PSP Build to Last
PSP Projects Limited
ISO 9001 : 2015, 14001 : 2015, 45001 : 2018
Certified Company

Ref No: PSPPROJECT/SE/36/22-23 **August 18, 2023**

Corporate Relations Department
BSE Limited
Floor 25, P.J. Towers,
Dalal Street, Mumbai- 400 001
Scrip code: 540544

Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051
Scrip Symbol: PSPPROJECT

Dear Sir/Madam,

Subject: Annual Report for the Financial Year 2022-23

Pursuant to Regulation 34(1)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of the company for the Financial Year 2022-23 including the Notice of 15th Annual General Meeting of the company scheduled to be held on Saturday, September 9, 2023 through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

The Annual Report is also available on the Company's website at www.pspprojects.com.

Kindly take the same on your record.

Thanking You,

Yours faithfully,

For PSP Projects Limited

PATEL KENAN SURESHBHAI

Digitally signed by PATEL KENAN SURESHBHAI
Date: 2023.08.18 15:11:25 +05'30'

Kenan Patel
Company Secretary & Compliance Officer

Encl.: As above

BUILDING FOR INDIA

HOW OUR COMPANY IS INVESTING IN LARGER PROJECTS, ADVANCED TECHNOLOGIES AND A ROBUST BALANCE SHEET WITH THE OBJECTIVE TO BUILD FOR COMPANY, CUSTOMER AND COUNTRY

PSP PROJECTS LIMITED

ANNUAL REPORT FY 2022-23

PSP

Build to Last

Forward-looking statement
In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether because of new information, future events or otherwise.

Revenues

1,962.81 (₹ in crore)

(On consolidated basis)

Profit for the year attributable to owners

131.94 (₹ in crore)

(on consolidated basis)

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5 PRINCIPAL MESSAGES OF THIS ANNUAL REPORT

1. The Company has transformed with speed from a western India-focused company to a pan-India proxy of the construction sector

2. The Company has emerged among the ten largest Indian construction companies, strengthening prospects

3. The Company stands with a robust order book and bid pipeline.

4. The Company is governance-driven, marked by processes, systems, digitalisation, policies, certifications and responsible succession planning

5. The Company enjoys attractive and enhanced prequalification credentials to bid for more and larger projects in its standalone capacity

WHO WE ARE, WHAT WE DO AND HOW WE PER-FORMED

Corporate Snapshot

PSP PROJECTS LIMITED

WE ARE A MULTIDISCIPLINARY CONSTRUCTION COMPANY THAT OFFERS SERVICES FOR INDUSTRIAL, INSTITUTIONAL, GOVERNMENT AND RESIDENTIAL PROJECTS IN INDIA & PROVIDING A DIVERSE RANGE OF CONSTRUCTION AND ALLIED SERVICES.

WE HAVE WITNESSED SUBSTANTIAL GROWTH IN OUR EXECUTION CAPABILITIES BY HANDLING LARGER PROJECTS AND MANAGING AN INCREASED NUMBER OF PROJECTS AT THE SAME TIME.

WE AIM TO BUILD AN INDIA MARKED BY WORLD-CLASS STRUCTURES, STRENGTHENING THE COUNTRY'S GLOBAL RESPECT.

OUR VISION

To be recognised as the leading construction company in the areas we operate, through our performance, our people and commitment to our core values.

To become the preferred construction company in the infrastructure industry.

OUR MISSION

'Build to last'

We want to build high quality and innovative infrastructures for our customers. We also want to provide our customers outstanding performance in terms of excellent project execution and fast delivery and to adequately promote those who invest creative ideas in our company and demonstrate dedication to our company.

Our background

Incorporated in 2008, PSP Projects Limited (PSP) is a construction company headquartered in Ahmedabad, India.

PSP is among the fastest-growing engineering, procurement and construction (EPC) companies in India. PSP offers a broad range of construction and related services, including industrial, institutional, commercial, residential, hospitality, hospital and marquee government projects.

The Company has completed 205 projects for over 133 public and private customers across India. PSP is considered one of the leading EPC companies in India due to its profound industry experience.

Our promoters and management

PSP was established in 2008 by Mr. Prahaladbhai S. Patel (Chairman, Managing Director and CEO), a first generation entrepreneur with a passion for responsible construction.

During his 37 years of experience in the construction industry, Mr. Patel managed a proprietorship firm focused on civil construction. In 2009, PSP took over this business, which marked an evolution in Mr. Patel's journey from engineer to corporate technocrat.

Mr. Patel has been instrumental in shaping the Company's vision, driving business development, technical excellence, industry knowledge and customer relationships. He leads a senior management team that consists of qualified, experienced and skilled professionals possessing diverse capabilities.

In 2017, Mr. Patel received the Hercules Awards from Gujarat Innovation Society (GIC) for his innovative contributions to the construction sector.

In recognition of his innovative approach to construction, Mr. Patel was presented the Most Respected Entrepreneur Award in Construction in 2018 by Hurun Report India. In recognition of his contribution to the building and construction sector of the country, he received the CXO of the Year award at the 11th Realty+ Conclave & Excellence Awards in Gujarat in 2019.

In 2019, TV9 Gujarat presented him with the Ace Achievers Award. For driving the fastest growing construction company during the year, he received the Times Inspiring Entrepreneur Award in 2020. He was twice honored with the title of 'Patidar Udyog Ratna' at the Global Patidar Business Summit in 2020 and 2022.

Our experience

PSP possesses a diverse range of capabilities across various project stages, including engineering & design, procurement, construction, MEP services, operations & maintenance, development & innovations. As a result, the Company's expertise has expanded, allowing it to tackle projects in a variety of categories, such as manufacturing and processing facilities, hospitals, government buildings, educational institutions, religious landmarks, corporate offices, residential buildings, social and urban infrastructure and Smart Cities.

Our employees

PSP possesses a diverse and specialised team of professionals. It comprised 1836 permanent employees and 10,275 contractual workers as on March 31, 2023. The average age of its employees stood at 33 years.

Our customers

PSP collaborated with numerous well-known domestic and foreign clients, resulting in over 205 completed projects for a total of more than 133 customers.

Our projects

PSP is engaged in a variety of construction projects, including, but not limited to, industrial, institutional, government, government residential, precast and residential projects.

Our services

PSP provides comprehensive end-to-end solutions, which encompass a range of services such as design, civil construction, MEP (mechanical, electrical and plumbing) services, facades, interior fit-outs and other allied services. The Company's solutions are built on a foundation of financial discipline, diverse expertise across verticals, extensive in-house equipment and the use of cutting-edge technologies.

As of March 31, 2023, PSP was actively working on 47 projects with a total outstanding value of ₹ 5052 Crore. These projects were managed using its own resources and expertise in collaboration with external partners to ensure that the Company delivers the best outcomes for clients.

Our certifications

ISO 9001:2015

ISO 14001:2015

ISO 45001:2018

Our credit rating

- CARE A+; Stable for our Long-term bank facilities
- CARE A+; Stable for our Long-term/ Short-term bank facilities

Our credible registrations

- Enlisted in Class-l (Super) Building category of CPWD
- Approved Class AA contractor by Government of Gujarat
- Approved Special Category 1 Buildings contractor by Government of Gujarat
- Approved Class AA contractor by Ahmedabad Municipal Corporation
- Approved Electrical Installation contractor by the Government of Gujarat
- Approved Class A Electrical Contractor by Government of Gujarat

Our listing

PSP is listed on the BSE Limited and National Stock Exchange of India Limited, where its equity shares are actively traded. The market capitalization of the Company was ₹ 24,152.40 Mn as on March 31, 2023. The promoter held a 67.59% stake in the Company as on March 31, 2023.

OUR OPERATIONAL SNAPSHOT, FY 2022-23

15
Years of experience

205
Projects completed till March 31, 2023

47
Projects under execution (as on March 31, 2023)

1,92,664.91
₹ Lakhs, Standalone turnover (for FY 2022-23)

22,501.21
₹ Lakh, standalone EBITDA (for FY 2022-23)

13,301.82
₹ Lakh, Standalone net profit (as on March 31, 2023) (before other comprehensive income)

5,052
₹ Crore, order book (as on March 31, 2023)

26
%, Order book from markets other than Gujarat (as on March 31, 2023)

1,344
₹ Crore, Biggest order received during the year ended March 31, 2023 (for the construction of a state-of-the-art high rise office building by Surat Municipal Corporation)

30,302
₹ Lakh, investment in plant & machinery, standalone (as on March 31, 2023)

1,836
Number of employees (as on March 31, 2023)

6.6
Mn Sq.ft, Built largest office building in the world

OUR DIVERSE PROJECTS PORTFOLIO

INDUSTRIAL PROJECTS

Our industrial endeavors revolve around constructing industrial buildings for a diverse range of sectors, including pharmaceutical plants, food processing units, engineering facilities and manufacturing and processing plants.

Projects completed: 65

INSTITUTIONAL PROJECTS

Our institutional projects typically comprise constructing buildings for a wide spectrum of establishments, such as hospitals and healthcare services, educational institutes, malls, hospitality services and corporate offices.

Projects completed: 88

GOVERNMENT PROJECTS

Our government projects portfolio comprises select challenging and prestigious government projects that are marquee, large and time bound.

Projects completed : 30

GOVERNMENT RESIDENTIAL PROJECTS

Affordable housing at Allahabad

We have undertaken prestigious affordable design and build residential projects for the government.

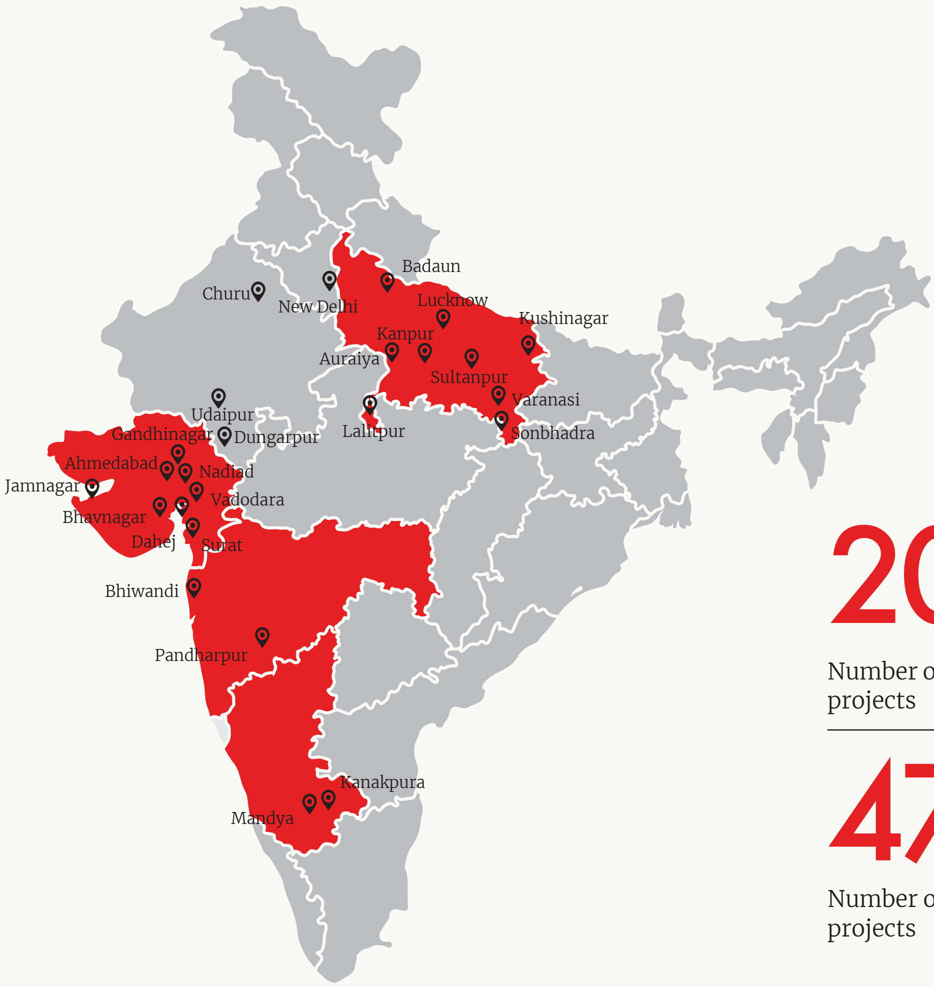
Projects completed: 3

RESIDENTIAL PROJECTS

Our residential projects generally entail building structures for group housing and townships, in addition to constructing independent residences for exclusive private clients.

Projects completed: 19

OUR PAN-INDIA SECTORIAL PRESENCE

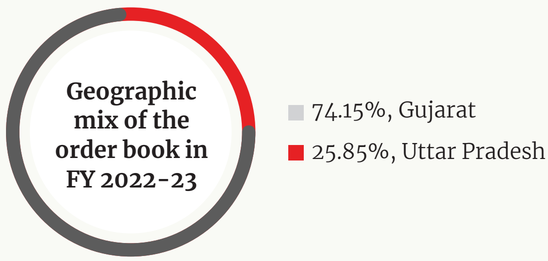


205

Number of completed projects

47

Number of on-going projects



OUR AWARDS AND RECOGNITIONS

PSP received several awards in recognition of its contribution to India's construction sector

2016

The Company was awarded Outstanding Performance in Managing Health, Safety and Environment (45th National Safety Week Celebrations 2016) by Godrej Properties Limited.

The Company was awarded Excellent Contractor of the Year 2016 by Gujarat Contractor Association during Gujarat Contractor Summit 2016 in Ahmedabad. The Company's turnkey affordable housing project for Gujarat Housing Board, Transport node, Ahmedabad, was awarded the Affordable Housing Project of the Year Award by Realty Plus Excellence Awards (Gujarat) 2016.

2017

The Company was awarded The Most Admired Multidisciplinary Construction Company of the Year (Gujarat) by The Rising Leadership Awards 2017.

The Company was honoured with Quality Mark Awards 2017 (Building & Construction Category) by Quality Mark Trust.

2018

The Company was felicitated as India's Top Challengers of 2017-18 at the 16th Construction World Global Awards, 2018 in New Delhi

2019

The Company was felicitated with the Gujarat Growth Ambassador Award for its Outstanding Performance in the Construction Industry by Confederation of Real Estate Developers Association of India (CREDAI) at the Gujarat Growth Ambassadors Summit 2019.

The Company emerged as the Second Fastest Growing Construction Company in the Small Category in India and felicitated as one of India's Top Challengers 2018-19 for the second time in a row at the 17th Construction World Global Awards 2019 in New Delhi.

The Company was recognised as an Ace Achiever for making a difference at the TV9 Gujarati Ace Achievers Award 2019 in Ahmedabad, Gujarat

2020

The Company emerged as the second fastest growing construction company in India in the Small Category for the second consecutive year and felicitated as one of India's Top Challengers of 2019-20 for the third time in a row at the 18th Construction World Global Awards, 2020.

2021

The Company's project for Zydus Sitapur Hospital (a CSR project by Maruti Suzuki Foundation) was felicitated as 'Institutional Project of the Year' at the 13th Realty Plus Conclave & Excellence Awards 2021-Gujarat Edition.

The Company was awarded Construction World – Stalwarts of the West, Gujarat, at the CW Design Build Conclave & Awards for strengthening the built environment in the State.

The Company was awarded the Second Fastest Growing Construction Company (below ₹2000 Crore category) for the third year in a row at the 19th Construction World Global Awards 2021.

2022

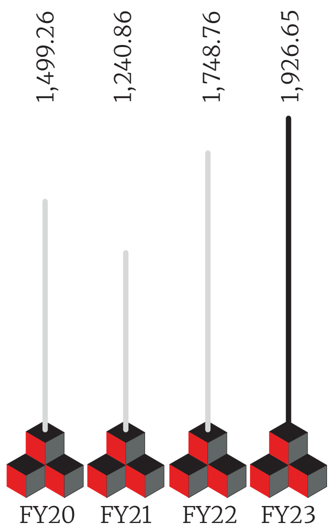
The Company's Project Student Activity Centre at Ahmedabad University was felicitated as Institutional Project of the Year at the 14th Realty Plus Conclave & Excellence Awards 2022, Gujarat.

The Company was awarded the fastest growing construction company for the fourth year in a row and received the Top Challengers Award at the 20th Construction World Global Awards 2022.

OUR FINANCIAL TRACK RECORD IN THE LAST FEW YEARS

Revenues from operations

(₹ Crore)



CAGR 21.43% (5-year CAGR growth rate between FY 2017-18-FY 2022-23)

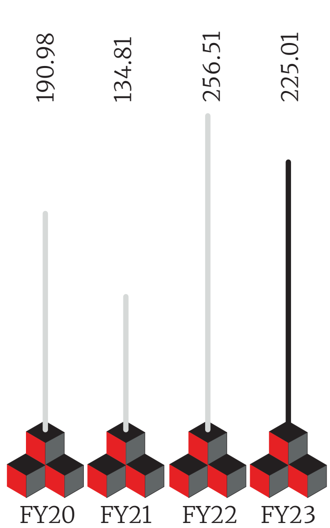
Definition
Sales growth without deducting taxes.

Why we measure?
This measure reflects the result of our ability to understand market trends and service customers with corresponding project completion, quality, timeliness, technology and supply chain management.

Performance
Our aggregate revenues from operations increased by 10.17 % to ₹1,926.65 Crore in FY 2022-23, which compared favourably with the growth of the sector in India during the year.

EBITDA

(₹ Crore)



CAGR 17.28% (5-year CAGR growth rate between FY 2017-18-FY 2022-23)

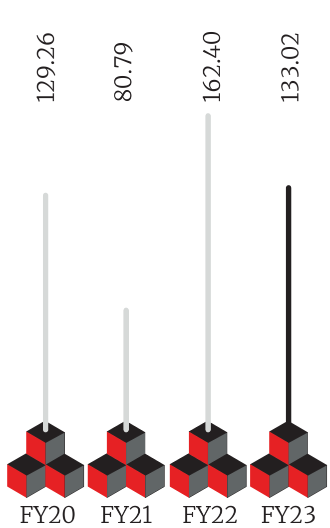
Definition
Earnings before the deduction of fixed expenses (interest, depreciation, extraordinary items and tax).

Why we measure?
It is an index that showcases the Company's ability to maximise revenues and optimise operating costs, a basis for ascertaining operating profitability.

Performance
The Company reported a (12.28%) decline in its EBITDA in FY 2022-23. During FY 2021-22, there was an exceptionally higher profit margin on account of finishing stages of large sized projects.

Profit after tax (before OCI*)

(₹ Crore)



CAGR 15.62% (5-year CAGR growth rate between FY 2017-18-FY 2022-23)

Definition
Profit earned during the year after deducting all expenses and provisions.

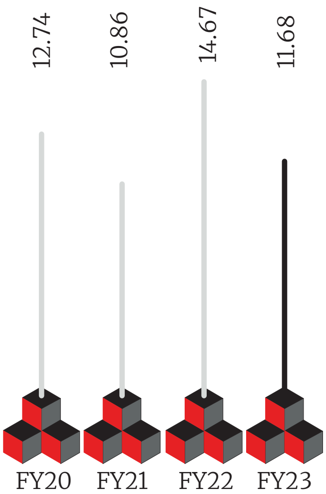
Why we measure?
It highlights the strength of the business model in generating value for shareholders.

Performance
The Company reported a (18.09%) decline in net profit in FY 2022-23. During the previous year i.e. FY 2021-22, there was an exceptional higher profit margin on account of the finishing stage of large projects. During FY 2022-23, most large projects were at the initial or intermittent stage, which impacted the PAT margin.

**Other comprehensive income*

EBITDA margin

(%)



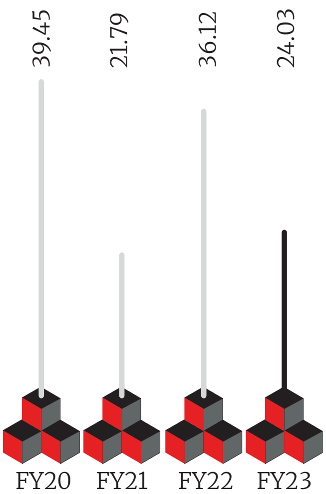
Definition
EBITDA margin is a profitability ratio to measure a company's pricing strategy and operating efficiency – the higher the operating margin, the better for the Company.

Why we measure?
The EBITDA margin provides an idea of how much a company earns (before accounting for interest and taxes) on each rupee of revenue.

Performance
The Company reported a (299 bps) decline in EBITDA margin in FY 2022-23.

ROCE

(%)



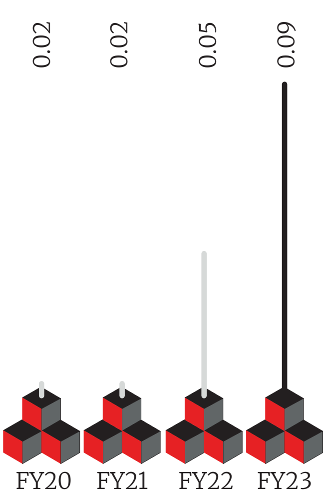
Definition
It is a financial ratio that measures a company's profitability and the efficiency with which its average capital is employed in the business.

Why we measure?
ROCE is a useful metric for comparing profitability across companies based on the amount of capital they use especially in the capital-intensive sectors.

Performance
The Company reported a (12.09) bps decline in ROCE in FY 2022-23 due to a lower profit margin on account of finishing stage of large sized projects in FY 2021-22. During FY 2022-23, most of the large projects were at the initial or intermittent stages, which impacted EBITDA margins.

Gearing

(x)



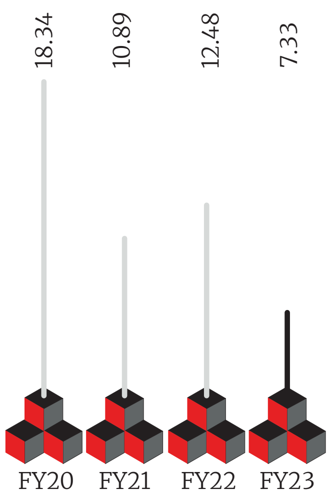
Definition
This is derived through the ratio of long-term debt, including current maturities to net worth (less revaluation reserves).

Why we measure?
This is one of the defining measures of a company's financial health, indicating the ability to remunerate shareholders over debt providers (the lower the gearing the better).

Performance
The Company's gearing increased in FY 2022-23 compared to the previous three years due to an increase in long-term debt/ borrowing.

Interest cover

(x)



Definition
This is derived through the division of EBIT by interest outflow.

Why we measure?
Interest cover indicates the Company's comfort in servicing interest, the higher the better.

Performance
The Company's interest cover declined from 12.48x in FY 2021-22 to 7.33x in FY 2022-23, mainly on account of increased borrowings.

KEY PROJECTS COMPLETED BY PSP DURING FY 2022-23

During the year under review, the Company completed 22 projects (prominent completed projects listed below).

Project	Customer
Surat Diamond Bourse	SDB Diamond Bourse
Development and beautification of Shri Kashi Vishwanath Dham, Varanasi, Uttar Pradesh	Uttar Pradesh Public Works Department
BSE Brokers Forum Building at GIFT city, Gandhinagar, Gujarat	Dalal Street Commercial Cooperative Society Ltd.
Construction of Phoenix Mall at Thaltej, Ahmedabad	SGH Realty LLP
Reliance Rehab & Rescue (R&R) Project, Jamnagar	Reliance Industries Limited
Construction of a state-of-the-art corporate house at Ahmedabad	Indian Potash Limited


Surat Diamond Bourse


Kashi Vishwanath Corridor


BSE Brokers Building, GIFT City


Indian Potash Limited, Corporate office

PROMINENT PROJECTS AWARDED TO PSP, FY 2022-23

Project	Name of Client
Construction of state-of-the-art high-rise office building	Surat Municipal Corporation
Construction of three 33 storey residential towers in Ahmedabad	Safal Goyal Realty LLP
Corporate office building project	Adani Green Energy Ltd.
Precast order for the national high-speed bullet train project	Larsen & Toubro Limited
Airport development project	Adani Ahmedabad International Airport Limited
Construction of Residential Towers NILA VIDA Project at GIFT	Nila Spaces Limited
Nestle Phase II & III - civil/structural works for Project Ocean at Sanand	Nestlé India Ltd.

Surat Municipal Corporation


Safal Goyal

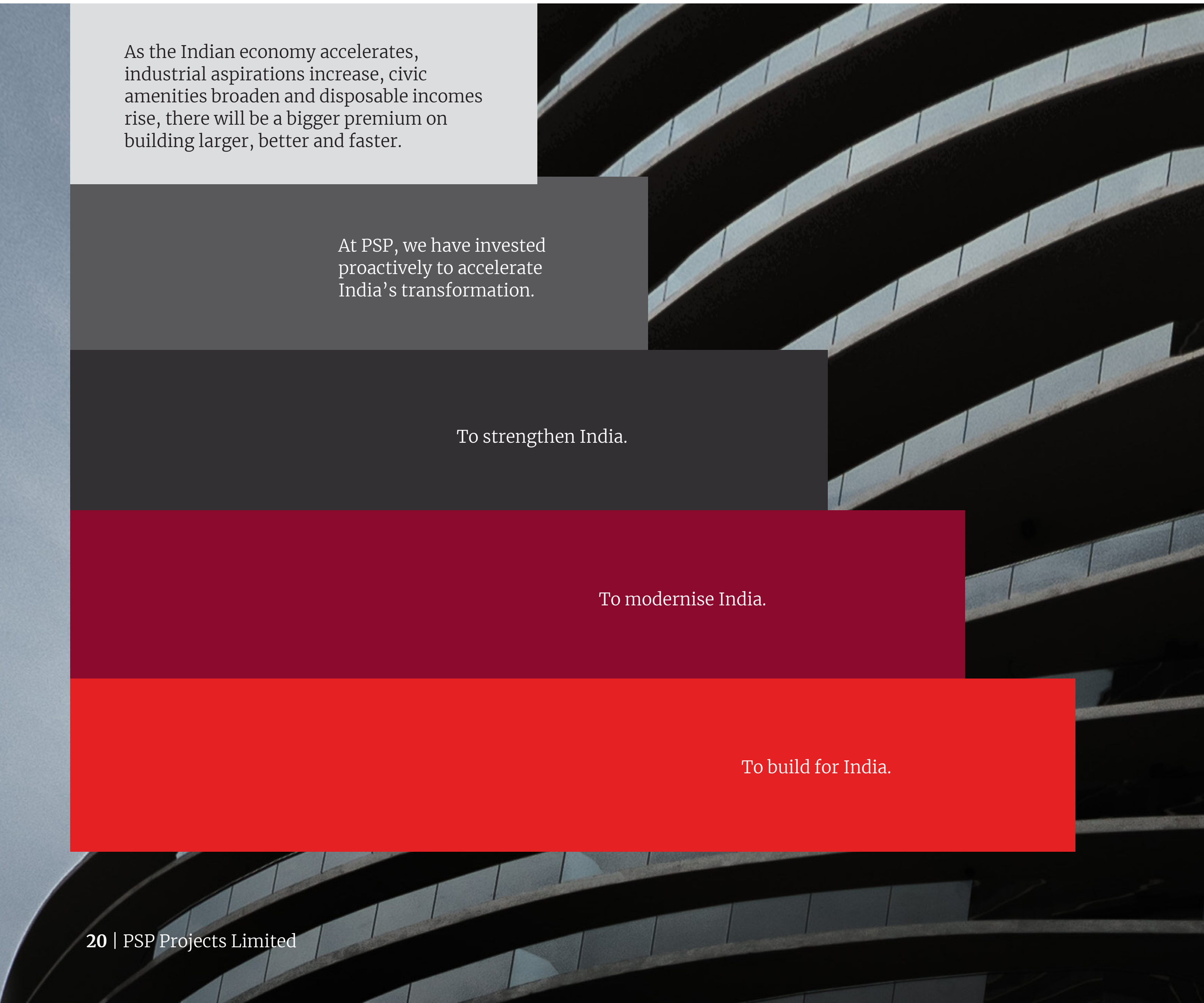
OUR MARQUEE CUSTOMERS DOWN THE YEARS

SDB Diamond Bourse	Reliance Industries	Adani Group	Nestle	Zydus Cadila
Torrent Pharmaceuticals	IIM – Ahmedabad	MRF	Maruti Suzuki Foundation	The Gujarat Cancer Society
Dharmsinh Desai University	Ahmedabad University	Pandit Deendayal Petroleum University	Brigade Group	Prestige Group
CEPT University	B Safal Group	Intas Pharmaceuticals Ltd	Claris Injectables Limited	Nirma Group

PSP IS BUILDING FOR INDIA

BUILDING FOR INDIA

INDIA IS AT THE CUSP OF AN UNPRECEDENTED TRANSFORMATION



As the Indian economy accelerates, industrial aspirations increase, civic amenities broaden and disposable incomes rise, there will be a bigger premium on building larger, better and faster.

At PSP, we have invested proactively to accelerate India's transformation.

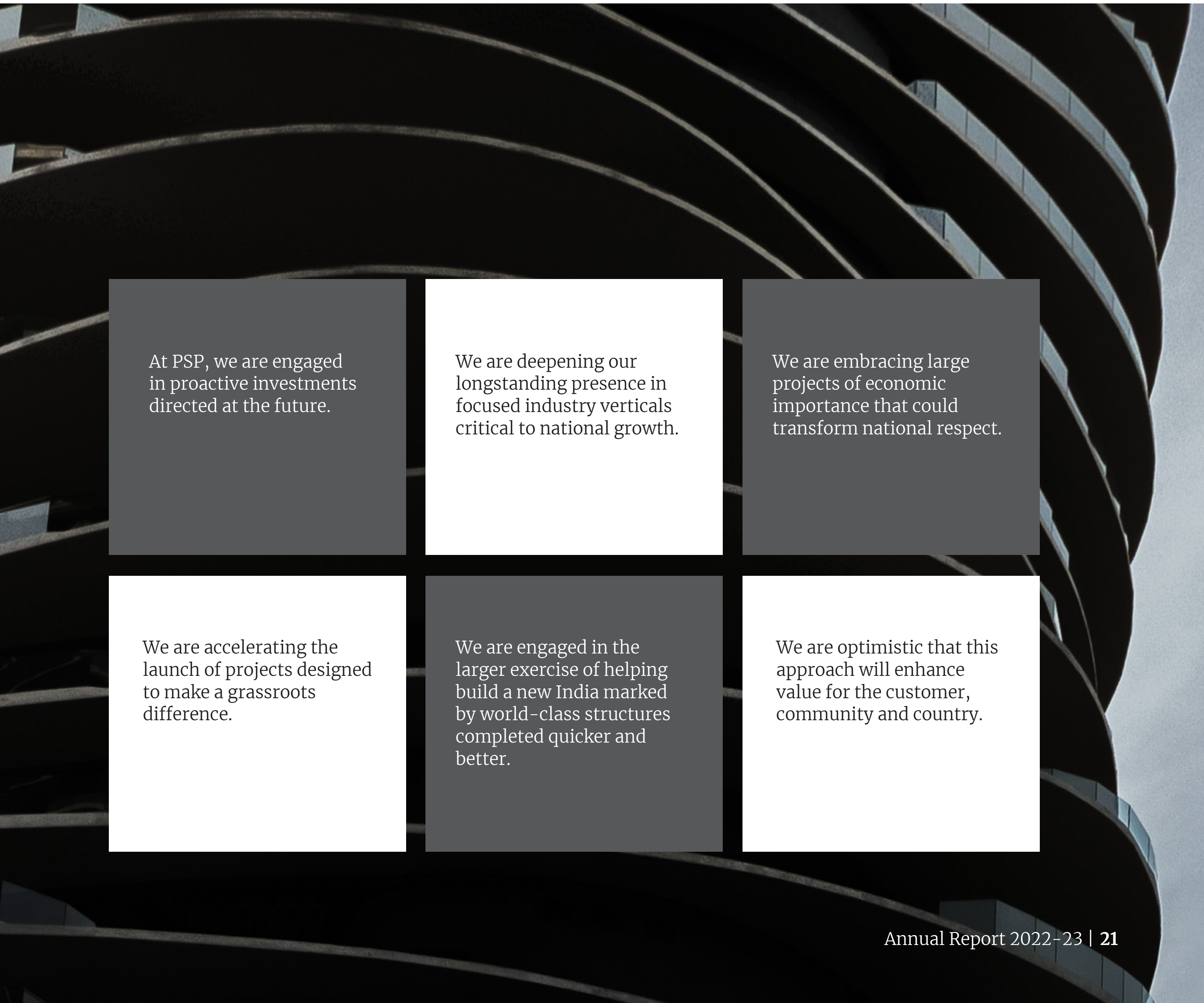
To strengthen India.

To modernise India.

To build for India.

FOCUSED ON TAKING INDIA AHEAD

AT PSP, WE ARE ENGAGED IN PROACTIVE INVESTMENTS DIRECTED AT THE FUTURE



At PSP, we are engaged in proactive investments directed at the future.

We are deepening our longstanding presence in focused industry verticals critical to national growth.

We are embracing large projects of economic importance that could transform national respect.

We are accelerating the launch of projects designed to make a grassroots difference.

We are engaged in the larger exercise of helping build a new India marked by world-class structures completed quicker and better.

We are optimistic that this approach will enhance value for the customer, community and country.

We are building to enhance scale, scope and sophistication

We are building around sustainability and an enunciated governance framework

We are building a process-driven enterprise to address growing opportunities

We are building competencies in digitalised controls across operating sites

We are building larger structures around international benchmarks (design, speed and quality)

We are building capabilities and competencies to address increasingly sophisticated projects

We are building responsiveness by rethinking approaches that position us as thought leaders ahead of the industry curve

BUIL

FOR

DING
INDIA

We are building fatigue-proof structures
We are building to enhance national competitiveness
We are building around the needs of the India of tomorrow
We are building to deliver superior outcomes over convention
We are building so that our net outcome enriches customer well-being
We are building with a complete respect for ecology and environment integrity
We are building our business to enhance India’s competitiveness in a modern world

AT PSP, WE BELIEVE THAT INDIA IS AT THE CUSP OF A CONSTRUCTION BOOM

These are some of the reasons why we feel so

Infrastructure growth

India is at the cusp of widespread infrastructure growth, catalysed by the following reasons:

Rising urbanization: According to UN World Urbanization Prospects 2018, 50 % of the population could reside in urban India in 2050 compared to 31 % in 2011. Accelerated urbanisation is expected to enhance the demand for housing infrastructure.

Increased Smart Cities: According to the report of the Parliamentary Standing Committee on Housing and Urban Affairs in March 2023, 68% (5,343 out of 7,821) of the projects have been completed under the Smart Cities Mission; the number of Smart Cities is expected to drive infrastructure growth.

Make in India: The Make in India initiative emphasises the need to rejuvenate the manufacturing sector. The production-linked incentive scheme announced in 2020 acted as a catalyst.

Enhanced road connectivity: India comprises the second largest road network after US, growing 59% in nine years. With the help of advanced construction technology, India is building nearly 40 km of roads per day (about 5 km a decade ago). The Delhi-Mumbai corridor and the western dedicated freight corridor are expected to emerge as robust prosperity catalysts.

High speed train projects: India's high-speed rail network will connect major cities (New Delhi, Mumbai, Ahmedabad, Chennai and Kolkata); India's first bullet train is expected to be operational by August 2026.

Railway station refurbishment: According to the Amrit Bharat Station scheme, 508 Indian railway stations will be refurbished at a cost of more than ₹ 24,470 Crore.

Increased number of airports: India's operational airports doubled from 74 in 2014 to 148 in 2023 and the number is expected to rise further going forward.

Increased tourism projects: The Government intends to develop up to 50 new tourist destinations; it aims to create Unity Malls in State capitals to showcase handicrafts and products with geographical identification status.

Outperformer

India is the fifth largest economy and likely to overtake Germany and Japan to emerge as the third-largest economy by 2030. Assuming a modest 6% growth rate per annum, India could emerge as a USD 26 Tn economy (in market exchange rate terms) by 2047-48 (in nominal terms), with a per capita income exceeding USD 15,000 (nearly six times the current value). According to the UNFPA's State of World Population Report, 68% of India's total population stood between the ages of 15 and 64 years, which is expected to catalyse India's growth.

Rise in rank

India is the only country to have increased its GDP rank across each five-year period starting in 2012 – tenth in 2012, sixth in 2017, fifth in 2022 and an estimated third by 2029. Only one country improved its rank (Britain) during one five-year stretch but lost its position thereafter; the rest either maintained or yielded their rank during the decade (2012 to 2022). Morgan Stanley upgraded India's rating to 'overweight' and put the country's markets in the number one spot from the sixth position. The Company stated that past structural reforms have unlocked growth opportunities that were previously stagnant.

Law of time compression

India is not just growing; it is growing faster on an expanding base, indicating a critical mass of economic expansion. The result is that every trillion-dollar GDP growth has taken less time and this trend is likely to continue. For instance, India's first trillion-dollar GDP milestone took 58 years; the second trillion took only seven years and the third trillion dollars seven years (which included the pandemic years). Following the pandemic, India is expected to return to its accelerated growth rate: the fourth and fifth trillion dollar are expected to take three years each and the sixth trillion just two years.

The demand inflection point

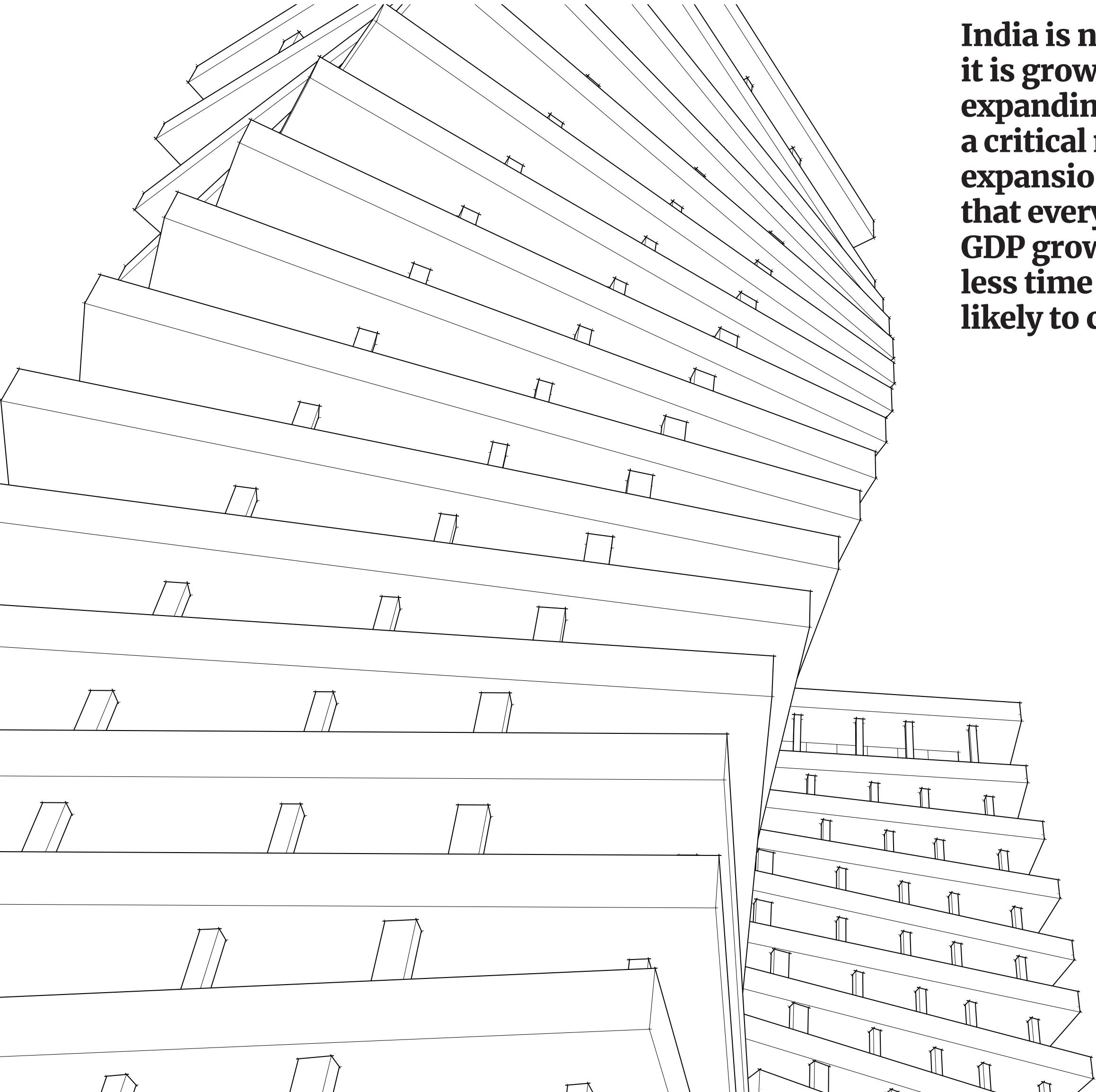
An economic theory indicates that when a country's Gross Domestic Product (GDP) per capita reaches a threshold of around USD 2500, it experiences a sharp increase in consumption-driven spending that, in turn, accelerates national economic growth. Since 2008, wealthy families (earning between ₹ 5 Lakh and ₹ 20 Lakh annually) have more than doubled from 10 Mn to 24 Mn. Households with aspirers have increased from 31 Mn to 57 Mn; elite households— earning more than ₹ 20 Lakh—have increased from 3 Mn to 9 Mn. This indicates that personal income growth is already underway and likely to accelerate.

Discretionary spending

The two most potent drivers of the Indian economy comprise increased average spend per household and increased number of households. As households earn more, they spend more on goods and services. It has been estimated that every doubling of per capita income leads to a 1000% in discretionary expenditure (beyond basic necessities) with only a 25% increase in basic spending and a 400% increase in savings. Compared to a nominal GDP growth rate of 10.6%, private final consumption expenditure has increased at a CAGR of 11.3% during the past ten years. This has led to an increase from 55% to 60% in the proportion of private final consumption expenditure to GDP.

Economically productive population

India is the only major emerging market economy expected to experience a significant increase in the number of people of working age across the coming decade. India's projected population of 1.7 Bn by 2050 could make it the most populous country by far. The country's young population (median age 28) indicates more than three decades of economic productivity for a large share of the population, which creates the potential for a significant increase in the country's labor force across the foreseeable future (even as China, Brazil and Russia are expected to experience a decline in their working-age populations). About 67% of India's population is now of working age. India will provide about 25% of the additional global workforce during the following ten years. India's working-age population could reach 1 Bn people by 2030 even as the population of the industrialised world ages quickly.



India is not just growing; it is growing faster on an expanding base, indicating a critical mass of economic expansion. The result is that every trillion-dollar GDP growth has taken less time and this trend is likely to continue.

THE HEIGHT OF BUILDINGS AS AN INDEX OF OUR GROWTH AND HOW INDIA HAS A LONG WAY TO GO

Skyscrapers have emerged as the modern index of urban prosperity

402
% growth in global skyscrapers, 2000 to 2018

80
% of the world's skyscrapers in Asia

China accounts for a disproportionate Asian skyscraper share

47
% of Asia's skyscrapers (7500) that are in China (3500) (Source: Orfonline.org)

Much of India's high-rise population needs to broadbase beyond one city

77
% of Mumbai's share of tall buildings in India

70
India's rank in the index of global financial centres (CBRE South Asia)

There is a large gap between the global, Asian and Indian averages

17
Mumbai's rank for tall buildings in the world

14
Mumbai's rank for tall buildings in Asia

There is a skew within the population of tall buildings that needs to correct

89
% of tall buildings in India that are residential (CBRE South Asia)

6
% of tall buildings in India that are commercial (CBRE South Asia)

1
% of tall buildings in India that are hotels (CBRE South Asia)

The momentum of tall buildings in India is accelerating

10
Tall buildings in Mumbai, 2016

20
Tall buildings in Mumbai, 2019

70
Tall buildings in Mumbai, 2023

100
Tall buildings in Mumbai (above 200m), 2023

AT PSP, WE ARE ENGAGED IN THE CONSTRUCTION OF GLOBAL AND INDIAN BENCHMARKS

LARGEST

Surat Diamond Bourse is the largest office building in the world

TALLEST

World Trade Center completed by PSP is the tallest building in Gujarat.

Surat Municipal Corporation building is expected to emerge as the tallest government building in India

QUICKEST

Kashi Vishwanath Project is among the quickest completed projects in India (20 months)

OUR MANAGEMENT'S PERSPECTIVE ON PERFORMANCE AND PROSPECTS

Prahaladbhai S. Patel
Chairman

EAGLE **VISION**

WE ARE BUILDING FOR INDIA

RETAINING THE SOUL OF A SMALL AND PASSIONATE COMPANY WITHIN THE BODY OF A LARGE AND GROWING ORGANISATION

Overview

The principal message that I need to send out to our shareholders is my gratitude for their trust in our capability. When the Company had gone public six years ago, there was a priority in demonstrating that we were indeed capable of generating sustainable growth year after year. The challenges comprised a premium on sustaining growth across revenues, cash flows and profits, economic cyclicality, growing competition, Balance Sheet capability in sustaining growth without compromising our fundamentals and being valued commensurately by investors.

I am pleased to communicate that we passed the test of sustaining our growth despite challenges related to rise in interest rates, labour mobilisation and commodity cost volatility. From the time we went public, your company reported 21.43%* compounded revenue growth corresponded by a 18.03%* compounded cash profit growth. This profitable divergence indicates the robustness and value-accretive nature of our business. I am pleased to communicate that the sustainable character of our business model was validated through an increase in our valuation: ₹756 Crore on listing had increased to ₹ 2415 Crore by the close of FY 2022-23 (*5-year CAGR FY 2017-18-FY 2022-23).

Drivers

At PSP, we brought some distinctive priorities to our business approach from the time we went into business.

One, we resolved at the outset that our growth would need to be sustainable. This sustainability would prevent our company from being dismissed as a flash in the pan; more importantly, a sharp volatility in our financials would make it increasingly difficult to aggregate a committed stakeholder ecosystem, possibly the most critical driver of our growth. The more stable this ecosystem, the greater the predictability in timely project completion and the capacity to moderate costs through multi-year engagement assurances, the basis of our profitability.

Two, this sustainability was the result of a capacity to address projects on a turnkey EPC basis, whereby we controlled the entire value chain starting from project design to procurement to construction to quality assurance to handover. The tighter we controlled these variables, the better we were equipped to moderate costs and complete projects on schedule. Besides, the integrated control made it possible to eliminate quality mismatches, miscommunication and misunderstandings; the result was that rework declined, project litigations were negligible, project ownership increased, informed engineering prevailed over construction challenges and projects completion was timely. What emerged from these realities was a perspective that PSP was a prudent balance of entrepreneurial courage and professional delivery.

Three, even as we were engaged in a conventional business, we brought to it a complement of modern tools, technologies and mindset. The result is that we invested in cutting-edge technologies ahead of the sectorial curve, translating into enhanced control across our concurrent projects in real-time and granular business understanding that translated into informed decision-making. The result is that we built larger and quicker at a lower cost. There was a brand that now emerged within our sector: 'PSP may not be the largest in the business, but it is running its business in the most professional manner.' Even though we were not the largest in our space by order book or revenue size, we were being spoken of in the same breath when it came to project complexity, completion ahead of our sectorial standard or competence with scale.

The result is that within just six years of going public, PSP has delivered in line with shareholder expectations and emerged among the fastest-growing construction companies of its size and among the five largest in the private sector within its space all-India.

A new beginning

Even though PSP has been in business for more than 15 years (in direct or indirect form through promoter experience), we feel that our time is only now beginning – for good reasons.

The Indian government announced an unprecedented outlay for infrastructure construction in the last two Union Budgets - an aggregated outlay of ₹ 17.5 Lakh Crore. During the last Union Budget, the government announced an unprecedented 35% increase in its infrastructure outlay. This sends out an unmistakable message: the conventional consumption-driven Indian economy is making a structural shift to an infrastructure-powered economy across the coming decade. This shift will create an unprecedented opportunity for construction-driven companies like ours.

What makes the emerging opportunity attractive is that not all projects of modern India will need to be built from scratch. There is a large backlog of an already constructed India that will need to be retrofitted or rebuilt. There is a limit to the extent one will be able to retrofit; the small and constrained of yesterday will need to be replaced by the spacious and sprawling of today. The offices of the past will need to be modernised; the residential buildings that sufficed across the decades will now need to be razed and reconstructed with the objective to be made larger.

When you see the existing India through a new lens – reconstruction or retrofitting – suddenly a new country begins to emerge. As we speak, India is going through an unprecedented transformation of its airports, railway stations and municipal areas. An entirely new nation is beginning to emerge with a bigger priority in transforming its conventional face towards the modern.

There is a new development that needs to be mentioned. Most state governments have either introduced a higher floor space index (FSI) or are in the process of doing so. This will result in a quicker verticalisation of cities, using the same land area to build higher structures. These structures will warrant superior technologies and quicker construction.

PSP has seen this happening over the last few years. When we constructed a manufacturing facility for one of our multi-national customers, we were pleasantly surprised to find that the client followed the initial engagement with multiple contracts. Besides, the Company signed three construction projects in Ahmedabad and Gandhinagar for structures higher than 120 meter. This validated what we always believed: the new India is aspirational, driven by a sense of urgency and willing to pay more to live better.

Prepared

At PSP, there is a bigger premium on investing in our business ahead of the curve and being proactively prepared. These are some initiatives that we took in the last few years with the objective to be future-ready.

One, your company made governance the core of its business personality. Even as we are essentially an entrepreneurial company, we blended this distinctive attribute with professional management. We not only recruited subject matter experts across our organisation but also deepened a culture of standard operating protocols, checks and balances. The result is that in today's PSP, major decisions are screened by the Board; authority and accountability have been broadbased from individuals to

teams or committees; the strategic direction in applicable cases has been influenced by our policies. What has catalysed our governance journey is that most of our systems have been automated or digitalised, enhancing the role of informed decision-making, predictability of outcomes and the ability to correct any deviation with speed.

Two, the Company deepened its labour engagement. The Company recognised some years ago that the biggest challenge of the future would emerge from the paucity of labour. As

children of labourers sought sedentary professions and urbanisation moved workers towards non-labour-oriented vocations, there would be a premium on adequate labour mobilsation. In view of this, the successful companies of the future would be those that mobilised, trained and retained labourers better. The Company strengthened its labour welfare schemes, broad-based engagements with more contractors, strengthened labour welfare programmes (housing and other amenities) and ensured fair cum timely remuneration. The Company went a step further: the Company complemented labour availability with technology. The technology in this case that the Company invested in was pre-cast construction that replaced the need for site labour with factory-made modular constructed parts. The result is that today's PSP represents a prudent combination of technology and people, the former unlikely to increase.

Three, the Company recognised that it would need to extend from its local or regional label to the national. During the last few years, the proportion of non-Gujarat revenues increased from around 16.16 % in FY 2017-18 to 33.69 % in FY 2022-23. At the close of the last financial year, PSP's projects were being addressed in 3 States. In a state like Uttar Pradesh, where the Company addressed its first project in 2020, the Company had 9 projects being run concurrently by the close of the last financial year. In most cases, this vast terrain portfolio would have resulted in increased people costs; by the virtue of investing in digital connectivity, the Company was able to enhance control and moderate people costs

– a win-win proposition. The result is that most multi-terrain projects at PSP are now being managed on-site by dedicated managers and there is no need to make periodic reconnaissance or review visits. This digital platform provides the Company with a platform for scalability without a corresponding increase in costs.

Four, the Company will exercise a stronger influence as an EPC player, providing customers with a one-stop solution in extending from civil engagement, MEP, façade, interiors and Operations & maintenance. These projects are being marked by quicker completion for customers, the ability to get projects right first time, decline in related project litigations, revenue retention and enhanced value-addition for PSP.

Five, at PSP we pride on our Balance Sheet. We grew revenues 21.43 %* during the five years ending FY 2022-23, our debt-equity ratio was 0.18 as on March 31, 2023. This indicates that we grew without compromising the quality of our Balance Sheet. It is a credit to the Company's working capital management that even as the EPC proportion of revenues improved, the total debt on the Company's books was no more than ₹144.98 Crore as on March 31, 2023.

The Company possessed ₹ 93.85 Crore cash on the books and net worth was ₹ 799.83 Crore. The Company's ability to manage the funding needs of 47 concurrent sites and address the bank guarantee needs of large projects and periodic project milestones translated into an institutionalised funds management discipline. This discipline is expected to be scaled across the foreseeable future.

Six, at PSP we have created a structured succession plan. Even as the professional character of the organisation will not change (but will only deepen), the second generation of promoter management – two members of the promoter family - are being prepared. This second generation possesses a hands-on familiarity of the business, managing critical responsibilities like precast plant, contractual procurement (non-commodity items), periodic projects progress cum reconciliation as well as on-site checks and balances.

The complement of these realities indicates that the Company is attractively placed to address large projects running into multiple hundreds of Crore, marked by challenges related to scale, deadline and engineering complexity.

Outlook

During the last financial year, the Company reported revenues that were lower than what we had expected on account of challenges related to labour mobilisation.

During the current financial year, we expect to report a sharper growth in revenues to an estimated ₹ 2600 Crore around a normalised EBITDA margin of 11-13 %.

The Company added ₹ 3421 Crore to its order book during the last financial year and had ₹ 5321 Crore in order book as on June 30, 2023; the Company had a bids pipeline of approximately ₹ 6000 Crore projects as on March 31, 2023 and this is expected to strengthen the order book during the current financial year.

By retaining the soul of a small and passionate company within the body of a large and growing organisation, the Company is attractively placed to sustain its growth momentum and enhance value for all its stakeholders.

Prahaladbhai S. Patel, Chairman

THE COMPANY ADDED ₹ 3,421 CR TO ITS ORDER BOOK DURING THE LAST FINANCIAL YEAR AND HAD ₹ 5,321 CR IN ORDER BOOK AS ON JUNE 30, 2023

*(*5-year CAGR between FY 2017-18-FY 2022-23)*

HOW WE HAVE TRANSFORMED IN THE LAST FEW YEARS

We have transformed from the local to the national

We have transitioned from a loose process understanding to SOP-driven

We have graduated from moderately visible projects to projects of national importance

We have evolved our processes from the manual to the digital

CHIEF FINANCIAL OFFICER'S **PERFORMANCE OVERVIEW**

ALIGNING OUR BUSINESS WITH THE NEEDS OF A MODERNISING INDIA HAS HELPED ENHANCE FINANCIAL VALUE FOR OUR COMPANY

How we maintained business growth in FY 2022-23 and created a new foundation

Hetal Patel

Chief Financial Officer

Big picture: The big picture message is that PSP balanced its business momentum and continued to reinforce its business. The last financial year presented labour mobilisation, cash flow management and capital allocation priorities. The Company under-performed with its targeted estimates but continued to grow revenues, profit and order book, which indicates its competence in addressing stakeholder needs for the moment and future.

Performance and capital efficiency: The Company reported revenue growth of 10.17% during the year under review. EBITDA margin contracted by (299 bps) to 11.68%. Return on Capital Employed contracted by (1209 bps) to 24.03%; RoE reduced from 26.56 % to 17.92%. The contraction in profitability in FY 2022-23 compared to FY 2021-22 was attributable to an exceptionally high profit margin in the previous year on account of the finishing stage of large projects in FY 2021-22. During FY 2022-23, most of the large projects were at the initial or intermittent stages, which impacted the EBITDA margin.

The overall improvement in the health of the business was due to long-term priorities: enhanced economies of scale through larger contract sizes, rising equipment investments coupled with a sustained working capital management discipline.

Across the foreseeable future, the Company expects to generate a return superior to what risk partners (shareholders) would be able to generate if they invested in alternative asset classes. Following the expansion, the Company is optimistic of enhancing capital efficiency through a balance of debt cum equity-funded growth, timely projects commissioning, investment in cutting-edge technologies and commissioning of larger contract sizes around clusters.

Liquidity: As a policy, the management at PSP maximised the use of accruals in business growth, moderating borrowed funds. This has worked best: the prudent use of moderately priced debt in projects has inspired the Company to perform better and left it with adequate net worth to fund working capital. The Company places a premium on liquidity, preferring it over profitability when the alternative is between maximum revenues with stretched liquidity and centrist revenues with enhanced liquidity.

Working capital as a proportion of the total employed capital was 26.05% in FY 2022-23 and 19.21% in FY 2021-22; working capital outlay increased mainly on account of an increase in inventory requirements for newly awarded and ongoing large sized projects. The proportion of inventory in the working capital outlay was 69.47% and 59.82% respectively. The working capital tenure extended from 28 days of turnover equivalent in FY 2021-22 to 41 days in FY 2022-23. The Company's receivables were 82 days of turnover equivalent during the year under review.

The Company drew only 57.04% of the sanctioned short-term working capital loans from banks of ₹ 130 Crore , which made it possible to moderate interest outflow and enhance profitability. The Company arranged long-term debt of ₹ 36.64 Crore (tenure from 24 months to 36 months) for the capex additions out of a total capex ₹ 90.07 Crore, the rest being raised through internal accruals. The result of this financial discipline was that the Company could maintain its debt-equity ratio at 0.18 in FY 2022-23.

Debt management: The Company's total debt increased from ₹ 99.66 Crore to ₹144.98 Crore, largely to fund capex during the year; net worth strengthened from ₹ 684.72 Crore to ₹ 799.83 Crore; gearing was changed from 0.05 in FY 2021-22 to 0.09 in FY 2022-23 as the Company grew net worth on the one hand and used short-term debt to address working capital requirements and used long-term debt to investment in additional equipment following the award of a larger order book during the last financial year.

Interest outflow to banks and financial institutions increased from ₹ 9.11 Crore in FY 2021-22 to ₹15.78 Crore in FY 2022-23, which is in line with the increase in total debt. As an index of the Company's treasury management, the interest rate on borrowings ranged from 5.75% to 10.10% while the Company generated an average 17.92% Return on Equity.

By the virtue of completing projects on schedule and realising receivables based on milestones, the Company repaid short-term debt on time. The Company's preference for the role of net worth in business growth proved value-accretive, enhancing cash flows and creating a war chest for prospective investments.

Equipment ownership: In the business of infrastructure construction, the biggest expense is under the head of equipment. Equipment accounted for 73% of the Company's gross block as on March 31, 2023. The Company invested in a range of equipment to enhance workflow, moderate project downtime due to the non-availability of equipment and enhance project outcomes following the use of specialised equipment. Besides, the utilisation of proprietary equipment helped moderate the cost that would have been paid out as rent. Through prudent equipment planning, the Company accelerated projects and moderated equipment idling, catalysing profitability. As a matter of prudence, the Company maintained an equipment-to-order book ratio of 6%, optimising the availability of equipment for timely projects completion.

Order book: The principal challenge that the Company faced during the year under review was the need to bag a larger number of large, profitable and visible orders. The Indian government created a favourable sectoral environment, announcing the largest infrastructure building outlay in successive Union Budgets (2022-23 and 2023-24). In this environment, there was a priority to be growth ready through higher prequalification credentials, effective project bidding, timely projects completion and adequate cash flows.

Your company possessed an order book of ₹5052 Crore; during the year under review, your company added ₹3421 Crore in new orders and finished the year with an outstanding order book of ₹ 5052 Crore (after deducting ₹ 728.41 Crore of slow-moving orders). On a like-to-like comparison (after removing the slow-moving orders across both years for a fair comparison), the net increase in order book was 41%. As a matter of bidding discipline, the Company bid for projects around an EBITDA margin of 11-13%.

This order book of ₹ 5052 Crore was accounted for a large part (25%) by the Surat Municipal Corporation Office Building Project. This is indicative of a structural shift in the sector, marked by projects of growing size. This order book is to be liquidated in 36 months, translating into revenues from FY 2022-23 to FY 2025-26. As a matter of prudence, the Company maintained an order book-to-revenue ratio of 38.13% (influenced by the strength of its Balance Sheet), protecting it from the prospect of stress or under-delivery.

Way forward: The Company enjoyed a strong financial position at the end of the fiscal year under review. The Company's net worth stood at ₹799.83 crore as on March 31, 2023, with ₹144.98 crore in debt (long- and short-term). The Company's large net worth was the outcome of a long-term build-up of surpluses. In an unpredictable world, this significant net worth bias implies relative de-risking; it provides the Company patient and resilient capital in challenging periods.

Hetal Patel,
Chief Financial Officer

PSP: BUILDING FOR INDIA ...

...BY STRENGTHENING OUR SUCCESSION PIPELINE

HE INTENDS TO ENHANCE THE ROLE OF PRECAST TECHNOLOGY AND GROW PSP INTO A TECHNOLOGY LED CONSTRUCTION COMPANY.

Sagar Patel
Executive Director

Perspective

"I believe that precast construction technology represents the future in India. This technology is the need of the hour to accelerate construction, enhance working capital efficiency and bring constructed properties into revenue mode faster. At PSP, my direct responsibility is to implement this next generation technology across projects, increase efficiency and deliver on time, enhancing the relevance of our corporate brand. As a part of the second generation of the promoter's family, there is a priority to graduate the Company to a higher level by using advanced technologies."

Experience

Graduated as a Civil Engineer from Gujarat Technological University in 2018; joined PSP as an Assistant Engineer and was deployed on the Surat Diamond Bourse project; was associated with the project till completion.

Involvement

Was engaged in the construction of Surat Diamond Bourse, addressing a range of onsite processes and challenges. Was engaged in working on one tower (out of nine), reporting daily to the Vice President on process speed and workflow productivity, which helped course-correct with speed. Helped plan and implement SOPs following the lifting of the pandemic lockdown using site experience. Led the commissioning of the precast plant in FY 2021-22 and precast expansions thereafter with responsibilities related to tendering, planning, processing and execution.

Roles

Addresses the entire working of the precast business; oversees the billing process at the head office (including quarterly financial reconciliation statement for each operational site); responsibility comprises data authentication, minimisation of variations from the budget, flagging systemic alerts, mitigating billing data challenges, proactively trouble-shooting based on site reports, visiting projects weekly to oversee process compliances, monitoring marquee project timelines, acting as a 'bridge' between the management and marquee projects with the objective of proactive problem resolution (top-down approach for site problem identification, analysis and resolution).

