "Interest Income" in the statement of profit & loss.

VIII. Other services:

Revenue from other services such as CFS Charges, warehouse charges, etc are recognized as when the consideration fortransaction measurable and receivable.

IX. Employee benefits

Short term employee benefits

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. The benefits like salaries, wages, and short term compensated absences and performance incentives are recognized in the period in which the employee renders the related service.

Post-employment benefits

a) Defined contribution plan

The Company's state governed provident fund scheme are classified as defined contribution plans. The contribution paid / payable under the schemes is recognised in the statement of profit and loss in the period in which the employee renders the related service.

b) Defined benefits plan

The Employee's gratuity fund scheme is the Company's defined benefit plans. The cost of providing defined benefits is determined using the Projected Unit Credit method with actuarial valuations being carried out at each reporting date. The defined benefit obligations recognized in the Balance Sheet represent the present value of the defined benefit obligations as reduced by the fair value of plan assets, if applicable. All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability (asset) are recognized in the Statement of Profit and Loss

Long term employee benefits:

The obligation for long term employee benefits like long term compensation absences is recognized in the similar manner as in the case of defined benefit plans as mentioned in (ii) (b) above.

Gratuity

Following table sets out the status of Gratuity plans and amounts recognized in financial statement as of 30th November 2024 and for F.Y. ended 31st March 2024, 31st March 2023, 31st March 2022.

(Rs. in Lakh)

Gratuity Balance sheet Reconciliation	Nov-24	FY 2023-24	FY 2022-23	FY 2021-22
Opening net liability as per Financials	8.63	7.31	5.62	4.22
Expenses / (income) for period of Gratuity	0.88	1.33	1.69	1.40
Benefit paid directly by employer	-	-	-	-
Employers Contribution	-	-	-	-
Closing net liability / (asset) recognized	9.52	8.63	7.31	5.62

The discounting rates and other information used for the calculation of employee benefit obligation are as follows:

Particulars	Sep-24	FY 2023-24	FY 2022-23	FY 2021-22
Discounting Rate used to calculate employee benefit obligation	7.29%	7.29%	7.29%	7.40%
Salary Escalation rate considered for future years	7%	7%	7%	7%

*Rate taken for each financial year are taken as per the deal rate as on 31st March of respective financial year

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the defined benefit obligation as recognized in the balance sheet.

Expenses to be Recognized in the Statement of Profit or Loss for Next Year.

(Rs in Lakh)				
Particular	Nov-24	FY 2023-24	FY 2022-23	FY 2021-22
Current Service cost	-	0.98	0.98	0.84
Net interest cost	-	0.52	0.42	0.28
Actuarial (Gain)/Losses	0.88	(0.17)	0.28	0.28
Past Service cost - Non-vested Benefit Recognized	-	-	-	-
Past Service cost - Vested Benefit Recognized	-	-	-	-
Expenses Recognized in statement of Profit or loss	0.88	1.33	1.69	1.40

X. Taxes on Income

Provision for current tax is made in terms of provisions of the Income Tax Act, 1961. Deferred tax on account of timing difference between taxable and accounting income is provided considering the tax rates and tax laws enacted or substantively enacted by Balance sheet date, the deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be realized in future.

Minimum Alternate Tax credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

XI. Borrowing Cost:

Borrowing costs 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 as part of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

XII. Provision, Contingent Liabilities & Contingent Assets

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of the obligation can be made.

Contingent Liabilities is disclosed in Notes to the account for:-

- (i) Possible obligations which will be confirmed only by future events not wholly within the control of the company or
 - (ii) Present Obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.
- Contingent assets are not recognized in the financial statement since this may result in the recognition of the income that may never be realized.

XIII. Current and non-current classification

The Company presents assets and liabilities in the balance sheet as restated based on current / non-current classification.

An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle.
- It is held primarily for the purpose of being traded;
- It is expected to be realised within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.
- All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded
- It is due to be settled within 12 months after the reporting date; or the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.
- All other liabilities are classified as non-current.

XIV. Contingencies & Events occurring after the balance sheet date

Event occurring after the date of balance sheet, which provide further evidence of conditions that existed at the Balance Sheet or that arise subsequently, are considered up to the date of approval of accounts by the Board of Directors, Where material.

XV. Lease expense

Lease payments under an operating lease recognized as an expense in the statement of profit and loss on a straight line basis over the lease term.

Company has not entered into any finance lease arrangements.

XVI. Others

Except wherever stated, accounting policies are consistent with the generally accepted accounting principles and have been consistently applied.

XVII. The various figures of financial statement have been regrouped or reclassified wherever necessary.