Objectives

To infuse the latest global technologies into the Indian construction sector (to reduce dependence on labour or technological lags etc.); enhance the role of precast technology and grow PSP into a technology-led construction company.

Board induction and presence

Inducted into the PSP Board as an Executive Director in 2019. His functions comprise project planning, tendering, contracts and execution. Alongside being an Executive Director of the Company, he is also a member of Stakeholders' Relationship Committee and Risk Management Committee.

SHE IS COMMITTED TO ENSURE A SMOOTH WORKFLOW BY MONITORING INTERNAL SOPS ACROSS DEPARTMENTS.

Pooja Patel
Executive and Whole-time Director

Perspective

"After I married in 2017, I worked on SDB project for 2 years in Surat and was involved in its planning, procurement and execution. At present, I work in the Head office at Ahmedabad, looking after procurement, processes and billing. Being a part of the second generation, there is a priority to take the Company to the next level with all my experience and skill."

Experience

Joined PSP as a junior civil engineer following her graduation in 2014. Handled different projects onsite from 2014 to 2019. The first project was for Gujarat Housing Board (₹ 242 Crore, largest bid project of the Company at that time) at Naranpura followed by World Trade Centre in GIFT City. Worked on the ₹ 150 Crore Gujarat Vidhan Sabha interiors renovation followed by the biggest Surat Diamond Bourse project until 2019. Focused on procurement and processes (planning and billing) at the head office. Rose through the ranks after engaging in material procurement planning matched with labour availability, which helped PSP create a formal planning department for informed forecasts.

Educational qualifications

Passed all four engineering years with distinction. Holds a Bachelors degree in Civil Engineering from Gujarat Technological University and Post Graduate Diploma in Financial Management from Ahmedabad Management Association.

Roles

Oversees raw material procurement, sub-contractor dealings and planning for all projects in addition to the management of project billing. Engaged in the planning and procurement of raw materials before project commencement to minimise a labour and raw material mismatch; also engaged in the right computation of labour with the objective to complete projects on schedule.

Objectives

To ensure smooth workflow by engaging in and monitoring internal SOPs across departments. Focused on value engineering to ensure that projects are completed within cost and time.

Board induction

Inducted into the PSP Board as an Executive Director in 2015 and promoted as Whole Time Director in 2020. Presently engaged in project planning, materials procurement and project execution. She is a member of the Stakeholder's Relationship Committee and Corporate Social Responsibility Committee.

PSP'S PRECAST TECHNOLOGY EDGE

Overview

The Company developed the precast facility in FY 2021-22 to cater to conventional projects like residential, commercial, industrial and institutional with futuristic technologies that help save time, improve quality and moderate labour reliance.

The precast technology received a phenomenal market response not only from the building side but also from the infrastructure industry. On account of the increased demand, the Company expanded the precast facility to address the specific infrastructure products, operational from June 2023 onwards. The former facility is engaged for ongoing and upcoming building projects while the expansion will be used for infrastructure repetitive production that involves increased automation.

Market acceptance

The precast construction methods are being accepted and its usage has increased due to problems like labour shortage and the need for completion of building infrastructure in shorter time with better quality and assurance. Precast construction involves producing building components off-site in a controlled environment and transporting them to the construction site for assembly. This method helps to mitigate the impact of labour shortages in several ways.

Precast construction has proved as a superior option for the small and large scale projects with identically designed buildings and scales, potentially reducing 40% of the construction time cycle.

Major precast orders executed/under execution

- Supply of precast cable ducts for the Mumbai-Ahmedabad high speed rail project (bullet train) for L&T
- Construction of a school with precast technology for Adani Realty
- Construction of a precast warehouse of 7,00,000 square feet at multiple locations from Godwitt Construction Pvt Ltd
- Industrial project of Deepak Chem Tech Limited at Vadodara
- Façade wall project for Tata Projects Ltd
- Supply of precast box culvert for Reliance Industries Limited
- Industrial Project of Koleshwari Infratech
- Other Low rise residential building, villas, compound wall, façade orders received from the real estate sector

Way forward

The Company is expecting few more high rise commercial and industrial projects using the precast technology.

PRECAST CONSTRUCTION HAS PROVED AS A SUPERIOR OPTION FOR THE SMALL AND LARGE SCALE PROJECTS WITH IDENTICALLY DESIGNED BUILDINGS AND SCALES, POTENTIALLY REDUCING 40% OF THE CONSTRUCTION TIME CYCLE.

HOW WE ARE STRUCTURED TO ENHANCE SHAREHOLDER VALUE

Overview

PSP is engaged in business with the objective to enhance shareholder value.

This value accretion has been derived from an entrepreneurial capability that has cascaded across the organization.

This entrepreneurial capability has focused on project bidding discipline, projects accretion, timely projects completion, conservative Balance Sheet and surplus reinvestment in business.

How we delivered a superior market valuation

Capital appreciation

1667.88
₹ Crore, market capitalization, March 31, 2021

1940.94
₹ Crore, market capitalization, March 31, 2022

2415.24
₹ Crore, market capitalization, March 31, 2023

Our value creation has been derived from a culture of responsive transformation

During the last decade, PSP transformed its business model with the objective to deepen its relevance in changing times and sustain its growth.

The Company transformed in the following manner:

From a pureplay construction company to an EPC & turnkey solutions provider

From ongoing standards to prospective benchmarks

From legacy practices to modern technologies

From conventional methodologies to automated technologies

From matching standards to taking national standards ahead.

From small projects to large construction engagements

From equipment outsourcing to equipment ownership

From indicative estimates to accurate conclusions

From schedule uncertainty to timely delivery

From retrospective project tracking to real-time project progress

From hands-on promoter management to SAP-driven empowerment

From construction revenues to construction cum treasury incomes

From a culture of fiscal firefighting to fiscal visibility and discipline

From pan-Gujarat to a progressively pan-India presence

OUR VALUE-CREATION FRAMEWORK

Our strategic discipline

1 Presence across verticals
Focus on diverse formats (commercial, residential, industrial and institutional)

Helps broad base the Company's presence

Makes the Company's vertical-agnostic and flexible

2 Widening terrain footprint
Presence in 6 States – and growing

Non-Gujarat revenues increased to 33.69 % of total revenues, FY 2022-23

Positioned as a pan-India construction company

3 Integrated construction company
One-stop construction solution provider

Engaged in planning, design, construction and post-construction services

Complemented by MEP work and interior fitouts

4 Responsibility
Deep governance commitment

Extensively de-risked approach; established credibility

Environmentally responsible business model

Our operating discipline

1 Investment in the latest technologies
Embraced BIM and pre-cast technology & Protrak

Embraced stationary boom placer viz. PUTZMEISTER

Imported automatic climbing system framework - PERI

Focus on enhancing technology investments

Positioned as a future-facing construction company

2 Capital equipment ownership
₹303 Crore invested in capital equipment

Moderated rentals

Enhanced equipment allocation flexibility

3 Bidding discipline
Focus on projects delivering an EBITDA of at least 11%-13%

Leverage of IT systems to enhance bidding insight

Institutionalised the competence resident within a handful of individuals

4 Timely project execution

Large and multiple project management capability

Frugal cost structure; enhanced competitiveness

Active promoter involvement; enhanced client assurance

The outcomes of our disciplined approach

1 Enhanced pre-qualification capability
Pre-qualification credentials of ₹2500 Crore by end FY 2022-23

Focus on graduating to a higher standalone prequalification capacity

The larger the projects the possibility of higher profitability – virtuous cycle

2 Financial discipline
Low gearing in industry (0.09 as on March 31, 2023)

Milestone-driven payments structure

42.96% working capital funding line undrawn

3 Sustainability
Investment in process and systems for sustainable scalability

Long-term relationships with customers; first vendor of recall

Low Net debt/EBITDA; attractive credit rating

4 Responsible order book
Focus on order liquidation in 24-36 months

Order book to reflect rising margins

HOW WE EMBRACE AND DELIVER CHALLENGING PROJECTS

SURAT DIAMOND BOURSE: LARGEST OFFICE BUILDING IN THE WORLD IDENTIFIED BY CNN

Five largest office buildings in the world

- Surat Diamond Bourse, India: **660,000** metre square
- The Pentagon, USA: **620,000** metre square
- FCA US LLC Headquarters and Technology Center, USA: **490,000** metre square
- The Exchange 106, Malaysia: **453,835** metre square
- Wills Tower, USA: **416,000** metre square

Surat Diamond Bourse is identified as the largest office building in the world by CNN.

The bourse was established to provide space to more than 65,000 workers of the diamond industry. A central spine connects 9 office towers each of 15 storey with 131 elevators. The building consists of over 4,700 office spaces which can double as small workshops for cutting and polishing diamonds. The USD 388 Mn development houses dining, retail, wellness and conference facilities for workers.

Quick access: A person can move between any two points in the compound in six minutes or less.

Secure entry: A person can enter through contactless biometric identification by waving his or her hand over a scanner.

Eco-friendly design: The building uses energy from a 500 KV solar plant and has been designed to consume minimal power for cooling.

Customs house and display: The upper basement of Diamond club has a 40,000 sq ft customs house to expedite clearances. The club will display designs from world-class jewellers, which will be open to retail customers.

Ample parking: The two floors of the underground parking possess space for 4,500 cars and 10,000 two-wheelers.

OUR SUCCESSFUL PROJECTS

OUR DALAL STREET PROJECT

Big numbers

6441

Square metre, land area

502

Number of people deployed at peak

Criticality of the project for PSP

First commercial project with complete design, procurement and construction contract.

Prestigious client, enhancing project respect

Design uniqueness

Background

The Dalal Street entity from Bombay Stock Exchange sought to launch an office building in GIFT City. PSP was engaged to construct in 2017; the building was commercialised in 2022.

Challenges and counter initiatives

The emergence of the Covid-19 pandemic had a significant impact on the procurement of materials, particularly imports and the timely delivery of supplies. This situation posed notable challenges when it came to engineering a tree-like cantilever structure. The core of this structure was formed by a central column, while the remaining triangular section extended as a cantilever. The complexity lay in ensuring precise engineering for underground support up to the 17th floor.

In response to these challenges, the on-site team and the headquarters team embarked on a collaborative effort to explore viable solutions. This involved considering local alternatives as well as imported options to streamline the delivery timeline. To achieve this, the Company meticulously examined available data. The design of concrete junctions was a result of the seamless integration of site-specific information and the expertise of the on-site team.

One of the critical aspects of the project was the cladding system applied to the reinforced cement concrete structure. This system was developed with utmost accuracy, aligning with the actual markings on the site. This approach ensured that the Company's commitment to quality and precision was maintained throughout the construction process.

Distinctiveness

The Dalal Street project was the first high-rise commercial building construction project by the Company with EPC coverage. The building proved unique; it comprised the biggest basement and ground floor lobby compared to any other structure in GIFT City. The Company provided a terrace garden on the 17th floor. The Company used a glazing system to optimise energy and heat load, resulting the project is about to get LEED Gold Certification from IGBC. A tree-like unique cantilever structure every fourth or fifth floor was made with reinforced cement concrete cladded by corten steel. Smaller units were modulated at the lower level floors to enhance people movement. Floors from the 10th to the 17th floor comprised larger modules that helped users modify internal use as per requirements. With this, the Company completed its 6th project in GIFT City.

OUR UNIQUE PROJECT

SURAT MUNICIPAL CORPORATION PROJECT

Tallest government administration building in India

Overview

The Company has been engaged to construct a 21 Lakh square feet project comprising four basements, five floors and two connected towers of 28 storeys each in Surat. The towers will comprise offices of Surat Municipal Corporation and Government of India.

The Company was awarded the project in February 2023 and the contract duration comprises 36 months (excluding the monsoons). Work for the project is going on in full swing. The Company completed the diaphragm wall with 21 metres depth with around 1500 anchors at different levels. The Company is on the verge of completion of the foundation level. Around 400 labourers were deployed daily.

Distinctiveness

The project is expected to be the tallest government building in India, comprising offices of all government departments (Central & State) in a single complex, an unusual but welcome reality.

Challenges and counter initiatives

The Company was challenged by the fact that 90% of the plot area comprised the construction area, impeding materials mobilisation.

The offices and staff colony were created across two layers. The Company undertook diverse transportation means to accelerate site development.

Way forward

The Company is expected to complete the four basements within six months; the two towers are expected to be completed in a parallel way.

OUR UNIQUE PROJECT

INDIAN POTASH LIMITED'S CORPORATE OFFICE

Big numbers

20.17
₹ Crore, total revenue from the project

100
People deployed at the structural building phase

Background

At PSP, we constructed a columnless structure for this corporate office building named as Indian Potash Tower, comprising a three-sided glass facade and one-sided reinforced concrete cement wall. The Company was also contracted to develop the core structure of reinforced cement concrete, shell work and finishing work.

Challenges and counter initiatives

As this was the first of its kind building which included a composite structure combining steel structure with reinforced cement concrete, the Company brainstormed a fresh approach with consultants, architects and other stakeholders. As the project was located in the city centre, all sides were enclosed with the main road and existing society. The entire building was in close confinement and in the old city, which limited working space with erection being the main challenge.

The Company developed the entire building design around 3D modelling software (Tekla); all critical junctions were marked through detailed drawings. Based on critical areas, the construction sequence was planned and approved with structural consultants. The building structure was planned to be factory-made; material was delivered based on an agreed construction sequence. The Company installed a tower crane that increased construction speed.

Enhancing the brand

The project was one of a kind in terms of design, architecture and compliance. The Company addressed the client's need. The project was discussed in the trade media, enhancing PSP's respect.

OUR UNIQUE PROJECT

DHAROI
DAM REGION PROJECT

Background

The Government of Gujarat intends to develop the Dharoi Dam Region as a world-class tourist and pilgrimage destination. This site is situated between Ahmedabad and the Ambaji Temple; it can address a large number of tourists passing through the region towards Ambaji Temple/ Mount Abu, strengthening tourism cum employment opportunities for small businesses.

Challenges and counter initiatives

The challenging part is to counter complexities of excavation and cutting the hard mountain terrain during the floods. The Company is not permitted to blast in the process. The lake water level increased during work, impacting workflow. Rain washed out the subgrade over the site and the soil strata proved silty.

The Company uses equipments to clear the area and make the site workable. The Company aims to enhance manpower deployment and equipment to complete the project within 18 months.

OUR UNIQUE PROJECT

UNIVERSITY CAMPUS, MEDICAL COLLEGE AND HOSPITALS IN UP

Background

PSP is undertaking design, engineering, procurement and construction (EPC) of New Medical College and the upgradation of district hospitals in Kanpur Dehat, Auraiya, Kushinagar, Lalitpur, Sultanpur and Sonbhadra. The Company has also undertaken the construction project of Atal Medical University, Lucknow, and a residential complex for PAC Mahila Battalion in Badau. The Company is constructing 128 different buildings at various locations under the project worth ₹1491 Crore.

Challenges

At the initial stage of few project, the Company could not undertake preliminary site survey, soil investigation and detailed design process due to the Covid lockdown. The finalisation of the master plan of sites also took longer due to changes in land parcels/ plot boundaries, prevailing site contours and existing structures. The Company could start construction only by August 2021. The Company undertook construction during the monsoons, which affected progress. The foundation work could not progress at the desired speed due to a high water table and slushy soil, warranting continuous dewatering.

The medical campuses of Lalitpur and Sonbhadra comprised hard rock soil strata. The auditorium at Lucknow and the hospital campus at Sultanpur were put on hold for around a year. The Atal project took longer due to delayed execution. The Company encountered labour shortage due to elections, festivals and the long wedding season.

Counter initiatives

The Company's design team prepared coordinated drawings with mechanical, electrical and plumbing services for uninterrupted construction. It collaborated with the project management consultant and client for quicker approvals. The Company established efficient infrastructure at every site, comprising batching plants and other machineries, testing labs, site offices, power and water requirements, staff and labour colonies etc. and also finalised finishing materials and vendors in advance. The Company ensured materials availability (cement, steel and AAC blocks) despite high prices. In view of this, the Company is due to complete most Uttar Pradesh projects in 2023, barring only two projects, which could go on till March, 2024.

Enhancing the brand and respect

PSP got its first project in Uttar Pradesh for the Kashi Vishwanath corridor. The Company completed the project within time (inaugurated by the Hon'ble Prime Minister, Mr. Narendra Modi, and the Hon'ble Chief Minister of Uttar Pradesh, Mr. Yogi Adityanath). During this period, PSP was awarded eight Uttar Pradesh projects (six medical colleges and hospitals out of 14 tendered in the State).

OUR OPERATING DISCIPLINE

HOW WE HAVE STRENGTHENED OUR COMPLIANCE-DRIVEN APPROACH

Overview

In the realm of business, compliance stands as a fundamental pillar that serves to prevent and uncover deviations from established protocols. At PSP, our proactive approach to compliance management empowers us to navigate evolving laws and regulations within the construction sector. This proactive stance not only boosts operational efficiency but elevates employee well-being, cost-effectiveness, brand reputation, and overall competitiveness. In a high-stakes environment, any lapse in compliance can result in penalties and legal ramifications, casting a shadow over the Company's reputation.

Our adherence to prescribed laws encompasses a range of regulations, including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, and the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018. Failure to comply with these regulations could lead to penalties, reprimands, and a loss of reputation. Our dedication to compliance extends to legislations such as the Building and Other Constructions Workers (Regulation of Employment and Conditions of Service) Act, 1996, and the Occupational Safety, Health and Working Conditions Code, 2020. Recognizing that weak compliance can have grave consequences, we remain committed to preventing major accidents, injuries to employees and labour, and other adverse impacts on health and safety.

Our unwavering compliance commitment

At PSP, we believe that experience serves as a catalyst for effective compliance. This belief has led us to engage professionals with extensive years of compliance experience. The outcome of this strategic decision is evident in our consistent adherence to relevant rules and regulations within stipulated time frames, which, in turn, has garnered repeat orders from diverse clients. We anticipate a surge in orders from our existing and new clients, all drawn to our commitment to uphold rigorous compliance standards.

Achieving positive compliance outcomes

In a landscape where discerning clients favour construction companies that align with applicable acts, rules, and regulations pertaining to employee health and safety, PSP stands at the forefront of compliance. Our unwavering adherence to relevant statutes has not only secured repeat orders from esteemed clients such as MRF, Torrent Pharmaceuticals, and Nestle India, but it has also solidified our reputation as a compliant and dependable partner. Below, we proudly showcase our certifications in quality assurance, health and safety management systems and environmental management systems.

With our steadfast dedication to compliance, PSP continues to pave the way for excellence in the construction industry while safeguarding the interests of our clients, employees, and stakeholders alike.

Certification	Tenure	Implications
ISO 9001:2015	Initial registration: 10/01/2013 Last renewed on: 20/09/2021 Valid till: 10/01/2025	Recognised quality management system issued by Alcumus ISOQAR.
ISo 14001: 2015	Initial registration: 05/10/2015 Last renewed on: 20/09/2021 Valid till: 05/10/2024	Recognised environmental management system issued by Alcumus ISOQAR.
ISO 45001: 2018	Initial registration: 05/10/2015 Last renewed on: 20/09/2021 Valid till: 05/10/2024	Recognised occupational health and safety management system issued by Alcumus ISOQAR.

HOW DIGITIZATION HAS IMPROVED OUR RESPONSIVENESS AT PSP

Overview

In the era of digitalisation, it is imperative to be technologically advanced to enhance competitiveness.

As a forward-looking organisation, PSP invested in digital technologies with the objective to moderate costs, enhance real-time information access, speeden decision-making, accelerate workflows, strengthen information security and provide employees with secure remote working possibilities.

The Company's technology investments are widening unprecedented opportunities that enhance value and address the expectations of stakeholders. The Company has remained proactive in finding new ways of doing business and staying ahead of the curve. The result is that technology has been acknowledged as the backbone of the Company's personality, innovation and transformation.

Highlights, FY 2022-23

- The Company adopted a web-based Daily Labour Report (DLR) portal. This shift enables digital tracking of labour data like hours and shifts, accessible to various departments. The streamlined reconciliation process not only saves time and effort but also enhances accuracy due to minimal human intervention. This tech-driven move also aligns with sustainability goals by reducing paper usage.
- The Company introduced a cloud-based HR system, Darwin Box, covering the entire employee lifecycle. With AI and ML, it simplifies HR processes, minimizing errors and providing real-time access for employees. This promotes transparency and significantly reduces paper consumption, leading to financial and environmental benefits. The Company implemented SAP ERP and other business critical applications regular backup and backup testing practices with major departmental heads. The Company initiated DC-DR site set up monitoring for synchronous data backup.
- The Company invested in light directory access protocol as a part of its document management system.
- The Company deployed an active directory server to mitigate the issue and control file and folder level access. The Company achieved centralised control through active directory information.

How we are transforming the organisation

- Regular IT awareness training is offered to PSP employees.
- The Company has fortified the organization through a robust digitalization process, operable manually as needed.

Way forward

The Company's upcoming emphasis lies in digitally transforming essential operations, particularly in the realm of robotic process automation and related domains. This drive aims to attain enhanced efficiency and speed.

Our digitalisation investments

- Implemented facial recognition software to record attendance.
- Implemented the daily labour report software for tracking labour productivity rate .
- Configured Darwin box as an attendance and leave management module.

HOW WE HAVE CREATED AN EMPLOYEE-FRIENDLY ORGANISATION AT PSP

Overview

At PSP, we have created a culture that values learning and development. The Company has fostered an environment where employees are encouraged to learn from experience, share knowledge and seek growth opportunities.

The Company recognises that its people are its biggest asset. In keeping with this philosophy, the Company endeavours to create a caring and high-performance culture, where every individual is treated with dignity, respect, courtesy and trust.

PSP is committed to employ and nurture the talent by providing a high performance cum caring culture that enhances workplace excellence, provides equal opportunities with no discrimination, and where every employee is treated with respect. The Company provided an opportunity to grow through life-long employment.

Our human resource practices

- Ensuring security of employees
- Hiring the right people by employing a robust recruitment system including personality assessment
- Self-managed and effective teams
- Fair and performance-based compensation
- Training in relevant skills
- Making information easily accessible by deploying technology at every level of business process

Our human resource initiatives

The Company integrated learning as a core element by collaborating with entities such as Ahmedabad Management Association, Construction Skill Development Council of India, and Mercer for institutionalization.

To digitise HR processes, the Company adopted Darwin Box. Performance evaluations were bolstered through initiatives based on key responsibility areas and performance indicators, enhancing objectivity.

The focus on employee engagement intensified in the reviewed year. The Company embraced the build, buy, borrow, and bridge strategy to address talent needs. Technical institutes were identified to attract trainees, interns, and develop a talent pipeline.

Apprenticeship opportunities were extended to young talent, fostering diversity.

Partnering with Mercer, the Company employed aptitude and technical tests for campus talent hiring, supplemented by cross-functional interviews. Objective reference checks were conducted and leadership assessment tools from Mercer were integrated.

Enhancing training intensity

The Company embarked on training endeavours with a primary focus on cultivating a workforce that is profoundly motivated, dedicated, and actively involved. This approach ensures their preparedness to fulfil the commitment of timely project completion while maintaining impeccable quality, appropriate design, and cost-effectiveness.

Through monthly and quarterly performance assessments, the Company gained valuable insights into the necessary competencies for successful task execution and pinpointed areas of improvement for individuals. Comprehensive learning modules encompassing both functional and behavioural proficiencies have been developed by the Company.

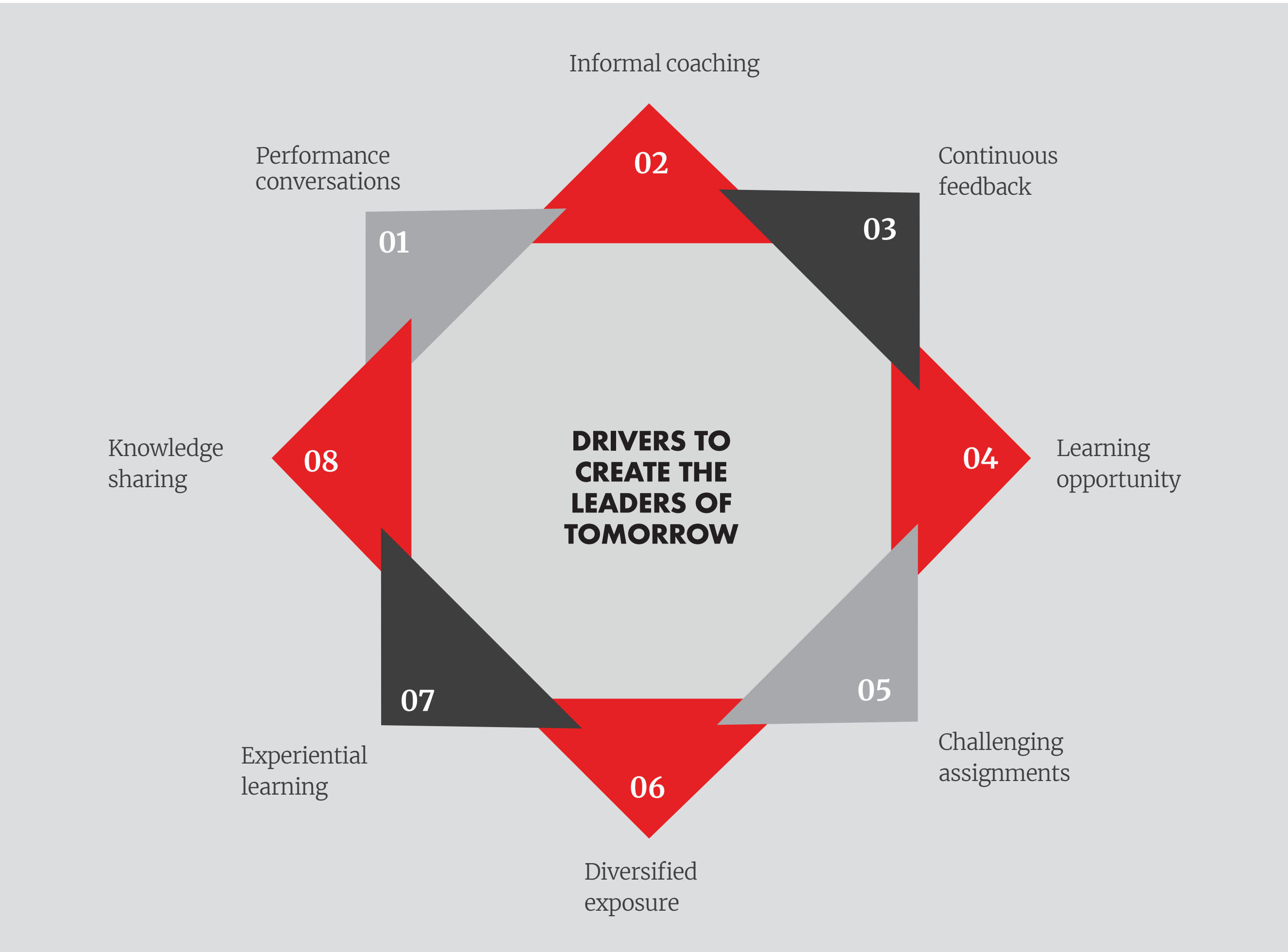
To achieve this, the Company collaborated with seasoned experts and reputable agencies to deliver training programs every quarter, benefiting over 50% of mid to senior-level managers.

Emerging as a learning organisation

PSP prioritises learning since its beginning. During on-boarding, employees receive detailed job descriptions. Daily performance assessment helps clarify needed skills, fostering self-improvement. This identifies learning needs and promotes personal accountability. Mandatory learning programs were adopted throughout the Company. A strong learning infrastructure was built, aided by subject matter experts. Partnerships with renowned educators enhance learning. Diverse experiential opportunities like role shifts, mentorship and feedback were offered.

Creating a balanced lifestyle

The Company introduced flexi-timing, short leave and alternate Saturdays off with a compulsory Sunday holiday. The Company organised weekend games during lunch for employees to enhance quality time.



HOW WE REINFORCED OUR ENVIRONMENT, HEALTH AND SAFETY FOCUS

Overview

PSP prioritises occupational health, safety, and environmental protection. The Company is committed to establishing and preserving a secure and clean environment by utilizing technology and safe practices for sustainable growth. Promoting workplace safety is seen as beneficial for employees and employers, fostering enhanced efficiency and overall well-being. PSP's ultimate goal is to guarantee a healthy and secure work setting, ensuring that every worker returns home safely and in good health each day.

Our commitment

- Emphasizing proactive risk prevention in infrastructure construction to avoid reactive remedies and potential environmental harm.
- Promoting adherence to secure work protocols and engaging workers and their representatives for input and participation.
- Cultivating teamwork and an organizational atmosphere that heightens health, safety, and environmental awareness among all staff.
- Efficiently using and responsibly conserving natural resources throughout operations.
- Adhering to applicable laws and regulations while surpassing legal obligations with additional precautions.
- Safeguarding the well-being of employees, local communities, and stakeholders by upholding health, safety, and environmental standards at construction sites and surrounding areas.

Our environment engagement

Effective environmental management is crucial for companies as it mitigates ecological impact, ensures adherence to regulations, meets stakeholder expectations, and enhances cost efficiency. In the construction sector, key challenges encompass harmonizing economic and environmental goals, addressing awareness gaps, managing intricate supply chains, securing sustainable materials, navigating evolving regulations, and managing resistance to change. The Company's overarching environmental philosophy prioritises stewardship, resource optimization, stakeholder engagement and continuous enhancement while complying with regulations and adopting a lifecycle approach. Their aim is to balance economic advancement, societal well-being, and environmental preservation for the betterment of the present and future generations.

Enhancing green cover

The Company has implemented measures to identify and safeguard mature trees located within construction sites, employing fencing and other protective methods. These trees are subsequently relocated to appropriate areas, either within or outside the project premises, where construction activities are scheduled to take place. Furthermore, the enterprise has undertaken efforts to enrich the ecological landscape by introducing new trees, shrubs, and other flora. Native plant species, ideally suited to the local surroundings and conducive to biodiversity, have been chosen for these initiatives. In addition to these activities, the Company fostered partnerships with local communities, environmental organizations, and governmental bodies. These collaborations serve to actively support and engage in community-based tree planting campaigns and projects focused on bolstering the greenery.

Our safety engagement

Ensuring safety takes precedence within PSP construction sites, particularly as workers contend with various hazards, including the potential for falls from elevated locations, exposure to electrical perils, accidents involving heavy machinery, and risks linked to confined workspaces. The secure operation and upkeep of construction machinery and equipment are of paramount importance to avert mishaps, injuries, and instances of equipment breakdown. Negligent or inadequate utilization and maintenance practices can result in equipment glitches that jeopardise the well-being of workers.

Our safety initiatives

Safety policies and procedures: The Company established comprehensive safety policies and procedures that outline safety expectations, guidelines and protocols to be followed by all employees.

Safety training: The Company is providing regular safety training and awareness programs to employees at all levels to ensure they have the knowledge and skills to identify and mitigate risks.

Hazard identification and risk assessment: The Company conducted a thorough hazards identification and risks assessment processes to identify potential safety risks and develop appropriate control measures.

Safety inspections and audits: The Company is periodically conducting inspections and audits to assess compliance with safety standards, identify deficiencies and implement corrective actions.

Safety equipment and personal protective gear: The Company is providing employees with appropriate safety equipment and personal protective gear such as hard hats, safety goggles, gloves, safety harnesses, among others.

Our safety certifications

- Received ISO 45001: 2018 certification from Alcumus ISOQAR for occupational health and safety management
- Received ISO 14001-2015 certification from Alcumus ISOQAR for environmental management systems

Our safety achievements

- The Company received a certificate of appreciation award in Group A from the National Safety Council of India in the NSCI Safety Award 2021 -2022
- The Company achieved the outstanding accomplishment of 5 Mn safe person hours at the Project of Adani Aster and Amogha Project.
- The Company achieved the outstanding accomplishment of 9.4 Mn safe person hours at the Project of IIMA.

PSP'S ULTIMATE GOAL IS TO GUARANTEE A HEALTHY AND SECURE WORK SETTING, ENSURING THAT EVERY WORKER RETURNS HOME SAFELY AND IN GOOD HEALTH EACH DAY.

OUR SOCIAL RESPONSIBILITY

Overview

PSP places a paramount importance on comprehensive community development as an integral facet of its business approach. The organization firmly believes that fostering the well-being of the communities and societies within which it functions is not only essential for its progress but also for the advancement of society. This commitment to corporate responsibility (CSR) is ingrained in PSP's ethos.

The Company's CSR policy stands as a testament to its unwavering dedication to conduct business operations in a manner that is economically, socially and environmentally sustainable. This approach is guided by a profound acknowledgment of the diverse interests of its stakeholders, with a resolute aim to positively influence society through its various community development initiatives. In FY 2022-23, PSP directed a sum of ₹ 3.48 crore towards its CSR initiatives.

Our CSR initiatives, FY 2022-23

The Company carried out the following CSR activities during the year under review.

- Enhancing healthcare by offering financial assistance to hospitals and trusts for procuring operation theatre equipment, instruments and infrastructure development of hospitals. This also encompasses facilitating medical care and consultations by physicians, specifically for creating awareness about, diagnosing, and treating breast cancer.
- Advancing gender equality through the establishment of women's hostels, fostering an environment of empowerment and support.
- Fostering education by awarding scholarships to deserving and financially challenged students, distributing stationery and ration kits among school students, and enhancing the learning environment with initiatives like installing R.O. plants and air coolers.
- Supporting animal welfare, nurturing nationally recognised sports and promoting art and culture as part of our commitment to community well-being.

THE COMPANY'S CSR POLICY STANDS AS A TESTAMENT TO ITS UNWAVERING DEDICATION TO CONDUCT BUSINESS OPERATIONS IN A MANNER THAT IS ECONOMICALLY, SOCIALLY AND ENVIRONMENTALLY SUSTAINABLE.

BOARD
OF DIRECTORS

Mr. Prahaladbhai Patel
Chairman, Managing Director and Chief Executive Officer

He has a Bachelor's degree in civil engineering from Saurashtra University. He was engaged in the civil construction space even before the incorporation of PSP. He has more than three decades of experience in the construction space and played a significant role in the growth of PSP. Aged 60 years, he has been featured in the book titled 'Business Game Changers: Shoonya se Shikhar' authored by Prakash Biyani.

Ms. Pooja P. Patel
Whole Time Director

She has a Bachelor's degree in civil engineering from Gujarat Technological University and a post-graduate diploma in financial management from Ahmedabad Management Association. Aged 30 years, she has been actively involved in planning of projects, procurement of materials and execution of projects for PSP since 2015. She has also represented PSP in Indian Concrete Institute Chapter-1, Ahmedabad.

Mr. Sagar P. Patel
Executive Director

He has a Bachelor's degree in civil engineering from Gujarat Technological University. Aged 27 years, he is actively involved in project planning, project tendering, contracts, and the execution of projects. Moreover, he manages the entire Precast Manufacturing Division of the Company.

Mr. Sandeep Shah
Independent Director

He holds a Bachelor's degree in commerce and attended a course for a Bachelor's degree in law from Gujarat University. He is on the Board of Directors of Creative Infotech Private Limited. He has vast experience in the business of Information Technology products and services. He is also the Chairman of Corporate Social Responsibility Committee.

Mr. Vasishtha Patel
Independent Director

He holds a Bachelor's degree in business administration from Sardar Patel University and a Master's degree in business administration from South Gujarat University. He has over 21 years of experience in management and exports.
He previously held managerial positions where he handled business opportunities and operations. He is a Director of Multico Exports Private Limited, which is involved in the export of pharmaceuticals and raw materials. He is also the Chairman of the Audit Committee of our company.

Mrs. Achala Patel
Independent Director

She is a Postgraduate and M. Phil from School of Languages, Gujarat University. She has completed her graduation from St. Xavier's Arts College, Ahmedabad. She is a Gold Medallist and 1st rank holder at the university level at the graduation and post-graduation levels. She is a founder and Designated Partner of MAP Power LLP and Chopper Worx Construction LLP. She is involved in the business of high voltage power transmission, representing European companies in India and neighbouring countries for more than 16 years.
She is also the Chairperson of the Nomination and remuneration Committee.

KEY MANAGERIAL PERSONNEL

Mr. Prahaladbhai Patel
Chairman, Managing Director and Chief Executive Officer

Ms. Pooja P. Patel
Whole Time Director

Mr. Sagar P. Patel
Executive Director

Mr. Mahesh Patel
Senior Vice President – Operations

Mr. Maulik Patel
Vice President – Procurement

Mr. Viplav Shah
Vice President – Planning

Mrs. Hetal Patel
Chief Financial Officer

Mr. Kenan Patel
Company Secretary and Compliance Officer

Mrs. Sarika Bhardwaj
Vice President - Techno Commercial

Mr. Pratik Thakkar
General Manager – Business Development

Mr. Sushil Tripathi
Vice President - Human Resource & Admin Resources

Mr. Praful Joshi
General Manager - Procurement

Mr. Sanjay Kumar Rai
Senior Manager – SAP & IT

Mr. Chintan Shah
Manager - Information Technology

MANAGEMENT DISCUSSION AND ANALYSIS

Global economy

Overview: The global economic growth was estimated at a slower 3.2% in 2022, compared to 6% in 2021 (which was on a smaller base of 2020 on account of the pandemic effect). The relatively slow global growth of 2022 was marked by the Russian invasion of Ukraine, unprecedented inflation, pandemic-induced slowdown in China, higher interest rates, global liquidity squeeze and quantitative tightening by the US Federal Reserve.

The challenges of 2022 translated into moderated spending, disrupted trade and increased energy costs. Global inflation was 8.7% in 2022, among the highest in decades. US consumer prices increased about 6.5% in 2022, the highest in four decades. The Federal Reserve raised its benchmark interest rate to its highest in 15 years. The result is that the world ended in 2022 concerned that the following year would be slower.

The global equities, bonds, and crypto assets reported an aggregated value drawdown of USD26 Tn from peak, equivalent to 26% of the global gross domestic product (GDP). In 2022, there was a concurrently unique decline in bond and equity markets; 2022 was the only year when the S&P 500 and 10-year US treasuries delivered negative returns of more than 10%.

Gross FDI inflows – equity, reinvested earnings and other capital – declined 8.4% to USD 55.3 Bn in April-December. The decline was even sharper in the case of FDI inflows as equity: these fell 15% to USD 36.75 Bn between April and December 2022. Global trade expanded by 2.7% in 2022 (expected to slow to 1.7% in 2023).

The S&P GSCI TR (Global benchmark for commodity performance) fell from a peak of 4,319.55 in June 2022 to 3495.76 in December 2022. There was a decline in crude oil, natural gas, coal, lithium, lumber, cobalt, nickel and urea realisations. Brent crude oil dropped from a peak of around USD 120 per barrel in June 2022 to USD 80 per barrel at the end of the calendar year following the enhanced availability of low-cost Russian oil.

Regional growth (%)	2022	2021
World output	3.2	6.1
Advanced economies	2.5	5
Emerging and developing economies	3.8	6.3

(Source: IMF, World Bank, UNCTAD)

Performance of major economies

United States: Reported GDP growth of 2.1% compared to 5.9% in 2021

China: GDP growth was 3% in 2022 compared to 8.1% in 2021

United Kingdom: GDP grew by 4.1% in 2022 compared to 7.6% in 2021

Japan: GDP grew 1.7% in 2022 compared to 1.6% in 2021

Germany: GDP grew 1.8% compared to 2.6% in 2021

(Source: PWC report, EY report, IMF data, OECD data)

Outlook

The global economy is expected to grow 2.8% in 2023, influenced by the ongoing Russia-Ukraine conflict. Concurrently, global inflation is projected to fall marginally to 7%. Despite these challenges, there are positive elements within the global economic landscape. The largest economies like China, US, European Union, India, Japan, UK, and South Korea are not in a recession. Approximately 70% of the global economy demonstrates resilience, with no major financial distress observed in large emerging economies. The energy shock in Europe did not result in a recession, and significant developments, including China's progressive departure from its strict zero-Covid policy and the resolution of the European energy crisis, fostered optimism for an improved global trade performance. Despite high inflation, the US economy demonstrated robust consumer demand in 2022. Driven by these positive factors, global inflation is likely to be still relatively high at 4.9% in 2024. Interestingly, even as the global economy is projected to grow less than 3% for the next five years, India and China are projected to account for half the global growth (Source: IMF).

Indian economy

Overview: Even as the global conflict remained geographically distant from India, ripples comprised increased oil import bills, inflation, cautious government and a sluggish equity market. India's economic growth is estimated at 7.2% in FY 2022-23. India emerged as the second fastest-growing G20 economy in FY 2022-23. India overtook UK to become the fifth-largest global economy. India surpassed China to become the world's most populous nation (Source: IMF, World Bank)

Growth of the Indian economy

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Real GDP growth(%)	3.7	(6.6%)	8.7	7.2

Growth of the Indian economy quarter by quarter, FY 2022-23

	Q1 FY 2022-23	Q2 FY 2022-23	Q3 FY 2022-23	Q4 FY2022-23
Real GDP growth (%)	13.1	6.3	4.4	6.1

(Source: Budget FY24; Economy Projections, RBI projections)

According to the India Meteorological Department, the year 2022 delivered 8% higher rainfall over the long-period average. Due to unseasonal rains, India's wheat harvest was expected to fall to around 102 Mn metric tons (MMT) in FY 2022-23 from 107 MMT in the preceding year. Rice production at 132 Mn metric tons (MMT) was almost at par with the previous year. Pulses acreage grew to 31 Mn hectares from 28 Mn hectares. Due to a renewed focus, oilseeds area increased 7.31% from 102.36 Lakh hectares in FY 2021-22 to 109.84 Lakh hectares in FY 2022-23.

India's auto industry grew 21% in FY 2022-23; passenger vehicle (UVs, cars and vans) retail sales touched a record 3.9 Mn units in FY 2022-23, crossing 3.2 Mn units in FY 2018-19. The commercial vehicles segment grew 33%. Two-wheeler sales fell to a seven-year low; the three-wheeler category grew 84%.

Till the end of Q3FY 2022-23, total gross non-performing assets (NPAs) of the banking system fell to 4.5% from 6.5% a year ago. Gross NPA for FY 2022-23 was expected to be 4.2% and a further drop is predicted to 3.8% in FY2023-24.

As India's domestic demand remained steady amidst a global slowdown, import growth in FY 2022-23 was estimated at 16.5% to USD 714 Bn as against USD 613 Bn in FY 2021-22. India's merchandise exports were up 6% to USD 447 Bn in FY 2022-23. India's total exports (merchandise and services) in FY 2022-23 grew 14% to a record of USD 775 Bn in FY 2022-23 and is expected to touch USD 900 Bn in FY 2023-24. Till Q3 FY 2022-23, India's current account deficit, a crucial indicator of the country's balance of payments position, decreased to USD 18.2 Bn, or 2.2% of GDP. India's fiscal deficit was estimated in nominal terms at ~ ₹17.55 Lakh crore and 6.4% of GDP for the year ending March 31, 2023. (Source: Ministry of Trade & Commerce)

India's headline foreign direct investment (FDI) numbers rose from USD 74.01 Bn in 2021 to a record USD 84.8 Bn in FY 2021-22, a 14% Y-o-Y increase, till Q3FY 2022-23. India recorded a robust USD 36.75 Bn of FDI. In FY 2022-23, the government was estimated to have addressed 77% of its disinvestment target (₹ 50,000 crore against a target of ₹ 65,000 crore).

India's foreign exchange reserves, which had witnessed three consecutive years of growth, experienced a decline of approximately USD 70 Bn in 2022, primarily influenced by rising inflation and interest rates. Starting from USD 606.47 Bn on April 1, 2022, reserves decreased to USD 578.44 Bn by March 31, 2023. The Indian currency also weakened during this period, with the exchange rate weakening from ₹ 75.91 to a US dollar to ₹ 82.34 by March 31, 2023, driven by a stronger dollar and increasing current account deficit. Despite these factors, India continued to attract investable capital.

The country's retail inflation, measured by the consumer price index (CPI), eased to 5.66% in March 2023. Inflation data on the Wholesale Price Index, WPI (calculates the overall price of goods before retail) eased to 1.3% during the period. In 2022, CPI hit its highest of 7.79% in April; WPI reached its highest of 15.88% in May 2022. By the close of the year under review, inflation had begun trending down and in April 2023 declined below 5%, its lowest in months.

India's total industrial output for FY 2022-23, as measured by the Index of Industrial Production or IIP, grew 5.1% year-on-year as against a growth of 11.4% in FY 2021-22.

India moved up in the Ease of Doing Business (EoDB) rankings from 100th in 2017 to 63rd in 2022. As of March 2023, India's unemployment rate was 7.8%.

In FY 2022-23, total receipts (other than borrowings) were estimated at 6.5% higher than the Budget estimates. Tax-GDP ratio was estimated to have improved by 11.1% Y-o-Y in FY 2022-23.

The total gross collection for FY 2022-23 was ₹ 18.10 Lakh crore, an average of ₹ 1.51 Lakh a month and up 22% from FY 2021-22, India's monthly goods and services tax (GST) collections hit the second highest ever in March 2023 to ₹ 1.6 Lakh crore. For 2022–23, the government collected ₹ 16.61 Lakh crore in direct taxes, according to data from the Finance Ministry. This amount was 17.6% more than what was collected in the previous fiscal.

Per capita income almost doubled in nine years to ₹ 172,000 during the year under review, a rise of 15.8% over the previous year. India's GDP per capita was USD 2,320 (March 2023), close to the magic figure of USD 2500 when consumption spikes across countries. Despite headline inflation, private consumption in India witnessed continued momentum and was estimated to have grown 7.3% in FY 2022-23.

Outlook: There are green shoots of economic revival, marked by an increase in rural growth during the last quarter and appreciable decline in consumer price index inflation to less than 5% in April 2023. India is expected to grow around 6-6.5% (as per various sources) in FY 2023-24, catalysed in no small measure by the government's 35% capital expenditure growth by the government. The growth could also be driven by broad-based credit expansion, better capacity utilisation and improving trade deficit. Headline and core inflation could trend down. Private sector investments could revive. What provides optimism is that even as the global structural shifts are creating a wider berth for India's exports, the country is making its largest infrastructure investment. This unprecedented investment is expected to translate into a robust building block that, going ahead, moderates logistics costs, facilitates a quicker transfer of products and empowers the country to become increasingly competitive. This can benefit India's exports in general, benefiting several sectors. The construction of national highways in FY 2022-23 was 10,993 Km; the Ministry of Road Transport and Highways awarded highway contracts of 12,375 km in the last financial year (Source: IMF).

The global landscape favours India: Europe is moving towards a probable recession, the US economy is slowing, China's GDP growth forecast of 4.4% is less than India's GDP estimate of 6.8% and America and Europe are experiencing its highest inflation in 40 years. India's production-linked incentive appears to catalyse the downstream sectors. Inflation is steady. India is at the cusp of making significant investments in renewable energy and other sectors and emerging as a suitable industrial supplement to China. India is poised to outpace Germany and Japan and emerge as the third-largest economy by the end of the decade. The outlook for private business investment remains positive despite an increase in interest rates. India is less exposed to Chinese economic weakness, with much less direct trade with China than many Asian peers.

Broad-based credit growth, improving capacity utilisation, government's thrust on capital spending and infrastructure should bolster investment activity. According to our surveys, manufacturing, services and infrastructure sector firms are optimistic about the business outlook. The downside risks are protracted geopolitical tensions, tightening global financial conditions, and slowing external demand.

Union Budget FY 2023-24 provisions

The Budget 2022-23 sought to lay the foundation for the future of the Indian economy by raising capital investment outlay by 33% to ₹10 Lakh Crore, equivalent to 3.3% of GDP and almost three times the 2019-20 outlay, through various projects like PM Gatishakti, Inclusive Development, Productivity Enhancement & Investment, Sunrise Opportunities, Energy Transition and Climate Action, as well as Financing of Investments. An outlay of ₹ 5.94 Lakh Crore was made to the Ministry of Defence (13.18% of the total Budget outlay). An announcement of nearly ₹ 20,000 Crore was made for the PM Gati Shakti National Master Plan to catalyse the infrastructure sector. An outlay of ₹ 1.97 Lakh Crore was announced for Production Linked Incentive schemes across 13 sectors. The Indian government intends to accelerate road construction in FY24 by 16-21% to 12,000-12,500 km. The overall road construction project pipeline remains robust at 55,000 km across various execution stages. These realities indicate that a structural shift is underway that could strengthen India's positioning as a long-term provider of manufactured products and its emergence as a credible global supplier of goods and services.

Indian construction industry overview

The Indian construction industry is subdivided into commercial, residential and industrial construction segments. Infrastructure industry is a crucial driver of the Indian economy including power, bridges, dams, highways and urban infrastructure development.

Industrial construction

The construction industry in India is expected to grow by 12.8% to reach ₹40,982 Bn in 2022. Despite near-term challenges in certain construction sectors, medium to long term growth story in India remains intact. The growth momentum is expected to continue over the forecast period, recording a CAGR of 10.8% during 2022-2026. The construction output in the country is expected to reach ₹ 61,721.3 Bn by 2026. Moreover, the industry will be backed by investments in the renewable energy sector aligned with the government's aim to enhance renewable energy capacity from 145.2GW in 2021 to 175GW in 2022 and 500GW by 2030; with an estimated investment of ₹ 20-22 Tn. Besides, support for construction activity will be generated by the government's focus on improving the ease of doing business in India. Technology driven urban planning is expected to enhance the living standards through programmes like the Smart City Mission. The Indian government launched the PM Gati Shakti Master Plan for the construction of expressways to facilitate faster transportation. The pace of National Highways construction increased consistently between FY 2014-15 and FY 2021-22 on account of systematic push through corridor-based National Highway development approach. In FY 2014-15, the speed of National Highway construction stood at 12 Km per day which increased to 29 Km per day in FY 2021-22.

The government targeted to construct a record 18,000 Km of highways in FY 2022-23 at a pace of 50 Km per day. India's road network is expected to be the same as United States by the end of 2024. This is a result of government's push for the construction of road network, prompt and timely execution of various projects and fundraising efforts. The government is looking to reduce the logistics cost from 16% to 9% by the end of 2024. The government is aiming to reduce the cost of resources and the quality of construction by trying to minimise the use of steel and adopting substitutes.

(Source: Times now news, PIB)

Residential construction

According to industry reports, India's real estate market is expected to reach ₹ 13 Lakh Crore by 2023. A favourable economic outlook is expected to further contribute to the market's improvement backed by other factors including the emergence of first-time homebuyers, growing number of high net worth individuals investing in luxury properties, a lower interest rate and many others. Despite rising construction costs and a record hike in the repo rate in 2022, the real estate sector witnessed a considerable upswing. After a period of economic stagnation, the real estate industry experienced a comprehensive recovery in 2022 throughout Tier I, II and III cities.

Rising household income, rapid urbanisation, growing nuclear families and increased push towards affordable housing will play a crucial role to drive the growth of the sector.

The luxury segment has been the growth driver for real estate in 2022 and the trend is expected to continue in 2023. A growing demand for bigger houses and high-end properties priced at ₹ 2.5 Crore and above, trend of work from home and hybrid working models is further catalyzing the demand in this segment. Indian real estate sector received USD 5.2 Bn of institutional investments across 47 deals in 2022, with an average transaction size of USD 105 Mn. (46% higher compared to 2021)

According to ICRA, home sales in the first half of FY 2022-23 witnessed a 49% y-o-y growth, recording the highest number of sales in past ten years. As per ICRA, the share of premium and luxury units in the overall home sales has constantly enhanced post-pandemic, due to which marginal increase in the price factor has not been able to derail growth in India's residential real estate segment. As per industry estimates, affordable housing supply reduced to 21% of the 2.65 Lakh units launched in the top 7 cities in the first nine months of 2022 while the share of apartments priced over ₹ 1.5 Crore has doubled in the total housing sales in the first half of 2022. The Indian government intends to constantly support the affordable housing segment and aims to reinforce the existing financial system to offer liquidity to expand real estate projects. Revolutionary government schemes like Smart City Mission, Pradhanmantri Awas Yojana and Atmanirbhar Bharat 3.0 package is expected to improve the living standards through advanced technology-driven urban planning. (Source: Hindu.com, Mint, Times of India)

Commercial construction

The commercial real estate sector is segmented into office space, hotels, resorts, malls, restaurants, healthcare facilities and others. The outlook of India's commercial real estate seems positive with the growth of industrial real estate. Inspiring confidence in domestic homebuyers and international investors, the Indian commercial realty market has not only stabilised macroeconomic forces but also significantly mitigated the outflow of foreign exchange from the country. Commercial properties not only provide lucrative rental returns over extended timeframes but also become force multipliers by stimulating the growth of auxiliary and allied economic services in the ecosystem.

Indian e-commerce logistics market is expected to grow at a CAGR of 8% between 2022-2027 on account of seamless investments in warehousing. In spite of growth momentum, commercial leasing activity is expected to grow at a healthy 10-15%in FY 2022-23. The commercial leasing space is expected to touch 28-30 Mn sq ft at this growth rate in FY 2022-23 on account of the improvement in demand as more and more employers are going back to working from office.

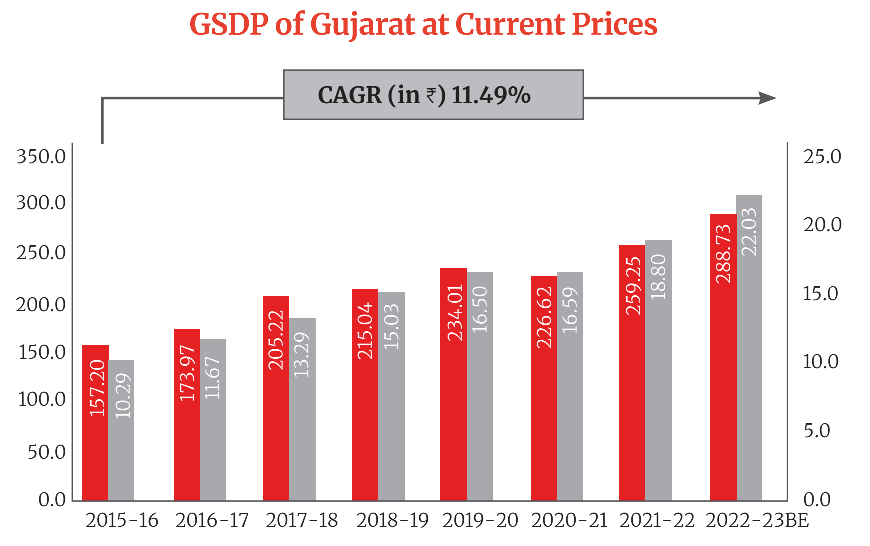
The office sector continued to be the front runner for institutional investments in 2022 attracting USD 1,860 Mn spread across seven deals. Bengaluru accounted for the highest share of institutional office sector investments at 38%. During 2022, commercial office assets accounted for a major part of private equity investments, accounting for nearly 45% of the investment pie. Commercial office is the most preferred investment product in India which absorbs around a third of the total office demand in the Asia Pacific region. The growth in office real estate investment trusts will leading to the continuation of the trend as domestic investor participation increases.

(Source: Economic Times, Mordor Intelligence, Business Standard, Mint)

Industrial development in Gujarat

Gujarat is among the major industrialised states in India with the second highest number of factories in Tamil Nadu. The State contributes 8% of the country's gross domestic product and 18% of industrial output. Gujarat has received a cumulative FDI worth USD 51.19 Bn between 2003 to August 2022.

The Government of Gujarat implemented 'Gujarat Sustainable Vision 2030' which provides responsibility to several major departments to sketch the outline for fulfilling Sustainable Development Goals in the State.



Note: BE-Budget estimate
Source: Directorate of Economics and Statistics Gujarat, Government of Gujarat

Advantages

High economic growth and industrial development

- One of the most industrially developed states, contributing about a quarter of India's goods export.
- At current prices, Gujarat's state gross domestic product is estimated at USD 288.73 Bn in FY 2022-23, a growth of 13.3% y-o-y.

Reforms and policies

- The state Government has developed policies in almost major sectors like industry, power, ports, roads, agriculture and minerals.
- The Government developed the electric vehicles (EV) policy on June, 2022, with the goal to support 20,000 electric four wheelers, 70, 000 electric three wheelers and 1,10,000 electric two wheelers over the next four years.
- The Government of Gujarat allowed net metering for rooftop solar systems having a capacity of 1 KW and up to 1MW.

Supporting infrastructure

- Gujarat possesses 46 ports, 18 domestic airports and one international airport with an extensive road and railways network. The State has a 2,200 km grid that supplies gas to industrial areas.

Rich labour pool

- Gujarat possesses state-of-the-art educational infrastructure with leading institutes in management, fashion, design, infrastructure planning and pharmaceuticals.
- The state Government started various initiatives to develop the culture of innovation in the education sector.
- The State developed industrial training institutes in each districts to train manpower for the shopfloor level.

Key government policies and objectives

- IT/ITes Policy 2022-27: The policy aims to develop the IT ecosystem of Gujarat with globally benchmarked IT infrastructure, attain highly skilled manpower and innovation in transforming technologies.
- Biotechnology Policy 2022-27: To develop opportunities for growth with a capacity to offer a range of solutions for sectorial challenges in areas of health, agriculture, environment, energy and industrial processes.
- Solar Power Policy 2021: To encourage green and clean power generation in the state through solar energy and moderate energy cost.
- Startup-Policy 2016-2021: To provide investments worth USD 1 Bn to at least 2000 start-ups, develop at least 50 incubators and 1 Mn sq. ft. of incubation space.
- New Industrial Policy 2020: To reinforce the states manufacturing ecosystem and support the 'up and coming' sectors of India's changing business environment.

Major industrial infrastructure sectors of Gujarat

Roads

- The length of the National Highways in Gujarat stood at 7,283 Km as on January, 2023.
- Around 25.18 Lakh people are transported by the Gujarat State Road Transport Corporation every day.

Airports

- Gujarat possesses ten domestic airports (the highest in any State) and one international airport.
- The Cabinet Committee on Economic Affairs (CCEA) sanctioned the proposal for the Phase-I development of a new greenfield airport in Dholera, Gujarat at an evaluated cost of ₹ 1,305 Crore.

Railways

- The total length of railway lines in Gujarat stood at 5.32 thousand Km by the end of fiscal year 2021.
- The Government of India sanctioned the construction of the Ahmedabad Metro with a length of 36 Km at a cost of ₹10, 773 Crore (USD 1.61 Bn). The first phase of the project was completed in December 2020.
- The State allocated ₹ 15 Bn (USD 205 Mn) for the development of the Ahmedabad–Mumbai bullet train in 2022. The bullet train corridor will cover a length of 508.17 Km and includes 12 stations in Gujarat, Maharashtra and the union territories of Dadra and Nagar Haveli.

(Source: IBEF)

Ports

- Gujarat was India's first state to implement privatisation of ports. The state has been pioneering the public-private partnerships in the port sector.
- The state has the longest coastline in India which is 1,600 Km long which adds to its large external trade potential. The small ports of Gujarat account for 70% share of the cargo handled by all small ports in the country.
- The Gujarat International Maritime Arbitration Centre focused on resolving maritime and shipping disputes that can help resolve commercial and financial conflicts. (Source: IBEF)

Agriculture and allied sector

- Gujarat contributes the largest

share of total investments in India's food processing sector. Cotton, groundnut, bajra, paddy, maize, jowar, sesamum, castor and tur. (Pigeon pea), along with fodder and vegetables, are the key kharif crops of the state.

- The state's area under kharif cultivation stood at 8.6 Mn hectares.
- The Government's Kisan Suryodaya Yojana is aimed to provide 16 hours of power supply to the farmers. The state government of Gujarat allocated a budget of ₹ 3500 Crore for installing transmission infrastructure under this scheme by 2023.

Textile sector

- Gujarat contributed 37% of India's total cotton, 50% of India's man-made fiber, 30% of India's woven fabric and 25% of India's technical textiles in 2022
- Gujarat remained the largest producer of synthetic fabric in 2022.
- Around 90% of India's weaving machinery manufacturers are established in Gujarat.

(Source: Indian textile journal.com)

Energy and petrochemicals

- Gujarat possesses among the most developed gas pipeline network in the country, including 47% of total domestic gas connections.
- Gujarat is considered as the hub of India's chemical and petrochemicals manufacturing. The state possesses eight chemical clusters, 14 industrial estates and three SEZs, which are mainly dedicated to the chemicals and petrochemicals industry.
- Gujarat is known as the petroleum capital of India. Petroleum product exports from Gujarat stood at USD 36, 842.98 Mn in FY 2022.
- With an ambitious target of over 60,000 MW by 2030, Gujarat holds the promise for a lot of action in the coming years.
- As of August 31, 2022, Gujarat had a total installed power generation capacity of 44,930.44 MW, comprising 29,204.20 MW under private utilities, 8,452.61 MW (state utilities) and 7,273.63 MW (central utilities).

Telecom

The Gujarat government's Telecom Infrastructure Policy 2022 will help provide permissions to entities engaged in the laying of telecom infrastructure, including optical fibre network and installation of mobile towers. The policy is also expected to help in the roll out of 5G network and take broadband internet connectivity across the state, where 512 villages still have no telecom connectivity. (Source: Indian Express.com)

Gems and jewellery

Gujarat is the world's largest producer of processed diamonds, accounting for 72% of the world's processed diamond share and 80% of India's diamond exports. The state possesses the highest labour productivity in the jewellery sector, with key jewellery clusters at Ahmedabad, Surat and Rajkot. The ₹4,000 Crore industry in the port city of Gujarat is losing its sheen due to the unprecedented economic shock. Various manufacturers had to shut down or reduce production on account of the rising prices of rough diamond since the depreciation of the domestic currency vis-à-vis the US dollar. Surat's diamond industry is estimated to have an annual turnover of ₹ 90,000 Crore. It has around eight Lakh workers and has processed 14 of the 15 types of diamonds available in the world.

Pharmaceuticals

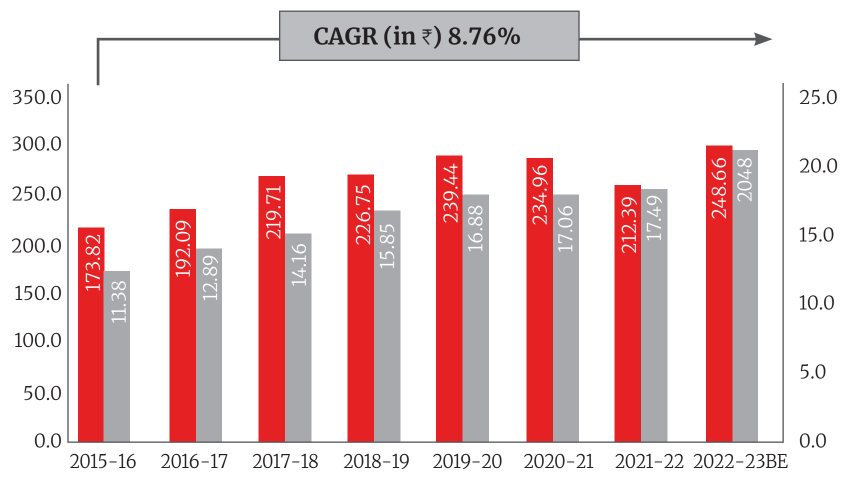
With one-third of pharmaceutical production, 30% of Indian pharma exports and more than 5000 licensed manufacturers, Gujarat's pharmaceutical industry is poised for robust growth, major capacity expansion and play a crucial role in the global consolidation process.

The pharma turnover of the state has increased from ₹ 14 Crore in 1961 to ₹ 96,236 Crore in 2021. The number of manufacturing units has also gone up to more than 5,000 in 2021 from 108 units in 1961. Because of the adoption of e-governance, the issuance of annual additional product licenses reached 25,000 in 2021 from 246 in 1961. Export of drug formulations from Gujarat reached USD 2,824.55 Mn in FY 2021-22. (Source: pharma biz.com, IBEF)

Industry development in Uttar Pradesh

Uttar Pradesh is India's most populated state and shares its borders with Nepal on the north, the Indian states of Uttarakhand and Himachal Pradesh on the northwest, Haryana, Delhi and Rajasthan on the west, Madhya Pradesh on the south, Chhattisgarh and Jharkhand on the southeast and Bihar on the east. At current prices, the gross state domestic product (GSDP) of Uttar Pradesh is estimated to be ₹ 20.48 Tn (USD 248.66 Bn) in FY 2022-23. FDI inflows in Uttar Pradesh stood at USD 995.40 Mn between October 2019 to June 2022.

GSDP of Uttar Pradesh at Current Prices



Note: Exchange rates used are averages of each year
Source: MOSPI

Advantages

Geographic advantage: Uttar Pradesh is well connected with nine neighbouring states and other parts of India through its 48 national highways. The State has the biggest railway network with the length of 40 Kms.

Hub of IT/ITeS services: The State has evolved as a major destination for IT & ITeS industries, comprising software, captive business process outsourcing (BPO) and electronics.

Semi-conductor hub: The state emerged as a semiconductor hub with the offices and R&D centres of various key players located in Noida.

Rich labour: The State possesses a large quantum of skilled labour on account of its vast population, creating an ideal environment for knowledge based sectors.

Policies: The State has well-documented sector specific policies for IT and biotech. The State ranked second in executing the Business Reform Action Plan in 2019.

(Source: ibef.com)

Key government policies and objectives

Data centre policy 2021: The State aims to start at least three advanced private data centre parks. The policy aims to build a 250 MW data centre industry with an investment of ₹ 20,000 Crore.

Mukhyamantri Matsya Sampada Yojna and Nishadraj Boat Subsidy Yojna 2022-23: An introductory provision of ₹4 Crore in the Union budget 2022-23 was announced to enhance fish production in the state and improve the income of fishermen.

Start-up policy 2020: The policy aims to improve the Startup ranking of Uttar Pradesh and start at least 100 incubators by offering at least 1 Mn square feet space for start-ups.

Electronics manufacturing policy 2020: Three electronics manufacturing clusters were developed in the state which offered 0.4 Mn employment opportunities within the State.

Electric vehicle manufacturing policy 2019: The policy aims to create a sustainable environment for electric vehicles manufacturing and battery management from production to disposal stage.

Opportunities

Housing demand
India is witnessing a surge in housing demand as a result of growing urbanisation, increase in nuclear families, growing aspirations and growing number of first time home buyers. Future housing demand is expected to be influenced by various factors comprising a strong economic recovery, low mortgage rates, stagnating home prices and increased income levels.

Government policies
The Government has been supporting the sector through various policy initiatives like Pradhan Mantri Avas Yojana (PMAY) and Housing for all schemes strengthening the demand for housing in the country.

Threats

Regulatory hurdles
Changes in the regulatory environment and government policies may hamper the real estate sector in various ways. There are substantial procedural delays with relation to site acquisition, land usage, project launches and construction approvals. These factors can affect the profitability of the companies operating in the sector.

Natural calamities
The incidences of natural calamities and an unforeseen incident like Covid-19 can affect the performance of the sector.

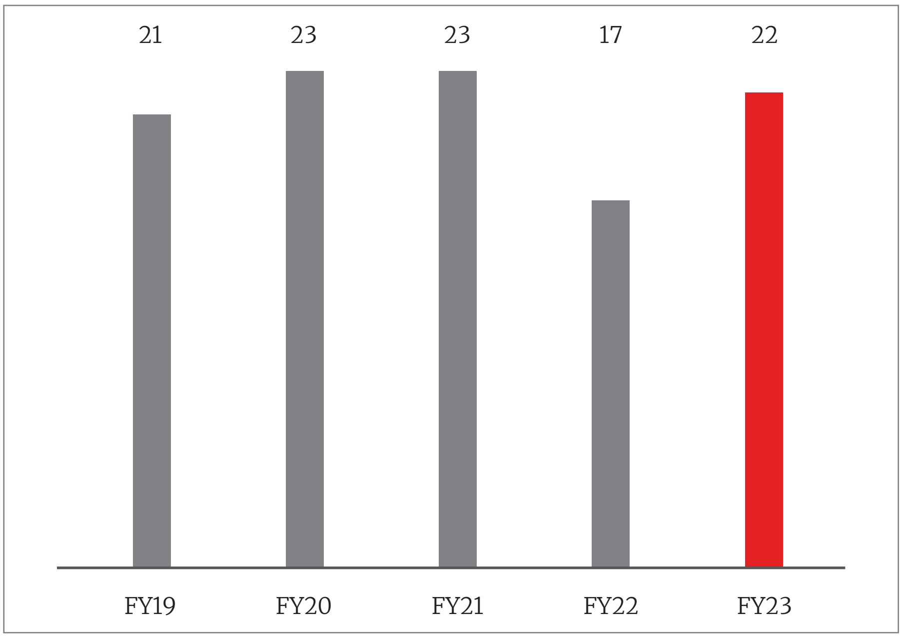
Company overview

PSP Projects Limited is a diversified construction company that offers construction and allied services in India. The Company provides services to public and private sector businesses with regards to end to end construction projects. The Company was incorporated in August 2008 and has completed 205 projects since its inception. The Company has an order book of ₹5052 Crore as on March 31, 2023. The Company has a robust presence in Gujarat and has expanded its reach in Maharashtra, Karnataka, Uttar Pradesh, Rajasthan and Delhi.

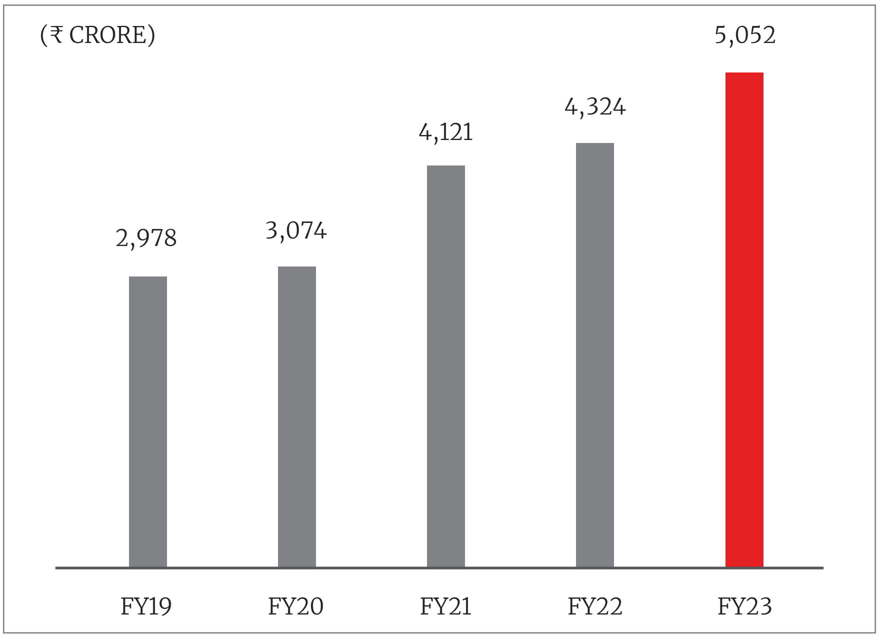
Key strengths

Project completion track record: The Company possesses a robust track record of timely project completion through experienced project management competence, active promoter engagement and increased competitiveness. The number of completed projects was 22 in FY 2022-23 as against 21 in FY 2018-19.

Project completed in a year



Strong order book: The Company possesses a strong order book of ₹5,052 Crore in FY 2022-23 from ₹2,978 Crore in FY 2018-19.



Long-standing customer engagement: The Company aims to create longstanding relationships with clients by providing good quality products and services. Plenty of the prestigious clients are engaged with the Company for the last five years.

One-stop solution: The Company provides one-stop solution towards all kinds of construction related problems, offering a broad range of client services that encompasses design, construction and fit-out.

Experienced team: The promoter's multi- decade old experiences in the construction sector provide the impetus for innovation and design improvements. The promoter is extensively supported by an executive team of knowledgeable professionals across various functions ranging from designing, engineering, finance, marketing and human resources.

Strong financial performance: Over the years, the Company has successfully expanded its footprint backed by its robust financial performance. The Company sustained a solid profitability margin while recording a robust growth in revenues and profits.

Category-wise performance

Industrial: The Company concentrates on the construction of industrial buildings for manufacturing and processing facilities, food processing plants, pharmaceutical plants and engineering units etc. The Company possesses immense experience towards operating industrial projects that serves distinctive needs of various sectors. The Company has a history of providing manufacturing and processing services for customers like Nestle, MRF, Torrent, Nirma, Intas, Cadila, Claris, KHS Inductotherm etc.

Institutional: The Company's institutional projects comprise buildings for hospitals, healthcare facilities, educational institutions, shopping centres, hotels and corporate offices etc. Various remarkable institutional projects comprise of the Surat Diamond Bourse, Palladium Mall, BSE Brokers Forum at GIFT, Maruti Hospital, Zydus Hospital, GCS Medical College, Hospital and Research Center and the CIMS Hospital.

Government: The business concentrates on selected and prestigious government projects. For example: the Company completed high-profile government projects comprising - The Kashi Vishwanath Corridor, Varanasi, construction and interior of Swarnim Sankul 01 and 02, Gujarat Vidhansabha renovation projects related to Ahmedabad's Sabarmati Riverfront Development project and the interior of Hotel Leela Gandhinagar.

Government residential: The Company is engaged in the construction of several prestigious government residential projects comprising the design-build of reasonably priced tall residential buildings and commercial units under various state and central government schemes.

Residential: Additionally, the Company focuses on residential projects in the form of townships, group housing and independent homes for private real estate clients are frequently constructed as part of residential developments.

Outlook, FY 2022-23

The Company intends to consistently focus on EPC projects and precast manufacturing. At PSP, we plan to improve our operational capability through systematic checks of advanced construction technologies. Deepening client engagements and optimisation of the project mix are the key focus areas of the Company. The Company is expected to increase its initiatives towards reinforcing customer-centric approach and providing quality customer experience. The Company is expected to focus on winning large projects across a mix of all sectors.

Deepening the geographic presence beyond Gujarat will be in focus. The human resources will be reinforced through capacity building measures, knowledge and skill enhancement initiatives. The Company's growth momentum will be extended by growing technological adaptability, deepened customer relationships, winning projects across sectors and retaining a skilled talent pool.

The Company is also catalyzing growth opportunities by establishing and concentrating on manufacturing pre-cast concrete at the plant. The Company is encouraging the use of pre-cast concrete element to enhance operating efficiency, reduce the reliance on labourers, moderate safety issues, allow quicker delivery and deliver improved work quality.

Standalone financial overview

(Amount in Lakhs)

	FY 2021-22	FY 2022-23	VARIATION %
Revenue from operations	1,74,875.88	1,92,664.91	10.17
Other income	2,125.54	2,709.56	27.48
Total income	1,77,001.42	1,95,374.47	10.38
Cost of construction material consumed	49,538.50	59,941.76	21.00
Changes in inventories of work-in-progress	457.22	(2,207.15)	(582.21)
Construction expenses	89,132.40	1,00,470.38	12.72
Employee benefits expense	7,233.92	9,345.15	29.19
Finance costs	2,639.62	3,195.94	21.08
Depreciation and amortisation expense	3,205.28	4,000.52	24.81
Other expenses	2,862.63	2,613.56	(8.70)
Total expenses	1,55,070.07	1,77,360.16	14.37
Profit before exceptional item and tax	21,931.35	18,014.31	(17.86)

Revenue from operations

During the year ended March 31, 2023, your Company registered revenues from operations of ₹1,92,664.91 Lakhs as against ₹1, 74,875.88 Lakhs in FY 2021-2022, an increase of 10.17%.

Other income

Other income for the year ended March 31, 2023, stood at ₹2,709.56 Lakhs as compared to ₹2,125.54 Lakhs in FY 2021-22, an increase of 27.48%. It primarily constitutes interest income on fixed deposits, interest income from Subsidiary & Joint venture, Dividend income, Interest on mobilisation advance and other net gains. The increase is mainly on account of increase in interest on fixed deposits.

Cost and expenses

Cost of construction material consumed and changes in inventories of finished goods, work-in-Progress

There was an increase of 21 % in the cost of construction material consumed in accordance with an increase in revenue from operations and a decrease of (582.21%) in the changes in inventories of finished goods and work-in-progress because of a subsequent accumulation and work execution stage.

Employee benefit expenses

The employee benefit expenses for FY 2022-23 were ₹9,345.15 Lakhs, an increase from ₹7,233.92 Lakhs in FY2021-22. The increase was due to an increase in headcount and managerial remuneration.

Other expenses

Other expenses decreased by (8.70%) in FY 2022-23 compared to the previous financial year. The other expenses mainly comprised rent, rates and taxes, insurance, repairs and maintenance, traveling and conveyance, legal & professional expenses, donation etc.

Depreciation

Depreciation was ₹4,000.52 Lakhs in FY 2022-23 compared to ₹3,205.28 Lakhs in FY 2021-22, an increase of 24.81% from the previous financial year. The increase in depreciation mainly on account of new addition in property, plant and equipment during the year.

Finance costs

Significant increase in finance cost by 21.08% in FY 2022-23 as compared to the previous financial year was due to an increase in borrowings and in interest on term loans, working capital loans, mobilisation advance, increase in bank guarantee charges and other borrowing costs. The finance cost comprised interest on term loans, working capital loan, interest on mobilisation advances, bank guarantee charges and other borrowing costs.

EBITDA margins

The EBITDA margin stood at 11.68% in FY 2022-23 compared to 14.67 % in FY 2021-22.

Tax expenses

Tax expense in FY 2022-23 was ₹4,712.49 Lakhs compared to ₹5,690.93 Lakhs in FY 2021-22.

Profit after tax

During the year under review, the profit after tax stood at ₹13,301.82 Lakhs compared to ₹16,240.42 Lakhs in FY 2021-22 mainly on account of exceptional high profit margin in FY 2021-22, as large sized projects were in the finishing stage.

Net worth

The net worth of the Company increased from ₹68,471.52 Lakhs as on March 31, 2022 to ₹79,982.54 Lakhs as on March 31, 2023, an increase of 16.81%. The increase was mainly due to profit made during FY 2022-23.

Consolidated financial overview

Revenue from operations
Revenue from operations increased to ₹1,93,780.60 Lakhs in FY 2022-23 compared to ₹1,74,806.33 Lakhs in 2021-22.

Cost and expenses

There was an increase of 21.68 % in the cost of construction material consumed in accordance with an increase in revenue from operations and a decrease of (692.79%) in the changes in inventories of Finished Goods and Work-in-Progress because of a subsequent accumulation and work execution stage.

Employee benefit expenses

The employee benefit expenses increased to ₹9,345.15 Lakhs in FY 2022-23 from ₹7,233.92 Lakhs in FY 2021-22 due to an increase in headcount and managerial remuneration during the year.

Profit after tax

The profit after tax stood at ₹13,464.12 Lakhs in FY 2022-23 compared to 16,627.47 Lakhs in FY 2021-22.

Net worth

The net worth increased from ₹68,695.93 Lakhs as on March 31, 2022, to ₹80,099.25 Lakhs as on March 31, 2023, an increase of 16.60% due to profits made during FY 2022-23.

Total borrowings

The total borrowings of the Group increased from ₹9.965.69 Lakhs as on March 31, 2022, to 14,498.13 Lakhs as on March 31, 2023

Key Financial Ratios (Standalone)

Sr. No.	Ratios	Numerator	Denominator	FY 2022-23	FY 2021-22	(%) CHANGE	Reason for variance
1	Current ratio (times)	Current Assets	Current Liabilities	1.39	1.45	(4.14%)	
2	Debt equity ratio (times)	Total Borrowings	Total Equity	0.18	0.15	20%	Increased mainly on account of increase in team loan and working capital borrowings during the financial year.
3	Debt service coverage ratio (times	Earnings for debt service (i)	Debt service (ii)	7.92	24.84	(68.10%)	Decreased mainly on account of increase in term loan and working capital borrowings during the year.
4	Return on equity ratio (%)	Net Profit After Tax	Average Total Equity	17.92%	26.56%	(32.53%)	Decrease mainly on account of exceptional high profit margin in previous year, as large sized projects were in the finishing stage.
5	Inventory turnover ratio (times)	Cost of Goods Sold	Average Inventory	4.97	5.89	(15.62%)	
6	Trade receivable turnover ratio (times)	Revenue from Operations	Average Trade Receivables	5.17	6.55	(21.07%)	Decreased mainly on account of increase in trade receivables as compared to previous year.
7	Trade payables turnover ratio (times)	Cost of Goods Sold+ Construction Expenses	Average Trade Payable	5.06	5.41	(6.47%)	
8	Net capital turnover ratio (times)	Revenue from Operations	Average Working Capital	6.28	7.02	(10.54%)	

9	Net profit ratio (%)	Net Profit After Tax	Revenue from Operations	6.9%	9.29%	(25.73%)	Decrease mainly on account of exceptional high profit margin in previous year as large sized projects were in the finishing stage.
10	Return on capital employed (%)	Earning Before Interest & Taxes	Average Capital Employed (Total Equity + Long term Borrowings)	24.03%	36.12%	(33.48%)	Decrease mainly on account of exceptional high profit margin in previous year as large sized projects were in the finishing stage.
11	Return on investment (%)	Interest income on Fixed Deposits	Average Investment in Fixed Deposits	5.51%	4.59%	20.04%	Increased mainly on account of high rate of interest and overall base of fixed deposits.
12	EBITDA/ turnover	Earnings Before Interest, Tax, Depreciation and Amortisation	Turnover	0.12	0.15	(20.38%)	Decrease mainly on account of exceptional high profit margin in previous year as large sized projects were in the finishing stage.
13	Interest coverage ratio	Earning Before Interest & Taxes	Interest cost	7.33	12.48	(41.23%)	Decreased mainly on account of increase in term loan and working capital borrowings during the financial year.
14	Operating profit margin (%)	Earnings Before Interest & Taxes	Revenue from Operation	9.60%	12.84%	(25.19%)	Decrease mainly on account of exceptional high profit margin in previous year as large sized projects were in the finishing stage.

(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 write off/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 during the year

Risk and mitigation

Economic risk: Economic slowdown might hamper the Company's business operations.

Mitigation: The Company periodically evaluates the economic environment to identify any prominent economic and construction market downturn. Early evaluation enables the Company to take the essential steps before an economic slowdown begins. Its dependence on any segment or area is reduced by the broad offers and global presence, which reduces the effects of slowdown.

Currency risk: Volatile currency movements in forex market might negatively impact the Company's earnings.

Mitigation: The Company has minimal impact of currency fluctuations as the Company's operations are concentrated at domestic level.

Competition risk: Growing competition might moderate the number of projects awarded.

Mitigation: The Company receives new contracts on account of increased expertise, robust brand recall client relationships and other government agencies as well as its long standing relationships with its clients.

Financing risk: Reduced debt servicing capacity and increased finance costs might hamper the Company's business.

Mitigation: The Company can handle its current debt because of good working capital strategy, prompt debtor management, healthy profitability margin and consistent cash flow.

Competence risk: Inability to provide high quality construction on time might hamper the Company's image.

Mitigation: The Company possesses adequate experience in the construction industry and derives new insights from recent projects. This helps the Company to recognise problems and undertake measures to ascertain timely delivery.

Human resource risk: The Company's success might be affected by its inability to attract and retain experienced employees.

Mitigation: The Company's HR policy aims to recruit the best candidates and retain them through continuous learning experience, promoting a positive work environment and developing a culture of personal growth. Further, the Company's policy aims to recruit the finest personnel and retain them by offering for continuous learning, a positive work environment and personal growth.

Technology risks: Failure to adopt new technologies might hamper the Company's growth

Mitigation: The Company undertakes significant advancements in the safety, effectiveness and productivity of large-scale construction projects through advanced construction technologies. Utilising advanced technology enables the Company to provide improved quality work at a reduced cost.

Human resource management

At PSP Projects, we believe that employees are the strength of the organisation. We have developed a well-defined HR policy to drive the employees to perform on the organisational vision by providing talent development, and constantly improving on employee engagement. Strengthening its HR processes and practices helped the Company to perform the expanded set of rolls for its employees and workers. With the implementation of darwin box technology, the Company has achieved automation for most of its HR processes and practices such as hiring employees, segregating employees based on various factors such as department level, payment days, payment details etc. leading to increase in its efficiency and response time of HR function.

Most of the employee records are now being digitally maintained. Learning is an important part of its talent development initiative. Training programs are organised for the productivity improvement of the new recruits through various formats, including instructor led training, e-learning and on-the-job simulations within the first week of joining. The Company provides a healthy work environment and maintains dialogue with every person to sustain employee engagement.

The Company encourages employee participation in various socioeconomic activities to help the less privileged. As on March 31, 2023, employee strength of the Company stood at 1836. The Company believes in the importance of better management of industrial relations for achieving the organizational goal. It also complies with the regulations that govern industrial relations. The industrial relations of the Company in FY 2022-23 were amicable.

Information technology

The Company's technology backbone has been more than just an enabler; it has become the symbol of a modern corporate mindset. The System Application and Products (SAP) system adopted by the Company provides the timely sharing of details of construction work with the management, improving project visibility.

The SAP HANA database management system developed by SAP SE installed by the Company allows a real-time data processing to analyse business operations. The SAP HANA database system helps the Company to develop intelligent and live solutions for quick decision-making on a single data copy and support next generation transactional processing with advanced analytics. Work assessment utilising this technology enhances ability to shift plans or keep the existing plans in place.

The strengthened security measures adopted by the Company in the backdrop of heightened cybersecurity risks globally has enabled it to keep data safe from security threats. The Company will continue to invest in building security over cyber-attacks. The Company's auditors conducted the Company's IT General Controls (ITGC) audit and found the controls to be satisfactory. The Company is using a web and mobile based NCR management tool to seamlessly track progress of NCRs and provides accurate quality assurance at all its sites.

The Company has implemented a web based daily labour report portal in place of earlier manual processes. This transformation has helped the Company in maintaining the labour data such as man hours, shift timings etc. digitally, which can be easily tracked and checked any time by different departments across the organisation. This has made the reconciliation process very easy, which results in saving of time and efforts of the employees. Moreover, this system requires less human intervention leading to data accuracy as the manipulation of data becomes very difficult.

The Company implemented inventory management software to track and trace the assets at project sites on a real-time basis leading to improved asset utilisation at site by proper allocation. The adoption of a GPS-based vehicle tracking system helps the Company locate and monitor vehicles efficiently.

Internal control and its adequacy

Internal financial controls mean the policies and procedures adopted by the Company to ensure the following:

- Orderly and efficient conduct of its business, including adherence to Company's policies,
- Safeguarding of assets
- Prevention and detection of frauds and errors
- Accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

The Company has a well-placed, proper and adequate internal control system, which ensures that all assets are safeguarded and protected and that the transactions are authorised, recorded and reported correctly. The Company's internal financial control framework is commensurate with the size and operations of the business and is in line with the requirements of the Companies Act, 2013.

The management approved, adopted and implemented policy documents/standard operating procedures which assists the various departments of the Company in ensuring accountability, accuracy, controls and transparency within the organisation. The internal audit plan was approved by Audit Committee in the first meeting of each financial year. The audit plan includes a combination of audit of internal control systems and operational audits. Audit of internal control system focuses on the adequacy of internal controls in the Company and the reporting system in various functional areas like purchase, sales, accounts, human resource, admin, contracts and other departments. The Company does not have a separate internal audit department, but the internal auditor conducts internal audit on quarterly basis with the support of the process owners and reports summary of key issues and response from the process owners along with action taken report on the issues highlighted in the previous report to the Audit committee. The Audit committee reviews the audit observations, management responses to the same and suggests corrective actions, if necessary. It maintains a constant dialog with the auditors to ensure that internal control systems are operating effectively.

Cautionary statement

The Management Discussion and Analysis report, containing your Company's objectives, projections, estimates and expectations, may constitute certain statements, which are forward-looking within the meaning of applicable laws and regulations. The statements in this Management Discussion and Analysis Report could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operation include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in the governmental regulations, tax regimes, economic developments within India and globally and other incidental factors.

Board's Report

Dear Members,

Your Directors have the pleasure in presenting the Fifteenth (15th) Board's Report on the business and operations of your Company ('PSP Projects Limited' or 'PSP Projects' or 'the Company'), together with the Audited Standalone and Consolidated Financial Statements for the financial year ended March 31, 2023.

1. Financial Highlights

The standalone and consolidated performance for the financial year ended March 31, 2023 vis-à-vis March 31, 2022 is as under:

(₹in Lakhs, except per equity share data)

Particulars	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Revenue from operations	1,92,664.91	1,74,875.88	1,93,780.60	1,74,806.33
Other income (net)	2,709.56	2,125.54	2,500.09	2,171.64
Total Income (A)	**1,95,374.47**	**1,77,001.42**	**1,96,280.69**	**1,76,977.97**
Cost of Construction Material Consumed	59,941.76	49,538.50	60,277.45	49,539.08
Changes in Inventories of Finished Goods and Work-In-Progress	(2,207.15)	457.72	(2,126.15)	358.67
Construction Expenses	1,00,470.38	89,132.40	1,00,915.38	89,161.31
Employee Benefits Expenses	9,345.15	7,233.92	9,345.15	7,233.92
Finance Costs	3,195.94	2,639.62	3,195.97	2,648.89
Depreciation and amortization expense	4,000.52	3,205.28	4,000.52	3,205.28
Other Expenses	2,613.56	2,862.63	2,362.39	2,669.44
Total Expenses (B)	**1,77,360.16**	**1,55,070.07**	**1,77,970.71**	**1,54,816.59**
Profit/ (Loss) Before tax (PBT) (A-B) = (C)	**18,014.31**	**21,931.35**	**18,309.98**	**22,161.38**
Exceptional Gain/ (Loss) (Net of tax) (D)	**0.00**	**0.00**	**0.00**	**0.00**
Profit/ (Loss) Before tax and after Exceptional item (C-D)	**18,014.31**	**21,931.35**	**18,309.98**	**22,161.38**
Less: Total Tax Expense	4,712.49	5,690.93	4,845.86	5,533.91
Net Profit After Tax (PAT) before share in profit/ (loss) of joint venture	**13,301.82**	**16,240.42**	**13,464.12**	**16,627.47**
Share of Profit/(Loss) from JV	-	-	(270.00)	37.76
Other Comprehensive Income	9.20	(128.18)	9.20	(119.25)
Total Comprehensive Income	**13,311.02**	**16,112.24**	**13,203.32**	**16,545.98**
Paid up Equity share capital –Face value ₹ 10/- each	**3,600.00**	**3,600.00**	**3,600.00**	**3,600.00**
Other Equity excluding Revaluation Reserves	**76,382.54**	**64,871.52**	**76,499.25**	**65,095.93**
Earnings per share (₹10/- each)				
a) Basic	36.95	45.11	36.65	46.29
b) Diluted	36.95	45.11	36.65	46.29

2. Financial Performance Review

a) Summary of Standalone Financial Performance

(₹in Lakhs)

Particulars	2022-23	2021-22	YOY growth (%)
Revenue from operations	1,92,664.91	1,74,875.88	10%
Total Operating Expenses	1,70,163.70	1,49,225.17	14%
EBITDA	22,501.21	25,650.71	(12%)
EBITDA Margin (%)	11.68%	14.67%	-
Profit Before Tax and after Exceptional Item	18,014.31	21,931.35	(18%)
Profit After Tax	13,311.02	16,112.24	(17%)
PAT Margin (%)	6.81%	9.10%	-

b) Summary of Consolidated Financial Performance

(₹in Lakhs)

Particulars	2022-23	2021-22	YOY growth (%)
Revenue from operations	1,93,780.60	1,74,806.33	11%
Total Operating Expenses	1,70,774.22	1,48,962.42	15%
EBITDA	23,006.38	25,843.91	(11%)
EBITDA Margin (%)	11.87%	14.78%	-
Profit Before Tax	18,309.98	22,161.38	(17%)
Profit After Tax	13,203.32	16,545.98	(20%)
PAT Margin (%)	6.73%	9.35%	-

Overall, the standalone financials are nearly similar to the consolidated financials as the impact of consolidation of subsidiaries financials with standalone financials is insignificant.

3. Operational Performance Review

During the year under review, your company received new work orders worth ₹3,421 Crores.

The major/ prestigious projects awarded during the year includes the following:

- Construction of State of Art high rise office building for Surat Municipal Corporation at Surat, Gujarat worth ₹1,344 Crores.
- Construction of 3 high rise Residential Buildings at Ahmedabad and Gandhinagar worth ₹470 Crores.
- Construction of Phase II and III of Noodle Factory worth ₹314 Crores.
- Construction of ACC and Adani Power House worth ₹290 Crores.
- Manufacturing of Precast Concrete Cable Ducts for Larsen & Toubro Limited for the Bullet Train Project worth ₹143.24 Crores.
- Construction work for T1 & T2 Terminals at Sardar Vallabhbhai Patel Airport at Ahmedabad worth ₹128 Crores.
- Construction of Industrial Plant for Torrent Pharmaceutical Limited at Ahmedabad, Gujarat worth ₹99 Crores.
- Construction and Maintenance of Archaeological Experiential Museum at Vadnagar, Gujarat worth ₹97 Crores.

Your company has successfully completed 205 projects till March 31, 2023, out of which 22 projects were completed during the financial year 2022-23.

The Major projects completed during the year includes Surat Diamond Bourse Project at Surat, Development and Beautification of Shri Kashi Vishwnath Temple at Varanasi, Reliance Rehab and Rescue Centre Project at Jamnagar, Construction of Palladium Mall at Ahmedabad.

As on March 31, 2023, the value of work on hand stands at ₹5,052 Crores, including 47 projects under execution spread over Gujarat and Uttar Pradesh. The category wise and geographical wise breakup of the order book is as under:

Category wise Break up

Category	% of order book
Institutional	21%
Government	56%
Industrial	11%
Residential	12%

Geographical Break up

Category	% of order book
Gujarat	74%
Uttar Pradesh	26%

4. Awards and Recognitions

During the period under review, your company was felicitated with an award "Fastest Growing Construction Company" in Small Category in India for the fourth consecutive year accompanied by the "India's Top Challengers Award" at the 20th Construction World Global Awards, 2022. Your company was also felicitated with the "National Safety Award" in the National Safety Council of India Safety Awards – 2022 for its projects Adani Aster & Amogha and Adani Estate. The project "Student Activity Centre" at Ahmedabad University was felicitated with the "Institutional Project of the year" award at the 14th Realty Plus Conclave & Excellence Awards 2022, Gujarat"

5. Quality, Environment, Health and Safety

Your company's continual commitment to safety, health, environment and quality management is achieved through implementation of an integrated management system in accordance with ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018. Your company is conscious of its responsibility for creating, maintaining and ensuring safe and clean environment, reduce health and safety hazards through application of safety-oriented technology and adopting safe work practices for sustainable development.

6. Material changes and commitments, if any affecting the financial position of the company occurred between the end of financial year to which this financial statements relate and date of the report

There have been no material changes and commitments, which affects the financial position of your Company, that have occurred between the end of the financial year to which the financial statements relate and the date of this report. The details of status of court cases is given below:

In Miscellaneous Civil Application No. 239 of 2021, the Company claimed an order of Injunction under Section 9 of the Arbitration and Conciliation Act, 1996 to prevent encashing and invoking of the Bank Guarantee of ₹673 Lakhs issued for our housing project under PMAY at Bhiwandi, Maharashtra in the proceeding before the Hon'ble District Court of Thane. The Hon'ble District Court by its order dated March 25, 2022, rejected our claim by its order dated March 25, 2022. The Company had challenged the aforesaid order and filed Commercial Arbitration Appeal No. (L) 8341 of 2022 seeking interim measures under Section 9 of the Arbitration and Conciliation Act, 1996 and the matter is res-subjudice.

In the CD Arbitration Petition No. 89 of 2021 against Bhiwandi and Nizampur City Municipal Corporation ("BNMC"), Hon'ble High Court of judicature at Bombay pronounced its judgement on January 27, 2023, wherein it had directed to constitute an Arbitral Tribunal of 3 (three) members. Accordingly, the Arbitral Tribunal has been constituted and the company has submitted Statement of claims/Counter claims have been submitted with the Arbitral Tribunal. The matter is res-subjudice.

The Company has filed the Arbitration Petition No. 8 of 2023 in the Commercial Division bench of High Court of Judicature at Bombay against Pandharpur Municipal Corporation, wherein the respondent has not paid the outstanding dues of ₹16.89 Crores in spite of several reminders and notices. In this matter, the company has prayed the Hon'ble High Court to appoint Arbitrator(s) to resolve the disputes and differences between the parties. The matter is res-subjudice.

7. Dividend

Your directors are pleased to recommend a dividend of ₹2.50 (25%) per equity share of face value of ₹10/- each for the financial year ended March 31, 2023 payable to those shareholders whose names appear in Register of Members as on book closure/record date.

As per the prevailing provisions of the Income Tax Act, 1961, the dividend, if declared, will be taxable in the hands of the shareholders at the applicable rates. For details, shareholders are requested to refer to notes to the Notice of Annual General Meeting.

The dividend pay-out is in accordance with the Company's Dividend Distribution Policy, which is available on the website of the company at https://www.pspprojects.com/wp-content/uploads/2023/06/Dividend-Distribution-Policy.pdf

a) Unpaid/Unclaimed Dividend

The details of total amount lying in the Unpaid Dividend Account of the company as on March 31, 2023 are as under:

Dividend for the Financial Year	Amount of Unpaid/ Unclaimed Dividend as on	Amount of Unpaid/ Unclaimed Dividend (in ₹ in Lakhs)
2021-22	March 31, 2023	3.59
2020-21	March 31, 2023	0.31
2019-20	March 31, 2023	0.66
2018-19	March 31, 2023	0.47
2017-18	March 31, 2023	0.57
2016-17	March 31, 2023	0.15

The Statement containing the names, last known addresses, amount of dividend to be paid to the members and due date of transfer to the fund and the details of Nodal Officer as per IEPF Rules are available on the website of the company at https://www.pspprojects.com/track-record-of-dividend/

The Shareholders are therefore encouraged to verify their records and claim their dividends, if not claimed.

b) Transfer of unclaimed dividend to Investor Education and Protection Fund

In accordance with provisions of sub-section (5) and (6) of section 124 of the Companies Act, 2013 ("the Act"), any money transferred to the Unpaid Dividend Account of a company and all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the company to Investor Education and Protection Fund ("IEPF") along with a statement containing such details as may be prescribed. Since the statutory period of seven years has yet not been completed for transfer of unclaimed and unpaid dividend, the provision of Section 125 of the Act are not applicable to your company and hence the details required under that Section have not been provided.

8. Appropriations

a) Transfer to Reserves

The Board of Directors of your company have decided not to transfer any amount to the Reserves for the year under review.

b) Public Deposits

During the year under review, your Company has not accepted any deposits from public or member of the Company under Chapter V of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014. Thus, no amount on account of principal or interest on deposits from public was outstanding as on March 31, 2023.

9. Credit Rating

The details of ratings assigned/reaffirmed by the CARE Ratings Limited during the year under review for your company's Long term/Short term bank facilities are as under:

Facilities	Amount (₹ in Lakhs)	Rating	Rating Action
Long-term Bank Facilities	30,000.00	CARE A+; Stable	Reaffirmed
Long Term / Short Term Bank Facilities	105,500.00	CARE A+; Stable / CARE A1+	Reaffirmed
Short Term Bank Facilities	4,200.00	CARE A1+	Reaffirmed
Total Facilities	**1,39,700.00 [Rupees One Lakh Thirty Nine Thousand Seven Hundred Lakhs Only]**		

10. Share Capital

There was no change in the share capital structure of your company during the year under review.

As on March 31, 2023, the Authorized Share Capital of the company stood at ₹ 50,00,00,000/- representing 5,00,00,000 Equity Shares of face value of ₹10/- each and the paid up share capital stood at ₹36,00,00,000/- representing 3,60,00,000 Equity Shares of face value of ₹10/- each.

As on March 31, 2023, 100% of your Company's total paid up capital representing 3,60,00,000 shares were in dematerialized form.

During the year under review, your company has not issued any shares with differential voting rights or any sweat shares or any shares under Employees Stock Option scheme and hence no information for the same has been furnished.

11. Performance of Subsidiaries/Joint Venture

Your Company has two wholly owned subsidiaries viz. PSP Projects & Proactive Constructions Private Limited and PSP Foundation, and one joint venture viz. GDCL & PSP Joint Venture as on March 31, 2023. There is no associate company that falls within the meaning of Section 2(6) of the Companies Act, 2013. There has been no material change in the nature of the business of the subsidiaries and Joint Venture.

The summary of performance of the subsidiaries and joint venture is as under:

PSP Projects & Proactive Constructions Private Limited

PSP Projects & Proactive Constructions Private Limited ("PSP Proactive") is a wholly owned subsidiary of the company. PSP Proactive has earned a total income of ₹1,433.79 Lakhs and incurred total expenses of ₹1,208.12 Lakhs and hence generated Profit after Tax of ₹92.30 Lakhs during the financial year 2022-23.

PSP Foundation

PSP Foundation was incorporated as a wholly owned subsidiary under section 8 of the Act to promote and support CSR activities of your company. Your Company holds 100% shares in PSP Foundation with one nominee shareholder holding one share on behalf of the company. PSP Foundation has not materially started its operations during the financial year 2022-23.

GDCL & PSP Joint Venture

As on March 31, 2023, GDCL & PSP Joint Venture has earned a total income of ₹36.92 Lakhs and incurred a loss of ₹551.03 Lakhs.

Pursuant to the provisions of Section 129(3) of the Act, a statement containing the salient features of financial statements of the Company's subsidiaries and Joint venture in Form No. AOC-1 is annexed with the Consolidated Financial Statements.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company along with relevant documents and separate financial statements in respect of subsidiaries, are available on the website of your Company at https://www.pspprojects.com/financial-performance/ and are available for inspection by the members during working hours at the Registered office of the company.

As on March 31, 2023, your Company does not have any material subsidiary pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"). The Policy for determining material subsidiaries is available on the website of the company at https://www.pspprojects.com/wp-content/uploads/2023/06/Policy-on-Material-Subsidiary.pdf

12. Annual Return

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return as on March 31, 2023 is available on the website of the company at https://www.pspprojects.com/financial-performance/.

13. Committees of the Board

Your company's Board of Directors have constituted the following committees:

a) Audit Committee;

b) Nomination and Remuneration Committee;

c) Stakeholder Relationship Committee;

d) Corporate Social Responsibility Committee;

e) Risk Management Committee;

f) ESG Steering Committee;

g) Fund Raising Committee; and

h) Management Committee.

Details of terms of reference of the Committees, Committee membership, changes and attendance of members at meetings of the Committees are included in the Corporate Governance Report, which forms part of this Annual Report.

14. Directors and Key Managerial Personnel

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the company, Ms. Pooja P. Patel (DIN: 07168083), Whole Time Director of the company, retires by rotation at the ensuing 15th Annual General Meeting and being eligible offers herself for re-appointment. The board recommends her re-appointment.

Mrs. Achala M. Patel (DIN: 00914990), who was appointed as an Additional Non-Executive Independent Director of the Company for a period of five years w.e.f July 14, 2022 was appointed as an Independent Director of the Company by the shareholders in their 14th Annual General Meeting held on September 27, 2022.

During the year under review, Mrs. Zarana P. Patel (DIN: 08580937) ceased to be an Independent Director of the Company w.e.f. June 23, 2022 due to her sad and untimely demise. The Board places its deepest condolences to her family and takes on record appreciation for her invaluable contribution and guidance during her tenure.

All the Independent Directors of your Company have affirmed compliance to the code of conduct for Independent Directors as prescribed in Schedule IV of the Companies Act, 2013 and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and have confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

The terms and conditions of appointment of the Independent Directors are available on the website of the company at https://www.pspprojects.com/wp-content/uploads/2023/06/Terms-and-Conditions-for-Independent-Directors.pdf

None of the Directors of your Company are disqualified under the provisions of Section 164(2)(a) and (b) of the Companies Act, 2013.

None of the Managing Director, Whole-time Director/Executive Director of the Company receive any remuneration or commission from any of its subsidiaries.

As on date of this report, Mr. Prahaladbhai S. Patel, Chairman, Managing Director & Chief Executive Officer, Ms. Pooja P. Patel, Whole Time Director, Mrs. Hetal Patel, Chief Financial Officer and Mr. Kenan Patel, Company Secretary and Compliance Officer are the Key Managerial Personnels of the company. During the year under review, there were no changes to the Key Managerial Personnels of the Company.

15. Meetings of the Board

During the year under review, the Board met four times viz. on May 27, 2022, August 09, 2022, October 18, 2022, and January 18, 2023. The necessary quorum was present during all the meetings.

The intervening gap of the board meetings were within the period as prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All the recommendations made by the Audit Committee were accepted by the Board of Directors at their respective meetings.

16. Programme for familiarisation of Directors

The policy and details of the Familiarisation Programme imparted to the Independent Directors of the company are available on the website of the company at https://www.pspprojects.com/wp-content/uploads/2023/06/Familirisation-Programme-for-Independent-Directors.pdf .

17. Vigil Mechanism / Whistle Blower

Your company has adopted a Whistle Blower Policy for its directors and employees to report genuine concerns and to freely communicate their concerns about the illegal or unethical practices and/or instances of leakage of Unpublished Price Sensitive Information as per the provisions of Section 177(9) and (10) of the Companies Act, 2013, Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Regulation 9A of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

During the year under review, no instances have been reported or investigated under the Whistle Blower / Vigil mechanism of the company. The Audit committee of the company reviews the functioning of this mechanism atleast once a year.

The Whistle Blower Policy of the company is available on the website of the company at https://www.pspprojects.com/wp-content/uploads/2023/06/Whistle-Blower-Policy.pdf

18. Director's Responsibility Statement

Pursuant to the requirement under clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013 ('Act'), with respect to the Directors' Responsibility Statement, the Board of Directors, to the best of their knowledge and ability, confirm that:

a) in the preparation of the annual accounts for the financial year ended March 31, 2023, the applicable accounting standards have been followed and there is no material departure from the same;

b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;

c) the directors have taken proper and sufficient care for the 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 fraud and other irregularities;

d) the directors have prepared the annual accounts for the financial year ended March 31, 2023 on a going concern basis;

e) the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

19. Auditors & their Reports

a) Statutory Auditors

M/s. Kantilal Patel & Co., Chartered Accountants, Ahmedabad (FRN: 104744W) and M/s. Riddhi P. Sheth & Co., Chartered Accountants, Ahmedabad (FRN: 140190W) were appointed as the Joint Statutory Auditors of your company at the 10th Annual General Meeting held on September 27, 2018 for a term of five consecutive years and they hold the office till the conclusion of ensuing 15th Annual General Meeting.

The Joint Statutory Auditors have confirmed that their appointment is within the limits as specified in section 141 of the Companies Act, 2013 and they are not disqualified from continuing as Statutory Auditors of the Company until end of their current tenure. The report of the Joint Statutory Auditors along with Notes to Accounts forms part of this Annual Report. There are no qualifications, reservations or adverse remarks made by Joint Statutory Auditors of the company in their report for the financial year ended March 31, 2023.

Pursuant to the provisions of Section 139 of the Act, read with the Companies (Audit and Auditors) Rules, 2014, and based on the recommendations of the Audit Committee, it is proposed to reappoint M/s. Kantilal Patel & Co., Chartered Accountants, Ahmedabad (FRN: 104744W) for a second term of five years and appoint M/s. Prakash B Sheth & Co, Chartered Accountants, Ahmedabad (FRN: 108069W) as the joint Statutory Auditors from the conclusion of 15th AGM till the conclusion of 20th AGM of the Company to be held in the year 2028. Both the proposed Auditors have, pursuant to Section 139 of the Act, provided written consent and furnished a certificate regarding eligibility for their appointment/reappointment.

b) Secretarial Auditor

The Board of Directors of the Company, at their meeting held on August 09, 2022, appointed M/s. Chirag Shah & Associates (COP: 3498), Practicing Company Secretaries, Ahmedabad as Secretarial Auditors of the Company for the financial year 2022-23. The Secretarial Audit Report for financial year 2022-23 is annexed to this report as **Annexure A**. The observations/remarks of the Secretarial Auditor in his report are self-explanatory and do not call any further explanation/comments of the Board of directors.

Further, the subsidiaries of the Company are not material unlisted subsidiaries. Therefore, the provisions regarding the Secretarial Audit as mentioned in Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements), 2015 as amended from time to time, do not apply to such subsidiaries.

c) Cost Auditor

In terms of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company is required to maintain cost records and accordingly, such accounts are being prepared and records have been maintained. M/s. K V M & Co., Cost Accountant (FRN: 000458) carried out the Cost Audit for the financial year 2022-23 as the Cost Auditors of the Company.

Further, as per section 148 read with Companies (Audit and Auditors) Rules, 2014, the board of directors of the Company have appointed of M/s. K V M & Co., Cost Accountant (FRN: 000458) as the Cost Auditor of your Company for the financial year 2023-24 and the Company has received consent for their re-appointment as the Cost Auditors of the Company to that effect.

The remuneration payable to the Cost Auditors is required to be ratified by the members of the Company. Accordingly, a resolution seeking members' ratification for the remuneration payable to the Cost Auditor forms part of the Notice convening the 15th Annual General Meeting.

d) **Internal Auditor**

Manubhai & Shah LLP, Chartered Accountants, Ahmedabad (LLP identity No. AAG-0878) continued to be the Internal Auditors of the company as per the provisions of Section 138 of the Companies Act, 2013 for conducting the internal audit of the company for the financial year 2022-23. The Internal Audit Reports issued by Manubhai & Shah LLP are submitted to the Audit Committee and Board of directors on quarterly basis.

Further, as per section 138(1) read with Companies (Accounts) Rules, 2014, the board of directors of the Company have re-appointed of Manubhai & Shah LLP, Chartered Accountants, Ahmedabad (LLP identity No. AAG-0878) as the Internal Auditor of your Company for the financial year 2023-24 and the Company has also received consent for their re-appointment as the Internal Auditors of the Company to that effect.

20. Corporate Social Responsibility

Your Company believes that CSR activities are not mere charity or donations, they reflect the manner in which the business is conducted by directly focusing on the needs of the Society at large. Your Company as a socially responsible entity not limiting the usage of resources to engage in activities that increase only their profits, but rather aims to provide a dedicated approach to community development in the areas of water conservation, health and hygiene, skill development, education, social advancement, gender equality, women empowerment, and rural development, ensuring environmental sustainability.

As per the requirements of Section 135 of the Act pertaining to Corporate Social Responsibility ("CSR"), the Company has duly constituted a Corporate Social Responsibility Committee ("CSR Committee"), which comprises of Mr. Sandeep H. Shah, Independent Director (Chairman), Mr. Prahaladbhai S. Patel, Chairman and Managing Director (Member) and Ms. Pooja P. Patel, Whole-time Director (Member) of the company. Further details regarding CSR Committee are included in the Corporate Governance Report which forms part of this Annual Report. Annual Report on CSR Activities for the financial year 2022-23 is annexed as **Annexure B**.

During the year under review, your company has utilised a total amount of ₹348.65 Lakhs towards its CSR Obligation. Further, during the year under review, the company has spent excess amount of ₹0.38 Lakhs, which will be available for set-off in succeeding three financial years as per the provisions of Section 135(5) of the Companies Act, 2013 read with Rule 7(3) of the Companies (Corporate Social responsibility) Rules, 2014 as amended from time to time.

The CSR Policy is available on the website of your company at https://www.pspprojects.com/wp-content/uploads/2023/06/CSR-Policy.pdf

21. Secretarial Standards

During the year under review, your company has complied with all the applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government as per Section 118 (10) of the Companies Act, 2013.

22. Management Discussion and Analysis Report

The Management Discussion and Analysis Report for the year under review as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented in a separate section, which forms part of this Annual Report.

23. Corporate Governance Report

The Corporate Governance Report for the year under review as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, together with the Certificate from the Practicing Company Secretaries regarding compliance of conditions of Corporate Governance is presented under a separate section, which forms part of this Annual Report.

24. Business Responsibility and Sustainability Report

A Business Responsibility and Sustainability Report as stipulated under Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, that covers our ESG vision, policy, agenda and progress against elements of each of the nine principles under the National Guidelines on Responsible Business Conduct is presented under a separate section, which forms part of this Annual Report.

25. Nomination and Remuneration Policy

The Nomination and Remuneration policy for the Directors, Key Managerial Personnel and Senior Management Personnel as per Section 178(3) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time is available on the website of the Company at https://www.pspprojects.com/wp-content/uploads/2023/06/Nomination-and-Remuneration-Policy.pdf

The board of directors of the Company affirm that the remuneration paid to the Executive Directors of your company is as per the Nomination and Remuneration policy adopted by your company.

26. Performance Evaluation

In accordance with the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Annual Performance Evaluation was conducted for all Board Members as well as the working of the Board and its Committees through structured questionnaires.

The exercise was carried out based on the criteria prescribed by the Nomination and Remuneration committee and in accordance with the guidance notes issued by SEBI on Annual Performance Evaluation of board, committees and directors through questionnaire designed with qualitative parameters and feedback based on ratings.

In a separate meeting of independent directors, performance of non-independent directors, the board as a whole and Chairperson of the Company was evaluated, taking into account the views of executive directors and non-executive directors, while the performance evaluation of the Independent Directors was carried out by the entire Board.

The Directors expressed their overall satisfaction on the evaluation process and that the board, the committees and the directors are functioning well.

27. Particulars of Loans, Guarantees or Investments

Details of the loans, guarantees, investments and securities covered under Section 186 of the Companies Act, 2013 for the financial year under review are given in the notes to the financial statements forming part of this Annual Report.

28. Particulars of contracts or arrangements with Related parties

Your Company has formulated a policy on materiality of related party transactions which is available on the website of the company at https://www.pspprojects.com/wp-content/uploads/2023/06/Policy-on-Materiality-of-RPT.pdf

All Related Party Transactions and subsequent material modifications are placed before the Audit Committee for its review and approval. Prior omnibus approval is obtained for Related Party Transactions on annual basis for transactions which are of repetitive nature and/or entered in the ordinary course of business and are at arm's length. All related party transactions are placed before the Audit Committee for its review and confirmation on a quarterly basis.

All Related Party Transactions entered during the year were in ordinary course of the business and at arm's length basis and there were no material Related Party Transactions entered by your company during the year under review. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013, in Form AOC-2 is not applicable.

Disclosures on related party transactions as per Indian Accounting Standards on 'Related Party Disclosures' are set out in Notes to the financial statements, which forms part of this Annual Report.

29. Risk Management and Internal control system and their adequacy

The Board of Directors have adopted a framework of risk management to identify risks inherent in business operations of the company and provides guidelines to identify, assessment, evaluation, treatment, escalation and review the risks.

Your company has a Risk Management Committee to assist the board in monitoring and reviewing of the risk management plan and charter of the Company.

The board reviews significant risks and decisions that could have a material impact on the company, which inter alia includes management of Economic and Political risk, Financial Risk, Technology Risk, Foreign Exchange Risk, Cyber Security Risk, Operational Risk, Sustainability Risk, Competition Risk, Legal/Regulatory Risk, Workforce health and safety Risk and other internal and external business risks.

Major risks identified by the company and its mitigating factors have been covered in the Management Discussion and Analysis Report, which forms part of this Annual report.

The Board of Directors of your Company have laid down internal financial controls being followed by the Company and that such internal financial controls are adequate and operating effectively. Your Company has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, business continuity, 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 disclosures.

Pursuant to Regulation 17 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the CEO and CFO has provided certification regarding the adequacy of the Internal control systems and procedures. The Audit committee inter alia, is assigned with the task of reviewing the adequacy of and effectiveness of the internal audit function.

There were no material or serious observations received from the Auditors of the Company regarding inadequacy or ineffectiveness of such controls during the period under review. Further details in respect of internal control system and their adequacy are included in the Management Discussion and Analysis Report, which forms part of this Annual report.

30. Policy on prevention of sexual harassment at workplace

Your company has in place a Policy for prevention of Sexual Harassment at the Workplace in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints regarding sexual harassment comprising of one women Presiding Officer and two employees one external women member. All employees (permanent, temporary, trainees) are covered under this policy.

During the year under review, the ICC has not received any complaints about sexual harassment in the company.

To build awareness in this area, the Company has been conducting detailed orientation to new employees on Policy for prevention of Sexual Harassment at the Workplace adopted by the Company.

31. Reporting of frauds

During the year under review, the Auditors of the Company have not reported any fraud as specified under the second proviso of Section 143 (12) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and hence, there is nothing to report by the Board of Directors under Section 134 (3) (ca) of the Companies Act, 2013.

32. Particulars of employees

The company had 1836 employees on a standalone basis as at March 31, 2023. The information as required under Section 197(12) read with Rule 5(1) and 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time is annexed to this report as **Annexure C**.

33. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The Company had 1836 employees on a standalone basis as at March 31, 2023. The Particulars of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo as required under Section 134(3) (m) read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed to this report as **Annexure D**.

34. Other Disclosures

During the year under review:

- There has been no change in the nature of business of the company.
- no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status of the Company and or it's operations in future;
- no proceedings are made or pending under the Insolvency and Bankruptcy Code, 2016 and there is no instance of one-time settlement with any Bank or Financial Institution.

35. Caution Statement

The Statements in the Directors' Report and the Management Discussion and Analysis Report describing the Company's objectives, expectations or predictions may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Crucial factors that could influence the Company's operations include supply conditions affecting selling prices, new capacity additions, availability of critical materials and their cost, changes in government policies and tax laws, economic development of the country and other factors that are material to the business operations of the Company.

36. Appreciations and Acknowledgements

Your Directors takes this opportunity to thank the customers, shareholders, suppliers, bankers, business partners/associates, financial institutions, government, regulatory authorities and other stakeholders for their consistent support and encouragement to the Company.

Your Directors places on record their deep appreciation to employees and labours at all levels for their hard work, dedication, cooperation and commitment during the year.

And to you, our shareholders, we are deeply grateful for the confidence and faith that you have always reposed in us.

For & on behalf of the Board of Directors

Prahaladbhai S. Patel
Chairman, Managing Director & CEO
(DIN: 00037633)

Date: July 27, 2023
Place: Ahmedabad

Annexure A

Form No. MR-3

Secretarial Audit Report

for the financial year ended March 31, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
PSP PROJECTS LIMITED
"PSP House", Opp. Celesta Courtyard,
Opp. lane of Vikram Nagar Colony,
Iscon-Ambli Road,
Ahmedabad - 380058

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by PSP Projects Limited (CIN: L45201GJ2008PLC054868) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit by using appropriate Information technology tools like virtual data sharing by way of data room and remote desktop access tools, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made herein after. The physical Inspection or Verification of documents and records were taken to the extent possible.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made hereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations 2021: (Not Applicable to the Company during the audit period);

e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not Applicable to the Company during the audit period);

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations 2021; (Not Applicable to the Company during the audit period)

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not Applicable to the Company during the audit period)

i. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

j. The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

(vi) Laws specifically applicable to the industry to which the Company belongs, as identified by the management, that is to say:

a. The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996.

b. The building and other Construction Workers' Welfare Cess Act, 1996.

We have also examined compliance with the applicable clauses of the following:

a. Secretarial Standards issued by the Institute of Company Secretaries of India;

b. The Listing Agreements entered into by the Company with Stock Exchange(s);

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

As per the Information provided by the management, adequate notices were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the year under review, the Company has passed the following special resolutions in the 14th Annual General Meeting dated September 27, 2022:

a) To appoint Mrs. Achala M. Patel (DIN: 00914990) as Non-Executive Independent Director.

b) To revise the terms of Remuneration payable to Ms. Pooja P. Patel (DIN: 07168083), Whole-Time Director of the company.

c) Revision in the terms of Remuneration payable to Mr. Sagar P. Patel (DIN: 07168126), Executive Director of the company.

CS Chirag Shah
Partner
Chirag Shah and Associates
FCS No.: 5545
C. P. No. 3498
UDIN: F005545E000686368
Peer Review Cert. No. 704/2020

Place: Ahmedabad
Date: July 27, 2023

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

'Annexure A'

To,
The Members
PSP Projects Limited
"PSP House", Opp. Celesta Courtyard,
Opp. lane of Vikram Nagar Colony,
Iscon-Ambli Road,
Ahmedabad – 380058

Our Secretarial Audit Report of even date is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtain from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

CS Chirag Shah
Partner
Chirag Shah and Associates
FCS No.: 5545
C. P. No. 3498
UDIN: F005545E000686368
Peer Review Cert. No. 704/2020

Place: Ahmedabad
Date: July 27, 2023

Annexure B

Annual Report on Corporate Social Responsibilities (CSR) Activities for the financial year ended March 31, 2023

1. **Brief outline on CSR Policy of the Company:**

   The Corporate Social Responsibility Policy (CSR Policy) has been framed in accordance with the provisions of section 135 of the Companies Act, 2013 ("Act") and read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII of the Act as amended from time to time. The Company's CSR Policy ensures that the Company is committed to operate its business in an economically, socially and environmentally sustainable manner, while recognizing the interests of all its stakeholders and to impact the society with its efforts towards CSR.

2. **Composition of the CSR Committee:**

Sl.no	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR committee held during the year	Number of meetings of CSR committee attended during the year
1.	Mr. Sandeep H. Shah	Chairman/ Independent Director	3	3
2.	Mr. Prahaladbhai S. Patel	Member/ Managing Director	3	3
3.	Ms. Pooja P. Patel	Member/ Whole Time Director	3	3

3. **Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:**

   The Composition of CSR Committee is available on our website at https://www.pspprojects.com/composition-of-various-committees-of-board-of-directors/

   The CSR Policy of the Company is available on our website at https://www.pspprojects.com/wp-content/uploads/2023/06/CSR-Policy.pdf

   The details of CSR Activities is available on our website at https://www.pspprojects.com/wp-content/uploads/2023/07/Annual-Action-Plan-CSR-FY-23-24.pdf

4. **Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable:**

   The Company has not carried out Impact Assessment of its CSR Activities as its average CSR obligation in the three immediately preceding financial years does not exceed ₹10 Crores.

5. (a) **Average net profit of the company as per section 135(5):** ₹ 17,413.51 Lakhs

   (b) **Two percent of average net profit of the company as per section 135(5):** ₹348.27 Lakhs

   (c) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** Nil

   (d) **Amount required to be set off for the financial year, if any:** ₹13.24 Lakhs

   (e) **Total CSR obligation for the financial year (b+c-d):** ₹335.03 Lakhs

6. (a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** 335.41 Lakhs

   (b) **Amount spent in Administrative overheads:** Nil

   (c) **Amount spent on Impact Assessment, if applicable.:** NA

   (d) **Total amount spent for the Financial Year [(a)+(b)+(c)].:** 335.41 Lakhs

   (e) **CSR amount spent or unspent for the Financial Year:**

Total Amount Spent for the Financial Year (₹ in Lakhs)	Amount Unspent (₹ in Lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
335.41	NIL		NIL		

(g) **Excess amount for set off, if any:** ₹0.38 Lakhs

Sl.no	Particular	Amount (₹ in Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	348.27
(ii)	Excess amount spent in previous year and available for set off during the year	13.24
(iii)	Total amount spent for the Financial Year	335.41
(iv)	Excess amount spent for the financial year [(iii)-{(i)-(ii)}]	0.38
(v)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(vi)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.38

7. **Details of Unspent CSR amount for the preceding three financial years:**

Sr. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer.	
1	2021-22	N.A					
2	2020-21	Nil		PM CARES FUND	11,98,844	18.09.2021	-
3	2019-20	N.A					

8. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:**

   No

   If yes, enter the number of capital assets created/acquired: **N.A.**

   Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the financial year: **N.A.**

9. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).:** N.A.

On behalf of CSR Committee

Sandeep H. Shah
Chairman of CSR Committee Chairman,
(DIN: 00807162)

For and on behalf of board of directors

Prahaladbhai S. Patel
Managing Director & CEO
(DIN: 00037633)

Date: July 27, 2023
Place: Ahmedabad

Annexure C

Statement of Disclosure of Remuneration as required under Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Part A

a. **The ratio of the remuneration of each director to the median remuneration of the employees of the Company and percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the financial year:**

Sl.no	Name	Ratio of remuneration of each director to the median remuneration of employees	% increase in remuneration in the financial year
i.	Mr. Prahaladbhai S. Patel (Chairman, Managing Director & CEO)	406.26	195.76%
ii.	Ms. Pooja P. Patel (Whole Time Director)	62.50	22.43%
iii.	Mr. Sagar P. Patel (Executive Director)	62.50	129.32%
iv.	Mrs. Achala Patel* (Independent Director)	-	-
v.	Mr. Sandeep Shah* (Independent Director)	-	-
vi.	Mr. Vasishtha Patel* (Independent Director)	-	-
vii.	Mrs. Hetal Patel (Chief Financial Officer)	Not Applicable	13.24%
viii.	Mr. Kenan Patel (Company Secretary)	Not Applicable	Not Applicable#

** Independent Directors receive only sitting fees for attending board/committee meetings. There is no change in the sitting fees payable to the Independent Directors per board/committee meetings.*

 # Details of increase of remuneration is not provided as Mr. Kenan Patel was appointed as a Company Secretary during the FY 2021-22, w.e.f. 14.12.2021. Hence, the remuneration details are not comparable.

b. **The percentage increase in the median remuneration of employees in the financial year is** 16.18%

c. **The number of permanent employees on the rolls of Company as on March 31, 2023:** 1,836

d. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The average percentage increase in the salaries of employees other than the managerial personnel in the financial year 2022-23 was 9.81 %, whereas the average percentage increase in the managerial remuneration was 21.36%, as compared to previous year.

The average increase in the salaries of employees are based on their performance and is in line with the industry practice and within the normal range. The managerial remuneration was increased on account of performance of the managerial personnel during the year, which was in turn based on the expansion of roles and responsibilities of the managerial personnel and performance of the Company.

e. **Affirmation that the remuneration is as per the remuneration policy of the Company:**

The Company affirms that the remuneration is as per the remuneration policy of the Company.

Part B

a. **Names of Top Ten Employees in terms of remuneration who was in receipt of remuneration for that year which, in the aggregate, was not less than ₹102 Lakhs in aggregate, if employed throughout the year or ₹8.5 Lakhs per month, if employed for a part of the financial year**

Sr. no	Name	Designation & nature of Employment	Remuneration paid (per annum, ₹ in lakhs)	Qualifications & Experience	Date of commencement of employment	Age	Previous Employment	% of Equity shares held in the company(if any) as on March 31, 2023	Relation with Director or Manager if any
1.	Mr. Prahaladbhai S. Patel	Chairman, Managing Director & CEO	1,560.00	B.E (Civil)	26.08.2008	60	-	52.25%	Father of Ms. Pooja P. Patel and Mr. Sagar P. Patel
2.	Ms. Pooja P. Patel	Whole Time Director	240.00	B.E (Civil)	24.04.2015	30	-	2.78%	Daughter of Mr. Prahaladbhai S. Patel and Sister of Mr. Sagar P. Patel
3.	Mr. Sagar P. Patel	Executive Director	240.00	B.E (Civil)	22.10.2019	27	-	5.56%	Son of Mr. Prahaladbhai S. Patel and brother of Ms. Pooja P. Patel

b) There are no Employees employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and who holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

For & on behalf of the Board of Directors

Prahaladbhai S. Patel
Chairman & Managing Director & CEO
(DIN: 00037633)

Date: July 27, 2023
Place: Ahmedabad

Annexure D

Conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014

(A) Conservation of energy:

(i)	The steps taken or impact on conservation of energy	The Company has been maximising the use of energy efficient products and have upgraded to LED Lighting systems at all its project sites and office premises to improve energy efficiency in its operations. The Company has installed Double Glass Windows at its offices, which offer a thicker barrier between inside and the outside. This added protection not only reduces energy usage by up to 30% when compared to single glazed windows, but also helps keep out unwanted noise. The Company has replaced usage of Clay Bricks with AAC Block (Green Build Certified) at majority of its sites to optimise the Carbon footprints.
(ii)	The steps taken by the Company for utilizing alternate source of energy	As an alternate source of energy, the company has installed solar panels on roof of its corporate office and some major project sites to promote renewable source of energy. Further, the Company has also installed Solar rooftop with capacity of 425KW on its Precast manufacturing site, which will generate close to 5,95,000 units of Energy per annum. Further details on the same are included in the Business Responsibility and Sustainability Report which forms part of this Annual Report.
(iii)	The Capital investment on energy conservation equipment	₹146.62 Lakhs

(B) Technology Absorption:

(i)	The effort made towards technology absorption.	**Stationary Boom Placer** The Company has purchased Stationary Boom Placer for Concreting viz. PUTZMEISTER which is a Multi stationary boom established on the well-known high rise building project of Ahmedabad and it combines old strengths with new innovations. The result provides with increased flexibility and user-friendliness and reduced operating costs. One example is the boom can be assembled even faster and is easy to relocate. It can be lifted by the crane without any problems and assembled at any location in no time. Stationary concrete boom pumps increase the concrete pouring speed which in turn helps the project to be completed on time, while ensuring higher accuracy and quality in concrete pouring. On the other hand, a boom pump requires very less manpower - a driver and an operator are sufficient to do a typical concreting work and is extremely easy to use, operate and maintain. The boom pump offers the flexibility of moving the pipeline at will and also handling all sides with ease. Stationary concrete boom placers can significantly increase construction productivity. They have a high pumping capacity, which means they can deliver large volumes of concrete quickly. This reduces the time required for concrete pouring, leading to faster construction progress and improved project timelines. While the initial investment in a stationary concrete boom placer may be higher compared to traditional methods, they can lead to long-term cost savings. The increased productivity and faster construction process result in reduced labor requirements and lower overall project costs. Additionally, the accurate concrete placement minimizes wastage, saving on material expenses Going forward, with many projects coming up with high-rise buildings, the use of boom pump and boom placers will grow further to see a consistent speed of projects.
(ii)	The benefits derived like product improvement cost reduction, product development or import substitution.	

ACS – Automatic Climbing System Formwork Imported from PERI

ASC is the automatic climbing system formwork which enables rapid construction progress. It reduces the dependency on cranes, as the formwork can climb vertically with the help of hydraulic systems, saving time and costs associated with crane operations. The system allows for continuous construction progress, as the climbing process can be performed independently from other construction activities. This increases overall productivity on the construction site. The automatic climbing system ensures a high level of safety for workers. The formwork is securely attached to the structure during the climbing process, reducing the risk of accidents or falls. The system is designed to comply with stringent safety standards.

The system incorporates integrated material handling platforms that facilitate the movement of construction materials and equipment. This helps streamline the construction process and minimizes the effort required for material handling. The climbing system formwork provides a uniform and high-quality finish to concrete surfaces. It ensures precise alignment and positioning, resulting in smooth and aesthetically pleasing concrete structures.

The formwork system reduces the need for external equipment, such as cranes, and optimizes material usage, leading to a reduced environmental impact. It promotes sustainable construction practices by minimizing waste generation and energy consumption.

Precast

Your Company has set up its Precast Plant for Manufacturing of Precast Concrete at Sanand, Gujarat. Precast is relatively a novel technology in the Construction Sector in India, which will change the intensive traditional building methods by way of maximum prefabrication and use of cutting-edge technology. Your Company aims to boost the use of precast in the construction sector in Gujarat and other parts of India.

It is produced by casting Precast in a predetermined shape in a controlled environment and then after installed/assembled at the specific site as per the requirement of the client. The use of Precast in construction helps in shrinking the labour cost and the turnaround time of the project. Precast concrete has a lifespan of several years, in fact, it increases in strength over time, instead of deteriorating.

Further, your company is a forward looking company with early adoption of information technology that benefits its business operations.

Protrak

Protrak, developed by Prorigo Software, is a cutting-edge low-code platform specifically designed to revolutionize the precast manufacturing industry. With its powerful features and intuitive interface, Protrak empowers precast manufacturers to streamline their operations, enhance productivity, and optimize their overall efficiency. It allows users to create custom applications and workflows without the need for extensive coding knowledge. This empowers precast manufacturers to rapidly build, modify, and deploy digital solutions tailored to their unique requirements. By eliminating the need for traditional software development cycles, Protrak significantly reduces time-to-market and enables businesses to adapt swiftly to changing market demands. Protrak' s offering to Precast industry includes end to end element tracking – from planning, production, QA/QC, stockyard to site erection, Digitization of Quality and Safety checklists, Operational insights, Unified platform for collaboration leveraging mobile technology, Integration with third party systems, e.g. design/ ERP systems. Protrak enhances collaboration, minimizes errors, and improves overall project visibility.

Some of the unique benefits of implementation of Protrak are:

- Improved productivity
- Optimum management of the process lifecycle
- Reduce defects and re-work
- Optimize tracking
- Increased yield
- Minimizing the quality loss by quality checklist
- Geolocation of inventory
- Efficient operational time management
- Reduced Hours of Manpower Loss

<table>
<tr><td></td><td></td><td>Darwin Box
During FY 2022-23, the company has implemented new cloud based end to end HR Technology, which empowers the company to simplify HR across the entire employee lifecycle (hire to retire) with a smarter, simpler & mobile-first HR Tech experience powered by Artificial Intelligence (AI) and Machine Learning (ML). Darwin box reduces the human intervention in the HR processes which in turn reduces the chances of error. This system also makes the life easier for employees as they can do real time tracking of all their data on the portal from anywhere and it brings more transparency between employees and the company. Moreover, embracing this technology has led to a paperless process which offers significant opportunities for savings in both financial and environmental terms.

DLR
The Company has implemented a web based Daily Labour Report (DLR) portal in place of earlier manual processes. This transformation has helped the company in maintaining the labour data such as man hours, shift timings etc. digitally, which can be easily tracked and checked any time by different departments across the organisation. This has made the reconciliation process very easy, which results in saving time and efforts of the employees. Moreover, this system requires less human intervention, which also leads to accuracy of data as the manipulation of data becomes very difficult. This technology driven step has helped company in reducing a lot of papers which is a welcome step towards sustainable development.

Other Technologies
The Company has adopted an Inventory management software that helps to rapidly track and trace the assets at its project sites on a real time basis thereby improving asset utilisation at site by proper allocation.

Through its GPS based Vehicle tracking system, your company has been able to locate and monitor its vehicles efficiently, track its fuel consumption and avoid any fuel theft.

The details of technologies/strategies being used by the company which can help in reduction of usage of hazardous and toxic chemicals in the products and process are available at Question 9 of Principle 6 of Section C of the BRSR Report forming part of this report.</td></tr>
<tr><td>(iii)</td><td>In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

(a) The details of technology imported

(b) The year of import Whether the technology has been absorbed

(c) Whether the technology has been absorbed

(d) If not fully absorbed, areas whether absorption has not taken place, and the reasons thereof:</td><td>During previous financial year 2021-22, your company has imported 3 automatic rebar's machines from Schnell SPA (Germany) and installed the same at its Precast Plant. These machines are used for cutting and bending different types of steel depending on dia as well in length. These machines work in alignment with the software which develops CAD-CAM products that provide a solution to organize the production of company's manufacturing machines for reinforced concrete. It has a rebar detailing software that allows with its powerful and flexible graphical interface. Graphico Pro stores all the project's data, manages the project phases and the orders for the production. Besides, all the data included in the program can be printed through customized reports divided into different areas such as customer management, order management, order management by location, element or for other commercial products. This technology helps in reducing the wastage and reducing labour cost alongside increasing the productivity per worker. These machines can save upto ₹1.50 to ₹2.00 per kg on cutting, bending and stripping the steel.

The technology has been fully absorbed.</td></tr>
</table>

(iv)	The expenditure incurred on Research and Development.	NIL

(C) Foreign Exchange Earning and Outgo:

(₹in Lakhs)

Particulars	FY 2022-23	FY 2021-22
Foreign Exchange earned	1863.47	350.42
Foreign Exchange used / outgo	302.24	1,671.72

For & on behalf of the Board of Directors

Prahaladbhai S. Patel
Chairman & Managing Director & CEO
(DIN: 00037633)

Date: July 27, 2023
Place: Ahmedabad

Corporate Governance Report

1. Company's Philosophy on Corporate Governance

Your Company, PSP Projects Limited, is committed to the best practices in the area of Corporate Governance, in letter and in spirit. The principles of Corporate Governance are based on transparency, accountability and focus on the sustainable success of the Company over the long-term. PSP believes that good Corporate Governance is much more than complying with legal and regulatory requirements. Good governance facilitates effective management and control of business, enables the Company to maintain a high level of business ethics and to optimise the value for all its internal and external stakeholders.

Our business has always been driven by a sense of purpose and the belief that businesses must have purpose beyond profit. We continue to believe that the only way a business will succeed is by making a positive contribution to addressing the challenges the world faces.

At PSP, responsible corporate conduct is fundamental to the way we do our business. Our actions are governed by our values and principles, which are reinforced at all levels within the Company. We are committed to doing things the right way which means taking business decisions and acting in a way that is ethical and in compliance with applicable legislations. To succeed, we believe, requires highest standards of corporate behaviour towards everyone we work with, the communities we touch and the environment on which we have an impact. This is our road to consistent, competitive, profitable and responsible growth and creating long-term value for our shareholders, our people and our business partners. The above principles have been the guiding force for whatever we do and shall continue to be so in the years to come.

A Report on compliance with the Corporate Governance provisions as prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is given below:

2. Board of Directors

a. Composition

The Board of your Company comprises highly experienced persons of repute, eminence and has a good and diverse mix of Executive and Non-Executive Directors with half of the board members comprising Independent Directors including an Independent Women Director. The Composition is in conformity with Regulation 17 of the Listing Regulations read with Section 149 of the Companies Act, 2013 ('the Act').

As on March 31, 2023, the Board comprises of 6 (Six) Directors, which include 3 (Three) Non-Executive Independent Directors and 3 (Three) Executive Directors including 1 (One) Executive Woman Director and 1 (One) Independent Non-Executive Woman Director. The Chairman, Managing Director & Chief Executive Officer is an Executive Director of the company.

None of the Independent Directors of the Company serve as an Independent Director in more than seven listed Companies. None of the Directors on the board is a director in more than 7 listed entities. None of the Directors on the Board is a Member of more than 10 Committees, and Chairperson of more than 5 Committees across all listed companies in which he or she is a Director.

b. Board Meetings

The Board met 4 (Four) times during the financial year ended on March 31, 2023 and the maximum gap between two Board Meetings was less than one hundred twenty days. The necessary quorum was present for all the meetings.

The Agenda papers and Notes on Agenda were circulated to the Directors well in advance. Due to business exigencies or urgency of matters, resolutions were also passed by way of circulation during the year and the same were placed before the board in the subsequent board meeting(s).

The dates on which the Board Meetings were held during the Financial Year and attendance on the same are as follows:

Sl.no	Date of Board Meeting	Total Strength of Board	No. of Directors Present
1.	May 27, 2022	6	6
2.	August 09, 2022	6	6
3.	October 18, 2022	6	6
4.	January 18, 2023	6	5

Apart from Board Members and the Company Secretary, the Board and Committee Meetings are also attended by Chief Financial Officer of the company.

c. **The composition of the Board, Directorships/Membership of Committee of other Companies as on March 31, 2023, no. of meetings held and attended during the financial year are as under:**

Sl. no	Name of Directors	Category of Directorship	No. of Board meetings eligible to attend as a Director	No. of Board Meetings attended	Attendance at Last AGM held on September 27, 2022	No. of Directorships in other companies[2]	Committee membership held in other Companies[3]		Sitting Fees Paid for attending board/ committee meetings (₹ in Lakhs)	No. of Equity shares held as on March 31, 2023
							Chairman	Member		
1.	Mr. Prahaladbhai S. Patel[1] (DIN:00037633)	Promoter & Chairman, Managing Director and CEO	4	4	Yes	0	0	0	Nil	1,88,09,308
2.	Ms. Pooja P. Patel[1] (DIN: 07168083)	Member of Promoter Group & Whole Time Director	4	4	Yes	0	0	0	Nil	10,00,000
3.	Mr. Sagar P. Patel[1] (DIN: 07168126)	Member of Promoter Group & Executive Director	4	4	Yes	0	0	0	Nil	20,00,000
4.	Mr. Sandeep H. Shah (DIN: 00807162)	Non-Executive -Independent Director	4	4	No	0	0	0	0.60	Nil
5.	Mr. Vasishtha P. Patel[1] (DIN: 00808127)	Non-Executive -Independent Director	4	4	Yes	0	0	0	0.60	Nil
6.	Mrs. Zarana P. Patel[4] (DIN: 08580937)	Non-Executive -Independent Director	1	1	No	0	0	0	0.15	Nil
7.	Mrs. Achala M. Patel[5] (DIN: 00914990)	Non-Executive -Independent Director	3	2	Yes	0	0	0	0.30	Nil

Notes:

[1]Mr. Prahaladbhai S. Patel is a father of Ms. Pooja P. Patel and Mr. Sagar P. Patel and all three are thus related to each other.

[2]Excludes Directorships in Indian Private Limited Companies, Foreign Companies, Firms, Partnerships including LLPs, Section 8 Companies and membership of various Chambers and other non-corporate organisations other than PSP Projects Limited. Information of names of the listed entities where the person is a director & category of directorship is not provided, as none of the director of your company holds directorship in any Listed Entity other than PSP Projects Limited as shown above.

[3]The committees considered for the purpose are those prescribed under Regulation 26 of SEBI (LODR) Regulations, 2015 i.e. Audit Committee and Stakeholders' Relationship Committee of Indian public limited companies other than PSP Projects Limited whether listed or not.

[4]Mrs. Zarana P. Patel ceased to be an Independent Director of the Company w.e.f. June 23, 2022 due to her sudden demise.

[5]Mrs. Achala M. Patel was appointed as Non-Executive Independent Director of the company w.e.f. July 14, 2022.

d. Independent Directors

All the Independent Directors of your company have confirmed that they meet the criteria as stipulated under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Companies Act, 2013 through the declaration under regulation 25(8) of the Listing Regulations and are independent of the management of your company.

Further, the Independent Directors have also registered their names in the databank maintained by the Indian Institute of Corporate Affairs as mandated in the Companies (Appointment and Qualification of Directors) Rules, 2014 as amended.

The appointment and tenure of Independent directors is in compliance with the Companies Act, 2013 and the terms and conditions of their appointment have been disclosed on the website of the Company at https://www.pspprojects.com/wp-content/uploads/2023/06/Terms-and-Conditions-for-Independent-Directors.pdf

e. Separate meeting of Independent Directors

During the year under review, in compliance with the requirements of Regulation 25(3) of Listing Regulations read with Schedule IV of the Companies Act, 2013, one separate meeting of the Independent Directors was held on January 18, 2023. The said meeting was chaired by Mr. Sandeep H. Shah and all independent directors except Mrs. Achala M. Patel were present personally for the meeting.

The independent directors, inter-alia, discussed and reviewed the performance of Non-Independent Directors, performance of the board as a whole, performance of the chairperson for the financial year 2022-23 and carried out assessment of the quality, quantity and functions of flow of information between the company, the management and the board that is necessary for the Board to effectively and reasonably perform its duties.

f. Details of familiarisation programmes imparted to Independent Directors

Your Company has established Familiarisation Programme in the form of exhaustive induction program which covers the history, culture and background of the Company and its growth, various milestones in the Company's existence since its incorporation, the present structure and an overview of the businesses and functioning for all the new Independent Directors when they join the Company. The Company conducted various familiarisation programmes for its directors.

Pursuant to Regulation 46 of the Listing Regulations, the details of familiarization programmes imparted to Independent Directors is available on the website of the Company at https://www.pspprojects.com/wp-content/uploads/2023/06/Familirisation-Programme-for-Independent-Directors.pdf

g. Matrix of detailed skills, expertise and competence of the Board of Directors

The skill sets may keep on changing from time to time with the growth of the organization and hence the board may review the skill set from time to time.

The following is a set of skill sets identified and available with the board:

1. Knowledge in Construction Industry;
2. Experience in Construction Industry;
3. General Business Understanding, Administration, operations and management;
4. Strategic Planning;
5. Business Development;
6. Understanding of relevant laws, rules, regulation and policy;
7. Accounting/Finance;
8. Risk Management / Strategic Management;
9. Information Technology;
10. Integrity and Ethical standards;
11. Understanding of Government Legislation;
12. Corporate Governance.
13. Understanding of Environmental, Social and Governance framework;
14. Principles of National Guidelines on Responsible Business Conduct, 2018 ("NGBRC")

In the table below, the specific areas of focus or expertise of individual board members have been highlighted. However, the absence against director's name does not necessarily mean that a director does not possess the corresponding skill or qualification.

Area of Skill/ expertise/ competence	Directors					
	Mr. Prahaladbhai S. Patel	Ms. Pooja P. Patel	Mr. Sagar P. Patel	Mr. Sandeep H. Shah	Mr. Vasishtha P. Patel	Mrs. Achala M. Patel
Knowledge in Construction Industry	✓	✓	✓	-	-	-
Experience in Construction Industry	✓	✓	✓	-	-	-
Experience in Construction Industry General Business Understanding, Administration, operations and management	✓	✓	✓	✓	✓	✓
Strategic Planning	✓	✓	✓	✓	✓	✓
Business Development	✓	✓	✓	✓	✓	✓
Understanding of relevant laws, rules, regulation and policy	✓	✓	✓	✓	✓	✓
Accounting/Finance	✓	✓	✓	✓	✓	-
Risk Management / Strategic Management	✓	✓	✓	✓	✓	✓
Information Technology	✓	✓	✓	✓	✓	✓
Integrity and Ethical standards	✓	✓	✓	✓	✓	✓

Area of Skill/ expertise/ competence	Directors					
	Mr. Prahaladbhai S. Patel	Ms. Pooja P. Patel	Mr. Sagar P. Patel	Mr. Sandeep H. Shah	Mr. Vasishtha P. Patel	Mrs. Achala M. Patel
Understanding of Government Legislation	✓	✓	✓	✓	✓	✓
Corporate Governance	✓	✓	✓	✓	✓	✓
Understanding of Environmental, Social and Governance framework	✓	✓	✓	✓	✓	✓
Principles of NGBRC	✓	✓	✓	✓	✓	✓

3. Committees of the Board

Your board has constituted various Committees with specific terms of reference in line with various provisions of the Companies Act, 2013 read with Rules framed thereunder and Listing Regulations. As on March 31, 2023, your company has the following committees of the board:

a. Audit Committee;

b. Nomination and Remuneration Committee;

c. Stakeholders Relationship Committee;

d. Corporate Social Responsibility Committee;

e. Risk Management Committee;

f. Environmental, Social & Governance Steering Committee (“ESG Steering Committee”);

g. Other Committees.

a. Audit Committee

The Company has an independent Audit Committee, the constitution of which is in compliance with provisions of Section 177 of the Companies Act, 2013 read with rules framed thereunder and Regulation 18 of the Listing Regulations. As on March 31, 2023 the Audit Committee comprises of four Directors which includes three Non-Executive Independent directors and one Executive Director and all the members are financially literate and the chairman is having financial management expertise. The Committee is governed by a Charter that is in line with the regulatory requirements mandated by the Act and the Listing Regulations.

Composition, Meetings and Attendance

The Audit Committee met 4 (four) times during the Financial Year 2022-23 on May 27, 2022, August 09, 2022, October 18, 2022, and January 18, 2023. The intervening gap between two meetings were within the period as prescribed under the Companies Act, 2013 and the Listing Regulations.

The composition of the Audit Committee of the Board along with the details of the meetings held and attended by the members during the financial year 2022-23 are detailed below:

Sr. No.	Name	Designation in the committee	Category of Director	No. of meetings held	No. of meetings attended
1.	Mr. Vasishtha P. Patel	Chairman	Non-Executive- Independent Director	4	4
2.	Mr. Sandeep H. Shah	Member	Non-Executive-Independent Director	4	4
3.	Mr. Prahaladbhai S. Patel	Member	Managing Director	4	4
4.	Mrs. Achala M. Patel[1]	Member	Non-Executive-Independent Director	3	2
5.	Mrs. Zarana P. Patel[2]	-	Non-Executive-Independent Director	1	1

[1]Mrs. Achala M. Patel was appointed as a member of Audit Committee by the board w.e.f. July 14, 2022.

[2]Mrs. Zarana P. Patel ceased to be a member of the Audit Committee w.e.f. June 23, 2022 due to her sudden demise.

The Company Secretary of the company acts as Secretary of the Audit Committee.

Meetings of the Audit Committee are also attended by Chief Financial Officer, Internal Auditor and the Joint Statutory Auditors of the Company.

The Chairman of the Audit Committee, Mr. Vasishtha P. Patel was present at the 14th Annual General Meeting of the Company held on September 27, 2022.

Terms of Reference

The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 (3) of the Listing Regulations read with Part C of Schedule II, which includes the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
    a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
    b) changes, if any in accounting policies and practices and reasons for the same;
    c) major accounting entries involving estimates based on the exercise of judgment by management;
    d) significant adjustments made in the. financial statements arising out of audit findings;
    e) compliance with listing and other legal requirements relating to financial statements;
    f) disclosure of any related party transactions;
    g) modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. approval or any subsequent modification of transactions of the company with related parties;
8. Scrutiny of inter-corporate loans and investments;
9. Valuation of undertakings or assets of the company, wherever it is necessary;
10. Evaluation of internal financial controls and risk management systems;
11. Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
12. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
13. Discussion with internal auditors of any significant findings and follow up there on;
14. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
15. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
16. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
17. To review the functioning of the whistle blower mechanism;
18. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
19. Carrying out any other function as is mentioned in the terms of reference of the audit committee;

20. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this SEBI (Listing Obligations and Disclosure Requirements) Amendment Regulations, 2018.

    The audit committee of your company mandatorily reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters/ letters of internal control weaknesses issued by the statutory auditors;
4. Internal Audit Reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the internal auditors are also subject to review by the audit committee;
6. Statement of deviations:
    a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations.
    b. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7) of the Listing Regulations

In addition to the above responsibilities, the Committee may undertake such other duties as the Board of Directors delegates to it, and such other matters as may be required to be reviewed under Corporate Governance Guidelines and any statutory or regulatory requirements.

b. Nomination and Remuneration Committee

Your company has an independent and qualified Nomination and Remuneration Committee as per the requirements of Section 178 of the Companies Act, 2013 read with Rules framed thereunder and Regulation 19 of the Listing Regulations. The committee comprises of three Directors and all of them are Non-Executive Independent directors.

Composition, Meeting and Attendance

The Nomination and Remuneration Committee met 3 (three) times during the Financial Year 2022-23 on May 27, 2022, August 09, 2022 and January 18, 2023.

The composition of the Nomination and Remuneration Committee of the Board along with the details of the meetings held and attended during the financial year 2022-23 are detailed below:

Sr. No.	Name	Designation in the committee	Category of Director	No. of meetings held	No. of meetings attended
1.	Mrs. Achala M. Patel[1]	Chairperson	Non-Executive - Independent Director	2	1
2.	Mr. Vasishtha P. Patel[1]	Member	Non-Executive - Independent Director	3	3
3.	Mr. Sandeep H. Shah	Member	Non-Executive - Independent Director	3	3
4.	Mrs. Zarana P. Patel[2]	-	Non-Executive - Independent Director	1	1

[1]Mrs. Achala M. Patel was appointed and designated as Chairperson of the Nomination and Remuneration Committee w.e.f. July 14, 2022.

[2]Mrs. Zarana P. Patel ceased to be the chairperson of the Nomination and Remuneration Committee w.e.f. June 23, 2022 due to her sudden demise.

The Company Secretary of the company acts as the Secretary of the Committee.

The Chairman of the Nomination and Remuneration Committee, Mrs. Achala M. Patel was present at the 14th Annual General Meeting of the Company held on September 27, 2022.

Terms of Reference

The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 (4) of the Listing Regulations read with Part C of Schedule II, which includes the following.

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, Key Managerial Personnel and other employees;

2. Formulation of criteria for evaluation of performance of independent directors and the board of directors;
3. Devising a policy on diversity of board of directors;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
6. Recommend to the board, all remuneration, in whatever form, payable to senior management.

Performance evaluation criteria for independent directors:

The Nomination and Remuneration Committee of your company have formulated the criteria for assessment of the performance of the board of directors, its committees and individual directors including Independent Directors through structured questionnaires.

The criteria for evaluating the performance of each director include certain parameters such as attendance and effective participation at the board and committee meetings, integrity and maintaining confidentiality, effective deployment of knowledge and expertise, interpersonal relationships with other directors and management, acting in good faith and interest of Company as a Whole, Assist the Company in implementing the good corporate governance practices. etc.

Additionally, the Independent directors are separately evaluated on parameters such as whether they are independent from the company and other directors and whether there is any conflict of interest and whether they exercise his/ her own judgement and voices opinion freely and also their adherence to the code of conduct.

The performance evaluation of the board, its committees, individual directors including independent directors for the Financial Year 2022-23 has been carried out following the manner and process as per the policy and the board is satisfied with the performance and evaluation.

Nomination and Remuneration Policy

The Nomination and Remuneration Policy of the Company has been devised in accordance with Section 178(3) and (4) of the Companies Act, 2013.

The Nomination and Remuneration Policy of the Company is available on website of the company at https://www.pspprojects.com/wp-content/uploads/2023/06/Nomination-and-Remuneration-Policy.pdf

c. Stakeholders Relationship Committee

Your Company has constituted a Stakeholders Relationship Committee in compliance with provisions of section 178 of the Companies Act, 2013 read with Rules framed thereunder and Regulation 20 of the Listing Regulations to look into various aspects of interest of shareholders, debenture holders and other security holders of the company.

Composition, Meeting and Attendance

The Stakeholders Relationship Committee met 2 (Two) times during the Financial Year 2022-23 on August 09, 2022 and March 31, 2023.

The details of composition of the Stakeholders Relationship Committee of the Board along with the details of the meetings held and attended during the financial year 2022-23 are detailed below:

Sr. No.	Name	Designation in the committee	Category of Director	No. of meetings held	No. of meetings attended
1.	Mr. Vasishtha P. Patel	Chairman	Non-Executive -Independent Director	2	2
2.	Ms. Pooja P. Patel	Member	Whole Time Director	2	2
3.	Mr. Sagar P. Patel	Member	Executive Director	2	2

The Company Secretary of the company acts as the Secretary of the Committee.

The Chairman of the Stakeholders Relationship Committee, Mr. Vasishtha P. Patel was present at the 14th Annual General Meeting of the Company held on September 27, 2022.

Terms of Reference

The scope and function of the Stakeholders Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms of reference of the Stakeholders Relationship Committee inter alia, includes the following:

1. Resolving the grievances of the security holders of the company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
2. Review of measures taken for effective exercise of voting rights by shareholders;
3. Review of adherence to the service standards adopted by the company in respect of various services being rendered by the Registrar & Share Transfer Agent; and
4. Review of the various measures and initiatives taken by the company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

Details of Investor Complaints / Grievances received/disposed during the year:

Opening Balance as on April 01, 2022	Nil
Complaints Received during the year	Nil
Complaints Resolved during the year	Nil
Total Pending Complaints as on March 31, 2023	Nil

The status of investor grievance redressal is updated to the Committee and the Board periodically.

For any grievances/complaints, shareholders may contact the RTA, KFin Technologies Limited or may also write to Mr. Kenan Patel, Company Secretary and Compliance officer of the company at grievance@pspprojects.com .

d. Corporate Social Responsibility Committee

Your Company has constituted a Corporate Social Responsibility (CSR) Committee, in compliance with the provision of section 135 of the Companies Act, 2013 read with Rules framed thereunder.

Composition, Meeting and Attendance

The Corporate Social Responsibility Committee met 3(Three) times during the Financial Year 2022-23 on May 27, 2022 and August 09, 2022 and January 18, 2023.

The details of composition of the Corporate Social Responsibility Committee of the Board along with the details of the meetings held and attended during the financial year 2022-23 are as under:

Sr. No.	Name	Designation in the committee	Category of Director	No. of meetings held	No. of meetings attended
1.	Mr. Sandeep H. Shah	Chairman	Non-Executive- Independent Director	3	3
2.	Mr. Prahaladbhai S. Patel	Member	Managing Director	3	3
3.	Ms. Pooja P. Patel	Member	Whole Time Director	3	3

The Company Secretary of the company acts as the Secretary of the Committee.

Terms of Reference

1. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
2. Formulate and recommend to the Board, an Annual Action Plan in pursuance of its CSR Policy;
3. Review and recommend the amount of expenditure to be incurred on CSR activities to be undertaken by the Company;
4. Monitor the CSR policy of the Company and its implementation from time to time; and
5. Any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board from time to time.

e. Risk Management Committee

Your company has constituted a Risk Management Committee, in compliance with Regulation 21 read with Part D of Schedule II of the Listing Regulations.

Composition, Meeting and Attendance

The Risk Management Committee met 2 (Two) time during the Financial Year 2022-23 on April 01, 2022 and August 09, 2022.

The composition of the Risk Management Committee of the Board along with the details of the meetings held and attended during the financial year 2022-23 are detailed below:

Sr. No.	Name	Designation in the committee	Category of Director	No. of meetings held	No. of meetings attended
1.	Mr. Prahaladbhai S. Patel	Chairman	Managing Director	2	2
2.	Mr. Sagar P. Patel	Member	Executive Director	2	2
3.	Mr. Vasishtha P. Patel[1]	Member	Non-Executive -Independent Director	1	1
4.	Mrs. Zarana P. Patel[2]	-	Non-Executive- Independent Director	1	1

[1]Mr. Vasishtha P. Patel was appointed as member of the Risk Management Committee w.e.f. July 14, 2022.

[2]Mrs. Zarana P. Patel ceased to the member of the Risk Management Committee w.e.f. June 23, 2022 due to her sudden demise.

The Company Secretary of the company acts as the Secretary of the Committee.

Terms of Reference

1. To formulate, monitor, review and amend the Risk Management Plan/Policy of the Company inter alia covering management of foreign exchange exposure, cyber security, financial and other internal and external business risks;
2. To assist the board in identifying and assessment of risks inherent in the business operations of the company, minimization procedures and strategies and policies for risk mitigation on short term as well as long term basis;
3. To ensure that the Company is taking appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities of the company, if any;
4. To perform such other functions as may be delegated by the board of directors of the company.

f. ESG Steering Committee

Your Company has formed an Environmental, Social, and Governance (ESG) Committee at the board level comprising two Executive Directors and one Independent Director. The ESG Committee is responsible for overseeing and guiding our ESG Strategy, performance and implementation. This includes monitoring and reporting on our progress towards company's ESG Goals, as well as ensuring that our operations align with our purpose. We are also in the process of setting targets to reduce the water and carbon footprint of our operations and setting up processes for onboarding and integrating our supply chain in our overall sustainability goals.

g. Other Committees

The Board has Management Committee for smoothly manage day to day affairs of business of the company and fund raising Committee for fund raising activities of the Company.

Remuneration of Directors:

- **Executive Directors**

  Details of Remuneration paid to Executive Directors of the company for the financial year 2022-23 are as under:

  (₹in Lakhs)

Sr. No.	Name of Director	Designation	Salary	Perquisites, Allowances & other Benefits	Commission	Total
1	Mr. Prahaladbhai S. Patel	Chairman, Managing Director & CEO	1,560.00	0	0	1,560.00
2	Ms. Pooja P. Patel	Whole-Time Director	240.00	0	0	240.00
3	Mr. Sagar P. Patel	Executive Director	240.00	0	0	240.00

- **Non-Executive Directors**

The Sitting fees paid to the Non-Executive Independent Directors for the financial year 2022-23 are as under:

(₹in Lakhs)

Sr. No.	Name of Director	Designation	Sitting fees paid
1	Mr. Vasishtha P. Patel[1]	Non-Executive Independent Director	0.60
2	Mr. Sandeep H. Shah	Non-Executive Independent Director	0.60
3	Mrs. Achala M. Patel[1]	Non-Executive Independent Director	0.30
4	Mrs. Zarana P. Patel[2]	Non-Executive Independent Director	0.15

[1]Mrs. Achala M. Patel was appointed as Non-Executive Independent Director of the company w.e.f. July 14, 2022.

[2]Mrs. Zarana P. Patel ceased to be Non-Executive Independent Director of the Company w.e.f. June 23, 2022 due to her sudden demise.

- There is no pecuniary relationship or transaction between the Company and any of the Non-Executive Directors, except payment of sitting fees.
- The criteria for making payment to Non-Executive Directors is available on the website of the company at https://www.pspprojects.com/wp-content/uploads/2017/10/Criteria-for-making-payment-to-Non-Executive-Directors.pdf
- The Company does not have any Stock Option Scheme and there is no provision for payment of Severance Fees to any of the directors.
- Mr. Prahaladbhai S. Patel, Chairman, Managing Director & CEO was reappointed by the members in the 11th Annual General Meeting held on September 18, 2019 for the period of 5 years from July 9, 2020 to July 8, 2025. The Service Agreement dated October 01, 2019 was executed between the Company and Mr. Prahaladbhai S. Patel. The term provides for the termination of contract by either party after giving three months' notice in writing or salary in lieu thereof to the other party.
- Ms. Pooja P. Patel was re-appointed as the Whole Time Director of the company by the members in the 12th Annual General Meeting held on September 18, 2020 for the period of 5 years from September 1, 2020 to August 31, 2025. The term provides for the termination by either party after giving three months' notice in writing or salary in lieu thereof to the other party.
- Mr. Sagar P. Patel was re-appointed as an Executive Director of the company by the members through Postal Ballot on November 25, 2019 for the period of 5 years from November 1, 2019 to October 31, 2024. The term provides for the termination by either party after giving three months' notice in writing or salary in lieu thereof to the other party.

4. Details of Senior Management:

Sr. No.	Name	Designation & Department
1.	Ms. Hetal Patel	Chief Financial Officer
2.	Mr. Kenan Patel	Company Secretary
3.	Mr. Mahesh Patel	Senior Vice President, Project Execution
4.	Mr. Maulik Patel	Vice President, Procurement
5.	Mr. Viplav Shah	Vice President, Planning
6.	Mrs. Sarika Bhardwaj	Vice President, Techno Commercial
7.	Mr. Sushil Kumar Tripathi	Vice President, HR & Administration
8.	Mr. Pratik Thakkar	General Manager, Business Development
9.	Mr. Shashikant Sharma	Assistant General Manager, MEP
10.	Mr. Chintan Shah	Manager, IT
11.	Mr. Sanjay Rai	Senior Manager, IT
12.	Mr. Jaimin Patel	Deputy Manager, Tender-Precast
13.	Mr. Saket Tiwari	Manager, Production-Precast
14.	Mr. Girish Ramkumar[1]	Vice President, HR & Administration
15.	Mr. Dhananjay Mori	Senior Manager, HR
16.	Mr. Vijay Nimavat[1]	Manager, IT
17.	Mr. Pushpesh Singh[1]	DGM, Contracts

[1]Employees who ceased to be the senior management employees during the financial year or till the date of this report.

5. SHAREHOLDERS:

a. General Body Meetings

i. Particulars of the last three Annual General Meetings of the company are as follows

Financial year	Date & Day	Venue	Special Resolutions passed
2021-22	Tuesday, September 27, 2022 at 11:00 A.M.	Meeting conducted through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	1. To appoint Mrs. Achala M. Patel (DIN:00914990) as Non-Executive Independent Director. 2. To revise the terms of Remuneration payable to Ms. Pooja P. Patel (DIN: 07168083), Whole Time Director of the company. 3. Revision in the terms of Remuneration payable to Mr. Sagar P. Patel (DIN: 07168126), Executive Director of the company.
2020-21	Saturday, September 18, 2021 at 11:00 A.M.	Meeting conducted through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	NIL
2019-20	Friday, September 18, 2020 11:00 A.M.	Meeting conducted through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	1. Re-appointment of Ms. Pooja P. Patel (DIN:07168083), as the Whole Time Director of the company 2. Revision in the terms of Remuneration payable to Mr. Sagar P. Patel (DIN: 07168126), Executive Director of the company.

ii. Extra Ordinary General Meeting

During the period under review, no Extra Ordinary General Meeting was held.

b. Postal Ballot

During the period under review, no resolution was passed through Postal Ballot. Hence, no resolution requiring Postal Ballot as required by the Companies (Passing of Resolution by Postal Ballot) Rules, 2011, was required to be placed for Shareholder's approval at this Annual General Meeting.

c. Means of communication

The quarterly and yearly financial results of the Company in compliance with Regulation 33 of the Listing Regulations are submitted to the Stock Exchanges in timely manner and are also published in 'Financial Express' both in English and regional Language i.e. Gujarati. The financial presentations made to the investors are submitted to the Stock Exchanges in timely manner. The same are also available on the website of the company. i.e. www.pspprojects.com .

All corporate announcements, news releases and other submissions made to stock exchanges including presentations made to institutional investors or to the analysts, audio/video recordings and transcripts of quarterly Con-call are submitted to the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) and are also uploaded on the website of the company. i.e. www.pspprojects.com .

d. General Shareholders Information

Sr.no	Salient Items of Interest	Particulars
1.	Annual General Meeting	15th Annual General Meeting
	Day & Date	**Saturday, September 09, 2023**
	Time	11:00 A.M.
	Venue	Through Video Conferencing or Other Audio Visual Means (VC/OAVM) (Deemed venue - 'PSP House', Opp. Celesta Courtyard, Opp. Lane of Vikramnagar Colony, Iscon-Ambli Road, Ahmedabad – 380058)

Sr.no	Salient Items of Interest	Particulars
2.	Financial Year	April 1, 2022 to March 31, 2023.
3.	Dividend Payment Date	The board of directors have recommended a Final Dividend of ₹2.50 per share on equity shares of face value of ₹10.00 each, subject to approval by shareholders at the 15th Annual General Meeting. The dividend would be payable to all Shareholders whose names appear in the Register of Members as on the Record Date. i.e. Saturday, September 2, 2023. The Dividend would be paid/dispatched on or after September 9, 2023 but within a period of 30 days from the date of the Annual General Meeting.
4.	Listing on Stock Exchange & Payment of Listing Fees	**BSE Limited** 1st Floor, P.J. Towers, Dalal Street, Fort, Mumbai- 400001 **National Stock Exchange of India Limited** Exchange Plaza, 5th Floor, Plot No.1/G Block, Bandra-Kurla Complex, Bandra (E)- Mumbai- 400051 The company has paid Annual Listing fees with both Exchanges within stipulated time period.
5.	Stock Code	BSE: 540544 NSE: PSPPROJECT

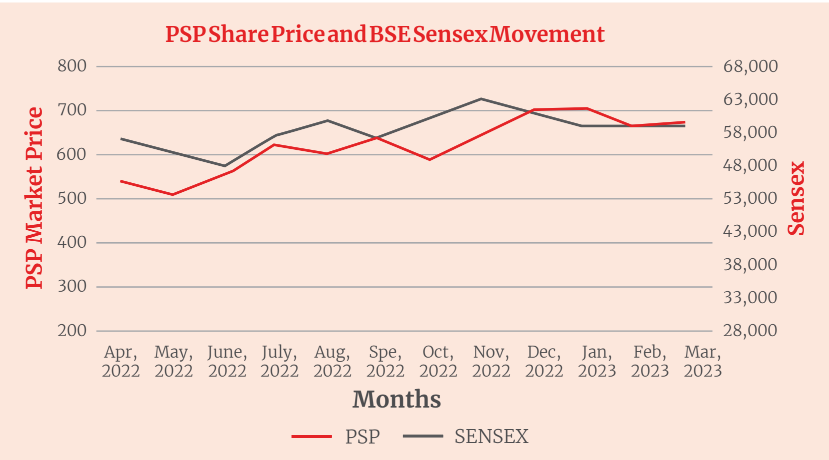
6. Market Price Data

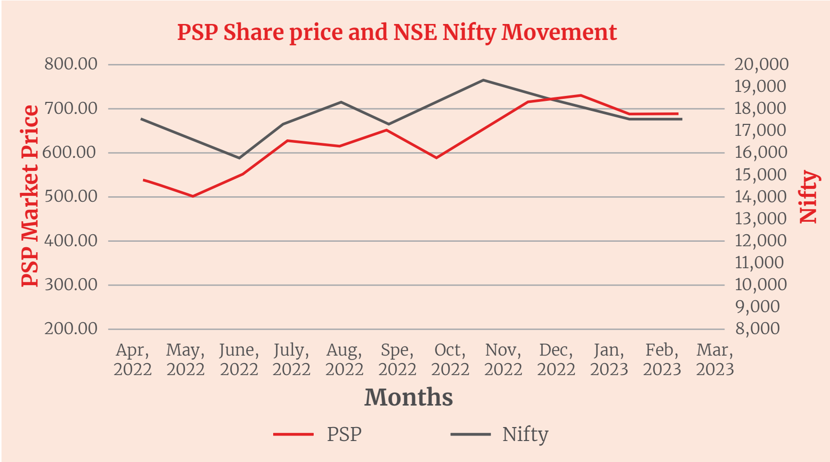
Monthly high and low prices along with the closing price of the Company's shares at BSE and NSE for the financial year ended March 31, 2023 are as below:

Months	PSP on BSE (in ₹)			PSP on NSE (in ₹)		
	High	Low	Closing	High	Low	Closing
April, 2022	588.20	515.00	538.70	588.60	511.30	538.10
May, 2022	564.00	460.00	511.05	545.65	464.00	510.70
June, 2022	574.95	458.90	552.90	574.75	459.20	553.20
July, 2022	672.00	541.95	618.80	671.50	541.05	618.75
August, 2022	644.40	563.00	606.90	644.90	566.00	606.40
September, 2022	683.90	582.35	641.55	684.00	581.65	642.15
October, 2022	673.35	560.20	589.60	673.95	560.00	589.50
November, 2022	647.55	582.55	639.35	648.00	582.70	639.45
December, 2022	746.50	629.70	699.35	746.65	629.25	700.30
January, 2023	775.55	670.05	707.60	776.00	676.00	707.05
February, 2023	718.50	654.05	670.05	719.80	655.10	668.75
March, 2023	715.45	652.15	671.40	716.00	652.00	670.90

7. Stock Performance in comparison to broad based indices

The charts below show the comparison of the monthly closing price of the Company movement on BSE and NSE vis-`a-vis the movement of the monthly closing price of the BSE Sensex & NSE Nifty for the financial year ended March 31, 2023.





8. Registrar and Transfer Agent

Name of Registrar and Transfer Agent	KFin Technologies Limited
Address	"Selenium Tower B", Plot No. 31 & 32, Financial District, Nanakramguda, Gachibowli, Hyderabad – 500032 Telangana
Tel. No.:	040-67162222
E-mail id:	suresh.d@kfintech.com /einward.ris@kfintech.com

9. Share Transfer System

Trading in the equity shares of the company can be done through recognized stock exchanges only in dematerialized form. As on March 31, 2023, all equity shares of the company were in demat form.

Transfers of equity shares in electronic form are effected through the depositories with no involvement of the company.

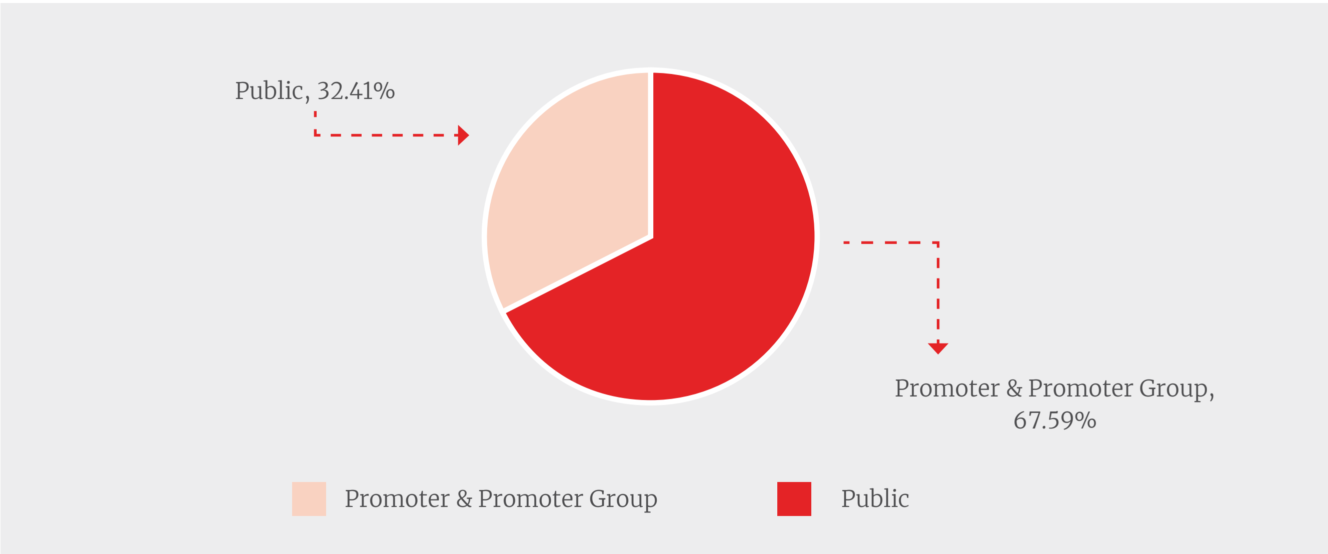
10. Distribution of shareholding

The distribution of shareholding of the Company as on March 31, 2023 is as follows:

Sr. No.	Category	No. of Shareholders	Total Shareholders (%)	Amount (in ₹)	Total Amount (%)
1	1 - 5000	34,416	94.92	2,10,09,990.00	5.84
2	5001 - 10000	931	2.57	70,63,810.00	1.96
3	10001 - 20000	492	1.36	70,41,830.00	1.96
4	20001 - 30000	141	0.39	35,06,750.00	0.97
5	30001 - 40000	54	0.15	19,24,360.00	0.53
6	40001 - 50000	34	0.09	15,79,010.00	0.44
7	50001 - 100000	84	0.23	43,27,620.00	1.20
8	100001 and above	100	0.28	31,35,46,630.00	87.10
	Total	**36,252**	**100.00**	**36,00,00,000.00**	**100.00**

Category-vise Shareholding as on March 31, 2023

Sr. No.	Category	No. of Equity Shares	% of Total no of Shareholding
1	**Promoters and Promoter Group**		
	Indian Individuals	2,43,33,707	67.59
	Total (1)	**2,43,33,707**	**67.59**
2	**Public Shareholding**		
a.	**Institutions**		
	Mutual Funds	9,16,356	2.55
	Foreign Portfolio Investors	8,89,320	2.47
	Insurance Companies	3,779	0.01
	Alternative Investment Funds	7,02,195	1.95
b.	**Non-Institutions**		
	Indian Individuals	61,17,629	17.00
	NBFCs Registered with RBI	17,000	0.05
	Non Resident Indians	3,21,708	0.89
	Clearing Members	66,480	0.18
	Bodies Corporates	22,07,076	6.13
	HUF	4,24,749	1.18
	Beneficial Holdings under MGT-4	1	0.00
	Total (2)	**1,16,86,293**	**32.41**
Total (1+2)		3,60,00,000	100



11. Dematerialisation of Shares

Equity shares of the company can be traded in dematerialized form only. The company has established connectivity with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through its Registrar & Share Transfer Agent. The ISIN allotted in respect of equity shares of ₹10/- each of the Company by NSDL/CDSL is **INE488V01015**.

Break up of shares in physical and demat form as on March 31, 2023 is as under:

Sr. No.	Particulars	No. of Equity Shares	% of Equity Shares
1.	Demat		
	NSDL	2,73,98,676	76.11
	CDSL	86,01,324	23.89
2.	Physical	0.00	0.00
	Total	**3,60,00,000**	**100**

12. Reconciliation of Share Capital Audit:

In compliance with regulation 76 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time, a qualified Practising Company Secretary carries out Reconciliation of Share Capital Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges on timely manner. The Audit confirms that the total listed and paid-up capital is in agreement with the aggregate of the total number of shares in dematerialised form as the Company does not have any shares in physical form.

13. The company does not have any GDRs/ADRs/Warrants or any Convertible Instruments other than Equity Shares.

14. Commodity price risk or foreign exchange risk and hedging: Not Applicable

15. Plant Locations:

The Company's plant for manufacturing of Precast Concrete is situated at PSP Precast Factory, Opp. Credo silver birches, Nr. Asiatic Composite Ltd., Sanand Nalsarovar Road, Mankol village, Sanand-382110, Gujarat, India

16. Address for correspondence:

Kenan Patel	**KFin Technologies Limited**
Company Secretary & Compliance Officer PSP Projects Limited 'PSP House', Opp. Celesta Courtyard, Opp. Lane of Vikramnagar Colony, Iscon-Ambli Road, Ahmedabad – 380058 Phone: 079-26936200 / +91 95120 44644 Email: grievance@pspprojects.com Website – www.pspprojects.com	"Selenium Tower B", Plot No. 31 & 32, Financial District, Nanakramguda, Gachibowli, Hyderabad – 500032 Tel: 040- 67162222 Email: suresh.d@kfintech.com/ einward.ris@kfintech.com Website: www.kfintech.com

17. Credit Ratings:

Your company has got reaffirmation on credit ratings from CARE Rating Limited, a reputed Credit Rating Agency for its Long term and Short Term Bank Facilities. The details of the same are given herein below.

Facilities	Amount (₹ in Lakhs)	Rating
Long-term Bank Facilities	30,000.00	CARE A+; Stable
Long Term / Short Term Bank Facilities	105,500.00	CARE A+; Stable / CARE A1+
Short Term Bank Facilities	4,200.00	CARE A1+
Total Facilities	**1,39,700.00 [Rupees One Lakh Thirty Nine Thousand Seven Hundred Lakhs Only]**	

5. OTHER DISCLOSURES

(a) Disclosure on materially significant Related Party Transactions

During the year under review, there was no materially significant related party transaction undertaken by your company under Section 188 of the Companies Act, 2013 read with rules framed thereunder and Regulation 23 of the Listing Regulations which may have potential conflict with the interest of the Company at large.

Your Company has entered into transactions with related parties as defined under Section 2(76) of the Companies Act, 2013, which were in the ordinary course of business and at arms' length basis and the same were duly approved by the Audit Committee. The details of Related Party Transactions are disclosed in financial statements which forms part of this Annual Report.

Details of related party information and transactions are placed before the Audit Committee on a quarterly basis. The half yearly disclosures of related party transactions are submitted on timely basis with the stock exchanges on which the equity shares of your company is listed and the same are also published on the website of the Company.

Your Company has formulated a policy on dealing with related party transactions which is available on its website of the company at https://www.pspprojects.com/wp-content/uploads/2023/06/Policy-on-Materiality-of-RPT.pdf

(b) Statutory Compliance, Penalties and Strictures

Your Company has complied with all the rules, regulations and guidelines of issued by SEBI and other Statutory Authorities on all matters relating to capital markets since its listing on the Stock Exchanges. There has been no instance of non-compliance by the Company wherein penalties or strictures have been imposed by SEBI, Stock Exchanges or any statutory authorities on matters relating to capital markets during the last three years.

(c) CEO and CFO Certification

The Managing Director & CEO and the Chief Financial Officer of the Company have certified to the Board in accordance with Regulation 17(8) read with Part B of Schedule II to the Listing Regulations pertaining to the accuracy of the financial statements and adequacy of internal controls for the financial year ended March 31, 2023 which is annexed herewith this report. They also provide quarterly certificate on financial results while placing the same before the Board pursuant to Regulation 33 of the Listing Regulations.

(d) Whistle Blower Mechanism

Your Company has established a vigil mechanism through a Whistle Blower Policy for directors and employees in compliance with provision of the section 177 of the companies Act, 2013 read with rules framed thereunder and Regulation 23 of the Listing Regulations to provide the directors and employees an avenue to raise concerns about unacceptable, improper practices and/or unethical practices and/or grievances and/or instances of leakage of Unpublished Price Sensitive information and also provides for direct access to the Chairman of the Audit Committee in exceptional cases.

No personnel of the company were denied access to the Audit Committee and there were no instances of any such access.

The whistle blower policy is available on the website of the company at https://www.pspprojects.com/wp-content/uploads/2023/06/Whistle-Blower-Policy.pdf

(e) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements

Your company has complied with all the mandatory requirements as specified in the Listing Regulations and simultaneously the non-mandatory requirements as specified in Part E of Schedule II are adopted by the company up to the following extent:

- The Board of Directors periodically reviewed the compliance of all the applicable laws and steps taken by the Company to rectify instances of non-compliance, if any. The Company is in compliance with all mandatory requirements of the Listing Regulations.
- The Company ensures that the disclosure of all the information is disseminated on a non-discretionary basis to all the Shareholders. The quarterly results along with the press release, investor presentations, recordings and transcripts of earnings call are uploaded on the website of the Company at https://www.pspprojects.com/.
- The Company's financial statements of financial year 2022-23 do not contain any modified audit opinion.
- The Internal Auditor of the Company is an invitee to the Audit Committee meetings and regularly attends the meetings for reporting their findings on internal audit to the Audit Committee Members.
- The Company has submitted quarterly compliance report on Corporate Governance with the Stock Exchanges, in accordance with the requirements of Regulation 27(2)(a) of the Listing Regulations.

(f) Material Subsidiaries & Policy for determination

Your company does not have any material subsidiary as on the date of this report. However, the company has formulated a policy for determining a material subsidiary and the same is available on the website of the company at https://www.pspprojects.com/wp-content/uploads/2023/06/Policy-on-Material-Subsidiary.pdf

(g) Disclosure of commodity price risks and commodity hedging activities

Your Company is engaged into the business of Construction of buildings. Hence, Disclosure with respect to commodity price risks and commodity hedging activities are not applicable to the Company.

(h) Code for Prevention of Insider Trading

Your Company has instituted a code on prevention of insider trading in compliance with the SEBI (Prohibition of Insider Trading) Regulations. The Code lays down guidelines for procedures to be followed and disclosures to be made by insiders while trading in the securities of the Company. The Code was last amended by the Board of Directors on June 18, 2021.

Your company has also adopted a Code of Practices and Procedures for Fair Disclosure of UPSI for ensuring timely and adequate disclosure of Unpublished Price Sensitive Information which is available on the website of the company at https://www.pspprojects.com/wp-content/uploads/2023/06/Code-of-Fair-Disclosure-of-UPSI.pdf

Your Company has also adopted a Policy on inquiry in case of leak or suspected leak of UPSI and Policy for Determination of Legitimate Purposes which is available on the website of the company at https://www.pspprojects.com/wp-content/uploads/2017/10/Policy-for-Procedure-of-Inquiry-In-Case-Of-Leak-of-UPSI.pdf

(i) Code of Conduct for Directors and Senior Management

Your Company has laid down a Code of Conduct for all board members and the senior management of the Company and the same is available on the website of the company at https://www.pspprojects.com/wp-content/uploads/2023/06/Code-of-Conduct-for-Board-and-Senior-Management.pdf

The code of conduct was circulated to all the members of the board and senior management personnel and they have affirmed their compliance with the said code of conduct for the financial year ended March 31, 2023. A declaration to this effect issued by the Chairman, Managing Director & CEO is annexed herewith this report.

(j) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)

Your Company has not raised any funds through preferential allotment or qualified institutions placement. Thus, disclosure with respect to utilization of such funds during the financial year is not applicable to the Company.

(k) Certificate regarding disqualifications for continuing as Director

All the directors of your company have intimated in Form DIR- 8 pursuant to Section 164(2) read with rule 14(a) of Companies (Appointment and Qualification of Director) Rules, 2014 that they have not been debarred or disqualified from continuing as directors of the company at the beginning of the financial year.

A certificate from a company secretary in practice in this regard is annexed herewith this report.

(l) Details of non-acceptance of recommendation of any committee by the board

During the period under review, there was no such instance of non-acceptance of any recommendation of any committee by the board which is mandatorily required. The board has accepted all the recommendations of all the committees, which were mandatorily required during the financial year. It is only applicable where recommendation of / submission by the committee is required for the approval of the Board of Directors and shall not apply where prior approval of the relevant committee is required for undertaking any transaction under the Listing Regulations.

(m) Details of fees paid to Statutory Auditors by company and its subsidiaries

During the year under review, the total fees paid to the Statutory Auditors for all the services by your company and its subsidiaries, on consolidated basis amounts to ₹24.30 Lakhs. The said information also forms part of the notes to the Financial Statements. The Company has not availed any services from the network firm/network entity of which the Statutory Auditors is a part.

(n) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your company provides a healthy working environment to all the employees of the company. In line with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made there under, your company has in place a Policy on Sexual harassment (Prevention, Prohibition & Redressal) at Work Place and has an Internal Complaint Redressal Committee which is responsible for redressal of complaints related to sexual harassment.

During the year under review, your company has not received any complaints on sexual harassment nor there were any complaints required to be disposed of and hence no complaints remain pending as of March 31, 2023.

(o) Accounting treatment in preparation of Financial Statements

The Financial Statements have been prepared in accordance with Indian Accounting Standards ('IND AS') as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 and other relevant provisions of the Companies Act, 2013.

(p) Details of Compliance with Corporate Governance Requirements

The Company had complied with Corporate Governance Requirements specified in Regulation 17 to 27 to the extent applicable and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

(q) Loans & Advances

During the year, the Company and its subsidiaries have not provided any loans and advances in the nature of loans to firms/companies in which directors are interested.

(r) Disclosures with respect to demat suspense account/ unclaimed suspense account

Your company does not have any share in the demat suspense account or unclaimed suspense account.

Green Initiative

Your Company is concerned about the environment and utilizes natural resources in a sustainable way. In accordance with SEBI guidelines and Ministry of Corporate Affairs (MCA) circulars, we are issuing Annual Report in electronic form to those shareholders whose e-mail addresses are available.

If you are receiving dividend by way of dividend warrant, you are requested to furnish/ update bank account details with DP/RTA, as the case may be, to receive dividend directly in your bank account.

Ministry of Corporate Affairs vide its various circulars, has allowed the Companies to conduct their AGM through Video Conferencing or Other Audio Visual Means. Hence, in order to ensure the effective participation, the members of the Company are requested to update their email address for receiving the link of e-AGM.

The shareholders are requested to update their email addresses with their depository participants to ensure that the Annual Report and other documents reaches on their registered email Ids.

We are sure that you will appreciate the "Green Initiative" taken by your Company and hope that you will enthusiastically participate in the effort.

For & on behalf of the Board of Directors

Prahaladbhai S. Patel
Chairman & Managing Director & CEO
(DIN: 00037633)

Date: July 27, 2023
Place: Ahmedabad

Certificate under Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Board of Directors,
PSP Projects Limited

Sub: CEO and CFO Compliance Certificate

We, Prahaladbhai S. Patel, Managing Director and Chief Executive Officer and Hetal Patel, Chief Financial Officer of PSP Projects Limited ('the Company'), hereby certify that:

(a) That we have reviewed Standalone & Consolidated Financial Statements and Cash Flow Statement of the company for the year ended March 31, 2023 and that to the best of our knowledge and belief:

  (i) these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;

  (ii) these statements together present a true and fair review of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;

(b) That there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended on March 31, 2023, which are fraudulent, illegal or violative of the Company's code of conduct;

(c) That we accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take to ratify these deficiencies;

(d) That we have indicated to the auditors and the Audit committee:

  (i) That there are no significant changes in internal control over financial reporting during the year ended on March 31, 2023;

  (ii) That there are no significant changes in accounting policies during the year ended on March 31, 2023 and that the same have been disclosed in the notes to the financial statements; and

  (iii) That no instances of significant fraud, of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For and on behalf of Board of Directors

Place: Ahmedabad Date: May 18, 2023	**Prahaladbhai S. Patel** Managing Director & CEO (DIN: 00037633)	**Hetal Patel** Chief Financial Officer

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Declaration Regarding Affirmation of Code of Conduct

I, Prahaladbhai S. Patel, Chief Executive Officer of the Company, hereby declare and confirm that all the members of the Board and senior management of the company have affirmed compliance with the Code of Conduct for Board of Directors and Senior Management of the Company for the year ended March 31, 2023, as envisaged in Regulation 34(3) read with Schedule V (Part D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For & on behalf of the Board of Directors

Prahaladbhai S. Patel
Chairman, Managing Director & CEO
(DIN: 00037633)

Date: May 18, 2023
Place: Ahmedabad

Compliance Certificate on Corporate Governance

To,
The Members,
PSP Projects Limited
"PSP House", Opp. Celesta Courtyard,
Opp. lane of Vikram Nagar Colony,
Iscon-Ambli Road,
Ahmedabad - 380058

We have examined the compliance of conditions of Corporate Governance by PSP Projects Limited ("the Company") for the year ended on March 31, 2023 as stipulated in the applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, pursuant to the Listing Agreement of the Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of procedures and implementations thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company

CS Chirag Shah
Partner
Chirag Shah and Associates
FCS No.: 5545
C. P. No. 3498
UDIN: F005545E000686390
Peer Review Cert. No. 704/2020

Place: Ahmedabad
Date: July 27, 2023

Certificate of non-disqualification of directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
PSP Projects Limited
"PSP House", Opp. Celesta Courtyard,
Opp. lane of Vikram Nagar Colony,
Iscon-Ambli Road
Ahmedabad – 380058

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **PSP Projects Limited** having CIN: L45201GJ2008PLC054868 and having registered office at "PSP House", Opp. Celesta Courtyard, Opp. lane of Vikram Nagar Colony, Iscon-Ambli Road, Ahmedabad-380058, Gujarat, India (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Prahaladbhai Shivrambhai Patel	00037633	26/08/2008
2.	Sandeepbhai Himatbhai Shah	00807162	01/09/2015
3.	Vasishtha Pramodbhai Patel	00808127	01/09/2015
4.	Achala Monal Patel	00914990	14/07/2022
5.	Pooja Prahladbhai Patel	07168083	24/04/2015
6.	Sagar Prahladbhai Patel	07168126	22/10/2019

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

CS Chirag Shah
Partner
Chirag Shah and Associates
FCS No.: 5545
C. P. No. 3498
UDIN: F005545E000686381
Peer Review Cert. No. 704/2020

Place: Ahmedabad
Date: July 27, 2023

Business Responsibility and Sustainability Report

SECTION A

General Disclosures

I. Details of the entity

1.	Corporate Identity Number (CIN)	L45201GJ2008PLC054868
2.	Name of the Listed Entity	PSP Projects Limited
3.	Year of Incorporation	2008
4.	Registered office address	"PSP House", Opp. Celesta Courtyard, Opp. lane of Vikram Nagar Colony, Iscon- Ambli Road, Ahmedabad GJ 380058
5.	Corporate office address	
6.	Email	grievance@pspprojects.com
7.	Telephone	079-26936200
8.	Website	www.pspprojects.com
9.	Financial year for which reporting is being done	2022-23
10.	Name of Stock Exchange(s) where shares are listed	BSE, NSE
11.	Paid-up Capital	₹36,00,00,000
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Prahaladbhai S. Patel (Chairman, Managing Director and CEO) Phone: 079-26936200 e-mail id: grievance@pspprojects.com
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Disclosures under this report are made on Standalone basis. The Company does not have any materially substantial subsidiaries/ joint ventures that have activities and practices having a material impact on the operations of the Company.

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

Sr. No.	Description of main activity	Description of business activity	Turnover (%)
1	Construction of Buildings	Construction of Buildings	96.32 %

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sr. No.	Product / Service	NIC Code	Total turnover (%)
1	Construction of Buildings	410	96.32 %

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	62	1	63
International	0	0	0

Note: The Company had 62 operational locations during the year comprising of 61 project construction sites and 1 precast factory. The corporate office of the Company is considered as "Offices" in the above table.

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of states)	5
International (No. of countries)	0

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Nil

c. A brief on types of customers

S. No.	Type of Customers
1	Government Departments
2	Corporate Entities
3	Municipal Corporations
4	NGOs

IV. Employees

18. Details as at the end of Financial Year:

a. Employees (including differently abled)

Particulars	Total (A)	Male		Female	
		No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES					
Permanent Employees (D)	1,836	1,802	98.15%	34	1.85%
Other than Permanent Employees (E)	0	0	0%	0	0%
Total employees (D+ E)	1,836	1,802	98.15%	34	1.85%
WORKERS					
Permanent Workers (F)	0	0	0%	0	0%
Other than Permanent Workers(G)	10,275	9,487	92.33%	788	7.67%
Total workers (F + G)	10,275	9,487	92.33%	788	7.67%

b. Differently abled employees and workers

Particulars	Total (A)	No. (B)	% (B/A)	No. (C)	% (C/A)
DIFFERENTLY ABLED EMPLOYEES					
Permanent Employees (D)	0	0	0%	0	0%
Other than Permanent Employes (E)	0	0	0%	0	0%
Total Employees (D+ E)	0	0	0%	0	0%
DIFFERENTLY ABLED WORKERS					
Permanent Workers (F)	0	0	0%	0	0%
Other than Permanent Workers (G)	0	0	0%	0	0%
Total Workers (F +G)	0	0	0%	0	0%

19. Participation/Inclusion/Representation of women:

	Total (A)	No. of Females (B)	% of Females (B/A)
Board of Directors	6	2	33.33%
Key Management Personnel	2	1	50%

20. Turnover rate for permanent employees and workers (in %):

	Turnover Rate in FY 2022-23			Turnover Rate in FY 2021-22			Turnover rate in the FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	33.77	33.33	33.76	39.20	35.82	39.11	42.89	43.84	42.92
Permanent Workers	Not Applicable								

Note: The Company did not employ any permanent workers during the period under review.

V. Holding, Subsidiary and Associate Companies (including Joint Ventures)

21. (a) Names of Holding / Subsidiary / Associate companies / Joint Ventures

S. No	Name of the holding/ subsidiary / associate companies or joint ventures (A)	Indicate whether holding or Subsidiary or associate companies or joint ventures (B)	% of shares held by listed entity (C)	Does the entity indicated at column (A) participate in the Business Responsibility initiatives of the listed entity (Yes/No) (D)
1	PSP Projects and Proactive Constructions Private Limited	Subsidiary	100%	No
2	PSP Foundation	Subsidiary	100%	No
3	GDCL and PSP Joint Venture	Joint Venture	49%	No

VI. CSR Details

22. i. Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes
    ii. Turnover : ₹19,26,64,90,934
    iii. Net worth : ₹7,99,82,55,278

VII. Transparency and Disclosures Compliances

Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Grievance Redressal Mechanisms in Place (Yes/No)		FY 2022-23			FY 2021-22		
Stakeholder group from whom complaint is received	If Yes, then provide weblink for grievance redressal policy	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending at the close of the year	Remarks
Communities	No	0	0		0	0	
Investors (other than shareholders)	Note	0	0		0	0	
Shareholders	Note	0	0		0	0	
Employees and workers	Note	0	0		0	0	
Customers	Note	0	0		0	0	
Value Chain Partners	Note	0	0		0	0	

Note: Refer www.pspprojects.com for the subject matter policies of the Company.

24. Overview of the entity's material responsible business conduct issues:

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

Sr. No.	Material issue	Indicate whether risk or opportunity	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Waste Management	Opportunity	Sustainable waste management practices and recycling can improve environmental performance and reduce dependency on additional raw materials, while also potentially increasing financial returns.	NA	Positive
2	Health & Safety	Risk	Aiming to create a work environment where the employees, workers and vendors flourish. Health and safety risks can result in human injuries and illness impacting Productivity and increase in other related cost including external reputation which can negatively impact the Company's bottom line.	Policies (internal) and rigorous trainings for employees and workers against health and safety hazards. The safety campaigns and conclaves communicate all significant hazards across sites, factories and offices. The Company's insurance program includes employees as well as service technicians	Negative
3	Talent Development	Opportunity	Ability to attract, develop and retain a skilled workforce can enhance innovation, productivity, and competitiveness. Effective talent management can also improve employee engagement, morale and job satisfaction, leading to reduced attrition and increased employee loyalty.	NA	Positive

Sr. No.	Material issue	Indicate whether risk or opportunity	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4	Governance, ethics and Compliance	Risk	Our brand and reputation are invaluable assets, and how we operate, contribute to society, and engage with the world around is always under scrutiny. Acting ethically is essential to protect our reputation and brand. Regulatory compliance provides: an increase in the efficiency of products; reduce risks; enables competitive advantage; and creates new business opportunities. Regulatory compliant businesses are less likely to face legal or regulatory action, and protects the reputation.	We have strong values, Positive clear policies, guidelines and related learning materials, as well as robust procedures and controls to prevent, detect and respond to any inappropriate behaviour. Our Business Integrity framework ensures that how we do business is fully aligned with our values and applicable laws and regulations of the country. Our Code of Conduct and Code Policies govern the behaviour of the employees, suppliers, and distributors and other third parties, who work with us. Processes for identifying and resolving breaches of Code and Code Policies are clearly defined and regularly communicated throughout the Company. We, from the very inception, are known to conduct our business with integrity and highest level of governance, which form the bedrock of our business.	Positive
5	Economic Performance & Market Share	Opportunity	Economic performance and market share provides an opportunity which can attract investment and it is key for current investors to be satisfied with consistent returns.	NA	Positive
6	Diversity and Inclusion	Opportunity	Diversity and inclusion give an opportunity to individuals with different backgrounds, experiences, and view-points to come together in a workforce that is diverse and inclusive. It can open a wide range of possibilities, including improved decision making, increased consumer base, stronger employer brand, fostering economic development and improved reputation.	NA	Positive

SECTION B

Management and Process Disclosures

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements

P1 Business should conduct and govern themselves with integrity, and in a manner that is ethical, transparent and accountable.

P2 Business should provide goals and services in a manner that is sustainable and safe.

P3 Businesses should respect and promote the wellbeing of all employees, including those in their value chains.

P4 Businesses should respect the interests of and be responsive to all its stakeholders.

P5 Businesses should respect and promote human rights.

P6 Businesses should respect and make efforts to protect and restore the environment.

P7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

P8 Businesses should promote inclusive growth and equitable development.

P9 Businesses should engage with and provide value to their consumers in a responsible manner.

Disclosure Question									
Policy and management processes	**P1**	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**
1 a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Weblink of the policies, if available.	Refer note below								
2. Whether the Company has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	No	No	No	No	No	No	No	No	No
4. Name of the national and international codes / certifications /labels/ standards (e.g.Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	ISO 9001-2015 certification	ISO 45001:2018 certification, ISO 14001-2015 certification	ISO 9001-2015 certification	ISO 9001-2015 certification	ISO 45001:2018 certification	ISO 45001:2018 certification, ISO 14001-2015 certification	-	-	ISO 9001-2015 certification
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	PSP is in the process of setting specific Environmental, Social and Governance (ESG) goals serving as a strategy to deliver consistent, competitive, profitable and responsible growth. We are taking up an ambitious sustainability agenda to tackle the issues that our customers and stakeholders care deeply about, such as climate change; protect and regenerate nature; waste- free world; health and well-being; equity, diversity and inclusion; raise living standards; and the future of work.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The Company is in the process of establishing a monitoring mechanism to measure achievement of ESG goals and take adequate actions wherever required. The Company's leadership team reports to the Chief Executive Officer & Managing Director and the ESG Steering Committee. Our ESG Committee is chaired by Chief Executive Officer & Managing Director, and other member of the committee includes the Whole Time Director and an Independent Director, which assists the Board in overseeing the vision and focus on our strategy relating to ESG.								

Disclosure Question									
Policy and management processes	**P1**	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements.	Dear Stakeholders, I am pleased to share our first Business Responsibility and Sustainability Report (BRSR) for the Financial Year 2022-23. The report aims to enable our stakeholders to know more about sustainability performance of the company. We are committed to sustainable growth by delivering projects that meet the evolving needs of our clients, while minimising their impact on the environment. We firmly believe that sustainability and profitability go hand-in-hand. We have formed an Environmental, Social, and Governance (ESG) Committee at the Board level comprising two Executive Directors and one Independent Director. The ESG Committee is responsible for overseeing and guiding our ESG Strategy, performance and implementation. This includes monitoring and reporting on our progress towards Company's ESG Goals, as well as ensuring that our operations align with our purpose. We are also in the process of setting targets to reduce the water and carbon footprint of our operations and setting up processes for onboarding and integrating our supply chain in our overall sustainability goals. Prahaldbhai S. Patel Chairman, Managing Director & CEO Chairman of ESG Steering Committee								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	ESG Steering Committee of the Board. The ESG Steering Committee is a board level management committee of the Company. The mandate of this Board level committee is to support the Company's on-going commitment to environmental, health and safety, corporate social responsibility, corporate governance, sustainability and other public policy matters relevant to the Company.								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	The ESG Steering Committee of the Board is responsible for oversight on sustainability-related matters. The ESG Steering Committee of the Board comprises of following Directors. 1. Mr. Parahaladbhai Patel,Chairman 2. Ms. Pooja Patel, Member 3. Mrs. Achala Patel, Member								

10. Details of Review of NGRBCs by the Company:

Subject of Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee								
	P1	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**
Performance against above policies and follow up action	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Subject of Review Frequency	(Annually/ Half yearly (HY) / Quarterly (Q) / Any other – please specify)								
	P1	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**
Performance against above policies and follow up action	Yearly	Yearly	Yearly	Yearly	Yearly	Yearly	Yearly	Yearly	Yearly
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Yearly	Yearly	Yearly	Yearly	Yearly	Yearly	Yearly	Yearly	Yearly

	P1	P2	P3	P4	P5	P6	P7	P8	P9
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/ No). If yes, provide name of the agency.	No	No	No	No	No	No	No	No	No

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

    Not Applicable

	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	NOT APPLICABLE								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/ human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

Note: The Company has hosted its policies related to the 9 principles of the NGBRCs on its website www.pspprojects.com as required by SEBI LODR, 2015.

SECTION C

Principle wise Performance Disclosure

PRINCIPLE 1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	2	1. Implementation of Business Responsibility and Sustainability Reporting. 2. Appraising the Board of Directors on 9 Principles of 'National Guidelines on Responsible Business Conduct, 2018'. 3. Regulatory Updates on: i. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. ii. SEBI Circular relating to Related Party Transactions. iii. Updates on amendment regarding Separate posts of Chairperson and the Managing Director or the Chief Executive Officer. iv. Other general taxation related updates. v. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. vi. Updates on framework restricting trading by DPs by freezing their PAN at security level. vii. Updates of Business Responsibility and Sustainability Reporting.	100 %

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
		viii. Introduction of threshold limit for filing annual return under GST and other GST related updates. ix. Treaty benefits for non-residents x. Relaxation in ECB Norms xi. Updates and status of ongoing Projects of the company.	
Key Managerial Personnel	2	1. Implementation of Business Responsibility and Sustainability Reporting. 2. Appraising KMPs on 9 Principles of 'Nation al Guidelines on Responsible Business Conduct, 2018'. 3. Coaching, Mentoring and Counseling 4. Conducting Effective Performance Review Discussions 5. Effective Communication Skills 6. Managerial Effectiveness 7. Managing Conflicts and Differences 8. Personal Effectiveness 9. Psychology of Decision Making 10. The Art of Effective Delegation 11. Win Win Negotiation Skills 12. Worker Supporting Staff Development Program	100 %
Employees other than BoD and KMPs	16	1. Implementation of Business Responsibility and Sustainability Reporting. 2. Appraising operational heads and key staff members on 9 Principles of 'National Guidelines on Responsible Business Conduct, 2018'. 3. Coaching Mentoring and Counseling 4. Conducting Effective Performance Review Discussions 5. Effective Communication Skills 6 Managerial Effectiveness 7. Managing Conflicts and Differences 8. Personal Effectiveness 9. Psychology of Decision Making 10. The Art of Effective Delegation 11. Win Win Negotiation Skills 12. Worker Supporting Staff Development Program	50 %
Workers	10	1. Work at height 2. Electrical Safety 3. Fire Fighting 4. Safe Scaffolding work 5. Crane Safety 6. Manual & Mechanical Material Handling training 7. Power Tool safety 8. First Aid Training 9. Behavior Base Safety 10. Safe Crane Operation etc.	70%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

	NGRBC Principle	Name of the regulatory / enforcement agencies / judicial institutions	Amount	Brief of the case	Has an appeal been preferred?
Monetary	There are no material fines or penalties or punishments or awards or compounding fees or settlement amount paid in proceedings with regulators or law enforcement agencies during the year.				
Penalty/Fine					Not Applicable
Settlement					Not Applicable
Compounding Fee					Not Applicable
Non-Monetary					Not Applicable
Imprisonment					Not Applicable
Punishment					Not Applicable

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed

Sr.No	Case Details	Name of the regulatory / enforcement agencies / judicial institution
Not Applicable		

4. a. Does the entity have an anti-corruption or anti-bribery policy?

   Yes

   b. If yes, provide details in brief.

   The Company has adopted Anti-Bribery & Anti-Corruption policy which emphasizes PSP Projects Limited's zero tolerance approach to bribery and corruption and its commitment to transparent, ethical and responsible business practices. It establishes the principles with respect to applicable Anti-Bribery and Anti-Corruption laws. The policy provides information and guidance on how to recognize and deal with bribery and corruption issues. It guides us to act professionally, fairly and with utmost integrity in all our business dealings and relationships, wherever we operate.

   c. Provide weblink (if any)

   NA

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Particulars	FY 2022-23	FY 2021-22
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. Details of complaints with regard to conflict of interest:

Particulars	FY 2022-23		FY 2021-22	
	Number of Complaints	Remarks	Number of Complaints	Remarks
Complaints received in relation to issues of Conflict of Interest of the Directors	0	NA	0	NA
Complaints received in relation to issues of Conflict of Interest of the KMPs	0	NA	0	NA

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

   Due to the robust ethical business practices and monitoring mechanisms of the Company, there have been no instances where fines or penalties were imposed by law enforcement agencies or judicial institutions for corruption or conflicts of interest.

PRINCIPLE 2

Businesses should provide goods and services in a manner that is sustainable and safe.

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2022-23	FY 2021-22	Details of improvements in environmental and social impacts
R&D	0 %	0 %	NIL
Capex	7.02%	17.46%	The Capex was mainly done into expansion of production facilities and improvisation of operations in its Precast Plant to achieve more effectiveness and efficiency in production. This expansion will help in faster delivery of the projects to its clients which eventually helps growth of its end users. During the year, we have installed solar plant of 450KW, which reduces the use of coal based power and one step towards sustainability.

2. a. Does the entity have processes for sustainable sourcing?

   Yes

   b. If yes, what percentage of inputs were sourced sustainably?

   60.82 %

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for Plastics, E-waste, Hazardous waste and other waste.

Product	Details
Plastics (including packaging)	As such, no direct plastic is consumed for finished goods/services. Packaging plastics are stored and sent for recycling.
E-waste	E-waste are scraped-off to associated vendors for further recycling as per government norms.
Hazardous waste	Hazardous waste such as black oil, used grease are reused for mechanical maintenance.
Other Waste	Waste water from labour colony is being treated in the STP plant of the precast factory and used for domestic purposes.

4. a. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities

   No

   b. Provide steps taken to address the same

   Not Applicable

PRINCIPLE 3

Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number % (B)	(B/A)	Number % (C)	(C / A)	Number % (D)	(D / A)	Number % (E)	(E / A)	Number % (F)	(F/ A)
Male	1,802	914	50.72%	1,802	100%	0	0.00	0	0.00	1,802	100%
Female	34	22	64.71%	34	100%	29	85.29%	0	0.00	34	100%
Total	1,836	936	50.98%	1,836	100%	29	1.58%	0.00	0.00	1,836	100%
Other than Permanent employees											
Male	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Female	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Total	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00

b. Details of measures for the well-being of workers:

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number % (B)	(B/A)	Number % (C)	(C / A)	Number % (D)	(D / A)	Number % (E)	(E / A)	Number % (F)	(F/ A)
Permanent workers											
Male	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Female	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Total	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Other than Permanent workers											
Male	9,487	0	0.00	9,487	100%	0	0.00	0	0.00	9,487	100%
Female	788	0	0.00	788	100%	0	0.00	0	0.00	788	100%
Total	10,275	0	0.00	10,275	100%	0.00	0.00	0	0.00	10,275	100%

Note: The Company did not employ any permanent workers during the period under review.

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees *	No. of workers covered as a % of total employees *	Deducted and deposited with the authority	No. of employees covered as a % of total employees *	No. of workers covered as a % of total employees *	Deducted and deposited with the authority
PF	100 %	100 %	Yes	100 %	100 %	Yes
Gratuity	100 %	-	Yes	100 %	-	Yes
ESI	100 %	-	Yes	100 %	-	Yes
Others - Workman Compensation	0 %	100 %	Yes	0 %	100 %	Yes

Note: The Company enters into a contract for supply of labour with selected and empanelled contractors. The Company ensures that the contractor is legally bound to cover health insurance, minimum wages, ESI and other labour benefits under all applicable regulations. The Company also carries out day to day supervision of the ongoing construction activity at each and every project site. The coverage relates to only eligible employees/workers under the extant applicable acts, rules and regulations.

3. Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes

4. a. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016?

   Yes

   b. If so, provide a web-link to the policy

   Refer www.pspprojects.com for the subject matter policies of the Company.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent Workers	
	Return to work rate	Retention Rate	Return to work rate	Retention Rate
Male	NA	NA	NA	
Female	100 %	100 %		
Total	100 %	100 %		

Note: The company does not employ any permanent workers.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Product	Yes/No	Details
Permanent Workers	Not Applicable	The Company does not employ any permanent workers.
Other than Permanent Workers	Yes	Refer Note Below
Permanent Employees	Yes	Refer Note Below
Other than Permanent Employees	Not Applicable	The Company does not hire employees other than permanent employees.

Note: The company has a well established mechanism backed by a board adopted policy to address and rederess any types of grievances, complaints and employee/ worker related issues. All these issues are directly being handled upon escalation by an independent committee chaired by an Executive Director of the board.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Benefits	FY 2022-23			FY 2021-22		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	1,836	0	0%	1,344	0	0%
- Male	1,802	0	0%	1,313	0	0%
- Female	34	0	0%	31	0	0%
Total Permanent Workers	10,275	0	0%	11,164	0	0%
- Male	9,487	0	0%	10,327	0	0%
- Female	788	0	0%	837	0	0%

The company has not formed labour unions and none of it's employees/workers are independent members of any trade union or labour association.

8. Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
	Total (A)	On Health and Safety Measures		On Skill Upgradation		Total (D)	On Health and Safety Measures		On Skill Upgradation	
		No.(B)	%(B/A)	No.(C)	% (C/A)		No.(B)	%(B/A)	No.(C)	% (C/A)
Employees										
Male	1,802	1,802	100%	411	22.81%	1,313	1,313	100%	0	0%
Female	34	34	100%	7	20.59%	32	32	100%	0	0%
Total	1,836	1,836	100%	418	22.77%	1,345	1,345	100%	0	0%
Workers										
Male	9,487	9,487	100%	0	0%	10,327	10,327	100%	0	0%
Female	788	788	100%	0	0%	837	837	100%	0	0%
Total	10,275	10,275	100%	0	0%	11,164	11,164	100%	0	0%

9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	1,802	411	22.81%	1,314	0	0%
Female	34	7	20.59%	31	0	0%
Total	1,836	418	22.77%	1,345	0	0%
Workers						
Male	9,487	0	0%	10,327	0	0%
Female	788	0	0%	837	0	0%
Total	10,275	0	0%	11,164	0	0%

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity?

Yes

If yes, what is the coverage of such a system?

Yes, Safety management systems typically have six key elements, which are already implemented by our Company.

1. Safety Plan: A comprehensive plan that outlines the company's approach to managing safety, including goals, objectives, and strategies.
2. Policies, Procedures, and Processes: A set of guidelines and protocols that define how the company will identify & assess the involvement of risk to adopt the control measures.
3. Training and Induction: Ensuring that all employees, contractors' personnel and visitors to receive appropriate safety training prior to their induction into work to identify and eliminate potential hazards.
4. Monitoring: Regular monitoring and review of the reports & documents for the effectiveness of the safety management system is being already implemented for improvement in the system by taking corrective actions whenever required.
5. Supervision: Providing effective supervision at workplace to ensure the safe working environment is being maintained with proper identification of hazards and their control measures.
6. Reporting: Establishing a step wise system for reporting procedure up to the zenith level involvement with collection of data from each workplace to maintain the importance of Health and Safety Management System. Special taskforce is being made for investigating the incidents & near misses or any eventuality if happens to identify the hazards to find out the root causes of the incidents to avoid recurrence of the same by taking necessary corrective action.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non routine basis by the entity?

Refer www.pspprojects.com for the subject matter policies of the Company.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks.

   Yes

d. Do the employees / worker of the entity have access to non-occupational medical and healthcare services?

   Yes

11. Details of safety related incidents, in the following format:

Safety Incident/ Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0.17	0.10
Total recordable work-related injuries	Employees	0	0
	Workers	7	7
No. of fatalities	Employees	0	0
	Workers	1	3
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

   1. Regular safety inspections: Regular safety inspections are conducted to identify potential hazards in the workplace. Any identified hazards are addressed immediately to prevent accidents and injuries.
   2. Training and education: Employees should receive training and education on workplace safety and health. This includes information on proper lifting techniques, emergency procedures, and the safe use of equipment.
   3. Providing protective equipment: Workers on site are provided with personal protective equipment (PPE) such as gloves, hard hats, and reflective jackets, as necessary.
   4. Maintaining good hygiene: The Company ensures that the workplace is clean and hygienic to prevent the spread of illness and disease. This includes regular cleaning of surfaces, providing hand sanitizer, and encouraging hand washing.
   5. Creating a safety culture: A safety culture should be promoted in the workplace where employees are encouraged to report any safety concerns or hazards. The Company also recognizes and rewards employees who prioritize safety in their work.

13. Number of Complaints on the following made by employees and workers:

Category	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0		0	0	
Health & Safety	0	0		0	0	

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health & Safety Practices	100%
Working Conditions	100%

Note: The company has set up an EHS Department with the main aim of ensuring that work is carried out with utmost safety and workers are provided healthy and safe working conditions. The department conducts regular trainings for safety and visits sites to ensure safe and healthy working conditions at all sites. In case of any deviations, instructions are issued and corrective actions are taken. The company has also obtained ISO Certification from ISOQAR in respect of ISO 45001: 2018.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

    1) The company installed RCS-Rail Climbing System at the project sites for fall protection (The RCS is a safe solution for fall protection in construction projects that involves climbing. Its rail-guided climbing provides a secure connection between the climbing unit and the building, ensuring additional safety in windy conditions. The modular design allows for versatility in various climbing applications and can be easily adapted to suit job site-specific requirements. The system is also easy to move using a crane or mobile climbing hydraulics, adding to its ease of use and adaptability. Overall, the RCS system prioritizes safety in construction projects and provides a reliable means of fall protection during climbing procedures.)

    2) The Company has developed general rules for edge protection and cut-out protection. Some of the key points are outlined below:

        a. Safety catch nets are installed on the even-numbered floors of the building's lift shaft cutout to prevent falls of people or materials from heights.

        b. Steel rebars are installed on every odd-numbered floor of the building's lift shaft cut-out.

        c. All floor and staircase edge openings are protected by pipes.

    3) The Company has mandated following guidelines as general SOP for carrying out work at sites,

       All execution staff must ensure not to start the work without ensuring safety measures and safe work permit at site. It is prime responsibility of all site staff to guide labours for safe work, close supervision and encourage to be fully engaged during working hours. As a part of preventive safety measures, management has directed to all Project Managers, Engineers, Supervisors and Sub Contractors' staff that strict supervision must be followed by all deputed staff during working hours till laborers goes back to colony and not allow them to do any unsafe work or allow them to sit idle at the site after working hours. Entire staff is required to conduct regular inspection at the workplace. Failure to follow safety rules results in imposition of penalties or termination.

PRINCIPLE 4

Businesses should respect the interests of and be responsive to all its stakeholders.

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

   PSP recognizes any individual, group or institution that contributes to the Company’s value chain as a core stakeholder. Through the Stakeholder Engagement, we identify our stakeholders, which include customers, suppliers, communities, government regulators, shareholders and employees. However, this process is ongoing and we continuously strive to identify additional stakeholders.

   We take a proactive approach to engage with our stakeholders regularly, seeking to understand their perspectives, receive feedback and address any issues that are important to them. Our stakeholder engagement is based on seamless dialogue, empathy and a focus on value creation, which forms the foundation of our engagement approach at PSP.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Sr. No.	Stakeholder Group	Whether identified as Vulnerable & Marginalized Group	Channels of communication	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during such engagement
1	Board	No	Board Portal, Face-to-face Meetings, Email	Regular	Sustainability & CSR interventions, Board Meetings, AGMs
2	Shareholders	No	Email Website, AGM, Quarterly Calls, Newspaper Publications	Annual, Quarterly, Periodic	Company performance & Growth Strategies & Development
3	Employees	No	Email, Phone Calls, SMS, One on One meetings	Ongoing engagement	Company performance and employee initiatives, training & Development

Sr. No.	Stakeholder Group	Whether identified as Vulnerable & Marginalized Group	Channels of communication	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during such engagement
4	Suppliers	No	Email, Phone Calls, SMS, One on One meetings	Ongoing engagement	Product development and commercial negotiations
5	Regulatory Authorities	No	Email, Other Liasioning	As and when required	Regulatory compliances
6	Customers	No	SMS, Pamphlets, Advertisement, Email, Newspaper, Website	Ongoing engagement	Client expectations and follow ups, understanding client needs and expectations
7	Bankers & Lenders	No	Email Face-to-face Meetings	As and when required	Company performance

PRINCIPLE 5

Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity.

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
Employees						
Permanent Employees	1,836	1,836	100	1,345	1,345	100
Other than permanent employees	0	0	0	0	0	0
Total Employees	1,836	1,836	100	1,345	1,345	100
Workers						
Permanent workers	0	0	0	0	0	0
Other than permanent workers	10,275	10,275	100	11,164	11,164	100
Total Work ers	10,275	10,275	100	11,164	11,164	100

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to minimum Wage		More than minimum Wage		Total (D)	Equal to minimum Wage		More than minimum Wage	
		No.(B)	% B/A	No.(C)	% (C/A)		No.(E)	% (E / D)	No.(F)	% (F / D)
Employees										
Permanent	**1,836**	**0**	**0%**	**1,836**	**100%**	**1,345**	**0**	**0%**	**1,345**	**100%**
Male	1,802	0	0%	1,802	100%	1,314	0	0%	1,314	100%
Female	34	0	0%	34	100%	31	0	0%	31	100%
Other than Permanent	**0**	**0**	**0%**	**0**	**0%**	**0**	**0**	**0%**	**0**	**0%**
Male	0	0	0%	0	0%	0	0	0%	0	0%
Female	0	0	0%	0	0%	0	0	0%	0	0%
Workers										
Permanent	**0**	**0**	**0%**	**0**	**0%**	**0**	**0**	**0%**	**0**	**0%**
Male	0	0	0%	0	0%	0	0	0%	0	0%
Female	0	0	0%	0	0%	0	0	0%	0	0%
Other than Permanent	**10,275**	**5,049**	**49.14%**	**5,226**	**50.86%**	**11,164**	**4,948**	**44.32%**	**6,216**	**55.68%**
Male	9,487	4,762	50.20%	4,725	49.80%	10,327	4,622	44.76%	5,705	55.24%
Female	788	287	36.42%	501	63.58%	837	326	38.95%	511	61.05%

3. Details of remuneration or salary or wages.

	Male		Female	
	Number	Median remuneration/ salary / wages of respective category	Number	Median remuneration/ salary / wages of respective category
Board of Directors (BoD)	2	₹9,00,00,000	1	₹2,40,00,000
Key Managerial Personnel	1	₹9,29,997	1	₹37,10,060
Employees other than BoD and KMP	1,799	₹3,83,993	32	₹3,59,988
Workers	0	0	0	0

Note: The company enters into a contract for supply of labour with selected and empanelled contractors. Since all workers are non permanent, they are not on payroll of the company.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

   Yes

   The Company has constituted a ESG Steering Committee which looks after the overall compliances of the Environmental, Social and Governance issues of all the stakeholders of the company. In addition to it, the company has also constituted Internal Complaints to address the issues regarding sexual harassment of employees.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

   Refer www.pspprojects.com for the subject matter policies of the Company.

6. Number of Complaints on the following made by employees and workers:

Category	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	NA	0	0	NA
Discrimination at workplace	0	0		0	0	
Child Labour	0	0		0	0	
Forced Labour/Involuntary Labour	0	0		0	0	
Wages	0	0		0	0	
Other human rights related issues	0	0		0	0	

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

   Refer www.pspprojects.com for the subject matter policies of the Company.

8. Do human rights requirements form part of your business agreements and contracts?

   Yes

9. Assessments for the year on human rights issues

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced / involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%

Note: The company hires the labour on contract basis. However, the Company ensures that the basic rights of workers are taken care of. There is policy and mechanism against non-compliance on above mentioned matters. Further, on site personnel of the company carry out routine checks of the same so as to ensure there are no cases of non-compliance.

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

    We have defined policies (POSH, Grievance redressal mechanism, Human Right Policies etc.) to address significant risks or concerns.

PRINCIPLE 6

Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total electricity consumption (A)	MJ	1,19,68,641	2,31,00,574
Total fuel consumption (B)	MJ	7,25,00,712.8	6,19,24,780.3
Energy consumption through other sources (C)	MJ	0	0
Total energy consumption (A+B+C)	MJ	8,44,69,353.80	8,50,25,354.30
Energy intensity per rupee of turnover (Total energy consumption / turnover in rupees)	MJ/LAKH ₹	438.43	486.20
Energy intensity (optional) – the relevant metric may be selected by the entity			

Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency?

No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India?

Not Applicable

3. Provide details of the following disclosures related to water, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Water withdrawal by Surface water	kilolitres	0	NA
Water withdrawal by Groundwater water	kilolitres	2,15,192.19	
Water withdrawal by Third party water	kilolitres	90,776.93	
Water withdrawal by Seawater / desalinated water	kilolitres	0	
Water withdrawal by Others	kilolitres	0	
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	kilolitres	3,05,969.12	
Total volume of water consumption	kilolitres	3,05,969.12	
Water intensity per rupee of turnover (Water consumed / turnover)	Kilolitre / LAKH ₹	1.59	
Water intensity (optional) – the relevant metric may be selected by the entity			

Note: The company started extracting details of water withdrawal from the financial year 2022-23 onwards, hence the details of previous financial has not been provided.

Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency?

No

4. Has the entity implemented a mechanism for Zero Liquid Discharge?

Not Applicable

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx	NOT APPLICABLE (see the note below)		
Sox			
Particulate matter (PM)			
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			

Note: The Company is engaged in the business of Construction of Buildings, wherein the air pollution is minimal. Further, the Company is also manufacturing precast elements using concrete wherein emission of hazardous gases mentioned are nil. Cement silos are also closed and fitted with air filters and air purifiers, hence the emission is very minimal.

Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency?

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions CO2	TCO2e	5,371.32	4,587.78
CH4	TCO2e	0	0
N2O	TCO2e	0	0
HFCs	TCO2e	0	0
PFCs	TCO2e	0	0
SF6	TCO2e	0	0
NF3	TCO2e	0	0
Total Scope 2 emissions CO2	TCO2e	2,992.16	5,775.14
CH4	TCO2e	0	0
N2O	TCO2e	0	0
HFCs	TCO2e	0	0
PFCs	TCO2e	0	0
SF6	TCO2e	0	0
NF3	TCO2e	0	0
Total Scope 1 and Scope 2	TCO2e	8363.48	10362.92
Total Scope 1 and Scope 2 emissions per rupee of turnover	TCO2e/LAKH ₹	0.04	0.06
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		0	0

Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency?

No

7. Does the entity have any project related to reducing Green House Gas emission?

No

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	16.765	16.377
E-waste (B)	0.542	0.067
Bio-medical waste (C)	0	0
Construction and demolition waste (D)	4,248.973	4339.801
Battery waste (E)	0	0
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify if any. (G)	0	0
Other Non-hazardous waste generated (H). Please specify, if any.(Break-up by composition i.e. by materials relevant to the sector)	0	0
Total (A+B + C + D + E + F + G + H)	4,266.28	4,356.245
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Recycled	4,266.007	4,356.245
Re-used	0	0
Other recovery operations	0	0
Total	4,266.007	4,356.245
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Incineration	0	0
Landfilling	0	0
Other disposal operations	0	0
Total	0	0

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

   Following are various Hazardous and toxic chemical disposal strategies being followed for various consumables.

   - We are using Oil and Grease required for machinery and equipment. These hazardous wastes are stored in drums or barrels which can be used for various tools and tackles as lubricants for mechanical maintenance.
   - For Waste water disposal, we have 45KLPD STP plant at factory. Treated water is disposed and used for gardening.
   - Cement is being stored in closed silos with air purifier and air filter fitted in silos to reduce air pollution.
   - Sludge water and waste concrete from RMC plant is stored in sedimentation tank. Treated water is used for gardening.
   - Solid waste/sludge extracted from waste water and concrete sludge is stored and used as landfilling material in dedicated landfill area identified area within factory premises.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Sr. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval and corrective action / clearance are being complied with?	If no, the reasons thereof taken, if any.
1	PSP Precast Factory, Opp. Credo silver birches, Nr. Asiatic Composite Ltd., Sanand Nalsarovar Road, Mankol village, Sanand-382110, Gujarat, India.	Production of Precast elements using concrete	Yes	NA

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No Date	Whether conducted by independent external agency	Results communicated in public domain	Relevant Web link
Not Applicable				

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N).

    Yes

PRINCIPLE 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations. : 5

   b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sr. No.	Name of the trade and industry chambers / associations	Reach of trade and industry chambers / associations (State / National)
1	Confederation of Indian Industry	National
2	Gujarat Contractors Association	State
3	Gujarat Safety Council	State
4	Indian Green Building Council	National
5	Precast Society of India	National

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

Sr. No.	Name of authority	Brief of the case	Corrective action taken
NA			

Note: During the year, there were no adverse orders from regulatory authorities relating to anti-competitive conduct.

PRINCIPLE 8

Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Sr. No.	Name and brief details of project	SIA Notification No.	Date of Notification	Whether conducted by independent external agency	Results communicated in Public Domain	Relevant Web Link
Not Applicable						

Note: The Company has not carried out impact assessment of CSR projects during the period under review, as the CSR obligation does not exceed the threshold limit of CSR of ₹10 Crores in three preceding financial years as per rule 8(3) of the Companies (Corporate Social Responsibility) Rules, 2014.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Sr. No.	Name of project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amount paid to PAFs in the FY (In ₹)
Not Applicable						

3. Describe the mechanisms to receive and redress grievances of the community.

   The Company has provided the "Get in Touch" facility on its website, wherein the local community can directly get in touch with the company management to lodge their complaints/Grievance or give suggestions .

   Further, for grievances related to site operations, in addition to above, the local community is also directly and personally accessible to the Project Managers of each sites.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Parameter	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	23.90%	15.97%
Sourced directly from within the district and neighbouring districts	52.87%	58.24%

PRINCIPLE 9

Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

   The company has formal mechanisms in place to collect feedback from the customers. The customers can reach-out with their complaints related to our services or payment transactions though mail or online portal and a time bound solution is provided to them. To report any grievance, we can be reached at grievance@pspprojects.com.

   Besides, PSP proactively engages with its customers regularly. We also carry out customer satisfaction surveys through deployment of internal resources on a regular basis across its sites. Based on the feedback, necessary process improvements are undertaken as a part of standard management systems.

   Customers have multiple channels for raising grievances- account managers, project managers and senior management team. Consumers can also reach out to us through social media platforms of the Company. The Company has provided the "Get in Touch" facility on its website, wherein the local community can directly get in touch with the company management to lodge their complaints or give suggestions.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not Applicable
Safe and responsible usage	Not Applicable
Recycling and / or safe disposal	Not Applicable

3. Number of consumer complaints in respect of the following:

Category	FY 2022-23			FY 2021-22		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	NA			NA		
Advertising						
Cyber-security						
Delivery of essential services						
Restrictive Trade Practices						
Unfair Trade Practices						
Other						

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recall	0	NA
Forced recalls	0	NA

5. Does the entity have a framework / policy on cyber security and risks related to data privacy?

   Yes

   If available, provide a web-link of the policy

   Refer www.pspprojects.com for the subject matter policies of the Company.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services

   Not Applicable

Independent Auditor's Report

To the members of PSP Projects Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of PSP Projects Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'standalone financial statements').

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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements 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 Standalone 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 standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No.	Key Audit Matter	Auditor's Response

1.	Revenue recognition and trade receivables
	
	There are significant accounting judgements including estimation of costs to complete, determining the stage of completion and the timing of revenue recognition.
	
	The company recognises revenue and profit/loss on the basis of stage of completion based on the proportion of contract costs incurred at balance sheet date.
	
	The Indian Accounting Standard requires an entity to select a single measurement method for the relevant performance obligation that depicts the entity's performance in transferring goods or services or if a contract is onerous, present obligations are recognized and measured as provisions.
		Our procedures included:
		
		• Testing of the design and implementation of controls involved for the determination of the estimates used as well as their operating effectiveness;
		
		• We selected a sample of contracts to test, using a risk based criteria which included individual contracts with:
		  • significant revenue recognised during the year or
		  • significant accrued value of work done balances held at the year-end;
		
		• Obtained an understanding of management's process for reviewing long term contracts, the risk associated with the contract and any key judgments.

S. No.	Key Audit Matter	Auditor's Response
	We identified contract accounting as a key audit matter because the estimation, of the total revenue and total cost to complete the contract, prepared based on the prevailing circumstances, is inherently subjective, complex and require significant management judgment and forecast of contract revenue and/or contract cost may get subsequently changed due to change in prevailing circumstances, assumptions, contract variations or any other factor, and could result in material variance in the revenue and profit or loss from contract `for the reporting period. Receivables have been considered a key audit matter due to the significance of the amount (₹43,420.92 lakh) and element of judgement involved in overall management assessment of the customers' ability to repay the outstanding balance. Refer to note number 2.17, 12 and note 39 of the Standalone Financial Statements.	• Evaluated the design and implementation of key internal controls over the contract revenue and cost estimation process through the combination of procedures involving inquiry and observations, reperformance and inspection of evidence in respect of operations of these controls. • Verified underlying documents such as original contract, and its amendments, if any, key contract terms and milestones, etc. for verifying the estimation of contract revenue and costs and /or any change in such estimation. • Inquired with management on the progress of works and collections from customers to identify specific customers with which the company might have disagreements or disputes. • Tested samples of un-invoiced revenue entries with reference to the reports from the records and costs incurred against the services delivered to confirm the work performed and application of appropriate margin applied for the respective services. • Tested cut-offs for revenue recognized against un-invoiced amounts by matching the revenue accrual against accruals for corresponding cost; • Reviewed the work done and collection history of customers against whose contracts unbilled revenue is recognised; and verification of subsequent receipts, post balance sheet date. • Obtained confirmations from customers on sample basis to support existence assertion of trade receivables and assessed the relevant disclosures made in the Standalone FinancialStatements; to ensure revenue from contracts with customers are in accordance with the requirements of relevant accounting standards. • Evaluated the nature and status of customers and obtained the understanding from management about whether on-going business relationship with the customers and past payment history of customers.

Information other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to the Board's Report, Management Discussion and Analysis, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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 communicate the matter to those charged with governance as required under SA 720 'The Auditors' responsibilities relating to other Information'. We have nothing to report in this regard.

Management's responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are 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, including total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind

AS specified under section 133 of the Act and the rules thereunder, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions 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 the 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 statements 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 and Board of Directors are 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 or Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities 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 standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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 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 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, make 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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

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

   (c) The Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the standalone financial statements comply with the Ind AS specified under section 133 of the Act and the Rules thereunder, as amended.

   (e) On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to the financial statements and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B' to this report.

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of sub-section (16) of Section 197 of the Act, as amended, we report that to the best of our information and according to the explanations given to us, remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

   (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, in our opinion and to the best of our information and according to the explanations given to us:

      (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Please refer Note No. 38.

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

      (iii) The Company was not required to transfer any amount to the Investor Education and Protection Fund during the year.

      (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 person(s) or entity(ies), 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) 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 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, whether, 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; and

(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 representations under sub-clause (i) and (ii) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as provided in (a) and (b) above, contain any material misstatement.

(v) The final dividend paid by the Company during the year in respect of same declared for the previous year is in accordance with the Section 123 of the Act to the extent it applies to payment of Dividend. As stated in note 15 to the standalone Ind As financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the member at the ensuring Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

(vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For Kantilal Patel & Co.
Chartered Accountants
ICAI Firm registration number: 104744W

Jinal A. Patel
Partner
Membership No.: 153599
Place: Ahmedabad

Date: May 18, 2023
UDIN: 23153599BGVAYB4270

For Riddhi P. Sheth & Co.
Chartered Accountants
ICAI Firm registration number: 140190W

Riddhi P. Sheth
Proprietor
Membership No.: 159123
Place: Ahmedabad

Date: May 18, 2023
UDIN: 23159123BGYDIP1158

Annexure A to the Independent Auditor's Report

of even date on the Standalone Financial Statements of PSP Projects Limited

(Referred to in paragraph 1 under 'Report on other legal and regulatory requirements' section of our report of even date to the members of PSP Projects Limited)

To the best of our information and according to the explanations provided to us by the Company and the books of accounts and the records examined by us in the normal course of audit, we state that:

(i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a program of physical verification of Property, Plant and Equipment, so as to cover all the assets every year which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, Property, Plant and Equipment due for verification during the year were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) Based on our examination of the property tax receipts, registered sale deed/ transfer deed/ conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties, disclosed in the standalone financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) Physical verification of inventory has been conducted at reasonable intervals by the management and in our opinion, the coverage and procedure of such verification by the management is appropriate. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification.

(b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate from banks on the basis of security of current assets. The quarterly returns/ statements filed by the Company with such banks are in agreement with the books of account of the Company.

(iii) The details required to be indicated as per clause 3(iii) of the Order, are as under:

(a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.

(b) During the year the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans, investments and guarantees to companies, firms, Limited Liability Partnerships, or any other parties are not prejudicial to the Company's interest.

(c) In the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular except for the loans reported in clause 3(iii)(f) of this report below. There has been no default on the part of the party to whom the money has been lent. The payment of interest has been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) There is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) There is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment except for the following loans or advances in the nature of loans to its Promoters and related parties as defined in Clause (76) of Section 2 of the Act:

(Amount in ₹ lakhs)

	All Parties	Promoters	Related Parties
Aggregate amount of loans/ advances in nature of loans			
Repayable on demand (A)			403.54
Agreement does not specify any terms or period of repayment (B)			-
Total (A+B)			403.54
Percentage of loans/ advances in nature of loans to the total loans			100%

(iv) The Company has complied with the provisions of sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) In respect of statutory dues:

(a) In our opinion, the Company has generally been regular in depositing the undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues, as applicable, to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

(c) The details of statutory dues referred to in sub-clause (a) above which have not been depsoited as on March 31, 2023 on account of disputes, are given below:

Name of the Statute	Nature of the Dues	Amount (₹ in lakhs)	Period which amount relates to the	Forum where dispute is pending	Remarks, if any
Gujarat Value Added Tax Act, 2003	Sales tax liability on the reason being non-production of custom authority endorsed bills of SEZ supply	252.55	2016-17 & 2017-18	Commissioner Appeals	-
The Finance Act, 1994	Service tax dues in relation to dispute regarding the availing of exemption for services rendered under the erstwhile service tax regime	158.78	2012-13 to 2014-15	CESTAT	-

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

(ix) (a) The Company is regular in repayment of loans or other borrowings or in payment of interest thereon to lenders.

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

(c) The Company has utilised the money obtained by way of term loans during the year for the purpose for which they were obtained.

(d) According to the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long- term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

(x) (a) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence, reporting under clause 3(x)(b) of the Order is not applicable.

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

(b) No report under sub-section (12) of Section 143 of the 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.

(c) As represented to us by the management of the Company, there are no whistle blower complaints received by the Company during the year.

(xii) In our opinion, the Company is not a Nidhi company. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion, the Company is in compliance with Section 177 and Section 188 of the Act with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accoounting standards.

(xiv) (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(xv) In our opinion, during the year, the Company has not entered into non-cash transactions with directors or persons connected with its directors, and hence, provisions of section 192 of Act 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 clauses 3(xvi)(a), (b), and (c) of the Order is not applicable to the Company.

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

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(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 the Company is not capable of meeting its liabilities existing at the date of the 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 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) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Act in compliance with the second proviso to sub-section (5) of Section 135 of the Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable.

(b) There are no unspent amounts towards Corporate Social Responsibility (CSR) on ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Act in compliance with sub-section (6) of Section 135 of the Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable.

For Kantilal Patel & Co.
Chartered Accountants
ICAI Firm registration number: 104744W

Jinal A. Patel
Partner
Membership No.: 153599
Place: Ahmedabad

Date: May 18, 2023
UDIN: 23153599BGVAYB4270

For Riddhi P. Sheth & Co.
Chartered Accountants
ICAI Firm registration number: 140190W

Riddhi P. Sheth
Proprietor
Membership No.: 159123
Place: Ahmedabad

Date: May 18, 2023
UDIN: 23159123BGYDIP1158

Annexure B to the Independent Auditor's Report

of even date on the Standalone Financial Statements of PSP Projects Limited

Referred to in paragraph 1(f) under 'Report on other legal and regulatory requirements' section of our report of even date to the members of PSP Projects Limited)

Report on the internal financial controls with reference to the standalone financial statements under section 143(3)(i) of the Act

We have audited the internal financial controls over financial reporting of the Company as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

The Company's management and Board of Directors are 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 ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the 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 the 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 Act.

Auditor's responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the SAs prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those SAs 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 were 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 with reference to the standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to the standalone financial statements, 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 internal financial controls system over financial reporting with reference to the standalone financial statements.

Meaning of internal financial controls over financial reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone financial statements includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone 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 explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to the standalone financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, 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 issued by the ICAI.

For Kantilal Patel & Co.
Chartered Accountants
ICAI Firm registration number: 104744W

Jinal A. Patel
Partner
Membership No.: 153599
Place: Ahmedabad

Date: May 18, 2023
UDIN: 23153599BGVAYB4270

For Riddhi P. Sheth & Co.
Chartered Accountants
ICAI Firm registration number: 140190W

Riddhi P. Sheth
Proprietor
Membership No.: 159123
Place: Ahmedabad

Date: May 18, 2023
UDIN: 23159123BGYDIP1158

Standalone Balance Sheet as at March 31, 2023

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
(1) Non current Assets			
(a) Property, Plant and Equipment	3	23,840.57	20,601.82
(b) Capital Work-In-Progress	4	1,773.50	-
(c) Intangible Assets	5	118.87	135.31
(d) Financial Assets			
(i) Investments	6	71.68	71.68
(ii) Other Financial Assets	8	20,505.71	22,785.47
(e) Deferred Tax Asset (Net)	9	1,216.36	937.57
(f) Other Non Current Assets	10	724.22	191.63
Total Non-Current Assets		**48,250.91**	**44,723.48**
(2) Current Assets			
(a) Inventories	11	15,163.55	8,064.91
(b) Financial Assets			
(i) Trade receivables	12	43,420.92	31,177.92
(ii) Cash and cash equivalents	13	9,384.51	8,758.63
(iii) Bank Balances other than (ii) above	13	14,824.89	10,759.46
(iv) Loans	7	435.22	593.25
(v) Other Financial Assets	8	29,661.48	13,339.23
(c) Other Current Assets	10	13,800.22	9,243.74
(d) Current Tax Assets (Net)	21	680.04	-
Total Current Assets		**1,27,370.83**	**81,937.14**
Total Assets		**1,75,621.74**	**1,26,660.62**
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	14	3,600.00	3,600.00
(b) Other Equity	15	76,382.54	64,871.52
Total Equity		**79,982.54**	**68,471.52**
LIABILITIES			
(2) Non-Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	3,805.81	1,718.07
(b) Provisions	17	213.79	151.87
Total Non-Current Liabilities		**4,019.60**	**1,869.94**
(3) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	10,692.32	8,247.62
(ii) Trade Payables	18		
- Total outstanding dues of micro enterprises and small enterprises		2,342.74	1,284.41
- Total outstanding dues of creditors other than micro enterprises and small enterprises		34,414.49	24,476.48
(iii) Other Financial Liabilities	19	5,970.18	3,600.55
(b) Other Current Liabilities	20	38,071.24	18,689.78
(c) Provisions	17	128.63	19.59
(d) Current Tax Liabilities (Net)	21	-	0.73
Total Current Liabilities		**91,619.60**	**56,319.16**
Total Liabilities		**95,639.20**	**58,189.10**
Total Equity and Liabilities		**1,75,621.74**	**1,26,660.62**

The Notes on Account form Integral part of the Financial Statements 1 to 49

(As per our report of even date)

For Kantilal Patel & Co
Chartered Accountants
ICAI Firm Reg. No. : 104744W

For and on behalf of the Board of Directors

Jinal A. Patel
Partner
Membership No. : 153599

Prahaladbhai S. Patel
Chairman, Managing Director & CEO
(DIN: 00037633)

Pooja P. Patel
Whole Time Director
(DIN: 07168083)

For Riddhi P. Sheth & Co.
Chartered Accountants
ICAI Firm Reg. No. : 140190W

Riddhi P. Sheth
Proprietor
Membership No. : 159123

Hetal Patel
Chief Financial Officer

Kenan Patel
Company Secretary
Membership No. : FCS 12641

Place : Ahmedabad
Date : May 18, 2023

Place : Ahmedabad
Date : May 18, 2023

Standalone Statement of Profit and Loss for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	Note No.	Year Ended March 31, 2023	Year Ended March 31, 2022
I Revenue From Operations	22	1,92,664.91	1,74,875.88
II Other Income	23	2,709.56	2,125.54
III Total Income (I+II)		**1,95,374.47**	**1,77,001.42**
IV EXPENSES			
Cost of Construction Material Consumed	24	59,941.76	49,538.50
Changes in Inventories of Finshed Goods, Work-In-Progress	25	(2,207.15)	457.72
Construction Expenses	26	1,00,470.38	89,132.40
Employee Benefits Expense	27	9,345.15	7,233.92
Finance Costs	28	3,195.94	2,639.62
Depreciation and Amortization Expense	29	4,000.52	3,205.28
Other Expenses	30	2,613.56	2,862.63
Total Expenses (IV)		**1,77,360.16**	**1,55,070.07**
V Profit Before Exceptional Item and Tax (III-IV)		**18,014.31**	**21,931.35**
VI Exceptional Gain/(Loss)(net of tax)		-	-
VII Profit Before Tax (V-VI)		**18,014.31**	**21,931.35**
VIII Tax Expense:			
(a) Current Tax	33	4,991.28	5,709.45
(b) Deferred Tax	33	(278.79)	(18.52)
IX Profit for the year (VII-VIII)		**13,301.82**	**16,240.42**
X Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
- Remeasurement expenses of Defined benefit plans		12.30	(171.30)
- Income tax expenses relating to items that will be reclassified to profit or loss		(3.10)	43.12
Total Other Comprehensive Income/(loss) for the year (X)		**9.20**	**(128.18)**
XI Total Comprehensive Income for the year (IX+X)		**13,311.02**	**16,112.24**
XII Earnings per equity share:			
Basic and Diluted (Face value ₹10 per equity share)	31	36.95	45.11

The Notes on Account form Integral part of the Financial Statements 1 to 49

(As per our report of even date)

For Kantilal Patel & Co
Chartered Accountants
ICAI Firm Reg. No. : 104744W

For and on behalf of the Board of Directors

Jinal A. Patel
Partner
Membership No. : 153599

Prahaladbhai S. Patel
Chairman, Managing Director & CEO
(DIN: 00037633)

Pooja P. Patel
Whole Time Director
(DIN: 07168083)

For Riddhi P. Sheth & Co.
Chartered Accountants
ICAI Firm Reg. No. : 140190W

Riddhi P. Sheth
Proprietor
Membership No. : 159123

Place : Ahmedabad
Date : May 18, 2023

Hetal Patel
Chief Financial Officer

Kenan Patel
Company Secretary
Membership No. : FCS 12641

Place : Ahmedabad
Date : May 18, 2023

Statement of Standalone Cash Flows for the year ended March 31, 2023

(₹ in Lakhs)

	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
A	**Cash flow from operating activities**		
	Profit before tax	18,014.31	21,931.35
	Adjustments for :		
	Finance costs	1,577.75	910.82
	Depreciation and amortisation expense	4,000.52	3,205.28
	Expected credit loss allowance	256.74	322.76
	Provision For Loss on Impairment of Loan	-	200.00
	Reversal for Impairment of Loan	(200.00)	(214.95)
	Dividend Income	(3.16)	(3.16)
	Interest Income	(2,400.83)	(1,750.18)
	Loss / (Gain) on sale of Property, Plant and Equipment (Net)	(83.46)	7.94
	Operating Profit before working capital changes	**21,161.87**	**24,609.86**
	Movements in working capital:		
	(Increase) / Decrease in Inventories	(7,098.64)	856.00
	(Increase) / Decrease in trade receivable	(12,499.74)	(9,296.94)
	(Increase) / Decrease in other assets	(19,346.67)	(3,620.48)
	Increase / (Decrease) in trade payables	7,401.60	(5,747.11)
	Increase / (Decrease) in other liabilities	20,182.09	11,785.16
	Increase / (Decrease) in provisions	183.26	(178.83)
	Cash generated from operations:	**9,983.77**	**18,407.66**
	Direct taxes paid (net)	(5,675.15)	(6,358.44)
	Net cash generated/(used) from operating activities (A)	**4,308.62**	**12,049.22**
B	**Cash flows from investing activities**		
	Payment for Property, Plant and Equipment (PPE), Intangible assets and Capital Work-in-Progress	(7,974.95)	(7,659.57)
	Proceeds from sale of Property, Plant and Equipment (PPE)	94.58	130.63
	(Purchase) / Proceeds of term deposits (Net)	338.95	(10,870.72)
	Loan (to)/repaid by Subsidiaries	300.00	2,589.50
	Sales of shares of foreign subsidiary	-	6.69
	Dividend received	3.16	3.16
	Interest received	2,400.83	1,750.18
	Net cash generated/(used) in Investing activities (B)	**(4,837.43)**	**(14,050.13)**
C	**Cash flow from financing activities :**		
	Proceeds from / (Repayment) of non-current borrowings	3,663.88	2,080.83
	Proceeds from / (Repayment) of current borrowings	868.56	(211.43)
	Dividend paid	(1,800.00)	(1,440.00)
	Interest paid	(1,577.75)	(1,203.04)
	Net cash generated/(used) in Financing activities (C)	**1,154.69**	**(773.64)**
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS [(A) + (B) + (C)]	**625.88**	**(2,774.55)**
	Add: Cash and cash equivalents as at beginning of the year	**8,758.63**	**11,533.18**
	Cash and Cash Equivalents as at the end of the year	**9,384.51**	**8,758.63**

Note to Cash Flow Statement

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

Statement of Standalone Cash Flows for the year ended March 31, 2023

of Cash Flows.

2 The Company has total sanctioned limit of ₹ 1,04,700 Lakhs (P.Y. 1,04,700 Lakhs) under consortium with banks, out of which ₹ 89,667.44 Lakhs (P.Y. ₹ 54,910.67 Lakhs) has been utilized.

3 **Cash And Cash Equivalents comprises of:** (₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	26.96	28.98
Balances with banks		
In current accounts	1.30	1,146.93
In cash credit accounts (debit balance)	868.89	768.24
In deposit accounts (Maturity less than 3 months)	8,487.36	6,814.48
CASH AND CASH EQUIVALENTS AS PER NOTE 13	**9,384.51**	**8,758.63**

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

Reconciliation of liabilities arising from financing activities

As at March 31, 2023 (₹ in Lakhs)

Particulars	Opening Balance	Cash Flows	Non Cash Changes	Closing Balance
Non-current Borrowings	3,372.24	3,663.88	-	7,036.12
Current Borrowings	6,593.45	868.56	-	7,462.01
Total liabilities from financing activities	**9,965.69**	**4,532.44**	**-**	**14,498.13**

As at March 31, 2022 (₹ in Lakhs)

Particulars	Opening Balance	Cash Flows	Non Cash Changes	Closing Balance
Non-current Borrowings	1,291.41	2,080.83	-	3,372.24
Current Borrowings	6,804.88	(211.43)	-	6,593.45
Total liabilities from financing activities	**8,096.29**	**1,869.40**	**-**	**9,965.69**

The Notes on Account form Integral part of the Financial Statements 1 to 49

(As per our report of even date)

For Kantilal Patel & Co
Chartered Accountants
ICAI Firm Reg. No. : 104744W

For and on behalf of the Board of Directors

Jinal A. Patel
Partner
Membership No. : 153599

Prahaladbhai S. Patel
Chairman, Managing Director & CEO
(DIN: 00037633)

Pooja P. Patel
Whole Time Director
(DIN: 07168083)

For Riddhi P. Sheth & Co.
Chartered Accountants
ICAI Firm Reg. No. : 140190W

Riddhi P. Sheth
Proprietor
Membership No. : 159123

Place : Ahmedabad
Date : May 18, 2023

Hetal Patel
Chief Financial Officer

Kenan Patel
Company Secretary
Membership No. : FCS 12641

Place : Ahmedabad
Date : May 18, 2023

Standalone Statement of Changes In Equity for the year ended March 31, 2023

a. Equity Share Capital:

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	3,600.00	3,600.00
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the year	**3,600.00**	**3,600.00**
Changes in equity share capital during the year	-	-
Balance at the end of the year	**3,600.00**	**3,600.00**

b. Other Equity:

(₹ in Lakhs)

Particulars	Reserves and Surplus			Total
	General Reserve	Securities Premium	Retained Earnings	
Balance as at March 31, 2021	**936.10**	**13,488.68**	**35,774.49**	**50,199.27**
Changes in Other equity due to prior period errors	-	-	-	-
Restated Balance as at March 31, 2021 (A)	**936.10**	**13,488.68**	**35,774.49**	**50,199.27**
Additions during the year:				
Profit for the year	-	-	16,240.42	16,240.42
Remeasurement benefits of defined benefit plans (Net of Tax)	-	-	(128.18)	(128.18)
Total Comprehensive Income for the year 2021-22 (B)	**-**	**-**	**16,112.24**	**16,112.24**
Reductions during the year:				
Dividends	-	-	1,440.00	1,440.00
Total (C)	**-**	**-**	**1,440.00**	**1,440.00**
Balance as at March 31, 2022 (D) = (A) + (B) - (C)	**936.10**	**13,488.68**	**50,446.74**	**64,871.52**
Changes in Other equity due to prior period errors	-	-	-	-
Restated Balance as at March 31, 2022 (E)	**936.10**	**13,488.68**	**50,446.74**	**64,871.52**
Additions during the year:				
Profit for the year	-	-	13,301.82	13,301.82
Remeasurement benefits of defined benefit plans (Net of Tax)	-	-	9.20	9.20
Total Comprehensive Income for the year 2022-23 (F)	**-**	**-**	**13,311.02**	**13,311.02**
Reductions during the year:				
Dividends	-	-	1,800.00	1,800.00
Total (G)	**-**	**-**	**1,800.00**	**1,800.00**
Balance as at March 31, 2023 (H) = (E) + (F) - (G)	**936.10**	**13,488.68**	**61,957.76**	**76,382.54**

The Notes on Account form Integral part of the Financial Statements 1 to 49

(As per our report of even date)

For Kantilal Patel & Co
Chartered Accountants
ICAI Firm Reg. No. : 104744W

For and on behalf of the Board of Directors

Jinal A. Patel
Partner
Membership No. : 153599

Prahaladbhai S. Patel
Chairman, Managing Director & CEO
(DIN: 00037633)

Pooja P. Patel
Whole Time Director
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For Riddhi P. Sheth & Co.
Chartered Accountants
ICAI Firm Reg. No. : 140190W

Riddhi P. Sheth
Proprietor
Membership No. : 159123

Hetal Patel
Chief Financial Officer

Kenan Patel
Company Secretary
Membership No. : FCS 12641

Place : Ahmedabad
Date : May 18, 2023

Place : Ahmedabad
Date : May 18, 2023

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

1. Company Overview:

PSP Projects Limited ("the Company") is a public limited company domiciled in India and has its registered office in Ahmedabad, Gujarat, India. The company has been incorporated under the provisions of the Companies Act, 1956. The shares of the company are listed on National Stock Exchange of India and Bombay Stock Exchange with effect from May 29, 2017.

The company offers construction and allied services in India.

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

2.1 Basis of preparation of standalone financial statements:

The standalone financial statement of the company has been prepared in accordance with Indian Accounting Standards (IND 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 standalone financial statement.

These standalone 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 standalone financial statements.

2.2 Functional and presentation currency:

These standalone 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 standalone 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:**

Property, Plant and Equipment represents a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful 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.

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. Refer note 2.5, 3 and 29 for further disclosure.

b) **Provision for income tax and deferred tax assets :**

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period. Refer note 2.18, 9 and 33 for further disclosure.

c) **Defined Benefit Obligation:**
The costs of providing post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. All assumptions are reviewed at each reporting date. Refer note 2.16 and 32 for further disclosure.

d) **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. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer note 2.14 and 34 for further disclosure.

e) **Revenue recognition over time in Construction Contracts:**
The Company recognises revenue from contracts with customers over time i.e. on the basis of stage of completion based on the proportion of contract costs incurred at balance sheet date, relative to the total estimated costs of the contract at completion. The recognition of revenue and profit/loss therefore rely on estimates in relation to total estimated costs of each contract. Cost contingencies are included in these estimates to take into account specific uncertain risks, or disputed claims against the Company, arising within each contract. These contingencies are reviewed by the Management on a regular basis throughout the contract life and adjusted where appropriate. Refer note 2.15, 22 and 39 for further disclosure.

f) **Provisions & contingencies:**
The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. Refer note 2.19 for further disclosure.

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised. Contingent assets are neither recognised nor disclosed in the financial statements. Refer note 38 for further disclosure.

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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

2.5 Property, Plant & Equipment:

a) Measurement at recognition:

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

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

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.

Useful life and residual value prescribed in Schedule II of the Companies Act, 2013 are considered except in the following cases where useful life is supported by the technical evaluation considering business specific usage, the consumption pattern of the assets and the past performance of similar assets:

Particulars	Useful Life in years
Steel Shuttering Materials included in Plant and Machinery	5 to 10 years

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

c) Derecognition:

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

2.6 Intangible Assets:

a) Measurement at recognition:

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

b) Amortization:

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

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

c) Derecognition:

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

2.7 Borrowing Costs:

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

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

2.8 Impairment of non-financial assets:

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

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

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

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

2.9 Investment in Subsidiary & Joint Venture:

The Company has elected to recognize its investments in subsidiaries and joint venture at cost (net of impairment, if any) in accordance with the option available in Ind AS 27, 'Separate Financial Statements'. The details of such investments are given in Note 6.

2.10 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.

c) Wooden Shuttering material:
Wooden shuttering materials included in the work-in-progress are valued at cost less charged off to statement of Profit and Loss based on their usages for the construction activity.

d) Finished goods and Stock-in-trade
Finished goods and stock-in-trade (in respect of goods acquired for trading) are valued at lower of weighted average cost or net realizable value. Cost includes cost of purchase, costs of conversion, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.

2.11 Site establishment cost :

Site establishment cost incurred at the initial stage of the project execution are amortized over the tenure of respective project. Unamortized site establishment costs are disclosed under other current assets.

2.12 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

Financial Assets:

a) Initial recognition and measurement:

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

b) Subsequent measurement:

i. Financial assets measured at amortized cost:

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

ii. Financial assets measured at fair value through other comprehensive income (FVTOCI):

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

iii. Financial assets measured at fair value through profit & loss (FVTPL):

A financial asset which is not classified in any of the above categories are measured at FVTPL.

c) Impairment of financial assets:

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

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

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

For trade receivables, the Company uses the provision matrix based on 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.

2.13 Foreign Currency Transaction & Translation:

a) Initial Recognition:

On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

b) Measurement of foreign currency items at reporting date:

Foreign currency monetary items of the Company are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising out of these translations are recognized in the Statement of Profit and Loss.

2.14 Fair Value of financial instruments:

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

Fair value hierarchy:

All assets and liabilities for which fair value is measured or disclosed in the standalone 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 standalone 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.

2.15 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

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

Sheet as contract liability and termed as "Advances from customer". The amounts billed on customer for work performed and are unconditionally due for payment i.e only passage of time is required before payment falls due, are disclosed in the Balance Sheet as trade receivables. The amount of retention money held by the customers pending completion of performance milestone is disclosed as part of contract asset and is reclassified as trade receivables when it becomes due for payment.

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

Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged-off in profit and 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.

Professional and Consultancy Income:
Revenue from consulting services is recognised in the accounting period in which the services are rendered.

Rental Income:
Income earned by way of leasing or renting out of plant and machinery is recognised as income. Initial direct cost is recognised as expenses on accrual basis in the Statement of Profit and Loss in the year of lease.

Interest and dividend:
Interest income is accrued on a time basis by reference to the principal outstanding using effective interest rate method. Dividend income is recognized when the right to receive payment is established.

2.16 Employee Benefits:

a) **Short Term Employee Benefits:**
The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

b) **Post-Employment Benefits:**

I. **Defined Contribution plans:**
A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to separate entities. The Company makes specified monthly contributions towards Provident Fund, State Insurance, and Pension Scheme. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

II. Defined Benefit plans:

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act 1972.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services. Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income. Such re-measurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

c) Other long term employee benefits:

All other long term employee benefit which do not fall due wholly within twelve months after the end of the period in which the employee render the related services are determined based on actuarial valuation or discounted present value method carried out at each balance sheet date. The expected cost of accumulating compensated absence is determined by actuarial valuation performed by an independent actuary as at 31 March every year using projected unit credit method on additional amount expected to be paid/availed as a result of unutilised entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absence is recognised in the period in which the absences occur.

2.17 Exceptional items:

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and disclosed as such in the financial statements.

2.18 Income Taxes:

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

a) Current tax:

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

b) Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

2.19 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.

2.20 Lease Accounting:

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset;
- the Company had the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- the Company had the right to direct the use of the asset.

The Company's significant leasing arrangements are mainly of land & buildings, plant & equipment and vehicles. The company has applied the practical expedient in respect of short-term leases and low value assets.

As a lessee:

The Company's lease arrangements are short term in nature. Accordingly, the Company has elected to recognise the lease payments under short leases as an operating expense on a straight-line basis over the lease term.

As a lessor:

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. Lease income from operating leases where the Company is a lessor are recognised on either a straight-line basis or another systematic basis. The Company shall apply another systematic basis if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The Company present underlying assets subject to operating leases in its balance sheet according to the nature of the underlying asset.

2.21 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 Managing Director

2.22 Earnings per share:

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

2.23 Cash Flow Statement:

Cash Flow is 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

2.24 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 maturity is three months or less and other short term highly liquid investments.

2.25 Recent new Accounting Pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

a) **Ind AS 1 – Presentation of Financial Statements**

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

b) **Ind AS 12 – Income Taxes**

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements.

c) **Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

2.26 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 standalone financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

Notes to the Standalone Financial Statements for the year ended March 31, 2023

3 Property, Plant and Equipment

(₹. in Lakhs)

Particulars	Freehold Land	Buildings	Furniture & Fixture	Plant & Equipment	Office Equipments	Computers	Vehicles	Total
Gross Carrying amount								
As at March 31, 2021	**3,010.53**	**896.44**	**208.65**	**14,983.98**	**205.50**	**343.42**	**3,076.69**	**22,725.21**
Additions	-	5,620.51	126.27	6,184.62	27.71	72.54	378.89	12,410.54
Deductions / Disposals	-	45.00	-	716.09	1.95	31.99	81.70	876.73
As at March 31, 2022	**3,010.53**	**6,471.95**	**334.92**	**20,452.51**	**231.26**	**383.97**	**3,373.88**	**34,259.02**
Additions	-	20.42	356.79	6,529.05	29.71	209.20	68.07	7,213.24
Deductions / Disposals	-	-	-	80.67	1.57	9.51	40.57	132.32
As At March 31, 2023	**3,010.53**	**6,492.37**	**691.71**	**26,900.89**	**259.40**	**583.66**	**3,401.38**	**41,339.94**
Accumulated depreciation								
As at March 31, 2021	**-**	**262.94**	**127.52**	**8,505.71**	**158.19**	**220.03**	**1,956.48**	**11,230.87**
Depreciation for the year	-	266.67	35.11	2,408.84	24.94	75.30	357.94	3,168.80
Deductions / Disposals	-	22.62	-	613.53	1.48	29.90	74.94	742.47
As at March 31, 2022	**-**	**506.99**	**162.63**	**10,301.02**	**181.65**	**265.43**	**2,239.48**	**13,657.20**
Depreciation for the year	-	578.47	83.87	2,828.81	27.54	103.42	341.31	3,963.42
Deductions / Disposals	-	-	0.99	71.95	0.80	8.97	38.54	121.25
As At March 31, 2023	**-**	**1,085.46**	**245.51**	**13,057.88**	**208.39**	**359.88**	**2,542.25**	**17,499.37**
Net carrying amount								
As At March 31, 2023	**3,010.53**	**5,406.91**	**446.20**	**13,843.01**	**51.01**	**223.78**	**859.13**	**23,840.57**
As at March 31, 2022	**3,010.53**	**5,964.96**	**172.29**	**10,151.49**	**49.61**	**118.54**	**1,134.40**	**20,601.82**

Notes:

(i) Refer to Note 16 for information on property, plant and equipment pledged as security by the Company.

(ii) For Capital Commitments, Refer Note 38 (ii).

(iii) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

(iv) The company carries out physical verification of it's property, plant and equipment so as to cover all the assets every year.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

4 Capital Work In Progress (CWIP)

(₹. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening CWIP	-	4,164.72
Additions during the year	1,773.50	6,102.46
Capitalised during the year	-	(10,267.18)
Total	**1,773.50**	**-**

4(a) Capital work in progress ageing as at March 31, 2023

(₹ in Lakhs)

Particulars	0-1 Year	1-2 Years	2-3 Years	Above 3 Year	Total
(a) Projects in progress*	1,773.50	-	-	-	1,773.50
(b) Projects temporarily suspended	-	-	-	-	-
	1,773.50	-	-	-	1,773.50

*Capital work in progress consists of Precast Plant Expansion.

4(b) Capital work in progress ageing as at March 31, 2022

All CWIP during the year has been capitalised to respective head of assets and CWIP balance as on March 31, 2022 ₹ Nil.

4(c) During the current and previous year, the Company does not have projects in Capital work in progress whose completion is overdue or projects whose cost has exceeded its costs as per its original plan.

5 Intangible assets

(₹ in Lakhs)

Particulars	Computer Software	Total
Gross Carrying amount		
As at March 31, 2021	**222.97**	**222.97**
Additions	51.76	51.76
Deductions	9.92	9.92
As at March 31, 2022	**264.81**	**264.81**
Additions	20.71	20.71
Deductions	0.20	0.20
As At March 31, 2023	**285.32**	**285.32**
Accumulated amortisation		
As at March 31, 2021	**98.64**	**98.64**
Amortisation for the year	36.48	36.48
Deductions	5.61	5.61
As at March 31, 2022	**129.51**	**129.51**
Amortisation for the year	37.10	37.10
Deductions	0.15	0.15
As At March 31, 2023	**166.46**	**166.46**
Net carrying amount		
As At March 31, 2023	**118.87**	**118.87**
As at March 31, 2022	**135.31**	**135.31**

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

6 Investments

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current		
Investment in Equity Instruments / Capital of Partnership Firm		
Unquoted		
(i) Subsidiaries (Measured at Cost, Refer Note No. 34)		
(a) PSP Projects & Proactive Constructions Pvt. Ltd.*	371.30	371.30
50,00,000 (Previous Year : 50,00,000) Equity Shares of Face Value ₹ 10 Each (Previous Year: ₹ 10 Each) (Refer Note No.37)		
Less: Aggregate provision for impairment in value of investment (Refer note no.37)	(366.30)	(366.30)
	5.00	**5.00**
(b) PSP Foundation**	1.00	1.00
10,000 (Previous Year : 10,000) Equity Shares of Face Value ₹ 10 Each (Refer Note No.37)		
(ii) Joint Venture (Measured at Cost, Refer Note No. 34)		
(a) M/s. GDCL and PSP Joint Venture (Refer Note No. 6.1 below)	44.59	44.59
(Share of profit of Ganon Dunkerley and Company Limited and PSP Projects Limited in the entity is 51:49) (Refer Note No.37)		
(iii) Other Investment (Measured at Cost, Refer Note No. 34)		
(a) The Kalupur Commercial Co-Operative Bank Limited	21.09	21.09
84,350 (Previous Year : 84,350) Equity Shares of Face Value ₹ 25 Each		
Total Non Current Investments	**71.68**	**71.68**
Aggregate Carrying Value of unquoted investment	**71.68**	**71.68**

*PSP Projects and Proactive Constructions Private Limited is a 100% wholly owned subsidiary of the Company.

**PSP Foundation is incorporated as a wholly owned subsidiary of the company on February 26, 2021. It is incorporated as a 'Not for Profit' company limited by shares under Section 8 of the Companies Act, 2013 to promote and support CSR activities.

6.1 Investment in M/s. GDCL and PSP Joint Venture:

(₹ in Lakhs)

Name of the Partners	Capital of the firm	Share of Partner
Ganon Dunkerley and Company Limited	46.41	51.00%
PSP Projects Limited*	44.59	49.00%
Total	**91.00**	**100.00%**

*Capital of the firm and Share of Partner during the 2022-23 was same as compared to 2021-22.

7 Loans

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Loan to related parties (Unsecured, considered good) (Refer note no. 37)	403.54	573.54
Loans and advances to employees (Unsecured, considered good)	31.68	19.71
Total	**435.22**	**593.25**

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

Break up of security details

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Loan Receivables considered good- Secured	-	-
Loan Receivables considered good- Unsecured	435.22	593.25
Loan Receivables impaired	-	200.00
Less: Allowance for credit losses (Refer note no. 37)	-	(200.00)
Total	**435.22**	**593.25**

(A) Amount of loans/ advances in the nature of loans outstanding repayable as per below terms with Subsidiaries and Joint Venture

(₹ in Lakhs)

Particulars	Purpose for which the loan is proposed to be utilised by the recipient	Outstanding as at March 31,2023	% to the total loans and advances as at March 31, 2023	Outstanding as at March 31,2022	% to the total loans and advances as at March 31, 2022	Maximum amount outstanding during the year	
						March 31,2023	March 31,2022
Current							
Subsidiary							
PSP Projects and Proactive Constructions Private Limited (Unsecured-considered good) (Net)	Working captial	100.00	24.8%	-	0.0%	200.00	300.00
Joint Venture							
M/s. GDCL and PSP Joint Venture (Unsecured-considered good)*	Current Capital	303.54	75.2%	573.54	100.0%	579.93	573.54

*Represent amount of current capital outstanding with joint venture on reporting date.

(B) The company has given bank gurantees of ₹ Nil (March 31, 2022 ₹ 196.87 Lakhs) on behalf of M/s. GDCL and PSP Joint Venture for business purposes.

8 Other Financial Assets

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current		
Unsecured, considered good		
Security deposits	383.43	357.56
Other non current deposits	232.11	145.59
Deposits with Banks (Maturity more than 12 months)	9,829.25	14,230.04
Contract Assets		
Retention money receivable from customers	10,060.92	8,052.28
Total	**20,505.71**	**22,785.47**
Current		

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Other current deposits	638.49	116.32
Contract Assets		
Retention money receivable from customers	3,403.49	3,300.66
Amount due from customers (Unbilled Revenue)	25,741.50	9,922.25
Total	**29,783.48**	**13,339.23**
Less: Expected credit loss allowance on Amount due from customers (Unbilled Revenue)	(122.00)	-
Total	**29,661.48**	**13,339.23**

(i) Movement in Expected Credit Loss Allowance

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Expected Credit Loss Allowance	-	-
Add: Additional provision made	122.00	-
Less: Reversal of provision	-	-
Closing Expected Credit Loss Allowance	**122.00**	**-**

9 Deferred Tax Assets

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred Tax Asset	1,216.36	937.57
Total	**1,216.36**	**937.57**

Reconciliation of Deferred tax asset/(liabilities):

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance		
Non deductible expenses for tax purpose	173.84	240.79
Property, plant and equipment	763.73	678.25
Total	**937.57**	**919.04**
Recognised in Profit or loss		
Non deductible expenses for tax purpose*	181.34	(66.95)
Property, plant and equipment	97.45	85.48
Total	**278.79**	**18.52**
Closing balance		
Non deductible expenses for tax purpose	355.18	173.84
Property, plant and equipment	861.18	763.73
Total	**1,216.36**	**937.57**

* During the financial year 2021-22, the company has reversed deferred tax assets of ₹ 92.19 lakhs in regards to the impairment of investment in PSP Projects and Proactive Construction Pvt. Ltd, which was created in financial year 2020-21.

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

10 Other assets

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Unsecured, considered good		
Capital Advances	715.64	179.14
Prepaid Expenses	8.58	12.49
Total	**724.22**	**191.63**
Current		
Unsecured, considered good		
Advances to Vendors	11,065.34	7,470.60
Balance with Government Authorities	548.31	1,146.60
Site Establishment Cost	1,841.74	393.76
Prepaid Expenses	344.83	232.78
Total	**13,800.22**	**9,243.74**

11 Inventories

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Construction Materials	11,167.28	6,275.79
Work in Progress	3,616.63	1,387.32
Finished Goods	379.64	401.80
Total	**15,163.55**	**8,064.91**

(The cost of inventories recognised as an expense during the year is disclosed in Note No. 24 & 25)

12 Trade Receivables

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
From related parties- Unsecured (Refer note no. 37)	411.82	77.21
From others- Unsecured	43,663.09	31,619.97
Total	**44,074.91**	**31,697.18**
Less: Expected credit loss allowance	(653.99)	(519.26)
Total	**43,420.92**	**31,177.92**

Break up of security details

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	43,921.85	31,544.12
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	153.06	153.06
Total	**44,074.91**	**31,697.18**
Less: Expected credit loss allowance	(653.99)	(519.26)
Total Trade Receivables	**43,420.92**	**31,177.92**

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(i) General payment terms include mobilisation advance, monthly progress payments with a credit period ranging from 7 to 120 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. There are no significant financing components in the payments terms with customers. Also, no interest is payable by the customers for the delay in payments of the amounts over due. The Company evaluates, the financial health, market reputation, credit rating of the customer, before entering into the contract. The company's customers comprise of public sector undertakings as well as private entities.

(ii) **Trade Receivable ageing:**

As at March 31, 2023

(₹ in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment					
		0-6 Months	6-12 Months	1-2 Years	2-3 Years	Above 3 Year	Total
(i) Undisputed Trade Receivable-Considered Good	27,207.41	11,161.12	2,792.59	2,068.40	577.37	-	43,806.89
(ii) Undisputed Trade Receivable – Which have significant increase in Credit Risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivable – Credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivable – Considered good	-	-	-	33.66	81.30	-	114.96
(v) Disputed Trade Receivable – Which have significant increase in Credit Risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivable – Credit Impaired	-	-	-	-	-	153.06	153.06
Grand Total	**27,207.41**	**11,161.12**	**2,792.59**	**2,102.06**	**658.67**	**153.06**	**44,074.91**
Less: Expected credit loss allowance							(653.99)
Total Trade Receivable							**43,420.92**

As at March 31, 2022

(₹ in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment					
		0-6 Months	6-12 Months	1-2 Years	2-3 Years	Above 3 Year	Total
(i) Undisputed Trade Receivable-Considered Good	16,943.66	9,462.02	3,967.67	1,065.14	3.71	0.80	31,443.00
(ii) Undisputed Trade Receivable – Which have significant increase in Credit Risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivable – Credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivable – Considered good	-	-	-	101.12	-	-	101.12
(v) Disputed Trade Receivable – Which have significant increase in Credit Risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivable – Credit Impaired	-	-	-	-	-	153.06	153.06
Grand Total	**16,943.66**	**9,462.02**	**3,967.67**	**1,166.26**	**3.71**	**153.86**	**31,697.18**
Less: Expected credit loss allowance							(519.26)
Total Trade Receivable							**31,177.92**

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(iii) **Expected credit loss allowances on receivables**

The Company uses the provision matrix based on historical default rates to determine Expected credit loss on the portfolio of trade receivables. Expected credit loss allowances is determined on the closing balances of all applicable trade receivables as at each reporting date, at the average rates ranging from 0.00% to 6.15% (expect Disputed Trade Receivable - Credit Impaired, where 100% ECL created over a trade receivable).

(iv) **Movement in Expected Credit Loss Allowance** (₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Expected Credit Loss Allowance	**519.26**	**196.50**
Add: Additional provision made	134.73	322.76
Less: Reversal of provision	-	-
Closing Expected Credit Loss Allowance	**653.99**	**519.26**

13 Cash and Bank Balances

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash and Cash Equivalents		
Cash on Hand	26.96	28.98
Balances with banks		
In current accounts	1.30	1,146.93
In cash credit accounts (debit balance)	868.89	768.24
In deposit accounts(Refer Note No 13.1 below)	33,135.75	31,801.82
Sub Total	**34,032.90**	**33,745.97**
Less: Fixed deposits having maturity more than 3 months and less than 12 months shown under other bank balances	14,819.14	10,757.30
Less: Fixed deposits having maturity more than 12 months shown under other financial assets (Refer Note No. 8)	9,829.25	14,230.04
Total	**9,384.51**	**8,758.63**
Other Bank Balances		
Unpaid dividend accounts*	5.75	2.16
In deposit accounts (Maturity more than 3 months and less than 12 months)	14,819.14	10,757.30
Total	**14,824.89**	**10,759.46**

* The company can utilise these balances only towards settlement of unclaimed dividend.

13.1 The details of Fixed deposits pledged with banks/clients as given below: (₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Fixed deposits pledged with banks as security against credit facilities	25,466.66	16,857.54
Fixed deposits pledged with clients as security	34.21	559.82
Total	**25,500.87**	**17,417.36**

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

14 Equity Share Capital

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised Equity Share Capital		
5,00,00,000 (previous year - 5,00,00,000) Equity Shares of ₹ 10 each	5,000.00	5,000.00
	5,000.00	5,000.00
Issued, Subscribed and Paid up capital		
3,60,00,000 (previous year - 3,60,00,000) Equity Shares of ₹ 10 each fully paid up	3,600.00	3,600.00
	3,600.00	**3,600.00**

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

(₹ in Lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
At the beginning of the year	3,60,00,000	3,600.00	3,60,00,000	3,600.00
Add: Shares Issued during the year	-	-	-	-
At the end of the year	**3,60,00,000**	**3,600.00**	**3,60,00,000**	**3,600.00**

(b) Terms and Rights attached to each class of 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.
- 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, 2023		As at March 31, 2022	
	No. of Shares	%	No. of Shares	%
Prahaladbhai S. Patel	1,88,09,308	52.25%	1,86,39,308	51.78%
Shilpaben P. Patel	24,34,000	6.76%	36,34,000	10.09%
Sagar P. Patel	20,00,000	5.56%	20,00,000	5.56%

(d) Equity shares held by Promoters

Name of the Shareholders	As at March 31, 2023		As at March 31, 2022		% Change during the year
	No. of Shares	%	No. of Shares	%	
Prahaladbhai S. Patel	1,88,09,308	52.25%	1,86,39,308	51.78%	0.47%
Shilpaben P. Patel	24,34,000	6.76%	36,34,000	10.09%	(3.33%)
Pooja P. Patel	10,00,000	2.78%	10,00,000	2.78%	0.00%
Sagar P. Patel	20,00,000	5.56%	20,00,000	5.56%	0.00%

Name of the Shareholders	As at March 31, 2022		As at March 31, 2021		% Change during the year
	No. of Shares	%	No. of Shares	%	
Prahaladbhai S. Patel	1,86,39,308	51.78%	1,85,24,308	51.46%	0.32%
Shilpaben P. Patel	36,34,000	10.09%	51,84,000	14.40%	(4.31%)
Pooja P. Patel	10,00,000	2.78%	10,00,000	2.78%	0.00%
Sagar P. Patel	20,00,000	5.56%	20,00,000	5.56%	0.00%

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

15 Other equity

(₹ in Lakhs)

Particulars	Reserves and Surplus			Total
	General Reserve	Securities Premium	Retained Earnings	
Balance as at March 31, 2021 (A)	**936.10**	**13,488.68**	**35,774.49**	**50,199.27**
Additions during the year:				
Profit for the year	-	-	16,240.42	16,240.42
Remeasurement benefits of defined benefit plans (Net of Tax)	-	-	(128.18)	(128.18)
Total Comprehensive Income for the period 2021-22 (B)	**-**	**-**	**16,112.24**	**16,112.24**
Reductions during the year:				-
Dividends			1,440.00	1,440.00
Total (C)	**-**	**-**	**1,440.00**	**1,440.00**
Balance as at March 31, 2022 (D) = (A) + (B) - (C)	**936.10**	**13,488.68**	**50,446.74**	**64,871.52**
Additions during the year:				
Profit for the year	-	-	13,301.82	13,301.82
Remeasurement benefits of defined benefit plans (Net of Tax)	-	-	9.20	9.20
Total Comprehensive Income for the period 2022-23 (E)	**-**	**-**	**13,311.02**	**13,311.02**
Reductions during the year:				
Dividends	-	-	1,800.00	1,800.00
Total (F)	**-**	**-**	**1,800.00**	**1,800.00**
Balance as at March 31, 2023 (G) = (D) + (E) - (F)	**936.10**	**13,488.68**	**61,957.76**	**76,382.54**

(₹ in Lakhs)

Distribution made and proposed	As at March 31, 2023	As at March 31, 2022
Cash Dividends on Equity Shares declared and paid:		
Final Dividend for the year ended March 31, 2023: ₹ 5.00 per share	1,800.00	1,440.00
(for the year ended March 31, 2022: ₹ 4.00 per share)		
	1,800.00	**1,440.00**
Proposed Dividend on Equity Shares:		
Final Dividend for the year ended March 31, 2023: ₹ 2.50 per share	900.00	1,800.00
(for the year ended March 31, 2022: ₹ 5.00 per share)		
	900.00	**1,800.00**

Nature and purpose of other reserves

General Reserve

General reserve is created from time to time by way of transfer profits from retained earning for appropriation purpose.

Securities premium

Securities premium reserve is used to record premium on issue of shares. This reserve is utilised as per the provisions of the Companies Act, 2013.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

16 Borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non - Current		
Secured (At Amortised Cost)		
Term Loans		
From Banks	7,036.12	3,372.24
Less: Current Maturities of long term borrowings	(3,230.31)	(1,654.17)
Total	**3,805.81**	**1,718.07**
Current		
Current maturities of Non-current Borrowings	3,230.31	1,654.17
Secured (At Amortised Cost)		
Working Capital Loans		
From Banks	7,462.01	6,593.45
Total	**10,692.32**	**8,247.62**

Nature of Borrowing	Terms of Repayment	Interest Rate	Nature of Security
Non-current Borrowing	Repayable in 24 to 60 equated monthly installments	6.65% to 9.50%	Assets acquired under term loan
Term loan for Plant, Machinery and Vehicles			
Current Borrowing	Repayable on Demand	5.75% to 10.10%	Refer note below (i)
Working Capital Loans			

Note:

(i) Working Capital Loans are secured against Inventory, Book Debts, Plant and Machinery, land and Fixed Deposits held in the name of company.

(ii) All the above credit facilities are guaranteed by Mr. Prahaladbhai S. Patel, Mrs. Shilpaben P Patel, and Ms. Pooja P. Patel, and secured against collateral securities held in the name of company and Mr. Prahaladbhai S. Patel.

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

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

(v) Bank returns / stock statements filed by the Company with its bankers or financial institutions are in agreement with books of account.

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

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

17 Provisions

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non - Current		
Provision for employee benefits (Refer Note No. 32)	213.79	151.87
Total	**213.79**	**151.87**
Current		
Provision for employee benefits (Refer Note No. 32)	128.63	19.59
Total	**128.63**	**19.59**

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

18 Trade Payables

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises	2,342.74	1,284.41
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Due to Related Parties (Refer Note No. 37)	54.56	132.99
Trade Payables-Others	34,359.93	24,343.49
Total	**36,757.23**	**25,760.89**

Trade Payables ageing schedule

As at March 31, 2023 (₹ in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		0-1 Year	1-2 Year	2-3 Year	More than 3 Years	
(i) Due to MSME	2,037.77	304.97	-	-	-	2,342.74
(ii) Due to Other	22,580.81	10,339.61	918.09	64.42	265.91	34,168.84
(iii) Disputed dues-MSME	-	-	-	-	-	-
(iv) Disputed dues-Others (*)	-	-	-	152.13	93.52	245.65
Total	**24,618.57**	**10,644.59**	**918.09**	**216.55**	**359.43**	**36,757.23**

* The amounts pertains to commercial disputes.

As at March 31, 2022 (₹ in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		0-1 Year	1-2 Year	2-3 Year	More than 3 Years	
(i) Due to MSME	1,262.84	21.57	-	-	-	1,284.41
(ii) Due to Other	20,477.45	3,484.36	198.15	38.28	128.99	24,327.23
(iii) Disputed dues-MSME	-	-	-	-	-	-
(iv) Disputed dues-Others (*)	-	-	-	78.92	70.33	149.25
Total	**21,740.29**	**3,505.93**	**198.15**	**117.20**	**199.32**	**25,760.89**

19 Other Financial Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade deposits	367.97	280.80
Payable for capital expenditures	1,710.82	141.82
Other Payables	3,281.21	2,766.64
Employee Dues	604.43	409.13
Unpaid dividend*	5.75	2.16
Total	**5,970.18**	**3,600.55**

*This figure does not include any amount due and outstanding, to be credited to Investor Education and Protection Fund

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

20 Other Current Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory Payables	2,371.13	1,932.05
Other Current Liabilities	934.02	934.02
Contract Liabilities		
Advance received from Customers	2,418.46	17.00
Amount due to customers	7,856.31	2,146.58
Mobilisation Advance received from Customers	24,491.32	13,660.13
Total	**38,071.24**	**18,689.78**

21 Current Tax Assets (Net) and Current Tax Liabilities (Net)

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current Tax Assets (Net)	680.04	-
Total	**680.04**	**-**
Current Tax Liabilities (Net)	-	0.73
Total	**-**	**0.73**

22 Revenue from Operations

(₹ in Lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Revenue from Contracts with Customers	1,91,279.60	1,73,688.04
Other Operating Revenue	1,385.31	1,187.84
Total	**1,92,664.91**	**1,74,875.88**

23 Other Income

(₹ in Lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
a) Interest Income		
On Fixed Deposits	1,787.89	1,146.48
On Investments	3.46	4.89
From Subsidiary and Joint Venture (Refer Note no. 37)	11.38	255.97
Other Interest Income	598.10	342.84
	2,400.83	**1,750.18**
b) Dividend income	**3.16**	**3.16**
c) Other gains and losses		
Net Gain on Foreign Exchange Fluctuations	13.33	31.98
Reversal of Impairment of Loan	200.00	214.95
Net Gain on sale of Property, Plant and Equipment	84.28	74.74
Profit from Joint Venture	-	33.51
Miscellaneous income	7.96	17.02
	305.57	**372.20**
Total (a+b+c)	**2,709.56**	**2,125.54**

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

24 Cost of Construction Material Consumed

(₹ in Lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Opening Stock	6,275.79	6,674.07
Add: Purchases	64,833.25	49,140.22
	71,109.04	**55,814.29**
Less: Closing Stock	11,167.28	6,275.79
Total	**59,941.76**	**49,538.50**

25 Changes in inventories of Finished Goods and Work-In-Progress

(₹ in Lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Inventories at the end of the year:		
Work In Progress	3,616.63	1,387.32
Finished Goods	379.64	401.80
	3,996.27	**1,789.12**
Inventories at the beginning of the year:		
Work In Progress	1,387.32	2,246.84
Finished Goods	401.80	-
	1,789.12	**2,246.84**
Net (increase) / decrease in Inventories	**(2,207.15)**	**457.72**

26 Construction Expenses

(₹ in Lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Labour expenses	35,675.08	28,914.08
Sub-Contracting Expenses	55,887.59	53,199.88
Stores, spares and other consumables	773.45	460.78
Power and Fuel	2,809.58	2,472.30
Site Expenses	388.54	375.00
Machinery Rent	2,394.26	1,816.55
Insurance	299.52	314.86
Repairs and Maintenance:		
Machineries	114.46	94.19
Vehicles	10.61	18.87
Transportation expenses	1,604.03	986.14
Security Expenses	513.26	479.75
Total	**1,00,470.38**	**89,132.40**

27 Employee benefits expenses

(₹ in Lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Salaries and Wages	6,619.11	4,986.47
Managerial Remuneration	2,040.00	1,681.00
Contributions to Provident Fund and Other Funds	411.61	287.11
Staff Welfare Expenses	274.43	279.34
Total	**9,345.15**	**7,233.92**

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

28 Finance costs

(₹ in Lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Interest costs:		
(i) Interest on		
Term Loan	53.12	61.06
Working Capital Loan	1,524.63	849.76
(ii) Other Interest Costs	944.52	887.62
Bank Guarantee Charges	530.59	475.48
Other Borrowing costs	143.08	365.70
Total	**3,195.94**	**2,639.62**

29 Depreciation and Amortization Expense

(₹ in Lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Depreciation expenses	3,963.42	3,168.80
Amortization expenses	37.10	36.48
Total	**4,000.52**	**3,205.28**

30 Other Expenses

(₹ in Lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Rent	56.30	92.45
Rates and Taxes	24.86	20.74
Electricity expenses	19.68	18.09
Insurance	290.27	274.36
Repairs and Maintenance:		
Vehicle	77.00	67.22
Computers	174.10	109.94
Building	1.03	0.47
Printing and Stationery expenses	130.55	75.87
Communication expenses	35.80	28.43
Auditor's Remuneration	24.30	22.22
Legal and Professional expenses	122.24	141.96
Directors' Sitting Fees	1.65	3.75
Travelling and Conveyance	232.86	90.56
Advertisement expenses	83.18	18.49
Sponsorship Fees	27.95	17.50
Allowances for Expected Credit Loss	256.74	322.76
Provision For Loss on Impairment of Loan	-	200.00
Irrecoverable site expenses	0.00	934.02
Loss From Joint Venture	270.00	-
Corporate Social Responsibility Expenses (Refer Note No. 42)	335.41	304.32
Donation	11.82	5.46
Contribution to Politial Party	400.00	-
Net Loss on Property Plant and Equipment written off	0.82	82.68
Business Promotion expenses	7.73	-
Miscellaneous Expenses	29.27	31.34
Total	**2,613.56**	**2,862.63**

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

30.1 Remuneration to Auditors

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Payment to Statutory Auditors		
For Audit Fees	24.30	22.22
Total	**24.30**	**22.22**

31 Earnings per share (EPS)

Particulars	Unit	Year Ended March 31, 2023	Year Ended March 31, 2022
(i) Net Profit after Tax attributable to equity holders of the Company	₹ In Lakhs	13,301.82	16,240.42
(ii) Weighted average number of shares outstanding during the year	In Nos.	3,60,00,000	3,60,00,000
(iii) Basic and Diluted Earnings Per Share ((i)/(ii))	In ₹	36.95	45.11

32 Employee benefits

[A] Defined contribution plans:

The Company makes contributions towards provident fund to defined contribution retirement benefit plan for qualifying employees. The provident fund contributions are made to Government administered Employees Provident Fund. Both the employees and the Company make monthly contributions to the Provident Fund Plan equal to a specified percentage of the covered employee's salary.

Contribution to Defined Contribution Plan, recognized as expenses during the year is as under: (₹ in Lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Contribution to Labour Welfare Fund	3.27	0.30
Contribution to Employee State Insurance Corporation Fund	37.19	28.06
Contribution to Provident Fund	253.58	186.27
	294.04	**214.63**

[B] Defined benefit plan:

The Company has a defined benefit gratuity plan in India (partially funded) for employees,who have completed five years or more of service is entitled to grautity on termination of their employement at 15 days last drawn salary for each completed year of service. Further, the plan requires contributions to be made to a separately administered fund. The fund is managed by a trust which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

Gratuity is a defined benefit plan and company is exposed to the Following Risks:

Investment risk:
The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Interest risk:
A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

Longevity risk:

Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Salary risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

The following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at March 31, 2023

a) Reconciliation in present value of defined benefit obligation: (₹ in Lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Defined benefit obligations as at beginning of the year	553.23	333.48
Current service cost	114.04	67.51
Past service cost	-	-
Interest cost	38.22	22.74
Actuarial (Gains)/Losses	(17.56)	169.23
Benefits paid	(43.86)	(39.73)
Defined benefit obligations as at end of the year	**644.07**	**553.23**

b) Reconciliation of fair value of Plan Assets (₹ in Lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Fair Value of Plan Assets at the Beginning of the Period	549.13	245.31
Contributions by the Employer	0.28	328.90
Interest Income	37.93	16.73
Benefit Paid from the Fund	(43.86)	(39.73)
Return on Plan Assets, Excluding Interest Income	(5.26)	(2.07)
Fair Value of Plan Assets at the End of the Period	**538.23**	**549.13**

c) Amount recognised in balance sheet (₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
PVO at the end of period	644.07	553.23
Fair value of planned assets at end of year-Insurance Fund	538.23	549.13
Funded status - Deficit	(105.84)	(4.10)
Net asset/(liability) recognised in the balance sheet	**(105.84)**	**(4.10)**

d) Amount recognised in Statement of Profit and Loss: (₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current service cost	114.04	67.51
Interest cost	0.29	6.01
Past service cost	-	-
Total	**114.33**	**73.52**

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

e) Amount recognised in Other Comprehensive Income Remeasurements: (₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Actuarial (Gains)/ Losses	(17.56)	169.23
Return on Plan Assets, Excluding Interest Income	5.26	2.07
Total	**(12.30)**	**171.30**

f) Principal assumptions used in determining defined benefit obligations for the company

Particulars	As at March 31, 2023	As atMarch 31, 2022
Expected Return on Plan Assets (% per annum)	7.46%	6.96%
Discount rate (% per annum)	7.46%	6.96%
Salary escalation rate (% per annum)	8.25%	8.25%
Employee attrition rate (% per annum)	For service 4 years and below 12.00% p.a. For service 5 years and above 8.00% p.a.	For service 4 years and below 12.00% p.a. For service 5 years and above 8.00% p.a.
Mortality Rate (% per annum)	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)
Normal Retirement Age (In Years)	60	60
Average Future Service (In Years)	9	9

Note 1: Discount rate is determined by reference to market yields at the balance sheet date on Government bonds, where the currency and terms of the Government bonds are consistent with the currency and estimated terms for the benefit obligation.

Note 2: The estimate of future salary increases taken into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

g) Expected Cash flow of Maturity Profile for following years of Defined Benefit Obligations:

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Year 1	60.07	37.26
Year 2	48.45	53.94
Year 3	51.27	41.75
Year 4	56.19	43.96
Year 5	51.26	47.06
Year 6 to 10	288.82	233.41
Year 11 and above	906.83	759.43

h) Sensitivity analysis: (₹ in Lakhs)

Scenario	As at March 31, 2023		As at March 31, 2022	
	DBO	Change	DBO	Change
Under Base Scenario				
Discount Rates - Up by 1 %	(49.17)	(7.63%)	(44.12)	(7.97%)
Discount Rates - Down by 1 %	57.39	8.91%	51.76	9.36%
Salary Escalation - Up by 1 %	51.04	7.92%	45.91	8.30%
Salary Escalation - Down by 1%	(45.43)	(7.05%)	(40.64)	(7.35%)
Withdrawal Rates - Up by 1%	(4.67)	(0.73%)	(6.09)	(1.10%)
Withdrawal Rates - Down by 1 %	4.98	0.77%	6.66	1.20%

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

i) Category of Assets:

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Insurance Fund	538.23	549.13

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

(₹ in Lakhs)

Total Employee Benefit Liabilities	Note	As at March 31, 2023	As at March 31, 2022
Provisions	17	105.84	4.10

33 Tax Expense

(a) Amounts recognised in profit and loss

(₹ in Lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Current Tax Expense (A)		
Current year	4,991.28	5,709.45
Deferred Tax Expense (B)		
Origination and reversal of temporary differences	(278.79)	(18.52)
Tax Expense recognised in the income statement (A+B)	**4,712.49**	**5,690.93**

(b) Amounts recognised in other comprehensive income

(₹ in Lakhs)

Particulars	Year ended March 31, 2023			Year ended March 31, 2022		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	12.30	(3.10)	9.20	(171.30)	43.12	(128.18)
	12.30	**(3.10)**	**9.20**	**(171.30)**	**43.12**	**(128.18)**

(c) Reconciliation of effective tax rate

(₹ in Lakhs)

Scenario	As at March 31, 2023		As at March 31, 2022	
	%	Amount	%	Amount
Profit Before Tax		**18,014.31**		**21,931.35**
Tax using the Company's domestic tax rate	25.17%	4,533.84	25.17%	5,519.68
Tax effect of:				
Effect of Expenses that are not deductible in determining taxable profit	6.35%	1,393.58	5.08%	1,113.04
Effect of income that is exempt from taxation	(0.02%)	(3.59)	(0.37%)	(81.34)
Effect of Expenses that are deductible in determining taxable profit	(4.25%)	(933.12)	(3.86%)	(846.55)
Others	(1.27%)	(278.22)	(0.06%)	(13.89)
Effective income tax rate/Income tax expense	**25.98%**	**4,712.49**	**25.95%**	**5,690.93**

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

34 Fair value measurement hierarchy:

(₹ in Lakhs)

Particulars	As at March 31, 2023						
	Carrying amount	Amortised Cost	FVTOCI	FVTPL	Level of input used in		
					Level 1	Level 2	Level 3
Financial assets							
Investments*	21.09	21.09	-	-	-	-	-
Loans	435.22	435.22	-	-	-	-	-
Trade receivables	43,420.92	43,420.92	-	-	-	-	-
Cash and cash equivalents and Other Bank Balances	24,209.40	24,209.40	-	-	-	-	-
Other financial assets	50,167.19	50,167.19	-	-	-	-	-
	1,18,253.82	**1,18,253.82**	**-**	**-**	**-**	**-**	**-**
Financial liabilities							
Borrowings	11,267.82	11,267.82	-	-	-	-	-
Trade payables	36,757.23	36,757.23	-	-	-	-	-
Other Financial liabilities	5,970.18	5,970.18	-	-	-	-	-
	53,995.23	**53,995.23**	**-**	**-**	**-**	**-**	**-**

*Exclude investment in subsidiaries and joint venture amounting to ₹ 50.59 lakhs as it is carried at cost.

(₹ in Lakhs)

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							
Investments*	21.09	21.09	-	-	-	-	-
Loans	593.25	593.25	-	-	-	-	-
Trade receivables	31,177.92	31,177.92	-	-	-	-	-
Cash and cash equivalents and Other Bank Balances	19,518.09	19,518.09	-	-	-	-	-
Other financial assets	36,124.70	36,124.70	-	-	-	-	-
	87,435.05	**87,435.05**	**-**	**-**	**-**	**-**	**-**
Financial liabilities							
Borrowings	8,311.52	8,311.52	-	-	-	-	-
Trade payables	25,760.89	25,760.89	-	-	-	-	-
Other Financial liabilities	3,600.55	3,600.55	-	-	-	-	-
	37,672.96	**37,672.96**	**-**	**-**	**-**	**-**	**-**

*Exclude investment in subsidiaries and joint venture amounting to ₹ 50.59 lakhs as it is carried at cost.

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

The carrying amounts of trade receivables, loans, advances, cash and cash equivalents, bank balances and other finaicail assets are considered to be the same as their fair values due to their short term nature. The carrying amounts of long term loans given with fixed rate of interest are considered at fair value.

The carrying amount of trade payables and other financial liabilities 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

35 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.

(₹ in Lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Non-current borrowing	7,036.12	3,372.24
Current borrowing	7,462.01	6,593.45
Total Debt	**14,498.13**	**9,965.69**
Total equity	**79,982.54**	**68,471.52**
Adjusted net debt to adjusted equity ratio	**0.18**	**0.15**

36 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 Board oversee the management of these financial risks through its Risk Management Committee as per Company's existing policy.

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 audit committee oversees how the management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted by internal audit. Internal audit undertakes both regular and ad hoc review of risk management controls and procedures, the results of which are reported to the audit committee.

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

Trade Receivable

The company's customers comprise of public sector undertakings as well as private entities. Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. General payment terms include mobilisation advance, monthly progress payments with a credit period ranging from 7 to 120 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.

Summary of the company's exposure to credit risk from various customer is as follows: (₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Receivable	44,074.91	31,697.18
Less: Expected credit loss allowance	(653.99)	(519.26)
Total	**43,420.92**	**31,177.92**

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

Movement in Expected Credit Loss Allowance on trade receivables (₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Expected Credit Loss Allowance	519.26	196.50
Add: Additional provision made	134.73	322.76
Less: Reversal of provision	-	-
Closing Expected Credit Loss Allowance	**653.99**	**519.26**

Expected credit loss allowances of trade receivables (₹ in Lakhs)

Particulars	For the year ended March 31, 2023			For the year ended March 31, 2022		
	Gross carrying amount	Expected credit loss allowances	Carrying amount of trade receivable net of expected credit loss	Gross carrying amount	Expected credit loss allowances	Carrying amount of trade receivable net of expected credit loss
0 to 90 days	36,452.00	106.25	36,345.75	24,446.79	42.12	24,404.67
91 to 180 days	1,916.53	69.52	1,847.01	1,958.89	58.30	1,900.59
181 to 360 days	2,782.02	130.02	2,652.00	3,798.37	155.22	3,643.15
More than 360 days*	2,924.36	348.20	2,576.16	1,493.13	263.62	1,229.51
Total	**44,074.91**	**653.99**	**43,420.92**	**31,697.18**	**519.26**	**31,177.92**

*Expected credit loss allowance on trade receivables of more than 360 days includes 100% expected credit loss of disputed trade receivable whose credit impaired.

Other financial assets

Contract Assets

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. Apart from the provision recognised, the company does not perceive any credit risk pertaining to accrued value of work done and amount due on account of construction contracts.

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Retention money receivable from customers		
- Current	10,060.92	8,052.28
- Non-current	3,403.49	3,300.66
Amount due from customers (Unbilled Revenue)	25,741.50	9,922.25
Less: Expected credit loss allowance on Amount due from customers (Unbilled Revenue)	(122.00)	-
Total	**39,083.91**	**21,275.19**

Other than Contract Assets

The Company maintains exposure in cash and cash equivalents, term deposits with banks and loans to subsidiary companies. The Company has diversified portfolio of investment with various number of counterparties which have secure credit ratings hence the risk is reduced. Cumulative allocation limits are set for each category of asset class. Credit limits and concentration of exposures are actively monitored by the finance department of the Company.

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:

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

Trade Payables ageing schedule

As at March 31, 2023 (₹ in Lakhs)

Particulars	Note No.	Carrying Amount	Less than 12 months	More than 12 months	Total
Non-current Borrowings (Incl. current maturities)	16	7,036.12	3,230.31	3,805.81	7,036.12
Current Borrowings	16	7,462.01	7,462.01	-	7,462.01
Trade Payables	18	36,757.23	36,757.23	-	36,757.23
Other Financial Liabilities	19	5,970.18	5,970.18	-	5,970.18
Total		**57,225.54**	**53,419.73**	**3,805.81**	**57,225.54**

As at March 31, 2022 (₹ in Lakhs)

Particulars	Note No.	Carrying Amount	Less than 12 months	More than 12 months	Total
Non-current Borrowings (Incl. current maturities)	16	3,372.24	1,654.17	1,718.07	3,372.24
Current Borrowings	16	6,593.45	6,593.45	-	6,593.45
Trade Payables	18	25,760.89	25,760.89	-	25,760.89
Other Financial Liabilities	19	3,600.55	3,600.55	-	3,600.55
Total		**39,327.13**	**37,609.06**	**1,718.07**	**39,327.13**

C. Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices. It 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.

Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales and purchases are denominated. The functional currency for the Company is ₹. The currencies in which these transactions are primarily denominated is USD.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

(Amt in Lakhs)

Particulars	Liabilities		Assets	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Trade Payables (Euro)	0.03	0.01	-	-
Capital Payables (Euro)	-	0.08	-	-
Due to Related Party (Euro)	-	0.07	-	-

(₹ in Lakhs)

Particulars	Liabilities		Assets	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Trade Payables (₹ for Euro)	2.43	1.05	-	-
Capital Payables (₹ for Euro)	-	6.89	-	-
Due to Related Party (₹ for Euro)	-	6.25	-	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

Foreign currency sensitivity analysis

The Company is mainly exposed to the currency : Euro

The following table details the Company's sensitivity to a 5% increase and decrease in the Rupee against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. This is mainly attributable to the net exposure outstanding on receivables or payables in the Company at the end of the reporting period. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rate. A positive number below indicates an increase in the profit or equity where the Rupee strengthens by 5% against the relevant currency. For a 5% weakening of the Rupee against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

Impact on profit / (loss) before tax and total equity (₹ in Lakhs)

Particulars	Impact in ₹	
	As at March 31, 2023	As at March 31, 2022
Increase in exchange rate by 5% (Euro)	(0.12)	(0.71)
Decrease in exchange rate by 5% (Euro)	0.12	0.71

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:

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Fixed-rate instruments		
Financial Assets	131.68	593.25
Financial Liabilities	7,036.12	3,372.24
Variable-rate instruments		
Financial Assets	-	-
Financial Liabilities	7,462.01	6,593.45

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) before tax (₹ in Lakhs)

Particulars	Impact in ₹	
	As at March 31, 2023	As at March 31, 2022
Increase in 100 basis points	(74.62)	(65.93)
Decrease in 100 basis points	74.62	65.93

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

37 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) Subsidiary/Associate/Joint Venture

Name of the entity	Type
PSP Projects and Proactive Constructions Private Limited	Subsidiary
PSP Foundation	Subsidiary
PSP Projects INC	Foreign Subsidiary (Ceased w.e.f. December 23, 2021)
M/s. GDCL and PSP Joint Venture	Joint Venture
P and J Builders LLC	Step down Foreign Joint Venture - Level-I (Ceased w.e.f. December 01, 2021)"
PSP Fremont LLC	Step down Foreign Joint Venture - Level-I (Ceased w.e.f. December 01, 2021)
Guttenberg Projects LLC	Step down Foreign Joint Venture - Level-II (Ceased w.e.f. December 01, 2021)

(b) Key Management Personnel and Relatives

Name of the Key Management Personnel	Type
Mr. Prahaladbhai S. Patel	Chairman, Managing director and Chief Executive Officer
Ms. Pooja P. Patel	Whole Time Director
Mr. Sagar P. Patel	Executive Director
Mr. Chirag Narendra Shah	Independent Director (Resigned from close of business hours of March 31, 2022)
Mr. Sandeep Himmatlal Shah	Independent Director
Mr. Vasishtha Pramodbhai Patel	Independent Director
Mrs. Zarana Pratik Patel	Independent Director (Ceased from June 23, 2022)
Mrs. Achala Monal Patel	Independent Director (Appointed from July 14, 2022)
Mrs. Hetal Patel	Chief Financial Officer
Ms. Mittali Christachary	Company Secretary (Resigned from December 11, 2021)
Mr. Kenan Patel	Company Secretary
Name of the Relative	**Relation**
Mr. Dinubhai Patel	Brother of Chairman, Managing Director and chief Executive Officer

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

Name of the entity	Type
PSP Properties Private Limited	M/s. Adishwaram Innovative LLP
Sprybit Softlabs LLP	M/s. A P Constructions
Shilp Products LLP	M/s. SIM Developers

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

(ii) Transactions with related parties:

(₹ in Lakhs)

Particulars	2022-23	2021-22
Purchase of Assets - Land, Building, Plant and Machinery, Vehicle, Computers and Intangible Assets		
Shilp Products LLP	333.25	180.45
M/s. Adishwaram Innovative LLP	47.52	-
Rendering Services		
PSP Projects and Proactive Constructions Private Limited	73.55	69.55
M/s. GDCL and PSP Joint Venture	243.13	-
Interest Income		
PSP Projects Inc.	-	155.08
M/s. GDCL and PSP Joint Venture	-	74.15
PSP Projects and Proactive Constructions Private Limited	11.38	26.74
Receipt of Services		
M/s. A P Constructions (General Construction Service & Equipment Rental Services)	684.98	755.90
Dinubhai Patel (Professional Services)	27.50	25.00
Prahaladbhai S. Patel (Rental Service)	42.68	67.23
PSP Projects and Proactive Constructions Private Limited (Repairs & Maintenance Service)	0.83	-
Purchase of Material / Concrete Mix		
Shilp Products LLP	106.37	66.51
M/s. Adishwaram Innovative LLP	2.34	-
Sale of Material / Concrete Mix		
PSP Projects and Proactive Constructions Private Limited	241.80	0.59
Shilp Products LLP	20.68	3.17
M/s. A P Constructions	26.07	14.68
M/s. Adishwaram Innovative LLP	-	1.46
Reimbursements of Expenses		
M/s. GDCL and PSP Joint Venture	0.54	1.08
Share of Profit /(Loss) from Partnership Firm		
M/s. GDCL and PSP Joint Venture	(270.00)	33.51
Director's Sitting Fees Paid		
Chirag Narendra Shah	-	0.60
Sandeep Himmatlal Shah	0.60	1.05
Vasishtha Pramodbhai Patel	0.60	1.05
Mrs. Zarana Pratik Patel	0.15	1.05
Mrs. Achala Monal Patel	0.30	-
Remuneration		
Prahaladbhai S. Patel	1,560.00	1,480.00
Pooja P. Patel	240.00	150.00
Sagar P. Patel	240.00	51.00
Hetal Patel	33.32	29.43
Mittali Christachary	-	5.37
Kenan Patel	8.47	2.53
Investment / (Disinvestment) in Equity of Subsidiary		
PSP Projects Inc. (Net)	-	(7.39)
Impairment on Loan / Investment		
PSP Projects Inc. (Loan)	-	214.95
PSP Projects and Proactive Constructions Private Limited (Loan)	200.00	(200.00)

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

(ii) Transactions with related parties:
(₹ in Lakhs)

Particulars	2022-23	2021-22
Loan Given / (Repaid)		
PSP Projects Inc.(Net)	-	(2,789.50)
PSP Projects and Proactive Constructions Private Limited (Net)	(100.00)	(100.00)

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

Particulars	As at March 31, 2023	As at March 31, 2022
Investment		
PSP Projects and Proactive Constructions Private Limited	5.00	5.00
PSP Foundation	1.00	1.00
M/s. GDCL and PSP Joint Venture	44.59	44.59
Loans		
M/s. GDCL and PSP Joint Venture	540.03	540.03
M/s. GDCL and PSP Joint Venture (Cr. Balance in current capital)	(236.49)	33.51
PSP Projects and Proactive Constructions Private Limited	100.00	200.00
Trade Payables		
M/s. A P Constructions	18.68	63.81
Dinubhai Patel	-	6.25
Shilp Products LLP	89.86	28.93
M/s. Adishwaram Innovative LLP	24.88	-
Trade Receivables		
M/s. GDCL and PSP Joint Venture	271.64	-
PSP Projects and Proactive Constructions Private Limited	140.18	-
Other Financial Assets (Interest Receivable)		
M/s. GDCL and PSP Joint Venture	74.15	74.15
Remuneration Payable		
Prahaladbhai S. Patel	-	30.00
Shilpaben P. Patel	-	-
Pooja P. Patel	14.24	4.00
Sagar P. Patel	7.50	-
Hetal Patel	2.73	1.86
Kenan Patel	0.69	0.69

(iv) Terms and conditions
a) Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.

b) All the credit facilities of ₹ 1,04,700 Lakhs (P.Y. ₹ 1,04,700 Lakhs) and Term loan of ₹ 7,036.12 Lakhs as on March 31, 2023 (₹ 3,372.24 Lakhs as on March 31, 2022) are guaranteed by Mr. Prahaladbhai S. Patel, Mrs. Shilpaben P. Patel and Ms. Pooja P. Patel and secured against collateral securities held in the name of company and Mr. Prahaladbhai S. Patel.

(v) Compensation to Key Managerial Personnel of the Company:
(₹ in Lakhs)

Nature of Benefits	Year ended March 31, 2023	Year ended March 31, 2022
Short Term Employee Benefits	2,083.16	1,718.74
Post Employment Gratuity Benefits*	69.25	68.14
Total	**2,152.41**	**1,786.87**

Note: *Key Managerial Personnel and Relatives of Promoters who are under the employment of the Company are entitled to post employment benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. Post-employment gratuity benefits of Key Managerial Personnel has not been included in (ii) above.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

38 Contingent Liabilities and Capital Commitments

(i) Contingent Liabilities:

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Claims against Company not acknowledged as debt		
- Tax matters in dispute under appeal*	439.45	438.99
- Dispute in relation to the payment of wages	12.04	16.79
Bank guarantees for Performance, Earnest Money & Security Deposits**	82,252.26	48,317.41
Total	**82,703.75**	**48,773.19**

* The above matters are currently being considered by the tax authorities with various forums and the Company expects the judgement will be in its favour and has therefore, not recognised the provision in relation to these claims.

** includes bank gurantees of ₹ Nil (March 31, 2022 ₹ 196.87 Lakhs) given on behalf of joint venture.

(ii) Capital Commitments:

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for Property, Plant and Equipment (net of advances)	2,349.05	110.43
Total	**2,349.05**	**110.43**

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

(a) Disaggregation of revenue from contracts with customers

Disaggregation of revenue from contracts with customers based on geographical area. (₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
India	1,91,279.60	1,73,688.04

Disaggregation of revenue from contracts with customers based on type of customers. (₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Government*	82,195.89	46,448.44
Non-Government	1,09,083.71	1,27,239.60
Total	**1,91,279.60**	**1,73,688.04**

*Government customer includes central government, state government, union territories, a local authority, a government authority or a government entities if any.

(b) Contract balances

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

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Receivables (Refer Note No. 12)	43,420.92	31,177.92
Contract assets		
Retention money receivable from customers (Refer Note No. 8)	13,464.41	11,352.94
Amount due from customers (Refer Note No. 8)	25,619.50	9,922.25
Contract liabilities		
Advance received from Customers (Refer Note No. 20)	26,909.78	13,677.13
Amount due to customers (Refer Note No. 20)	7,856.31	2,146.58

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

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 :

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Due from contract customers		
At the beginning of the reporting period	9,922.25	7,722.15
Add: Cost incurred plus attributable profits on contracts-in-progress	1,37,421.39	76,133.31
Less: Progressive billings made towards contracts-in-progress	1,21,602.14	73,933.21
Less: Due from contract customers impaired during the reporting period	122.00	-
At the end of the reporting period	25,619.50	9,922.25

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Due to contract customers		
At the beginning of the reporting period	(2,146.58)	(2,313.19)
Add: Cost incurred plus attributable profits on contracts-in-progress	36,722.04	21,485.03
Less: Progressive billings made towards contracts-in-progress	42,431.77	21,318.42
At the end of the reporting period	(7,856.31)	(2,146.58)

(c) Movement of Expected Credit Loss during the year :

In March 2023, ₹ 134.73 lakhs (March 2022, ₹ 322.76 lakhs) and ₹ 122.00 (March 2022, ₹ Nil) was recognised as provision for expected credit losses on Trade Receivables and Amount due from customers (Unbilled Revenue) respectively.

(d) 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

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

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 31 March 2023 is ₹ 5,05,249 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 :

(₹ in Lakhs)

Particulars	Mar/24	Mar/25	Mar/26
Contract revenue	3,00,351	1,25,455	79,443

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

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Contract price of the revenue recognised	**1,92,463.40**	**1,75,626.05**
Less : Liquidated damages	-	-
Less: Material Received from customer	1,183.80	1,938.01
Revenue recognised in the statement of Profit and Loss	**1,91,279.60**	**1,73,688.04**

(f) Out of the total revenue recognised under Ind AS 115 during the year, 1,91,279.60 lakhs (Year 2021-22: ₹ 1,73,688.04 lakhs) is recognised over a period of time.

40 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.

(₹ in Lakhs)

Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022
a)	(i) Principal amount remaining unpaid to supplier under the MSMED Act 2006	2,342.74	1,284.41
	ii) Interest on a) (i) above	0.33	1.27
b)	The amount of interest paid by the Company 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	0.33	1.27
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	-	-

Amounts unpaid to micro and small enterprises on account of retention money has not been considered for the purpose of interest calculations.

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

41 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.

42 Corporate Social Responsibility (CSR) Expenditure

(a) Details of Corporate Social Responsibility:

(₹ in Lakhs)

Particulars		Year ended March 31, 2023	Year ended March 31, 2022
CSR amount required to be spent by the Company as per Section 135 of the Companies Act, 2013	**(A)**	**348.27**	**291.08**
Excess spend of previous year utilized	**(B)**	13.24	-
Spend Obligation	**(A-B)**	**335.03**	**291.08**
Gross Amount Spend by the Company during the year			
(i) Construction/acquisition of any asset			
(ii) On purposes other than (i) above		335.41	304.32
Total CSR Spend in actual	**(B)**	**335.41**	**304.32**
Shortfall / (Excess)	**(A-B)**	**(0.38)**	**(13.24)**
Nature of CSR activities		Healthcare, Education, Women Empowerment, Animal Welfare, Cultural, Sports	
Details of related party transactions, e.g., contribution to a trust controlled by the Company in relation to CSR expenditure as per Ind AS 24		-	-

(i) Excess amount spend for CSR during the FY 2022-23 of 0.38 lakhs (PY 2021-22 of ₹ 13.24 lakhs), available for set off in succeeding financial years.

43 Exceptional items

Exceptional items as on March 31, 2023 is ₹ Nil (P.Y. ₹ Nil).

Notes to the Standalone Financial Statements

44 Ratio Analysis

Sr. No.	Ratios	Numerator	Denominator	As at March 31, 2023	As at March 31, 2022	(%) Change 2022-23	Reason for Variance 2022-23
1	Current Ratio (times)	Current Assets	Current Liabilities	1.39	1.45	(4.14%)	
2	Debt Equity Ratio (times)	Total Borrowings	Total Equity	0.18	0.15	20.00%	Increase mainly on account of increase in team loan and working capital borrowings during the financial year.
3	Debt Service Coverage Ratio (times)	Earnings for debt service (i)	Debt service (ii)	7.92	24.84	(68.10%)	Decrease mainly on account of increase in term loan and working capital borrowings during the year.
4	Return on Equity Ratio (%)	Net Profit After Tax	Average Total Equity	17.92%	26.56%	(32.53%)	Decrease mainly on account of exceptional high profit margin in previous year, as large sized projects were in the finishing stage.
5	Inventory Turnover Ratio (times)	Cost of Goods Sold	Average Inventory	4.97	5.89	(15.62%)	
6	Trade Receivable Turnover Ratio (times)	Revenue from Operations	Average Trade Receivables	5.17	6.55	(21.07%)	Decrease mainly on account of increase in trade receivables as compared to previous year.
7	Trade Payables Turnover Ratio (times)	Cost of Goods Sold +Construction Expenses	Average Trade Payable	5.06	5.41	(6.47%)	
8	Net Capital Turnover Ratio (times)	Revenue from Operations	Average Working Capital	6.28	7.02	(10.54%)	
9	Net Profit Ratio (%)	Net Profit After Tax	Revenue from Operations	6.90%	9.29%	(25.73%)	Decrease mainly on account of exceptional high profit margin in previous year, as large sized projects were in the finishing stage.
10	Return on Capital Employed (%)	Earning Before Interest & Taxes	Average Capital Employed (Total Equity + Long term Borrowings)	24.03%	36.12%	(33.48%)	Decrease mainly on account of exceptional high profit margin in previous year, as large sized projects were in the finishing stage.
11	Return on Investment (%)	Interest income on Fixed Deposits	Average Investment in Fixed Deposits	5.51%	4.59%	20.04%	Increase mainly on account of high rate of interest and overall base of fixed deposits.

(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 write off/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 during the year

Notes to the Standalone Financial Statements

for the year ended March 31, 2023

45 Code on Social Security

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020. The Company will assess the impact and its evaluation once the subject rules are notified. The Company will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

46 Events after the reporting period:

The board of directors have recommended dividend of ₹2.50 per fully paid up equity share of ₹10/- each, which is subject to approval of members at Annual General Meeting.

47 Approval of Financial Statements:

The financial statements are approved for issue by the Audit Committee and Board of Directors at their meetings held on May 18, 2023. The shareholders of the company have power to amend the financial statement at the ensuing AGM.

48 Transactions with Struck off companies:

The following table summarises the transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956:

(₹ in Lakhs)

Name of struck off company	Nature of transactions with struck off Company	March 31, 2023		March 31, 2022		Relationship with the Struck off company
		Amount of transactions	Balance outstanding	Amount of transactions	Balance outstanding	
Yamunesh Infrastructure Private Limited	Services availed	-	0.10	5.71	0.10	External vendor
Edan Structure Private Limited	Services availed	0.32	-	-	-	External vendor

49 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 Company for holding any benami property under the Benami Transactions (Prohibition) Act,1988 (45 of 1988) and rules made thereunder.

(iv) 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.

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

(vi) 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.

Notes to the Standalone Financial Statements
for the year ended March 31, 2023

49 Statutory Information/compliance: (Contd.)

(vii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) 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

(b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

In terms of our report attached

For Kantilal Patel & Co
Chartered Accountants
ICAI Firm Reg. No. : 104744W

For and on behalf of the Board of Directors

Jinal A. Patel
Partner
Membership No. : 153599

Prahaladbhai S. Patel
Chairman, Managing Director & CEO
(DIN: 00037633)

Pooja P. Patel
Whole Time Director
(DIN: 07168083)

For Riddhi P. Sheth & Co.
Chartered Accountants
ICAI Firm Reg. No. : 140190W

Riddhi P. Sheth
Proprietor
Membership No. : 159123

Place : Ahmedabad
Date : May 18, 2023

Hetal Patel
Chief Financial Officer

Kenan Patel
Company Secretary
Membership No. : FCS 12641

Place : Ahmedabad
Date : May 18, 2023

Independent Auditor's Report

To the members of PSP Projects Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of PSP Projects Limited (the "Holding Company"), and its subsidiaries (the Holding Company and the subsidiaries together referred to as the "Group") and its joint venture, comprising of the consolidated Balance Sheet as at March 31, 2023, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'consolidated financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Group and its joint venture as at March 31, 2023 and its consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements 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 Consolidated Financial Statements section of our report. We are independent of the Group 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 consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained and evidence obtained by the other auditors in terms of their reports referred to in the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No.	Key Audit Matter	Auditor's Response
	Revenue Recognition and Trade Receivables	

1.	There are significant accounting judgements including estimation of costs to complete, determining the stage of completion and the timing of revenue recognition.
	
	The Holding Company recognises revenue and profit/loss on the basis of stage of completion based on the proportion of contract costs incurred at balance sheet date.
	
	The Indian Accounting Standard requires an entity to select a single measurement method for the relevant performance obligation that depicts the entity's performance in transferring goods or services or if a contract is onerous, present obligations are recognized and measured as provisions
		Our audit procedures among the other things, included the following:
		• Testing of the design and implementation of controls involved for the determination of the estimates used as well as their operating effectiveness;
		• We selected a sample of contracts to test, using a risk based criteria which included individual contracts with:
		  ◦ significant revenue recognised during the year or
		  ◦ significant accrued value of work done balances held at the year-end;
		• Obtained an understanding of management's process for reviewing long term contracts, the risk associated with the contract and any key judgments.

S. No.	Key Audit Matter	Auditor's Response
	Revenue Recognition and Trade Receivables	
	We identified contract accounting as a key audit matter because the estimation, of the total revenue and total cost to complete the contract, prepared based on the prevailing circumstances, is inherently subjective, complex and require significant management judgment and forecast of contract revenue and/or contract cost may get subsequently changed due to change in prevailing circumstances, assumptions, contract variations or any other factor, and could result in material variance in the revenue and profit or loss from contract `for the reporting period. Receivables has been considered a key audit matter due to the significance of the amount (₹43,386.65 lakh) and element of judgement involved in overall management assessment of the customers' ability to repay the outstanding balance. Refer to note number 2.17, 12 and 39 of the consolidated financial statements.	• Evaluated the design and implementation of key internal controls over the contract revenue and cost estimation process through the combination of procedures involving inquiry and observations, reperformance and inspection of evidence in respect of operations of these controls.• Verified underlying documents such as original contract, and its amendments, if any, key contract terms and milestones, etc. for verifying the estimation of contract revenue and costs and /or any change in such estimation. • Inquired with management on the progress of works and collections from customers to identify specific customers with which the company might have disagreements or disputes. • Tested samples of un-invoiced revenue entries with reference to the reports from the records and costs incurred against the services delivered to confirm the work performed and application of appropriate margin applied for the respective services. • Tested cut-offs for revenue recognized against un-invoiced amounts by matching the revenue accrual against accruals for corresponding cost. • Reviewed the work done and collection history of customers against whose contracts unbilled revenue is recognised; and verification of subsequent receipts, post balance sheet date. • Obtained confirmations from customers on sample basis to support existence assertion of trade receivables and assessed the relevant disclosures made in the Consolidated Financial Statements; to ensure revenue from contracts with customers are in accordance with the requirements of relevant accounting standards. • Evaluated the nature and status of customers and obtained the understanding from management about whether on-going business relationship with the customers and past payment history of customers.

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

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to the Board's Report, Management Discussion and Analysis, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditors' report thereon. The other information is expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 communicate the matter to those charged with governance as required under SA 720 'The Auditors' responsibilities relating to other Information'.

Management's responsibility for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, including consolidated total comprehensive income, consolidated changes in equity and cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act and the rules thereunder, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management and Board of Directors of the respective companies are responsible for assessing the Group'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 or Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the respective companies included in the Group are also responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 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 Holding 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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the consolidated 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 consolidated 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matter

The consolidated financial statements includes the audited financial statements/financial results/financial information of:

a. 1 (one) subsidiary, whose financial statements reflects total assets (before consolidation adjustments) of ₹1,163.31 lakh as at March 31, 2023, total revenue (before consolidation adjustments) of ₹1,433.79 lakh, total profit after after tax (before consolidation adjustments) of ₹92.30 lakh, total comprehensive income of ₹92.30 lakh and net cash outflow of ₹15.34 lakh for the year ended March 31, 2023, which has been audited by its independent auditor.

b. 1 (one) joint venture, whose financial statements include the Group's share of net loss of ₹270.00 lakh for the year ended March 31, 2023, which has been audited by its independent auditor.

The independent auditors' report on the financial statements of these entities have been furnished to us by the Management of the Holding Company and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us as stated in the paragraph above.

Our opinion above on the consolidated financial statements and our report on Other Legal and Regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on other legal and regulatory requirements

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

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

   (b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidation of financial statements have been kept by the Holding Company so far as it appears from our examination of those books.

   (c) The consolidated Balance Sheet as at March 31, 2023, the consolidated Statement of Profit and Loss (including Other Comprehensive Expense), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the consolidated financial statements comply with the Ind AS specified under section 133 of the Act and the Rules thereunder, as amended.

   (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023, taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on March 31, 2023, from being appointed as a director in terms of section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company with reference to the consolidated financial statements of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A' to this report.

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of sub-section (16) of Section 197 of the Act, as amended, we report that to the best of our information and according to the explanations given to us, remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of Section 197 of the Act

   (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, in our opinion and to the best of our information and according to the explanations given to us:

      (i) The Group has disclosed the impact of pending litigations on its financial position in its consolidated financial statements. Please refer Note No. 38.

      (ii) The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

(iii) The Company was not required to transfer any amount to the Investor Education and Protection Fund during the year by the Holding & its Subsidiary Company.

(iv) (a) The management of the Holding Company 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 Group to or in any other person(s) or entity(ies), 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 Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management of the Holding Company 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 Group from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether, 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; and

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as provided in (a) and (b) above, contain any material misstatement.

(v) The final dividend paid by the Holding Company during the year in respect of same declared for the previous year is in accordance with the Section 123 of the Act to the extent it applies to payment of dividend. As stated in note 15 to the consolidated Ind As financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the member at the ensuring Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

(vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable with effect from April 1, 2023 to the Company and its subsidiary, which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. With respect to matters specified in paragraph 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "CARO") Issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanation given to us, and based on the CARO reports issued by us for the Holding Company and by the auditors of one of its subsidiary included in the consolidated financial statements of the Holding Company, we report that there are no qualification or adverse remarks in the CARO reports.

For Kantilal Patel & Co.
Chartered Accountants
ICAI Firm registration number: 104744W

Jinal A. Patel
Partner
Membership No.: 153599
Place: Ahmedabad
Date: May 18, 2023
UDIN: 23153599BGVAYC4713

For Riddhi P. Sheth & Co.
Chartered Accountants
ICAI Firm registration number: 140190W

Riddhi P. Sheth
Proprietor
Membership No.: 159123
Place: Ahmedabad
Date: May 18, 2023
UDIN: 23159123BGYDIQ2947

Annexure A to the Independent Auditor's Report

of even date on the Consolidated Financial Statements of PSP Projects Limited

Referred to in paragraph 1(f) under 'Report on other legal and regulatory requirements' section of our report of even date to the members of PSP Projects Limited)

Report on the internal financial controls with reference to the consolidated financial statements under section 143(3)(i) of the Act

We have audited the internal financial controls over financial reporting of the Holding Company as of March 31, 2023 in conjunction with our audit of the consolidated financial statements of the Holding Company for the year ended on that date.

Management's responsibility for internal financial controls

The Holding Company's management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the 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 the Holding 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 Act.

Auditor's responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the SAs prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those SAs 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 were 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 with reference to the consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to the consolidated financial statements, 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 internal financial controls system over financial reporting with reference to the consolidated financial statements.

Meaning of internal financial controls over financial reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these consolidated financial statements includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Holding Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Holding Company are being made only in accordance with authorisations of management and directors of the Holding Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Holding Company's assets that could have a material effect on the consolidated 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 explanations given to us, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to the consolidated financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Kantilal Patel & Co.
Chartered Accountants
ICAI Firm registration number: 104744W

Jinal A. Patel
Partner
Membership No.: 153599
Place: Ahmedabad
Date: May 18, 2023
UDIN: 23153599BGVAYC4713

For Riddhi P. Sheth & Co.
Chartered Accountants
ICAI Firm registration number: 140190W

Riddhi P. Sheth
Proprietor
Membership No.: 159123
Place: Ahmedabad
Date: May 18, 2023
UDIN: 23159123BGYDIQ2947

Consolidated Balance Sheet as at March 31, 2023

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
(1) Non current Assets			
(a) Property, Plant and Equipment	3	23,840.57	20,601.82
(b) Capital Work-In-Progress	4	1,773.50	-
(c) Intangible Assets	5	118.87	135.31
(d) Financial Assets			
(i) Investments	6	66.68	66.68
(ii) Other Financial Assets	8	20,505.89	22,785.65
(e) Deferred Tax Asset (Net)	9	1,292.41	1,147.02
(f) Other Non Current Assets	10	724.22	191.63
Total Non-Current Assets		**48,322.14**	**44,928.11**
(2) Current Assets			
(a) Inventories	11	15,312.26	8,184.83
(b) Financial Assets			
(i) Trade receivables	12	43,386.65	31,100.71
(ii) Cash and cash equivalents	13	9,410.70	8,800.16
(iii) Bank Balances other than (ii) above	13	14,824.89	10,834.43
(iv) Loans	7	335.22	593.25
(v) Other Financial Assets	8	29,661.68	13,339.43
(c) Other Current Assets	10	14,606.24	9,255.45
(d) Current Tax Assets (Net)	21	680.04	-
Total Current Assets		**1,28,217.68**	**82,108.26**
Total Assets		**1,76,539.82**	**1,27,036.37**
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	14	3,600.00	3,600.00
(b) Other Equity	15	76,499.25	65,095.93
Equity attributable to owners of Holding Company		**80,099.25**	**68,695.93**
Non-Controlling Interests		-	-
Total Equity		**80,099.25**	**68,695.93**
LIABILITIES			
(2) Non-Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	3,805.81	1,718.07
(b) Provisions	17	213.79	151.87
Total Non-Current Liabilities		**4,019.60**	**1,869.94**
(3) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	10,692.32	8,247.62
(ii) Trade Payables	18		
- Total outstanding dues of micro enterprises and small enterprises		2,358.84	1,284.52
- Total outstanding dues of creditors other than micro enterprises and small enterprises		34,472.72	24,535.50
(iii) Other Financial Liabilities	19	5,970.18	3,600.80
(b) Other Current Liabilities	20	38,798.28	18,781.74
(c) Provisions	17	128.63	19.59
(d) Current Tax Liabilities (Net)	21	-	0.73
Total Current Liabilities		**92,420.97**	**56,470.50**
Total Liabilities		**96,440.57**	**58,340.44**
Total Equity and Liabilities		**1,76,539.82**	**1,27,036.37**

The Notes on Account form Integral part of the Financial Statements 1 to 49
(As per our report of even date)

For Kantilal Patel & Co
Chartered Accountants
ICAI Firm Reg. No. : 104744W

For and on behalf of the Board of Directors

Jinal A. Patel
Partner
Membership No. : 153599

Prahaladbhai S. Patel
Chairman, Managing Director & CEO
(DIN: 00037633)

Pooja P. Patel
Whole Time Director
(DIN: 07168083)

For Riddhi P. Sheth & Co.
Membership No. : 153599
Chartered Accountants
ICAI Firm Reg. No. : 140190W

Riddhi P. Sheth
Proprietor
Membership No. : 159123
Place : Ahmedabad
Date : May 18, 2023

Hetal Patel
Chief Financial Officer

Kenan Patel
Company Secretary
Membership No. : FCS 12641
Place : Ahmedabad
Date : May 18, 2023

Consolidated Statement of Profit and Loss for the year ended March 31, 2023

(₹ in Lakhs)

	Particulars	Note No.	Year Ended March 31, 2023	Year Ended March 31, 2022
I	Revenue From Operations	22	1,93,780.60	1,74,806.33
II	Other Income	23	2,500.09	2,171.64
III	**Total Income (I+II)**		**1,96,280.69**	**1,76,977.97**
IV	**EXPENSES**			
	Cost of Construction Material Consumed	24	60,277.45	49,539.08
	Changes in Inventories of Finished Goods and Work-In-Progress	25	(2,126.15)	358.67
	Construction Expenses	26	1,00,915.38	89,161.31
	Employee Benefits Expense	27	9,345.15	7,233.92
	Finance Costs	28	3,195.97	2,648.89
	Depreciation and Amortization Expense	29	4,000.52	3,205.28
	Other Expenses	30	2,362.39	2,669.44
	Total Expenses (IV)		**1,77,970.71**	**1,54,816.59**
V	**Profit Before Tax and Share of profit/(loss) from Joint Venture (III-IV)**		**18,309.98**	**22,161.38**
VI	**Tax Expense:**			
	(a) Current Tax	33	4,991.28	5,709.46
	(b) MAT Credit Entitlement	33	72.18	-
	(c) Deferred Tax	33	(217.60)	(175.55)
VII	**Profit for the year before Share of profit/(loss) from Joint Venture (V-VI)**		**13,464.12**	**16,627.47**
VIII	**Share of profit / (loss) from Joint Venture (Net)**	37 (ii)	**(270.00)**	**37.76**
IX	**Other Comprehensive Income/(Loss)**			
	(i) Items that will not be reclassified to profit or loss			
	- Remeasurement gains / (loss) of Defined benefit plans		12.30	(171.30)
	- Income tax expenses relating to items that will be reclassified to profit or loss		(3.10)	43.12
	(ii) Items that will be reclassified to profit or loss			
	- Exchange difference arising on translation of foreign subsidiary		-	10.60
	- Income tax expenses relating to items that will be reclassified to profit or loss"		-	(1.67)
	Total Other Comprehensive Income/(Loss) for the year (IX(i) + IX(ii))		**9.20**	**(119.25)**
X	**Total Comprehensive Income for the year (VII+VIII+IX)**		**13,203.32**	**16,545.98**
	Profit for the year attributable to:			
	- Owners of the Holding Company		13,194.12	16,665.23
	- Non-controlling Interest		-	-
	Other comprehensive income for the year attributable to:			
	- Owners of the Holding Company		9.20	(119.25)
	- Non-controlling Interest		-	-
	Total comprehensive income for the year attributable to:			
	- Owners of the Holding Company		13,203.32	16,545.98
	- Non-controlling Interest		-	-
XI	**Earnings per equity share:**			
	Basic and Diluted (Face value ₹10 per equity share)	31	36.65	46.29

The Notes on Account form Integral part of the Financial Statements 1 to 49
(As per our report of even date)

For Kantilal Patel & Co
Chartered Accountants
ICAI Firm Reg. No. : 104744W

Jinal A. Patel
Partner
Membership No. : 153599

For Riddhi P. Sheth & Co.
Membership No. : 153599
Chartered Accountants
ICAI Firm Reg. No. : 140190W

Riddhi P. Sheth
Proprietor
Membership No. : 159123
Place : Ahmedabad
Date : May 18, 2023

For and on behalf of the Board of Directors

Prahaladbhai S. Patel
Chairman, Managing Director & CEO
(DIN: 00037633)

Pooja P. Patel
Whole Time Director
(DIN: 07168083)

Hetal Patel
Chief Financial Officer

Kenan Patel
Company Secretary
Membership No. : FCS 12641
Place : Ahmedabad
Date : May 18, 2023

Statement of Consolidated Cash Flows for the year ended March 31, 2023

(₹ in Lakhs)

	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
A	**Cash flow from operating activities**		
	Profit before tax	18,039.98	22,199.14
	Adjustments for:		
	Finance costs	1,577.75	920.02
	Depreciation and amortisation expense	4,000.52	3,205.28
	Expected credit loss allowance	256.74	322.76
	Dividend income	(3.16)	(3.16)
	Interest Income	(2,391.36)	(2,057.37)
	Loss / (Gain) on sale of Property, Plant and Equipment (Net)	(83.46)	7.94
	Operating Profit before working capital changes	**21,397.01**	**24,594.61**
	Movements in working capital:		
	(Increase) / Decrease in Inventories	(7,127.43)	736.08
	(Increase) / Decrease in trade receivable	(12,542.68)	(8,769.73)
	(Increase) / Decrease in other assets	(19,238.81)	(1,472.32)
	Increase / (Decrease) in trade payables	6,714.66	(5,687.98)
	Increase / (Decrease) in other liabilities	20,816.92	11,869.01
	Increase / (Decrease) in provisions	183.26	(184.03)
	Cash generated from operations:	**10,202.93**	**21,085.64**
	Direct taxes paid (net)	(5,675.15)	(6,358.44)
	Net cash generated/(used) from operating activities (A)	**4,527.78**	**14,727.20**
B	**Cash flows from investing activities**		
	Payment for Property, Plant and Equipment (PPE), Intangible assets and Capital Work-in-Progress	(7,974.95)	(7,659.57)
	Proceeds from sale of Property, Plant and Equipment (PPE)	94.58	130.63
	(Purchase) / Proceeds of term deposits (Net)	413.92	(10,945.70)
	Dividend received	3.16	3.16
	Interest received	2,391.36	2,057.37
	Net cash generated/(used) in Investing activities (B)	**(5,071.93)**	**(16,414.11)**
C	**Cash flow from financing activities :**		
	Proceeds from / (Repayment) of non-current borrowings	3,663.88	2,080.83
	Proceeds from / (Repayment) of current borrowings	868.56	(501.88)
	Dividend paid	(1,800.00)	(1,440.00)
	Interest paid	(1,577.75)	(1,212.24)
	Net cash generated/(used) in Financing activities (C)	**1,154.69**	**(1,073.29)**
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS [(A) + (B) + (C)]	**610.54**	**(2,760.20)**
	Add: Cash and cash equivalents as at beginning of the year	**8,800.16**	**11,560.36**
	Cash and Cash Equivalents as at the end of the year	**9,410.70**	**8,800.16**

Note to Cash Flow Statement

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

2 The Group has total sanctioned limit (fund & non-fund based) of ₹ 1,04,700 Lakhs (P.Y. ₹ 1,04,700 Lakhs) with banks, Out of which ₹ 89,667.44 Lakhs (P.Y. ₹ 54,910.67 Lakhs) has been utilised.

Statement of Consolidated Cash Flows for the year ended March 31, 2023

3 Cash And Cash Equivalents comprises of:

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	26.96	29.05
Balances with banks		
In current accounts	27.49	1,188.39
In cash credit accounts (debit balance)	868.89	768.24
In deposit accounts (Maturity less than 3 months)	8,487.36	6,814.48
CASH AND CASH EQUIVALENTS AS PER NOTE NO. 13	**9,410.70**	**8,800.16**

4 Disclosure as required by Ind AS 7

Reconciliation of liabilities arising from financing activities

As at March 31, 2023

(₹ in Lakhs)

Particulars	Opening Balance	Cash Flows	Non Cash Changes	Closing Balance
Non-current Borrowings	3,372.24	3,663.88	-	7,036.12
Current Borrowings	6,593.45	868.56	-	7,462.01
Total liabilities from financing activities	**9,965.69**	**4,532.44**	**-**	**14,498.13**

As at March 31, 2022

(₹ in Lakhs)

Particulars	Opening Balance	Cash Flows	Non Cash Changes	Closing Balance
Non-current Borrowings	1,291.41	2,080.83	-	3,372.24
Current Borrowings	7,095.34	(501.88)	-	6,593.45
Total liabilities from financing activities	**8,386.75**	**1,578.95**	**-**	**9,965.69**

The Notes on Account form Integral part of the Financial Statements 1 to 49

(As per our report of even date)

For Kantilal Patel & Co
Chartered Accountants
ICAI Firm Reg. No. : 104744W

Jinal A. Patel
Partner
Membership No. : 153599

For Riddhi P. Sheth & Co.
Membership No. : 153599
Chartered Accountants
ICAI Firm Reg. No. : 140190W

Riddhi P. Sheth
Proprietor
Membership No. : 159123
Place : Ahmedabad
Date : May 18, 2023

For and on behalf of the Board of Directors

Prahaladbhai S. Patel
Chairman, Managing Director & CEO
(DIN: 00037633)

Pooja P. Patel
Whole Time Director
(DIN: 07168083)

Hetal Patel
Chief Financial Officer

Kenan Patel
Company Secretary
Membership No. : FCS 12641
Place : Ahmedabad
Date : May 18, 2023

Consolidated Statement of Changes In Equity for the year ended March 31, 2023

a. Equity Share Capital:

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	**3,600.00**	**3,600.00**
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the year	**3,600.00**	**3,600.00**
Changes in equity share capital during the year	-	-
Balance at the end of the year	**3,600.00**	**3,600.00**

b. Other Equity:

(₹ in Lakhs)

Particulars	Reserves and Surplus			Foreign Currency Translation Reserve	Total attributable to owners of the Holding Company	Non-controlling interests	Total
	General Reserve	Securities Premium	Retained Earnings				
Balance as at March 31, 2021	**936.10**	**13,488.68**	**35,574.10**	**(8.93)**	**49,989.95**	**-**	**49,989.95**
Changes in Other equity due to prior period errors	-	-	-	-	-	-	-
Restated Balance as at March 31, 2021 (A)	**936.10**	**13,488.68**	**35,574.10**	**(8.93)**	**49,989.95**	**-**	**49,989.95**
Additions during the year:							
Profit for the year	-	-	16,665.23	8.93	16,674.16	-	16,674.16
Remeasurement benefits of defined benefit plans (Net of Tax)	-	-	(128.18)	-	(128.18)	-	(128.18)
Total Comprehensive Income for the year 2021-22 (B)	**-**	**-**	**16,537.05**	**8.93**	**16,545.98**	**-**	**16,545.98**
Reductions during the year:							
Dividends	-	-	1,440.00	-	1,440.00	-	1,440.00
Total (C)	**-**	**-**	**1,440.00**	**-**	**1,440.00**	**-**	**1,440.00**
Balance as at March 31, 2022 (D) = (A) + (B) - (C)	**936.10**	**13,488.68**	**50,671.15**	**-**	**65,095.93**	**-**	**65,095.93**
Changes in Other equity due to prior period errors	-	-	-	-	-	-	-
Restated Balance as at March 31, 2022 (E)	**936.10**	**13,488.68**	**50,671.15**	**-**	**65,095.93**	**-**	**65,095.93**
Additions during the year:							
Profit for the year	-	-	13,194.12	-	13,194.12	-	13,194.12
Remeasurement benefits of defined benefit plans (Net of Tax)	-	-	9.20	-	9.20	-	9.20
Total Comprehensive Income for the year 2022-23 (F)	**-**	**-**	**13,203.32**	**-**	**13,203.32**	**-**	**13,203.32**
Reductions during the year:							
Dividends	-	-	1,800.00	-	1,800.00	-	1,800.00
Total (G)	**-**	**-**	**1,800.00**	**-**	**1,800.00**	**-**	**1,800.00**
Balance as at March 31, 2023 (H) = (E) + (F) - (G)	**936.10**	**13,488.68**	**62,074.47**	**-**	**76,499.25**	**-**	**76,499.25**

The Notes on Account form Integral part of the Financial Statements 1 to 49

(As per our report of even date)

For Kantilal Patel & Co
Chartered Accountants
ICAI Firm Reg. No. : 104744W

Jinal A. Patel
Partner
Membership No. : 153599

For Riddhi P. Sheth & Co.
Membership No. : 153599
Chartered Accountants
ICAI Firm Reg. No. : 140190W

Riddhi P. Sheth
Proprietor
Membership No. : 159123
Place : Ahmedabad
Date : May 18, 2023

For and on behalf of the Board of Directors

Prahaladbhai S. Patel
Chairman, Managing Director & CEO
(DIN: 00037633)

Pooja P. Patel
Whole Time Director
(DIN: 07168083)

Hetal Patel
Chief Financial Officer

Kenan Patel
Company Secretary
Membership No. : FCS 12641
Place : Ahmedabad
Date : May 18, 2023

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

1. Group's Overview:

The consolidated financial statements comprise financial statements of PSP Projects Limited (the Holding Company), its subsidiaries and joint ventures (collectively, the Group) for the year ended March 31, 2023. The Holding Company is a public limited company domiciled in India and has its registered office in Ahmedabad, Gujarat, India. The company has been incorporated under the provisions of Companies Act, applicable in India. The shares of the Holding Company are listed on National Stock Exchange of India and Bombay Stock Exchange with effect from May 29, 2017.

The Group offers construction and allied services in India..

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

2.1 Basis of preparation of financial statements:

These financial statements are the consolidated financial statements of the Group 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 consolidated financial statement.

These consolidated 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 consolidated financial statements.

2.2 Functional and presentation currency:

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

2.3 Principles of consolidation:

The consolidated financial statements comprise the financial statements of the Companies, its subsidiaries and its joint ventures as at March 31, 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the holding company, when the end of the reporting period of the holding company is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the holding company to enable the holding company to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

2.4 Consolidation procedure:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the holding company with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

b) Offset (eliminate) the carrying amount of the holding company's investment in each subsidiary and the holding company's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions."

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the holding of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss

2.5 Key accounting estimates and judgements:

The preparation of the Group'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:

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

a) Property, Plant and Equipment:

Property, Plant and Equipment represent a significant proportion of the asset base of the Group.

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.

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. Refer Note 2.7, 3 and 29 for further disclosure.

b) Provision for income tax and deferred tax assets:

The Group uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Accordingly, the Group exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period. Refer Note 9 and 33 for further disclosure.

c) Defined Benefit Obligation:

The costs of providing post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. All assumptions are reviewed at each reporting date. Refer Note 2.18 and 32 for further disclosure.

d) Fair value measurement of Financial Instruments:

When the fair value of financial 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. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer Note 2.16 and 34 for further disclosure.

e) Revenue recognition over time in Construction Contracts:

The group recognises revenue from contracts with customers over time i.e. on the basis of stage of completion based on the proportion of contract costs incurred at balance sheet date, relative to the total estimated costs of the contract at completion. The recognition of revenue and profit/loss therefore rely on estimates in relation to total estimated costs of each contract. Cost contingencies are included in these estimates to take into account specific uncertain risks, or disputed claims against the Group, arising within each contract. These contingencies are reviewed by the Management on a regular basis throughout the contract life and adjusted where appropriate. Refer Note 2.17, 22 and 39 for further disclosure.

f) Provisions and contingencies:

The group estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. Refer Note 2.20 for further disclosure.

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised. Contingent assets are neither recognised nor disclosed in the financial statements. Refer Note 2.20 and 38 for further disclosure.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

2.6 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 Group'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 Group 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 Group 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.

2.7 Property, Plant & Equipment:

a) Measurement at recognition:

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

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

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.

Useful life and residual value prescribed in Schedule II of the Companies Act, 2013 are considered except in the following cases where useful life is supported by the technical evaluation considering business specific usage, the consumption pattern of the assets and the past performance of similar assets:

Particulars	Useful Life in years
Steel Shuttering Materials included in Plant and Machinery	5 to 10 years

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.

2.8 Intangible Assets:

a) Measurement at recognition:

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

b) Amortization:

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

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

c) Derecognition:

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

2.9 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, if any. All other borrowing costs are expensed in the period in which they occur.

2.10 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 Group 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 Group estimates the recoverable amount of the CGU to which the asset belongs.

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

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

2.11 Investment in Joint Venture:

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investment in its jointly controlled entity is accounted for using the equity method.

Under the equity method, the investment in a jointly controlled entity is initially recognised at cost.

The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. The statement of profit and loss reflects the Group's share of the results of operations of the jointly controlled entity. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the jointly controlled entity, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the jointly controlled entity are eliminated to the extent of the interest in the jointly controlled entity.

If an entity's share of losses of a joint venture equals or exceeds its interest in the joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

If the joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised. The aggregate of the Group's share of profit or loss of a jointly controlled entity is shown on the face of the statement of profit and loss. The financial statements of the jointly controlled entity is prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its jointly controlled entity. At each reporting date, the Group determines whether there is objective evidence that the investment in the jointly controlled entity is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the jointly controlled entity and its carrying value, and then recognises the loss as 'Share of profit of a jointly controlled entity in the statement of profit or loss.

Upon loss of significant influence over the joint control over the jointly controlled entity, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the jointly controlled entities upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.12 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.

c) Wooden Shuttering material:

Wooden shuttering materials included in the work-in-progress are valued at cost less charged off to statement of Profit and Loss based on their usages for the construction activity.

d) Finished goods and Stock-in-trade:

Finished goods and stock-in-trade (in respect of goods acquired for trading) are valued at lower of weighted average cost or net realizable value. Cost includes cost of purchase, costs of conversion, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.

2.13 Site establishment Cost:

Site establishment cost incurred at the initial stage of the project execution are amortized over the tenure of respective project. Unamortized site establishment costs is disclosed under other current assets.

2.14 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

Financial Assets:

a) **Initial recognition and measurement:**

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

b) **Subsequent measurement:**

i. ***Financial assets measured at amortized cost:***

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

ii. ***Financial assets measured at fair value through other comprehensive income (FVTOCI):***

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

iii. ***Financial assets measured at fair value through profit & loss (FVTPL):***

A financial asset which is not classified in any of the above categories are measured at FVTPL.

c) **Impairment of financial assets:**

In accordance with Ind AS 109, the Group 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 the Group uses the provision matrix based on 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 Group 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. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information.

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 Group 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 Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

2.15 Foreign Currency Transaction and Translation:

a) Initial Recognition:

On initial recognition, transactions in foreign currencies entered into by the Group are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

b) Measurement of foreign currency items at reporting date:

Foreign currency monetary items of the Group are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising out of these translations are recognized in the Statement of Profit and Loss.

c) Translation of financial statements of foreign entity:

On consolidation, the assets and liabilities of foreign operations are translated into ₹ (Indian Rupees) at the exchange rate prevailing at the reporting date and their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in Foreign Currency Translation Reserve of Consolidated OCI. On disposal of a foreign operation, this component of OCI relating to that particular foreign operation is reclassified to Consolidated Statement of Profit and Loss.

2.16 Fair Value of financial instruments:

The Group 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

Fair Value Hierarchy:

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 Group 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.

2.17 Revenue Recognition:

Revenue from Contracts with Customers:

The Group 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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

at a point in time. For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

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

Transaction price is the amount of consideration to which the Group 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 Group 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 group does not have either explicit or implicit right of payment for performance completed till date.

Professional and Consultancy Income:

Revenue from consulting services is recognised in the accounting period in which the services are rendered.

Rental Income:

Income earned by way of leasing or renting out of plant and machinery is recognised as income. Initial direct cost is recognised as expenses on accrual basis in the Statement of Profit and Loss in the year of lease.

Interest and dividend:

Interest income is accrued on a time basis by reference to the principal outstanding using effective interest rate method. Dividend income is recognized when the right to receive payment is established.

2.18 Employee Benefits:

a) Short Term Employee Benefits:

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

b) Post-Employment Benefits:

I. Defined Contribution plans:

A defined contribution plan is a post-employment benefit plan under which the Group pays specified contributions to separate entities. The Group makes specified monthly contributions towards Provident Fund, State Insurance and Pension Scheme. The Group's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

II. Defined Benefit plans:

The Group pays gratuity to the employees whoever has completed five years of service with the Group at the time of resignation/superannuation. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act 1972.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services. Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income. Such re-measurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

c) Other long term employee benefits:

All other long term employee benefit which do not fall due wholly within twelve months after the end of the period in which the employee render the related services are determined based on actuarial valuation or discounted present value method carried out at each balance sheet date. The expected cost of accumulating compensated absence is determined by actuarial valuation performed by an independent actuary as at 31 March every year using projected unit credit method on additional amount expected to be paid/availed as a result of unutilised entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absence is recognised in the period in which the absences occur.

2.19 Income Taxes:

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

a) Current tax:

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Consolidated 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.

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 Group 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 Group 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 Group.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

2.20 Provision and Contingencies:

The Group 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.

2.21 Lease Accounting:

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset;
- the Group had the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- the Group had the right to direct the use of the asset.

The Group's significant leasing arrangements are mainly of land & buildings, plant and equipment and vehicles. The Group has applied the practical expedient in respect of short-term leases and low value assets.

As a lessee:

The Group's lease arrangements are short term in nature. Accordingly, the Group has elected to recognise the lease payments under short leases as an operating expense on a straight-line basis over the lease term.

As a lessor:

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. Lease income from operating leases where the Group is a lessor are recognised on either a straight-line basis or another systematic basis. The Group shall apply another systematic basis if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The Group present underlying assets subject to operating leases in its balance sheet according to the nature of the underlying asset.

2.22 Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Group. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Group. The group's chief operating decision maker is the Managing Director.

2.23 Earnings per share:

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

2.24 Cash Flow Statement:

Cash Flow Statement is 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 Group are segregated.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

2.25 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 maturity is three months or less and other short term highly liquid investments.

2.26 Recent new Accounting Pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

(a) Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

(b) Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements.

(c) Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

2.27 Events after reporting date:

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

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3 Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Freehold Land	Buildings	Furniture & Fixture	Plant & Equipment	Office Equipments	Computers	Vehicles	Total
Gross Carrying amount								
As at March 31, 2021	**3,010.53**	**896.44**	**208.65**	**14,983.98**	**205.51**	**343.41**	**3,076.70**	**22,725.22**
Additions	-	5,620.51	126.27	6,184.62	27.71	72.54	378.89	12,410.54
Deductions / Disposals	-	45.00	-	716.09	1.95	31.99	81.70	876.73
As at March 31, 2022	**3,010.53**	**6,471.95**	**334.92**	**20,452.51**	**231.26**	**383.97**	**3,373.88**	**34,259.02**
Additions	-	20.42	356.79	6,529.05	29.71	209.20	68.07	7,213.24
Deductions / Disposals	-	-	-	80.67	1.57	9.51	40.57	132.32
As at March 31, 2023	**3,010.53**	**6,492.37**	**691.71**	**26,900.89**	**259.40**	**583.66**	**3,401.38**	**41,339.94**
Accumulated depreciation								
As at March 31, 2021	**-**	**262.94**	**127.52**	**8,505.71**	**158.18**	**220.03**	**1,956.50**	**11,230.88**
Depreciation for the year	-	266.67	35.11	2,408.84	24.94	75.30	357.94	3,168.80
Deductions / Disposals	-	22.62	-	613.53	1.48	29.90	74.94	742.47
As at March 31, 2022	**-**	**506.99**	**162.63**	**10,301.02**	**181.64**	**265.43**	**2,239.48**	**13,657.20**
Depreciation for the year	-	578.47	83.89	2,828.80	27.54	103.41	341.31	3,963.42
Deductions / Disposals	-	-	0.99	71.95	0.80	8.97	38.54	121.25
As at March 31, 2023	**-**	**1,085.46**	**245.51**	**13,057.88**	**208.39**	**359.88**	**2,542.25**	**17,499.37**
Net carrying amount								
As at March 31, 2023	**3,010.53**	**5,406.91**	**446.20**	**13843.01**	**51.01**	**223.78**	**859.13**	**23,840.57**
As at March 31, 2022	**3,010.53**	**5,964.96**	**172.29**	**10,151.49**	**49.61**	**118.54**	**1,134.40**	**20,601.82**

Notes:

(i) Refer to Note 16 for information on property, plant and equipment pledged as security by the Group.

(ii) For Capital Commitments, Refer Note 38 (ii).

(iii) The title deeds of immovable properties (other than properties where the Group are the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Group.

(iv) The Group carries out physical verification of it's property, plant and equipment so as to cover all the assets every year.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

4 Capital Work In Progress (CWIP)

(₹. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening CWIP	-	4,164.72
Additions	1,773.50	6,102.46
Capitalised during the year	-	(10,267.18)
Total	**1,773.50**	**-**

4(a) Capital work in progress ageing as at March 31, 2023

(₹ in Lakhs)

Particulars	0-1 Year	1-2 Years	2-3 Years	Above 3 Year	Total
(a) Projects in progress*	1,773.50	-	-	-	1,773.50
(b) Projects temporarily suspended	-	-	-	-	-
	1,773.50	**-**	**-**	**-**	**1,773.50**

*Capital work in progress consists of Precast Plant Expansion.

4(b) Capital work in progress ageing as at March 31, 2022

All CWIP during the year has been capitalised to respective head of assets and CWIP balance as on March 31, 2022 ₹ Nil.

4(c) During the current and previous year, the Group does not have projects in Capital work in progress whose completion is overdue or projects whose cost has exceeded its costs as per its original plan .

5 Intangible assets

(₹ in Lakhs)

Particulars	Computer Software	Total
Gross Carrying amount		
As at March 31, 2021	**222.97**	**222.97**
Additions	51.76	51.76
Deductions	9.92	9.92
As at March 31, 2022	**264.81**	**264.81**
Additions	20.71	20.71
Deductions	0.20	0.20
As at March 31, 2023	**285.32**	**285.32**
Accumulated amortisation		
As at March 31, 2021	**98.63**	**98.63**
Amortisation for the year	36.48	36.48
Deductions	5.61	5.61
As at March 31, 2022	**129.50**	**129.50**
Amortisation for the year	37.10	37.10
Deductions	0.15	0.15
As at March 31, 2023	166.45	166.45
Net carrying amount		
As at March 31, 2023	**118.87**	**118.87**
As at March 31, 2022	**135.31**	**135.31**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

6 Investments

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current		
Investment in Equity Instruments / Capital of Partnership Firm		
Unquoted		
(i) Subsidiaries (Measured at Cost, Refer Note No. 34)		
(a) PSP Foundation*	1.00	1.00
10,000 (Previous Year : 10,000) Equity Shares of Face Value ₹10 Each (Previous Year: ₹ 10) (Refer Note No.37)		
(ii) Joint Venture (Measured at Cost, Refer Note No. 34)		
(a) M/s. GDCL and PSP Joint Venture (Refer Note No. 6.1 below)	44.59	44.59
(Share of profit of Ganon Dunkerley and Company Limited and PSP Projects Limited in the entity is 51:49) (Refer Note No.37)		
(iii) Others (Measured at Cost, Refer Note No. 34)		
(a) The Kalupur Commercial Co-Operative Bank Limited	21.09	21.09
84,350 (Previous Year : 84,350) Equity Shares of Face Value ₹ 25 Each		
Total Non Current Investments	**66.68**	**66.68**
Aggregate Carrying Value of unquoted investment	**66.68**	**66.68**

*PSP Foundation is incorporated as a wholly owned subsidiary of the Holding Company on February 26, 2021. It is incorporated as a 'Not for Profit' company limited by shares under Section 8 of the Companies Act, 2013 to promote and support CSR activities.

This company is prohibited to give any right over their profits to its members. In view of restrictions on Section 8 companies, the Holding Company's share in PSP Foundation has not been considered in consolidated financial statement.

6.1 Investment in M/s. GDCL and PSP Joint Venture:

(₹ in Lakhs)

Name of the Partners	Capital of the firm	Share of Partner
Ganon Dunkerley and Company Limited	46.41	51.00%
PSP Projects Limited*	44.59	49.00%
Total	**91.00**	**100.00%**

*Capital of the firm and Share of Partner during the 2022-23 was same as compared to 2021-22.

6.2 Disclosures pursuant to Ind AS 112 “”Disclosure of Interest in other entities””:- Joint Venture and Associates Financial Information in respect of Individually not material joint ventures/associates Investment in M/s. GDCL and PSP Joint Venture:

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Aggregate carrying amount of investment in Individually not material joint ventures/associates	44.59	44.59
Aggregate amounts of the Group's share of Profit/(loss) for the year	(270.00)	33.51
Other comprehensive income for the year	-	-
Total comprehensive income/(loss) for the year	**(270.00)**	**33.51**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

7 Loans

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Loan to related parties (Unsecured, considered good) (Refer Note No. 37)	303.54	573.54
Loans and advances to employees (Unsecured, considered good)	31.68	19.71
Total	**335.22**	**593.25**

Break up of security details

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Loan Receivables considered good- Secured	-	-
Loan Receivables considered good- Unsecured	335.22	593.25
Loan Receivables which have significant increase in Credit Risk	-	-
Loan Receivables impaired	-	-
Total	**335.22**	**593.25**

Note: Disclosures required by Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 (4) of Companies Act, 2013 as per the standalone financial statement:

(A) Amount of loans/ advances in the nature of loans outstanding repayable as per below terms with Joint Venture

(₹ in Lakhs)

Particulars	Purpose for which the loan is proposed to be utilised by the recipient	Outstanding as at March 31,2023	% to the total loans and advances as at March 31, 2023	Outstanding as at March 31,2022	% to the total loans and advances as at March 31, 2022	Maximum amount outstanding during the year	
						March 31, 2023	March 31, 2022
Current							
Joint Venture							
M/s. GDCL and PSP Joint Venture (Unsecured-considered good)*	Current Captial	303.54	100.0%	573.54	100.00%	303.54	573.54

*Represent amount of current capital outstanding with joint venture on reporting date.

(B) The Holding Company has given bank gurantees of ₹ Nil (March 31, 2022 ₹ 196.87 Lakhs) on behalf of M/s. GDCL and PSP Joint Venture for business purposes.

8 Other Financial Assets

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current		
Unsecured, considered good		
Security deposits	383.61	357.74
Other non current deposits	232.11	145.59
Deposits with Banks (Maturity more than 12 months)	9,829.25	14,230.04
Contract Assets		
Retention money receivable from customers	10,060.92	8,052.28
Total	**20,505.89**	**22,785.65**
Current		
Unsecured, considered good		
Other current deposits	638.69	116.52
Contract Assets		

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Retention money receivable from customers	3,403.49	3,300.66
Amount due from customers (Unbilled Revenue)	25,741.50	9,922.25
Total	**29,783.68**	**13,339.43**
Less: Expected credit loss allowance on Amount due from customers (Unbilled Revenue)	(122.00)	-
Total	**29,661.68**	**13,339.43**

(i) Movement in Expected Credit Loss Allowance

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Expected Credit Loss Allowance	-	-
Add: Additional provision made	122.00	-
Less: Reversal of provision	-	-
Closing Expected Credit Loss Allowance	**122.00**	**-**

9 Deferred Tax Assets

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred Tax Asset	1,292.41	1,147.02
Total	**1,292.41**	**1,147.02**

Reconciliation of Deferred tax asset/(liabilities):

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance		
Non deductible expenses for tax purpose	173.82	94.50
Property, plant and equipment	763.74	678.26
Losses Brought Forward	137.28	126.53
Investments carried at FVTOCI	0.00	1.67
MAT Credit Entitlement	72.18	72.18
Total	**1,147.02**	**973.14**
Recognised in Profit or loss		
Non deductible expenses for tax purpose	278.76	79.32
Property, plant and equipment	-	85.48
Losses Brought Forward	(61.19)	10.75
Investments carried at FVTOCI	-	-
MAT Credit Entitlement	(72.18)	-
Total	**145.39**	**175.55**
Recognised in Other comprehensive income		
Exchange difference arising on translation of foreign subsidiary	-	(1.67)
Total	**-**	**(1.67)**
Closing balance		
Non deductible expenses for tax purpose	452.58	173.82
Property, plant and equipment	763.74	763.74
Losses Brought Forward	76.09	137.28
Investments carried at FVTOCI	0.00	0.00
MAT Credit Entitlement	-	72.18
Total	**1,292.41**	**1,147.02**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

10 Other assets

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Unsecured, considered good		
Capital Advances	715.64	179.14
Prepaid Expenses	8.58	12.49
Total	**724.22**	**191.63**
Current		
Unsecured, considered good		
Advances to Vendors	11,767.48	7,470.60
Balance with Government Authorities	651.75	1,158.31
Site Establishment Cost	1,841.74	393.76
Prepaid Expenses	345.27	232.78
Total	**14,606.24**	**9,255.45**

11 Inventories

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Construction Materials	11,297.94	6,296.66
Work in Progress	3,634.68	1,486.39
Finished Goods	379.64	401.78
Total	**15,312.26**	**8,184.83**

(The cost of inventories recognised as an expense during the year is disclosed in Note No. 24 and 25)

12 Trade Receivables

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
From related parties- Unsecured (Refer Note No. 37)	271.64	-
From others- Unsecured	43,769.00	31,619.97
Total	**44,040.64**	**31,619.97**
Less: Expected credit loss allowance	(653.99)	(519.26)
Total	**43,386.65**	**31,100.71**

Break up of security details

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	43,887.58	31,466.91
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	153.06	153.06
Total	**44,040.64**	**31,619.97**
Less: Expected credit loss allowance	(653.99)	(519.26)
Total Trade Receivables	**43,386.65**	**31,100.71**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(i) General payment terms include mobilisation advance, monthly progress payments with a credit period ranging from 7 to 120 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. There are no significant financing components in the payments terms with customers. Also, no interest is payable by the customers for the delay in payments of the amounts over due. The Group evaluates, the financial health, market reputation, credit rating of the customer, before entering into the contract. The Group's customers comprise of public sector undertakings as well as private entities.

(ii) Trade Receivable ageing:

As at March 31, 2023 (₹ in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		0-6 Months	6-12 Months	1-2 Years	2-3 Years	Above 3 Year	
(i) Undisputed Trade Receivable- Considered Good	27,276.76	11,057.50	2,792.59	2,068.40	577.37	-	43,772.62
(ii) Undisputed Trade Receivable – Which have significant increase in Credit Risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivable – Credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivable – Considered good	-	-	-	33.66	81.30	-	114.96
(v) Disputed Trade Receivable – Which have significant increase in Credit Risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivable – Credit Impaired	-	-	-	-	-	153.06	153.06
Grand Total	**27,276.76**	**11,057.50**	**2,792.59**	**2,102.06**	**658.67**	**153.06**	**44,040.64**
Less: Expected credit loss allowance							(653.99)
Total Trade Receivable							**43,386.65**

As at March 31, 2022 (₹ in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		0-6 Months	6-12 Months	1-2 Years	2-3 Years	Above 3 Year	
(i) Undisputed Trade Receivable- Considered Good	16,866.45	9,462.02	3,967.67	1,065.14	3.71	0.80	31,365.79
(ii) Undisputed Trade Receivable – Which have significant ncrease in Credit Risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivable – Credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivable – Considered good	-	-	-	101.12	-	-	101.12
(v) Disputed Trade Receivable – Which have significant increase in Credit Risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivable – Credit Impaired	-	-	-	-	-	153.06	153.06
Grand Total	**16,866.45**	**9,462.02**	**3,967.67**	**1,166.26**	**3.71**	**153.86**	**31,619.97**
Less: Expected credit loss allowance							(519.26)
Total Trade Receivable							**31,100.71**

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

(iii) Expected Credit Loss Allowances on Receivables:

The Group uses the provision matrix based on historical default rates to determine Expected Credit Loss on the portfolio of trade receivables. Expected credit loss allowances is determined on the closing balances of all applicable trade receivables as at each reporting date, at the average rates ranging from 0.00% to 6.15% (expect Disputed Trade Receivable - Credit Impaired, where 100% ECL created over a trade receivable).

(iv) Movement in Expected Credit Loss Allowance (₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Expected Credit Loss Allowance	519.26	196.50
Add: Additional provision made	134.73	322.76
Less: Reversal of provision	-	-
Closing Expected Credit Loss Allowance	653.99	519.26

13 Cash and Bank Balances

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash and Cash Equivalents		
Cash on Hand	26.96	29.05
Balances with banks		
In current accounts	27.49	1,188.39
In cash credit accounts (debit balance)	868.89	768.24
In deposit accounts(Refer Note No. 13.1 below)	33,135.75	31,876.79
Sub Total	**34,059.09**	**33,862.47**
Less: Fixed deposits having maturity more than 3 months and less than 12 months shown under other bank balances	14,819.14	10,832.27
Less: Fixed deposits having maturity more than 12 months shown under other financial assets (Refer Note No. 8)	9,829.25	14,230.04
Total	**9,410.70**	**8,800.16**
Other Bank Balances		
Unpaid dividend accounts*	5.75	2.16
In deposit accounts (Maturity more than 3 months and less than 12 months)	14,819.14	10,832.27
Total	**14,824.89**	**10,834.43**

* The Holding Company can utilise these balances only towards settlement of unclaimed dividend.

13.1 The details of Fixed deposits pledged with banks/clients as given below: (₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Fixed deposits pledged with banks as security against credit facilities	25,466.66	16,857.54
Fixed deposits pledged with clients as security	34.21	559.82
Total	**25,500.87**	**17,417.36**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

14 Equity Share Capital

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised Equity Share Capital		
5,00,00,000 (previous year - 5,00,00,000) Equity Shares of ₹ 10 each	5,000.00	5,000.00
	5,000.00	5,000.00
Issued, Subscribed and Paid up capital		
3,60,00,000 (previous year - 3,60,00,000) Equity Shares of ₹ 10 each fully paid up	3,600.00	3,600.00
	3,600.00	**3,600.00**

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

(₹ in Lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
At the beginning of the year	3,60,00,000.00	3,600.00	3,60,00,000.00	3,600.00
Add: Shares Issued during the year	-	-	-	-
At the end of the year	**3,60,00,000.00**	**3,600.00**	**3,60,00,000.00**	**3,600.00**

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

- The Holding 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.
- In the event of the liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding 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, 2023		As at March 31, 2022	
	No. of Shares	%	No. of Shares	%
Prahaladbhai S. Patel	1,88,09,308.00	52.25%	1,86,39,308.00	51.78%
Shilpaben P. Patel	24,34,000.00	6.76%	36,34,000.0000	10.09%
Sagar P. Patel	20,00,000.00	5.56%	20,00,000.00	5.56%

(d) Equity shares held by Promoters

Name of the Shareholders	As at March 31, 2023		As at March 31, 2022		% Change during the year
	No. of Shares	%	No. of Shares	%	
Prahaladbhai S. Patel	1,88,09,308.00	52.25%	1,86,39,308.00	51.78%	0.47%
Shilpaben P. Patel	24,34,000.00	6.76%	36,34,000.00	10.09%	(3.33%)
Pooja P. Patel	10,00,000.00	2.78%	10,00,000.00	2.78%	0.00%
Sagar P. Patel	20,00,000.00	5.56%	20,00,000.00	5.56%	0.00%

Name of the Shareholders	As at March 31, 2022		As at March 31, 2021		% Change during the year
	No. of Shares	%	No. of Shares	%	
Prahaladbhai S. Patel	1,86,39,308.00	51.78%	1,85,24,308.00	51.46%	0.32%
Shilpaben P. Patel	36,34,000.00	10.09%	51,84,000.00	14.40%	(4.31%)
Pooja P. Patel	10,00,000.00	2.78%	10,00,000.00	2.78%	0.00%
Sagar P. Patel	20,00,000.00	5.56%	20,00,000.00	5.56%	0.00%

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

15 Other equity

(₹ in Lakhs)

Particulars	Reserves and Surplus			Items of Other comprehensive income (OCI)	Total attributable to owners of the Holding Company	Non - controlling interests	Total
	General Reserve	Securities Premium	Retained Earnings	Foreign Currency Translation Reserve			
Balance as at March 31, 2021 (A)	**936.10**	**13,488.68**	**35,574.10**	**(8.93)**	**49,989.95**	**-**	**49,989.95**
Additions during the year:							
Profit for the year	-	-	16,665.23	8.93	16,674.16	-	16,674.16
Remeasurement benefits of defined benefit plans (Net of Tax)	-	-	(128.18)	-	(128.18)	-	(128.18)
Total Comprehensive Income for the year 2021-22 (B)	**-**	**-**	**16,537.05**	**8.93**	**16,545.98**	**-**	**16,545.98**
Reductions during the year:							
Dividends	-	-	1,440.00	-	1,440.00	-	1,440.00
Total (C)	**-**	**-**	**1,440.00**	**-**	**1,440.00**	**-**	**1,440.00**
Balance as at March 31, 2022 (D) = (A) + (B) - (C)	**936.10**	**13,488.68**	**50,671.15**	**-**	**65,095.93**	**-**	**65,095.93**
Additions during the year:							
Profit for the year	-	-	13,194.12	-	13,194.12	-	13,194.12
Remeasurement benefits of defined benefit plans (Net of Tax)	-	-	9.20	-	9.20	-	9.20
Total Comprehensive Income for the year 2022-23 (E)	**-**	**-**	**13,203.32**	**-**	**13,203.32**	**-**	**13,203.32**
Reductions during the year:							
Dividends	-	-	1,800.00	-	1,800.00	-	1,800.00
Total (F)	**-**	**-**	**1,800.00**	**-**	**1,800.00**	**-**	**1,800.00**
Balance as at March 31, 2023 (G) = (D) + (E) - (F)	**936.10**	**13,488.68**	**62,074.47**	**-**	**76,499.25**	**-**	**76,499.25**

(₹ in Lakhs)

Distribution made and proposed	As at March 31, 2023	As at March 31, 2022
Cash Dividends on Equity Shares declared and paid:		
Final Dividend for the year ended March 31, 2023: ₹ 5.00 per share	1,800.00	1,440.00
(for the year ended March 31, 2022: ₹ 4.00 per share)		
	1,800.00	**1,440.00**
Proposed Dividend on Equity Shares:		
Final Dividend for the year ended March 31, 2023: ₹ 2.50 per share	900.00	1,800.00
(for the year ended March 31, 2022: ₹ 5.00 per share)		
	900.00	**1,800.00**

Nature and purpose of other reserves

General Reserve

General reserve is created from time to time by way of transfer profits from retained earning for appropriation purpose.

Securities premium

Securities premium reserve is used to record premium on issue of shares. This reserve is utilised as per the provisions of the Companies Act, 2013.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

16 Borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non - Current		
Secured (At Amortised Cost)		
Term Loans		
From Banks	7,036.12	3,372.24
Less: Current Maturities of long term borrowings	(3,230.31)	(1,654.17)
Total	**3,805.81**	**1,718.07**
Current		
Current maturities of Non-current Borrowings	3,230.31	1,654.17
Secured (At Amortised Cost)		
Working Capital Loans		
From Banks	7,462.01	6,593.45
Total	**10,692.32**	**8,247.62**

Nature of Borrowing	Terms of Repayment	Interest Rate	Nature of Security
Non-current Borrowing Term loan for Plant, Machinery and Vehicles	Repayable in 24 to 60 equated monthly installments	6.65% to 9.50%	Assets acquired under term loan
Current Borrowing Working Capital Loans	Repayable on Demand	5.75% to 10.10%	Refer note below (i)

Note:

(i) Working Capital Loans are secured against Inventory, Book Debts, Plant and Machinery, land and Fixed Deposits held in the name of holding company.

(ii) All the above credit facilities are guaranteed by Mr. Prahaladbhai S. Patel, Mrs. Shilpaben P Patel, and Ms. Pooja P. Patel, and secured against collateral securities held in the name of holding company and Mr. Prahaladbhai S. Patel.

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

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

(v) Bank returns / stock statements filed by the Holding Company with its bankers or financial institutions are in agreement with books of account.

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

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

17 Provisions

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non - Current		
Provision for employee benefits (Refer Note No. 32)	213.79	151.87
Total	**213.79**	**151.87**
Current		
Provision for employee benefits (Refer Note No. 32)	128.63	19.59
Total	**128.63**	**19.59**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

18 Trade Payables

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises	2,358.84	1,284.52
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Due to Related Parties (Refer Note No. 37)	66.07	166.06
Trade Payables-Others	34,406.65	24,369.44
Total	**36,831.56**	**25,820.02**

(i) Trade Payables ageing:

As at March 31, 2023

(₹ in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		0-1 Year	1-2 Year	2-3 Year	More than 3 Years	
(i) Due to MSME	2,053.87	304.97	-	-	-	2,358.84
(ii) Due to Other	22,684.91	10,293.74	918.09	64.42	265.91	34,227.07
(iii) Disputed dues-MSME	-	-	-	-	-	-
(iv) Disputed dues-Others (*)	-	-	-	152.13	93.52	245.65
Total	**24,738.78**	**10,598.71**	**918.09**	**216.55**	**359.43**	**36,831.56**

* The amounts pertains to commercial disputes.

As at March 31, 2022

(₹ in Lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		0-1 Year	1-2 Year	2-3 Year	More than 3 Years	
(i) Due to MSME	1,262.95	21.57	-	-	-	1,284.52
(ii) Due to Other	20,536.47	3,484.36	198.15	38.28	128.99	24,386.25
(iii) Disputed dues-MSME	-	-	-	-	-	-
(iv) Disputed dues-Others (*)	-	-	-	78.92	70.33	149.25
Total	**21,799.42**	**3,505.93**	**198.15**	**117.20**	**199.32**	**25,820.02**

* The amounts pertains to commercial disputes.

19 Other Financial Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade deposits	367.97	280.80
Payable for capital expenditure	1,710.82	141.82
Other Payables	3,281.21	2,766.89
Employee Dues	604.43	409.13
Unpaid dividend*	5.75	2.16
Total	**5,970.18**	**3,600.80**

*This figure does not include any amount due and outstanding, to be credited to Investor Education and Protection Fund

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

20 Other Current Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory Payables	2,374.97	1,934.72
Other current liabilities	934.02	934.02
Contract Liabilities		
Advance received from Customers	3,078.10	17.00
Amount due to customers	7,856.31	2,146.58
Mobilisation Advance received from Customers	24,554.88	13,749.42
Total	**38,798.28**	**18,781.74**

21 Current Tax Assets (Net) and Current Tax Liabilities (Net)

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current Tax Assets (Net)	680.04	-
Total	**680.04**	**-**
Current Tax Liabilities (Net)	-	0.73
Total	**-**	**0.73**

22 Revenue from Operations

(₹ in Lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Revenue from Contracts with Customers	1,92,522.46	1,73,618.49
Other Operating Revenue	1,258.14	1,187.84
Total	**1,93,780.60**	**1,74,806.33**

23 Other Income

(₹ in Lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
a) Interest Income		
On Fixed Deposits	1,789.80	1,146.50
On Investments	3.46	4.89
From Subsidiary and Joint Venture (Refer Note No. 37)	-	207.39
Other Interest Income	598.10	698.59
	2,391.36	2,057.37
b) Dividend income	**3.16**	**3.16**
c) Other gains and losses		
Net Gain on Foreign Exchange Fluctuations	13.33	19.35
Net Gain on sale of Property, Plant and Equipment	84.28	74.74
Miscellaneous Income	7.96	17.02
	105.57	111.11
Total (a+b+c)	**2,500.09**	**2,171.64**

24 Cost of Construction Material Consumed

(₹ in Lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Opening Stock	6,296.66	6,674.07
Add: Purchases	65,278.73	49,161.67
	71,575.39	**55,835.74**
Less: Closing Stock	11,297.94	6,296.66
Total	**60,277.45**	**49,539.08**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

25 Changes in inventories of Finished Goods and Work-In-Progress

(₹ in Lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Inventories at the end of the year:		
Work In Progress	3,634.68	1,486.39
Finished Goods	379.64	401.78
	4,014.32	**1,888.17**
Inventories at the beginning of the year:		
Work In Progress	1,486.39	2,246.84
Finished Goods	401.78	-
	1,888.17	**2,246.84**
Net (increase) / decrease in Inventories	**(2,126.15)**	**358.67**

26 Construction Expenses

(₹ in Lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Labour expenses	60,024.67	68,144.76
Sub-Contracting Expenses	31,962.41	13,997.68
Stores, spares and other consumables	776.14	460.78
Power and Fuel	2,810.39	2,472.30
Site Expenses	388.68	375.00
Machinery Rent	2,398.23	1,816.55
Insurance	299.70	314.86
Repairs and Maintenance:		
Machineries	114.46	94.19
Vehicles	10.61	18.87
Transportation expenses	1,616.83	986.57
Security Expenses	513.26	479.75
Total	**1,00,915.38**	**89,161.31**

27 Employee benefits expense

(₹ in Lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Salaries and Wages	6,619.11	4,986.47
Managerial Remuneration	2,040.00	1,681.00
Contributions to Provident Fund and Other Funds	411.61	287.11
Staff Welfare Expenses	274.43	279.34
Total	**9,345.15**	**7,233.92**

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

28 Finance costs

(₹ in Lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Interest costs:		
(i) Interest on		
Term Loan	53.12	61.06
Working Capital Loan	1,524.63	858.96
(ii) Other Interest Costs	944.54	887.62
Bank Guarantee Charges	530.59	475.48
Other Borrowing costs	143.09	365.77
Total	**3,195.97**	**2,648.89**

29 Depreciation and Amortization Expense

(₹ in Lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Depreciation expenses	3,963.42	3,168.80
Amortization expenses	37.10	36.48
Total	**4,000.52**	**3,205.28**

30 Other Expenses

(₹ in Lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Rent	56.30	92.45
Rates and Taxes	25.05	21.86
Electricity expenses	19.68	18.09
Insurance	290.26	274.36
Repairs and Maintenance:		
Vehicle	77.00	67.22
Computers	174.10	109.94
Building	1.03	0.47
Printing and Stationery expenses	130.63	75.87
Communication expenses	35.80	28.43
Auditor's Remuneration	24.70	22.47
Legal and Professional expenses	140.41	147.40
Directors' Sitting Fees	1.65	3.75
Travelling and Conveyance	232.86	90.56
Advertisement expenses	83.18	18.49
Sponsorship Fees	27.95	17.50
Allowances for Expected Credit Loss	256.74	322.76
Irrecoverable site expenses	-	934.02
Corporate Social Responsibility Expenses (Refer Note No. 42)	335.41	304.32
Donation	11.82	5.46
Contribution to Politial Party	400.00	-
Net Loss on PPE written off	0.82	82.68
Business Promotion expenses	7.73	-
Miscellaneous Expenses	29.27	31.34
Total	**2,362.39**	**2,669.44**

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

30.1 Remuneration to Auditors

(₹ in Lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Payment to Statutory Auditors		
For Audit Fees	24.70	22.47
Total	**24.70**	**22.47**

31 Earnings per share (EPS)

Particulars	Unit	Year Ended March 31, 2023	Year Ended March 31, 2022
(i) Net Profit after Tax attributable to equity holders of the Holding Company	₹ In Lakhs	13,194.12	16,665.23
(ii) Weighted average number of shares outstanding during the year	In Nos.	3,60,00,000	3,60,00,000
(iii) Basic and Diluted Earnings Per Share ((i)/(ii))	In ₹	36.65	46.29

32 Employee benefits

[A] Defined contribution plans:

The Group makes contributions towards provident fund to defined contribution retirement benefit plan for qualifying employees. The provident fund contributions are made to Government administered Employees Provident Fund. Both the employees and the Group make monthly contributions to the Provident Fund Plan equal to a specified percentage of the covered employee's salary.

Contribution to Defined Contribution Plan, recognized as expenses during the year is as under: (₹ in Lakhs)

	Year Ended March 31, 2023	Year Ended March 31, 2022
Contribution to Labour Welfare Fund	3.27	0.30
Contribution to Employee State Insurance Corporation Fund	37.19	28.06
Contribution to Provident Fund	253.58	186.27
Total	**294.04**	**214.63**

[B] Defined benefit plan:

The Group has a defined benefit gratuity plan in India (partially funded) for employees,who have completed five years or more of service is entitled to gratuity on termination of their employement at 15 days last drawn salary for each completed year of service. Further, the plan requires contributions to be made to a separately administered fund. The fund is managed by a trust which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy.

Gratuity is a defined benefit plan and group is exposed to the Following Risks:

Investment risk:
The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Interest risk:
A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

Longevity risk:

Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Salary risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

The following table sets out the status of the gratuity plan and the amounts recognised in the Group's financial statements as at March 31, 2023.

a) Reconciliation in present value of defined benefit obligation: (₹ in Lakhs)

Particulars	2022 -23	2021 - 22
Defined benefit obligations as at beginning of the year	553.23	333.48
Current service cost	114.04	67.51
Past service cost	-	-
Interest cost	38.22	22.74
Actuarial (Gains)/Losses	(17.56)	169.23
Benefits paid	(43.86)	(39.73)
Defined benefit obligations as at end of the year	**644.07**	**553.23**

b) Reconciliation of fair value of Plan Assets (₹ in Lakhs)

Particulars	2022 -23	2021 - 22
Fair Value of Plan Assets at the Beginning of the Period	549.13	245.31
Contributions by the Employer	0.28	328.90
Interest Income	37.93	16.73
Benefit Paid from the Fund	(43.86)	(39.73)
Return on Plan Assets, Excluding Interest Income	(5.26)	(2.07)
Fair Value of Plan Assets at the End of the Period	**538.23**	**549.13**

c) Amount recognised in balance sheet (₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
PVO at the end of period	644.07	553.23
Fair value of planned assets at end of year-Insurance Fund	538.23	549.13
Funded status - Deficit	(105.84)	(4.10)
Net asset/(liability) recognised in the balance sheet	**(105.84)**	**(4.10)**

d) Amount recognised in Statement of Profit and Loss: (₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current service cost	114.04	67.51
Interest cost	0.29	6.01
Past service cost	-	-
Total	**114.33**	**73.52**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

e) Amount recognised in Other Comprehensive Income Remeasurements: (₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Actuarial (Gains)/ Losses	(17.56)	169.23
Return on Plan Assets, Excluding Interest Income	5.26	2.07
Total	**(12.30)**	**171.30**

f) Principal assumptions used in determining defined benefit obligations for the Holding Company.

Particulars	As at March 31, 2023	As atMarch 31, 2022
Expected Return on Plan Assets (% per annum)	7.46%	6.96%
Discount rate (% per annum)	7.46%	6.96%
Salary escalation rate (% per annum)	8.25%	8.25%
Employee attrition rate (% per annum)	For service 4 years and below 12.00% p.a. For service 5 years and above 8.00% p.a.	For service 4 years and below 12.00% p.a. For service 5 years and above 8.00% p.a.
Mortality Rate (% per annum)	Indian Assured Lives Mortality 2012-14 (Urban	Indian Assured Lives Mortality 2012-14 (Urban
Normal Retirement Age (In Years)	60	60
Average Future Service (In Years)	9	9

Note 1: Discount rate is determined by reference to market yields at the balance sheet date on Government bonds, where the currency and terms of the Government bonds are consistent with the currency and estimated terms for the benefit obligation.

Note 2: The estimate of future salary increases taken into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

g) Expected Cash flow of Maturity Profile for following years of Defined Benefit Obligations:

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
	Amount in ₹	Amount in ₹
Year 1	60.07	37.26
Year 2	48.45	53.94
Year 3	51.27	41.75
Year 4	56.19	43.96
Year 5	51.26	47.06
Year 6 to 10	288.82	233.41
Year 11 and above	906.83	759.43

h) Sensitivity analysis: (₹ in Lakhs)

Scenario	As at March 31, 2023		As at March 31, 2022	
	DBO	Change	DBO	Change
Under Base Scenario				
Discount Rates - Up by 1 %	(49.17)	(7.63%)	(44.12)	(7.97%)
Discount Rates - Down by 1 %	57.39	8.91%	51.76	9.36%
Salary Escalation - Up by 1 %	51.04	7.92%	45.91	8.30%
Salary Escalation - Down by 1%	(45.43)	(7.05%)	(40.64)	(7.35%)
Withdrawal Rates - Up by 1%	(4.67)	(0.73%)	(6.09)	(1.10%)
Withdrawal Rates - Down by 1 %	4.98	0.77%	6.66	1.20%

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

i) Category of Assets:

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Insurance Fund	538.23	549.13

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Group's financial statements as at balance sheet date:

(₹ in Lakhs)

Total Employee Benefit Liabilities	Note	As at March 31, 2023	As at March 31, 2022
Provisions	17	105.84	4.10

33 Tax Expense

(a) Amounts recognised in profit and loss

(₹ in Lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Current Tax Expense (A)		
Current year	4,991.28	5,709.46
Changes in estimates relating to prior years		
Deferred Tax Expense (B)		
Origination and reversal of temporary differences	(217.60)	(175.55)
MAT Credit Entitlement	72.18	-
Tax Expense recognised in the income statement (A+B)	**4,845.86**	**5,533.91**

(b) Amounts recognised in other comprehensive income

(₹ in Lakhs)

Particulars	Year ended March 31, 2023			Year ended March 31, 2022		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	12.30	(3.10)	9.20	(171.30)	43.12	(128.18)
Items that will be reclassified to profit or loss						
Net fair value gain on investment in debt instruments through OCI	-	-	-	10.60	(1.67)	8.93
Total	**12.30**	**(3.10)**	**9.20**	**(160.70)**	**41.45**	**(119.25)**

(c) Reconciliation of effective tax rate

(₹ in Lakhs)

Scenario	As at March 31, 2023		As at March 31, 2022	
	%	Amount	%	Amount
Profit Before Tax		**18,039.98**		**22,199.14**
Tax using the Holding Company's domestic tax rate	25.17%	4,540.30	25.17%	5,587.08
Tax effect of:				
Effect of Expenses that are not deductible in determining taxable profit	7.72%	1,393.58	5.01%	1,113.04
Effect of income that is exempt from taxation	(0.02%)	(3.59)	(0.37%)	(81.34)
Effect of Expenses that are deductible in determining taxable profit	(5.17%)	(933.12)	(3.81%)	(846.55)
Others	0.70%	126.91	(1.07%)	(238.31)
Effective income tax rate/Income tax expense	**28.40%**	**4,845.86**	**24.93%**	**5,533.91**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

34 Fair value measurement hierarchy:

(₹ in Lakhs)

Particulars	As at March 31, 2023						
	Carrying amount	Amortised Cost	FVTOCI	FVTPL	Level of input used in		
					Level 1	Level 2	Level 3
Financial assets							
Investments*	21.09	21.09	-	-	-	-	-
Loans	335.22	335.22	-	-	-	-	-
Trade receivables	43,386.65	43,386.65	-	-	-	-	-
Cash and cash equivalents and Other Bank Balances	24,235.59	24,235.59	-	-	-	-	-
Other financial assets	50,167.57	50,167.57	-	-	-	-	-
	1,18,146.12	**1,18,146.12**	**-**	**-**	**-**	**-**	**-**
Financial liabilities							
Borrowings	14,498.13	14,498.13	-	-	-	-	-
Trade payables	36,831.56	36,831.56	-	-	-	-	-
Other Financial liabilities	5,970.18	5,970.18	-	-	-	-	-
	57,299.87	**57,299.87**	**-**	**-**	**-**	**-**	**-**

*Exclude Group investment amounting to ₹ 45.59 lakhs as it is carried at cost.

(₹ in Lakhs)

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							
Investments*	21.09	21.09	-	-	-	-	-
Loans	593.25	593.25	-	-	-	-	-
Trade receivables	31,100.71	31,100.71	-	-	-	-	-
Cash and cash equivalents and Other Bank Balances	19,634.59	19,634.59	-	-	-	-	-
Other financial assets	36,125.08	36,125.08	-	-	-	-	-
	87,474.72	**87,474.72**	**-**	**-**	**-**	**-**	**-**
Financial liabilities							
Borrowings	9,965.69	9,965.69	-	-	-	-	-
Trade payables	25,820.02	25,820.02	-	-	-	-	-
Other Financial liabilities	3,600.80	3,600.80	-	-	-	-	-
	39,386.51	**39,386.51**	**-**	**-**	**-**	**-**	**-**

*Exclude Group investment amounting to ₹ 45.59 lakhs as it is carried at cost.

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

The carrying amounts of trade receivables, loans, advances, cash and cash equivalents, bank balances and other finaicail assets are considered to be the same as their fair values due to their short term nature. The carrying amounts of long term loans given with fixed rate of interest are considered at fair value.

The carrying amount of trade payables and other financial liabilities 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

35 Capital Management:

The primary objective of capital management of the Group is to maximise Shareholder value. The Group monitors capital using Debt-Equity ratio which is total debt divided by total equity. For the purposes of capital management, the Group 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 Debt-Equity ratio at the end of the reporting period are as under: (₹ in Lakhs)

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Non-current borrowing	7,036.12	3,372.24
Current borrowing	7,462.01	6,593.45
Total Debt	**14,498.13**	**9,965.69**
Total equity	**80,099.25**	**68,695.93**
Adjusted net debt to adjusted equity ratio	**0.18**	**0.15**

36 Financial risk management

Risk management framework

The Holding Company's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board oversee the management of these financial risks through its Risk Management Committee as per the Holding Company's existing policy.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, 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 Group's activities.

The audit committee oversees how the management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The audit committee is assisted by internal audit. Internal audit undertakes both regular and ad hoc review of risk management controls and procedures, the results of which are reported to the audit committee.

The Group 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

Trade Receivable

The Group's customer profile include a mix of customers – government, government residential, industrial, institutional and private sector residential. Credit risk arising from trade receivables is managed in accordance with the Group's established policy, procedures and control relating to customer credit risk management. General payment terms include mobilisation advance, monthly progress payments with a credit period ranging from 7 to 120 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.

Summary of the Group's exposure to credit risk from various customer is as follows: (₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Receivable	44,040.64	31,619.97
Less: Expected credit loss allowance	(653.99)	(519.26)
Total	**43,386.65**	**31,100.71**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

Movement in Expected Credit Loss Allowance on trade receivables (₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Expected Credit Loss Allowance	519.26	196.50
Add: Additional provision made	134.73	322.76
Less: Reversal of provision	-	-
Closing Expected Credit Loss Allowance	**653.99**	**519.26**

Expected credit loss allowances of trade receivables (₹ in Lakhs)

Particulars	For the year ended March 31, 2023			For the year ended March 31, 2022		
	Gross carrying amount	Expected credit loss allowances	Carrying amount of trade receivable net of expected credit loss	Gross carrying amount	Expected credit loss allowances	Carrying amount of trade receivable net of expected credit loss
0 to 90 days	36,417.73	106.25	36,311.48	24,369.58	42.12	24,327.46
91 to 180 days	1,916.53	69.52	1,847.01	1,958.89	58.30	1,900.59
181 to 360 days	2,782.02	130.02	2,652.00	3,798.37	155.22	3,643.15
More than 360 days*	2,924.36	348.20	2,576.16	1,493.13	263.62	1,229.51
Total	**44,040.64**	**653.99**	**43,386.65**	**31,619.97**	**519.26**	**31,100.71**

*Expected credit loss allowance on trade receivables of more than 360 days includes 100% expected credit loss of disputed trade receivable whose credit impaired.

Other financial assets

Contract Assets

A contract asset is Group'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. Apart from the provision recognised, the Group does not perceive any credit risk pertaining to accrued value of work done and amount due on account of construction contracts.

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Retention money receivable from customers		
- Current	10,060.92	8,052.28
- Non-current	3,403.49	3,300.66
Amount due from customers (Unbilled Revenue)	25,741.50	9,922.25
Less: Expected credit loss allowance on Amount due from customers (Unbilled Revenue)	(122.00)	-
Total	**39,083.91**	**21,275.19**

Other than Contract Assets

The Group maintains exposure in cash and cash equivalents, term deposits with banks and loans to subsidiary companies. The Group has diversified portfolio of investment with various number of counterparties which have secure credit ratings hence the risk is reduced. Cumulative allocation limits are set for each category of asset class. Credit limits and concentration of exposures are actively monitored by the finance department of the Company.

B. Liquidity risk

The principal sources of liquidity of the Group are cash and cash equivalents, borrowings and the cash flow that is generated from operations. The Group 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 Group based on contractually agreed undiscounted cash flows as at the Balance Sheet date:

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

Trade Payables ageing schedule

As at March 31, 20223 (₹ in Lakhs)

Particulars	Note No.	Carrying Amount	Less than 12 months	More than 12 months	Total
Non-current Borrowings (Incl. current maturities)	16	7,036.12	3,230.31	3,805.81	7,036.12
Current Borrowings	16	7,462.01	7,462.01	-	7,462.01
Trade Payables	18	36,831.56	36,831.56	-	36,831.56
Other Financial Liabilities	19	5,970.18	5,970.18	-	5,970.18
Total		**57,299.87**	**53,494.06**	**3,805.81**	**57,299.87**

As at March 31, 2022 (₹ in Lakhs)

Particulars	Note No.	Carrying Amount	Less than 12 months	More than 12 months	Total
Non-current Borrowings (Incl. current maturities)	16	3,372.24	1,654.17	1,718.07	3,372.24
Current Borrowings	16	6,593.45	6,593.45	-	6,593.45
Trade Payables	18	25,820.02	25,820.02	-	25,820.02
Other Financial Liabilities	19	3,600.80	3,600.80	-	3,600.80
Total		**39,386.51**	**37,668.44**	**1,718.07**	**39,386.51**

C. Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices. It will affect the Group'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.

Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales and purchases are denominated. The functional currency for the Group is ₹. The currencies in which these transactions are primarily denominated is USD.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

(Amount in Lakhs)

Particulars	Liabilities		Assets	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Trade Payables (Euro)	0.03	0.01	-	-
Capital Payables (Euro)	-	0.08	-	-
Due to Related Party (Euro)	-	0.07	-	-

(₹ in Lakhs)

Particulars	Liabilities		Assets	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Trade Payables (₹ for Euro)	2.43	1.05	-	-
Capital Payables (₹ for Euro)	-	6.89	-	-
Due to Related Party (₹ for Euro)	-	6.25	-	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

Foreign currency sensitivity analysis

The Company is mainly exposed to the currency : Euro

The following table details the Group's sensitivity to a 5% increase and decrease in the Rupee against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. This is mainly attributable to the net exposure outstanding on receivables or payables in the Group at the end of the reporting period. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rate. A positive number below indicates an increase in the profit or equity where the Rupee strengthens by 5% against the relevant currency. For a 5% weakening of the Rupee against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

Impact on profit / (loss) before tax and total equity (₹ in Lakhs)

Particulars	Impact in ₹	
	As at March 31, 2023	As at March 31, 2022
Increase in exchange rate by 5% (Euro)	(0.12)	(0.71)
Decrease in exchange rate by 5% (Euro)	0.12	0.71

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 Group 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 Group's interest - bearing financial instrument as reported to management is as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Fixed-rate instruments		
Financial Assets	131.68	593.25
Financial Liabilities	7,036.12	3,372.24
Variable-rate instruments		
Financial Assets	-	-
Financial Liabilities	7,462.01	6,593.45

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) before tax (₹ in Lakhs)

Particulars	Impact in ₹	
	As at March 31, 2023	As at March 31, 2022
Increase in 100 basis points	(74.62)	(65.93)
Decrease in 100 basis points	74.62	65.93

Notes to the Consolidated Financial Statements
for the year ended March 31, 2023

37 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 Group are as follows.

(a) Subsidiary

Name of the entity	Type
PSP Foundation [*]	Subsidiary

(b) Associate/Joint Venture

Name of the entity	Type
M/s. GDCL and PSP Joint Venture	Joint Venture
P and J Builders LLC	Step down Foreign Joint Venture - Level-I (Ceased w.e.f. December 01, 2021)
PSP Fremont LLC	Step down Foreign Joint Venture - Level-I (Ceased w.e.f. December 01, 2021)
Guttenberg Projects LLC	Step down Foreign Joint Venture - Level-I (Ceased w.e.f. December 01, 2021)

(c) Key Management Personnel and Relatives

Name of the Key Management Personnel	Status
Mr. Prahaladbhai S. Patel	Chairman, Managing Director and Chief Executive Officer
Ms. Pooja P. Patel	Whole Time Director
Mr. Sagar P. Patel	Executive Director
Mr. Chirag Narendra Shah	Independent Director (Resigned from close of business hours of March 31, 2022)
Mr. Sandeep Himmatlal Shah	Independent Director
Mr. Vasishtha Pramodbhai Patel	Independent Director
Mrs. Zarana Pratik Patel	Independent Director (Ceased from June 23, 2022)
Mrs. Achala Monal Patel	Independent Director (Appointed from July 14, 2022)
Mrs. Hetal Patel	Chief Financial Officer
Ms. Mittali Christachary	Company Secretary (Resigned from December 11, 2021)
Mr. Kenan Patel	Company Secretary (Appointed from December 14, 2021)
Name of the Relative	**Relation**
Mr. Dinubhai Patel	Brother of Chairman, Managing Director and Chief Executive Officer

(d) Entities controlled by Directors / Relatives of Directors:

Name of the entity		
PSP Properties LLP (formerly known as PSP Properties Private Limited)	Sprybit Softlabs LLP	Shilp Products LLP
M/s. A P Constructions	M/s. Adishwaram Innovative LLP	M/s. SIM Developers

[*] PSP Foundation is a company incorporated under Section 8 of the Companies Act, 2013 and this company is prohibited to give any right over their profits to its members. In view of restrictions on Section 8 companies, the Holding Company's share in PSP Foundation has not been considered in consolidated financial statement.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

(ii) Transactions with related parties:

(₹ in Lakhs)

Particulars	2022-23	2021-22
Interest Income by Holding Company		
M/s. GDCL and PSP Joint Venture	-	74.15
Interest Income by Subsidiary		
PSP Fremont LLC	-	132.88
Receipt of Services by Holding Company		
M/s. A P Constructions (General Construction Service & Equipment Rental Services)	684.98	755.90
Dinubhai Patel (Professional Services)	27.50	25.00
Prahaladbhai S. Patel (Rental Service)	42.68	67.23
Rendering of Services by Holding Company		
M/s. GDCL and PSP Joint Venture	243.13	-
Receipt of Services by Subsidiary		
M/s. A P Constructions	353.84	28.42
Sale of Concrete Mix		
Shilp Products LLP	20.68	3.17
M/s. A P Constructions	26.07	14.68
M/s. Adishwaram Innovative LLP	-	1.46
Purchase of Construction Materials / Assets by Holding Company		
Shilp Products LLP	439.62	246.96
M/s. Adishwaram Innovative LLP	49.85	-
Purchase of Construction Materials / Assets by Subsidiary		
Shilp Products LLP	0.36	-
Reimbursements of Expenses		
M/s. GDCL and PSP Joint Venture	0.54	1.08
Share of Profit / (Loss) from Joint Venture by Holding Company		
M/s. GDCL and PSP Joint Venture	(270.00)	33.51
Share of Profit / (Loss) from Joint Venture by Subsidiary		
P and J Builders LLC	-	(2.04)
PSP Fremont LLC	-	6.29
Director's Sitting Fees		
Chirag Narendra Shah	-	0.60
Sandeep Himmatlal Shah	0.60	1.05
Vasishtha Pramodbhai Patel	0.60	1.05
Mrs. Zarana Pratik Patel	0.15	1.05
Mrs. Achala Monal Patel	0.30	-
Remuneration		
Prahaladbhai S. Patel	1,560.00	1,480.00
Pooja P. Patel	240.00	150.00
Sagar P. Patel	240.00	51.00
Hetal Patel	33.32	29.43
Mittali Christachary	-	5.37
Kenan Patel	8.47	2.53
Loans by Subsidiary		
PSP Fremont LLC (Net)	-	(2,472.98)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

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

Particulars	As at March 31, 2023	As at March 31, 2022
Investment by Holding Company		
M/s. GDCL and PSP Joint Venture	44.59	44.59
PSP Foundation	1.00	1.00
Loans Receivable by Holding Company		
M/s. GDCL and PSP Joint Venture	540.03	540.03
M/s. GDCL and PSP Joint Venture (Cr. Balance in current capital)	(236.49)	33.51
Trade Payables by Holding Company		
M/s. A P Constructions	18.68	63.81
Dinubhai Patel	-	6.25
Shilp Products LLP	89.86	28.93
M/s. Adishwaram Innovative LLP	24.88	-
Trade Payables by Subsidiary		
M/s. A P Constructions	11.51	33.06
Trade Receivables by Holding Company		
M/s. GDCL and PSP Joint Venture	271.64	-
Other Financial Assets (Interest Receivable) by Holding Company		
M/s. GDCL and PSP Joint Venture	74.15	74.15
Remuneration Payable		
Prahaladbhai S. Patel	-	30.00
Pooja P. Patel	14.24	4.00
Sagar P. Patel	7.50	-
Hetal Patel	2.73	1.86
Kenan Patel	0.69	0.69

(iv) Terms and conditions

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

b) All the credit facilities of ₹ 1,04,700 Lakhs (P.Y. ₹ 1,04,700 Lakhs) and Term loan of ₹ 7,036.12 Lakhs as on March 31, 2023 (₹3,372.24 Lakhs as on March 31, 2022) are guaranted by Mr. Prahaladbhai S. Patel, Mrs. Shilpaben P. Patel and Ms. Pooja P. Patel and secured against collateral securities held in the name of holding company and Mr. Prahaladbhai S. Patel.

c. The Holding Company has given Performance BG of ₹ Nill (P.Y. ₹ 196.87 Lakhs) to M/s. Gujarat Metro Rail Corporation Limited to the extent of 49% stake in M/s. GDCL And PSP Joint Venture for the project carried out by the Joint Venture.

(v) Compensation to Key Managerial Personnel of the Group: (₹ in Lakhs)

Nature of Benefits	Year ended March 31, 2023	Year ended March 31, 2022
Short Term Employee Benefits	2,083.16	1,718.74
Post Employment Gratuity Benefits*	69.25	68.14
Total	**2,152.41**	**1,786.87**

Note: *Key Managerial Personnel and Relatives of Promoters who are under the employment of the Group are entitled to post employment bene fits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. Post-employment gratuity benefi ts of Key Managerial Personnel has not been included in (ii) above.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

38 Contingent Liabilities and Capital Commitments

(i) Contingent Liabilities:

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Claims against Group not acknowledged as debt		
- Tax matters in dispute under appeal*	439.45	438.99
- Dispute in relation to the payment of wages	12.04	16.79
Bank guarantees for Performance, Earnest Money and Security Deposits**	82,252.26	48,317.41
Total	**82,703.75**	**48,773.19**

* The above matters are currently being considered by the tax authorities with various forums and the Group expects the judgement will be in its favour and has therefore, not recognised the provision in relation to these claims.

**Includes bank guarantees of ₹ Nil (March 31, 2022 ₹ 196.87 Lakhs) given on behalf of joint venture.

(ii) Capital Commitments:

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for Property, Plant and Equipment (net of advances)	2,349.05	110.43
Total	**2,349.05**	**110.43**

39 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.

Disaggregation of revenue from contracts with customers based on geographical area. (₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
India	1,92,522.46	1,73,618.49

Disaggregation of revenue from contracts with customers based on type of customers. (₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Government*	82,195.89	46,448.44
Non-Government	1,10,326.57	1,27,170.05
Total	**1,92,522.46**	**1,73,618.49**

*Government customer includes central government, state government, union territories, a local authority, a government authority or a government entities if any.

(b) Contract balances

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

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Receivables (Refer Note No. 12)	**43,386.65**	**31,100.71**
Contract assets		
Retention money receivable from customers (Refer Note No. 8)	13,464.41	11,352.94
Amount due from customers (Refer Note No. 8)	25,619.50	9,922.25
Contract liabilities		
Advance received from Customers (Refer Note No. 20)	27,632.98	13,766.42
Amount due to customers (Refer Note No. 20)	7,856.31	2,146.58

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

A contract asset is Group'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 Group 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 :

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Due from contract customers		
At the beginning of the reporting period	9,922.25	7,722.15
Add: Cost incurred plus attributable profits on contracts-in-progress	1,37,421.39	76,133.31
Less: Progressive billings made towards contracts-in-progress	1,21,602.14	73,933.21
Less: Due from contract customers impaired during the reporting period	122.00	-
At the end of the reporting period	25,619.50	9,922.25

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Due to contract customers		
At the beginning of the reporting period	(2,146.58)	(2,313.19)
Add: Cost incurred plus attributable profits on contracts-in-progress	36,722.04	21,485.03
Less: Progressive billings made towards contracts-in-progress	42,431.77	21,318.42
At the end of the reporting period	(7,856.31)	(2,146.58)

(c) Movement of Expected Credit Loss during the year :

In March 2023, ₹ 134.73 lakhs (March 2022, ₹ 322.76 lakhs) and ₹ 122.00 (March 2022, ₹ Nil) was recognised as provision for expected credit losses on Trade Receivables and Amount due from customers (Unbilled Revenue) respectively.

(d) Performance obligation

The Group 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 31 March 2023 is ₹ 5,10,182 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 :

(₹ in Lakhs)

Particulars	Mar/24	Mar/25	Mar/26
Contract revenue	3,05,284	1,25,455	79,443

(e) Reconciliation of revenue recognised in the Statement of Profit and Loss (₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Contract price of the revenue recognised	**1,93,706.26**	**1,75,556.50**
Less : Liquidated damages	-	-
Less : Material Received from customer	1,183.80	1,938.01
Revenue recognised in the statement of Profit and Loss	**1,92,522.46**	**1,73,618.49**

(f) Out of the total revenue recognised under Ind AS 115 during the year, 1,91,279.60 lakhs (Year 2021-22: ₹ 1,73,688.04 lakhs) is recognised over a period of time.

40 Disclosure of Creditors outstanding under MSMED Act, 2006

Disclosure of sundry creditors under current liabilities is based on the information available with the Group 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.

(₹ in Lakhs)

Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022
a)	(i) Principal amount remaining unpaid to supplier under the MSMED Act 2006	2,358.84	1,284.52
	ii) Interest on a) (i) above	0.33	1.27
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	0.33	1.27
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	-	-

Amounts unpaid to micro and small enterprises on account of retention money has not been considered for the purpose of interest calculations.

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

41 Segment Information

The Group is engaged in construction project activities. Considering the nature of Group'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.

42 Corporate Social Responsibility (CSR) Expenditure

(a) Details of Corporate Social Responsibility:

(₹ in Lakhs)

Particulars		Year ended March 31, 2023	Year ended March 31, 2022
CSR amount required to be spent by the Company as per Section 135 of the Companies Act, 2013	**(A)**	**348.27**	**291.08**
Excess spend of previous year utilized	(B)	13.24	-
Spend Obligation	**(A-B)**	**335.03**	**291.08**
Gross Amount Spend by the Company during the year			
(i) Construction/acquisition of any asset			
(ii) On purposes other than (i) above		335.41	304.32
Total CSR Spend in actual	**(B)**	**335.41**	**304.32**
Shortfall / (Excess)	**(A-B)**	**(0.38)**	**(13.24)**
Nature of CSR activities		Healthcare, Education, Women Empowerment, Animal Welfare, Cultural, Sports	
Details of related party transactions, e.g., contribution to a trust controlled by the Company in relation to CSR expenditure as per Ind AS 24		-	-

(i) Excess amount spend for CSR during the FY 2022-23 of 0.38 lakhs (PY 2021-22 of ₹ 13.24 lakhs), available for set off in succeeding financial years.

43 Details of enterprises consolidated in accordance with Ind AS - 110 - Consolidated Financials Statements

(i) Subsidiaries

Sr. No.	Name of the Enterprise	Country of Incorporation	Proportion of Ownership Interest as at		Accounting Period
			March 31, 2023	March 31, 2022	
1	PSP Projects and Proactive Constructions Private Limited	India	100.00%	100.00%	April 1, 2022 to March 31, 2023

(ii) Joint Ventures

Sr. No.	Name of the Enterprise	Country of Incorporation	Proportion of Ownership Interest as at		Accounting Period
			March 31, 2023	March 31, 2022	
1	GDCL and PSP Joint Venture	India	49.00%	49.00%	April 1, 2022 to March 31, 2023

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

44 Additional Information as required under Schedule III to the Companies Act, 2013 of Enterprises Consolidated as Subsidiary as at March 31, 2023.

(₹ in Lakhs)

Name of the Enterprise	Net Assets i.e., Total Assets Minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income	
	% of Consolidated Net Assets	₹	% of Consolidated Profit or Loss	₹	% of Consolidated OCI	₹	% of Consolidated Total Comprehensive Income	₹
Holding Company								
PSP Projects Limited*	99.85%	79,977.49	99.30%	13,101.82	100.00%	9.20	99.30%	13,111.02
Subsidiaries								
Indian								
1 PSP Projects and Proactive Constructions Private Limited	0.15%	121.76	0.70%	92.30	0.00%	-	0.70%	92.30
Joint Ventures								
Indian								
1 M/s. GDCL and PSP Joint Venture (Refer Note below)	-	-	-	-	-	-	-	-
Total	**100%**	**80,099.25**	**100.00%**	**13,194.12**	**100%**	**9.20**	**100%**	**13,203.32**

*after eliminating investment in subsidiary companies and net of consolidation adjustments.

Note:

Profit of PSP Projects Limited includes Loss from M/s. GDCL and PSP Joint Venture amounting to ₹ 270.00 Lakhs.

45 Code on Social Security

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Group towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020. The Group will assess the impact and its evaluation once the subject rules are notified. The Group will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

46 Events after the reporting period:

The board of directors have recommended dividend of ₹ 2.50 per fully paid up equity share of ₹10/- each, which is subject to approval of members at Annual General Meeting.

47 Approval of Financial Statements:

The financial statements are approved for issue by the Audit Committee and Board of Directors at their meetings held on May 18, 2023. The Shareholders of the group have power to amend the financial statement at the ensuing AGM.

48 Transactions with Struck off companies:

The following table summarises the transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956:

(₹ in Lakhs)

Name of struck off company	Nature of transactions with struck off Company	March 31, 2023		March 31, 2022		Relationship with the Struck off company
		Amount of transactions	Balance outstanding	Amount of transactions	Balance outstanding	
Yamunesh Infrastructure Private Limited	Services availed	-	0.10	5.71	0.10	External vendor
Edan Structure Private Limited	Services availed	0.32	-	-	-	External vendor

Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

49 Statutory Information/compliance

(i) The Group 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 Group 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 Group 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.

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

(vi) The Group 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.

(vii) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

  (a) 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

  (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

In terms of our report attached

For Kantilal Patel & Co
Chartered Accountants
ICAI Firm Reg. No. : 104744W

Jinal A. Patel
Partner
Membership No. : 153599

For Riddhi P. Sheth & Co.
Membership No. : 153599
Chartered Accountants
ICAI Firm Reg. No. : 140190W

Riddhi P. Sheth
Proprietor
Membership No. : 159123
Place : Ahmedabad
Date : May 18, 2023

For and on behalf of the Board of Directors

Prahaladbhai S. Patel
Chairman, Managing Director & CEO
(DIN: 00037633)

Pooja P. Patel
Whole Time Director
(DIN: 07168083)

Hetal Patel
Chief Financial Officer

Kenan Patel
Company Secretary
Membership No. : FCS 12641
Place : Ahmedabad
Date : May 18, 2023

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(₹ in Lakhs)

Sl. No.	Particulars	Details	
1.	Sl. No.	1	2
2.	Name of the subsidiary	PSP Projects & Proactive Constructions Private Limited	PSP Foundation
3.	The date since when subsidiary was acquired	07/01/2016 (Incorporated)	26/02/2021
4.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.
5.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.	N.A.
6.	Share capital	500.00	1.00
7.	Reserves & surplus	(378.24)	(0.63)
8.	Total assets	1,163.31	0.67
9.	Total Liabilities	1,041.55	0.30
10	Investments	0.00	0.00
11	Turnover	1,431.87	0.00
12	Profit/(Loss) before taxation	225.67	(0.17)
13	Provision for taxation	133.37	0.00
14	Profit/(Loss) after taxation	92.30	(0.17)
15	Proposed Dividend	-	-
16	Extent of shareholding (In percentage)	100%	100%

* Accounts of PSP Foundation are not being consolidated.

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations - NA
2. Names of subsidiaries which have been liquidated or sold during the year – NA

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(₹ in Lakhs)

Name of associates/Joint Ventures	GDCL & PSP Joint Venture
1. Latest audited Balance Sheet Date	March 31, 2023
2. Date on which the Associate or Joint Venture was associated or Acquired	May 27, 2015
3. Shares of Associate/Joint Ventures held by the company on the year end	N.A.
Amount of Investment in Associates/Joint Venture	₹44.59
Extent of Holding (In percentage)	49%
4. Description of how there is significant influence	Joint Venture
5. Reason why the associate/joint venture is not consolidated	N.A.
6. Net worth attributable to shareholding as per latest audited Balance Sheet	751.07
7. Profit/(Loss) for the year	(551.03)
i. Considered in Consolidation	(270.00)
ii. Not Considered in Consolidation	(281.03)

1. Names of associates or joint ventures which are yet to commence operations. NA
2. Names of associates or joint ventures which have been liquidated or sold during the year. NA

For and on behalf of the Board of Directors

Date: May 18, 2023
Place: Ahmedabad

Prahaladbhai S. Patel
Chairman, Managing Director & CEO
DIN: 00037633

Pooja P. Patel
Whole-time Director
DIN: 07168083

Hetal Patel
Chief Financial Officer

Kenan Patel
Company Secretary
Membership No. : FCS 12641

PSP PROJECTS LIMITED
CIN: L45201GJ2008PLC054868
Registered Office: 'PSP House', Opp. Celesta Courtyard,
Opp. Lane of Vikramnagar Colony, Iscon-Ambli Road, Ahmedabad - 380058
Tel No.: +91 79 26936200 / +91 79 26936300 / +91 9512044644
Website: www.pspprojects.com, E-mail: grievance@pspprojects.com

Notice of the 15th Annual General Meeting

Notice is hereby given that the Fifteenth (15th) Annual General Meeting ('AGM') of the members of PSP Projects Limited ("the Company") will be held on Saturday, September 9, 2023 at 11:00 a.m. IST through Video Conferencing or Other Audio Visual Means ("VC/OAVM") and the venue of the meeting shall be deemed to be the Registered Office of the company at 'PSP House', Opp. Celesta Courtyard, Opp. Lane of Vikramnagar Colony, Iscon-Ambli Road, Ahmedabad – 380058, Gujarat to transact the following businesses:

Ordinary Businesses

Item No. 1 - To receive, consider and adopt –

a. the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2023, together with the Reports of the Board of Directors and the Auditors thereon;

b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2023, together with the Reports of Auditors thereon.

Item No. 2 - To declare a Final Dividend of ₹2.50/- per fully paid equity share for the financial year ended March 31, 2023.

Item No. 3 - To appoint a director in place of Ms. Pooja P. Patel (DIN: 07168083), who retires by rotation and being eligible, offers herself for re-appointment.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of section 152 of the Companies Act, 2013, Ms. Pooja P. Patel (DIN: 07168083) who retires by rotation and being eligible offers herself for re-appointment, be and is hereby re-appointed as a director of the company."

Item No. 4 - To reappoint M/s. Kantilal Patel & Co., Chartered Accountants, Ahmedabad as Joint Statutory Auditors of the Company.

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification, amendment or enactment thereof, for the time being in force) and pursuant to the recommendation of the Audit Committee and board of the Directors of the company ("the board"), M/s. Kantilal Patel & Co., Chartered Accountants, Ahmedabad (Firm Registration No.: 104744W) be and are hereby reappointed as one of the Joint Statutory Auditors of the Company for second term of five consecutive years to hold the office from the conclusion of the 15th Annual General Meeting until the conclusion of the 20th Annual General Meeting of the Company to be held in the year 2028 at such remuneration plus applicable taxes and reimbursement of out-of-pocket expenses in connection with the Audit as may be mutually agreed between the board and the Auditors."

Item No. 5 - To appoint M/s. Prakash B Sheth & Co., Chartered Accountants, Ahmedabad as Joint Statutory Auditors of the Company.

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification, amendment or enactment thereof, for the time being in force), M/s. Prakash B Sheth & Co., Chartered Accountants, Ahmedabad (Firm Registration No.: 108069W) be and are hereby appointed as one of the Joint Statutory Auditors of the Company for a term of five consecutive years to hold the office from the conclusion of the 15th Annual General Meeting until the conclusion of the 20th Annual General Meeting of the Company to be held in the year 2028 at such remuneration plus applicable taxes and reimbursement of out-of-pocket expenses in connection with the Audit as may be mutually agreed between the board and the Auditors."

Special Businesses

Item No. 6 – To increase borrowing limits of the Company.

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution:**

"RESOLVED THAT in supersession of the earlier resolution passed by the shareholders at the Extraordinary General Meeting held on December 13, 2016 and pursuant to Section 180(1)(c) of the Companies Act, 2013 and rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and any other applicable laws and provisions of Articles of Association of the Company, consent of members of the Company be and is hereby accorded to authorise the Board of Directors of the Company ("the Board") or Committee thereof to borrow such sum of moneys, from time to time, at its discretion, with or without security, and upon such terms and conditions as the Board may think fit, for the purpose of business of the Company, such that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) and outstanding at any point of time shall not exceed a sum of ₹3,000 crore (Rupees Three Thousand Crore Only).

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Item No. 7 – Power to Create of Charge / Mortgage on assets of the Company.

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution:**

"RESOLVED THAT in supersession to the earlier resolution passed by the shareholders at the Extraordinary General Meeting held on December 13, 2016 and pursuant to the provisions of Section 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), read with the rules made thereunder, as may be amended from time to time (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and any other applicable laws and provisions of Articles of Association of the Company, the consent of members of the Company be and is hereby accorded to the Board of Directors of the Company to create mortgage and/or charge, in addition to the mortgages/charges already created by the Company, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the moveable and/or immoveable properties of the Company, both present and future and/or the whole or any part of the undertaking(s) of the Company together with the power to take over the management of the business and concern of the Company in certain events of default, in favour of the Lender(s), Agent(s) and Trustee(s)/Trustee(s), for securing the borrowings of the Company availed/to be availed by way of loan(s) (in foreign currency and/or rupee currency) and Securities (comprising fully / partly Convertible Debentures and / or Non-Convertible Debentures with or without detachable or non-detachable Warrants and/or secured premium notes and/or floating rates notes/bonds or other debt instruments), issued / to be issued by the Company, from time to time, subject to the limits approved under Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013, read with the rules made thereunder, as may be amended from time to time, together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on prepayment, remuneration of the Agent(s) / Trustees, premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation / revaluation / fluctuation in the rates of exchange and all other monies payable by the Company in terms of the Loan Agreement(s) / Heads of Agreement(s), Debenture Trust Deed(s) or any other document, entered into / to be entered into between the Company and the Lender(s) / Agent(s) and Trustee(s) / Trustee(s), in respect of the said loans / borrowings / debentures and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or Committee thereof and the Lender(s) / Agent(s) / Trustee(s).

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts, deeds and things, sign all such documents, papers and writings and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Item No. 8 - Alteration of Articles of Association with respect to removal of common seal clause.

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of the Section 14 of the Companies Act, 2013 and any other applicable provisions of the Companies Act, 2013 read with the relevant rules, consent members of of the Company be and is hereby accorded to amend the Articles of Association of the Company as under:

(a) Delete the Article 2(v) which is reproduced below:
2(v) "Seal" means the common seal for the time being of the Company.

(b) Existing Article 29(a) shall be substituted by the following amended Article 29(a):
Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying

such fee as provided in the relevant laws) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application for registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holder. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letter of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the signature of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or whole-time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of issue.

(c) Existing Article 147(20) shall be substituted by the following amended Article 147(20):

To appoint Attorneys

At any time and from time to time by power of attorney, to appoint any person or persons to be the Attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorized by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit, and such appointments may (if the Board think fit) be made in favour of the members or any of the members of any local Board established as aforesaid or in favour of any Company, or the shareholders, directors, nominees or manager of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such powers of attorney may contain such powers for the protection or convenience for dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegated Attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.

(d) Delete the Article 152 and 153, which is reproduced below:

THE SEAL

152. The seal, its custody and use

(a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.

(b) The Company shall also be at liberty to have an Official Seal in accordance with of the Act, for use in any territory, district or place outside India.

153. Deeds how executed

The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

(e) Existing Article 174 shall be substituted by the following amended Article 174:

Authentication of documents and proceedings

Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the company may be signed by a Director, the Manager, or Secretary or other Authorized Officer of the Company.

RESOLVED FURTHER THAT the existing Articles from Article 154 to Article 178 be renumbered as Article 152 to Article 176 respectively and existing clauses from clause (w) to clause (bb) of Article 2 be renumbered from clause (v) to clause (aa).

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts, deeds and things, sign all such documents, papers and writings and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Item No. 9 - Ratification of Cost Auditors' remuneration.

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration of ₹ 93,000/- (Rupees Ninety Three Thousand only) plus applicable taxes and reimbursement of out of pocket expenses at actuals, if any, incurred in connection with the audit, as recommended by the Audit Committee and approved by the Board of Directors, payable to M/s. K V M & Co., Cost Accountants (Firm Registration No. 000458) to act as Cost Auditors to conduct the audit of the relevant cost records of the Company as prescribed under the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, for the financial year ending March 31, 2024 be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT any of the directors of the Company be and are hereby severally authorised to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By **Order of the Board of Directors**
PSP Projects Limited

Date: July 27, 2023
Place: Ahmedabad

Kenan Patel
Company Secretary
Membership No.: FCS 12641

Registered office:
'PSP House', Opp. Celesta Courtyard,
Opp. Lane of Vikramnagar Colony,
Iscon-Ambli Road, Ahmedabad – 380058
CIN: L45201GJ2008PLC054868

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('the Act') relating to the Special Businesses to be transacted at the Annual General Meeting ('AGM') is annexed hereto. The Board of Directors at its meeting held on July 27, 2023 considered and decided to include Item Nos. 6 to 9 as given above as Special Businesses in the forthcoming AGM, as they are unavoidable in nature.

2. The Ministry of Corporate Affairs ('MCA'), vide its General Circular No. 20/2020 dated 5th May, 2020 read with General Circular Nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 02/2021 dated 13th January, 2021, 19/2021 dated 8th December, 2021, 21/2021 dated 14th December, 2021 and 10/2022 dated 28th December, 2022 ('MCA Circulars'), has allowed the Companies to conduct the AGM through Video Conferencing or Other Audio-Visual Means ('VC/OAVM') till 30th September, 2023. In accordance with the said MCA Circulars and applicable provisions of the Act, the ensuing 15th AGM of the company is being conducted through VC/OAVM.

3. As the AGM is being held in accordance with the MCA Circulars through VC/AOVM, the facility for appointment of proxies by the members will not be available for this 15th AGM and hence, the Attendance Slip, Proxy Form and the route map are not annexed to this Notice. Moreover, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting .

4. In compliance with the MCA Circulars, Notice of the AGM along with the Annual Report is being sent only through electronic mode to those members whose email addresses are registered with the Company / Depositories. Members may note that the Notice and Annual Report will also be available on the Company's website www.pspprojects.com, website of stock exchanges i.e. BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com and on the website of National Securities Depository Limited at www.evoting.nsdl.com.

5. Participation of members through VC/OAVM will be reckoned for the purpose of quorum for the AGM as per section 103 of the Companies Act, 2013.

6. All the applicable statutory records and other documents, if any referred to in the accompanying notice of the 15th AGM and the Explanatory Statements and other applicable statutory records will be available for inspection by the members at the Registered Office of the Company during normal business hours (10.00 a.m. to 6.00 p.m.) on working days up to the date of the AGM i.e. September 9, 2023. Such documents will also be available electronically for inspection by the members from the date of circulation of this notice upto the date of AGM and during the AGM i.e. September 9, 2023. Members seeking to inspect such documents can send an email to grievance@pspprojects.com .

7. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their respective Depository Participant(s).

8. Institutional Shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by an e-mail to rs2003dudhela@yahoo.com with a copy marked to evoting.nsdl.com.

9. In terms of the provisions of Section 72 of the Act, the facility for making nomination is available for the Shareholders in respect of the shares held by them. Shares of the company being in 100% demat mode, shareholders who have not yet registered their nomination are requested to submit the said details to their Depository Participant(s).

10. Members are requested to address all correspondence, including on dividends, to the Registrar and Share Transfer Agent, KFin Technologies Limited, Unit: PSP Projects Limited, Selenium Tower B. Plot 31-32, Financial, District: Nanakramguda, Serilingampally Mandal, Hyderabad – 500032. Tele. No: 1-800-309-4001; email id: einward.ris@kfintech.com.

11. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, members are requested to claim their dividends from the Company within the stipulated timeline. Members can correspond with the Registrar and Share Transfer Agent as mentioned above or the Company Secretary at the Company's registered office to claim their dividends that remain unclaimed. The details of the unclaimed dividends are also available on the Company's website at https://www.pspprojects.com/track-record-of-dividend/.

12. The members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

13. The Record date for the purpose of payment of final dividend for the financial year ended March 31, 2023 and AGM is Saturday, September 2, 2023.

14. The dividend on equity shares, if approved at the AGM, subject to deduction of tax at source would be paid/dispatched on or after Saturday, September 9, 2023 but before 30 days from the date of AGM to those persons or their mandates whose names appear as member in the Register of Members as on Saturday, September 2, 2023 and in the list of Beneficial Owners as on Saturday, September 2, 2023 to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited for this purpose.

15. Shares of the company being in 100% demat mode, the dividend, if approved, will be paid by crediting the amount in their respective bank accounts as provided by NSDL and CDSL through ECS / NECS / electronic transfer, to all the shareholders having registered relevant bank details or in case of ECS / NECS / electronic payment rejected, dividend will be paid by dividend warrants / demand drafts. Members are requested to ensure that correct bank particulars are registered against their respective depository accounts which will be used by the Company for any payment of dividend. The Company or its Registrar and Transfer Agent, KFin Technologies Limited cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the members.

16. Pursuant to the Income-tax Act, 1961, as amended, dividend income is taxable in the hands of members w.e.f. April 01, 2020 and the Company is required to deduct tax at source from dividend paid to members at the prescribed rates. For the prescribed rates for various categories, the members are requested to refer to the Finance Act, 2020 and amendments thereof. The members are requested to update their PAN with the Depository Participants (as total shares of the company are held in Demat mode).

    For resident shareholders, taxes shall be deducted at source under Section 194 of the Income Tax Act as follows:

Shareholders having valid PAN	10% or as notified by the Government of India
Shareholders not having PAN / valid PAN	20% or as notified by the Government of India

    However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by them during the financial year 2023-24 does not exceed ₹5,000/- and also in cases where members provide Form 15G / Form 15H subject to conditions specified in the Income Tax Act. Resident shareholders may also submit any other document as prescribed under the Income Tax Act to claim a lower / Nil withholding tax. PAN is mandatory for members providing Form 15G / 15H or any other document as mentioned above. A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G / 15H, to avail the benefit of non-deduction of tax at source at https://ris.kfintech.com/form15/forms.aspx?q=0.

Non-resident shareholders [including Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors(FPIs)] can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits. For this purpose, the shareholder may submit the above documents (PDF / JPG Format) at https://ris.kfintech.com/form15/forms.aspx?q=0.

The Resident Non-Individual Members i.e. Insurance companies, Mutual Funds and Alternative Investment Fund (AIF) established in India and Non-Resident Non-Individual Members i.e. Foreign Institutional Investors and Foreign Portfolio Investors may alternatively submit the relevant forms / declarations / documents through their respective custodian who is registered on NSDL platform.

The aforesaid declarations and documents need to be submitted by the shareholders by Saturday, September 2, 2023, 17:30 hours (IST).

18. To support the "Green Initiative", Members who have not registered their email addresses are requested to register the same with their Depository Participant(s), in respect of shares held.

19. VOTING THROUGH ELECTRONIC MEANS:

a) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its members in respect of the businesses to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.

b) The board of directors have appointed Rohit S. Dudhela, Practicing Company Secretaries (COP No. 7396) as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

c) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. Saturday, September 2, 2023 only shall be entitled to avail the facility of remote e-voting as well as e-voting system during the AGM. Person who is not member as on the said date should treat this Notice for information purpose only.

d) The Members who have cast their vote by remote e-voting prior to the AGM may attend the AGM through VC/OAVM but shall not be entitled to cast their vote again.

e) Those Members, who will be present in the AGM through VC/OAVM and have not casted their vote through remote e-voting and are otherwise not barred from doing this, shall be eligible to vote through e-voting system during the AGM.

20. PROCEDURE AND INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:

The remote e-voting period begins on Wednesday, September 6, 2023 at 9:00 A.M. and ends on Friday, September 8, 2023 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the cut-off date i.e. Saturday, September 2, 2023, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date.

How do I vote electronically using NSDL e-voting system?

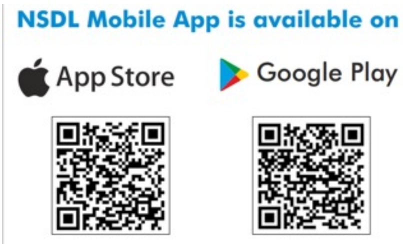
The way to vote electronically on NSDL e-voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-voting system

A) Login method for e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

In terms of SEBI circular dated December 9, 2020 on e-voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-voting services under Value added services. Click on "Access to e-voting " under e-voting services and you will be able to see e-voting page. Click on company name or e-voting service provider i.e. NSDL and you will be re-directed to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name or e-voting service provider i.e. NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. 
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-voting Service Providers, so that the user can visit the e-voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.

Type of shareholders	Login Method
	4. Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from a e-voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the evoting is in progress and also able to directly access the system of all e-voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. upon logging in, you will be able to see e-voting option. Click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on company name or e-voting service provider i.e. NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B) Login Method for e-voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-voting website?

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-voting , then you can user your existing password to login and cast your vote.

   b) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-voting system.

How to cast your vote electronically and join General Meeting on NSDL e-voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".

3. Now you are ready for e-voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter /Power of Attorney etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to rs2003dudhela@yahoo.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-voting " tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Ms. Pallavi Mhatre at evoting@nsdl.co.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to grievance@pspprojects.com.

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to grievance@pspprojects.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:

1. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting .

2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.

3. Members who have voted through Remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-voting on the day of the AGM shall be the same person mentioned for Remote e-voting .

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the/ AGM through VC/OAVM through the NSDL e-voting system. Members may access by following the steps mentioned above for Access to NSDL e-voting system. After successful login, you can see link of "VC/OAVM" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/ OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further, members will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting.

4. Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. it is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/ have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at grievance@pspprojects.com. The same will be replied by the company suitably.

6. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/ folio number, PAN, mobile number at grievance@pspprojects.com latest by Friday, September 1, 2023 till 5:00 p.m. (IST). Those members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

ANNEXURES TO THE NOTICE

Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013.

Item No. 4

M/s. Kantilal Patel & Co., Chartered Accountants, Ahmedabad, were appointed as one of the Joint Statutory Auditors of the Company at the 10th AGM held on September 27, 2018 to hold office from the conclusion of the said meeting till the conclusion of the ensuing 15th AGM. In terms of the provisions of Section 139 of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014, and other applicable provisions, the Company can appoint or reappoint an audit firm as Statutory Auditors for not more than two terms of five consecutive years. M/s. Kantilal Patel & Co. is eligible for reappointment for a further period of five years. Based on the recommendations of the Audit Committee, the Board of Directors, at its meeting held on July 27, 2023, approved the reappointment of M/s. Kantilal Patel & Co. as Joint Statutory Auditors of the Company to hold office for a second term of five consecutive years from the conclusion of ensuing 15th AGM until the conclusion of the 20th AGM to be held in the year 2028. The reappointment is subject to approval of the shareholders of the Company.

The proposed remuneration to be paid to M/s. Kantilal Patel & Co. for audit services for the financial year ending March 31, 2024, is ₹16,50,000 (Rupees Sixteen Lakhs Fifty Thousand Only) plus applicable taxes and out-of-pocket expenses. Besides the audit services, the Company would also obtain certifications from the statutory auditors under various statutory regulations and certifications required by clients, banks, statutory authorities, audit related services and other permissible non-audit services as required from time to time, for which they may be remunerated separately on mutually agreed terms, as approved by the Board of Directors in consultation with the audit committee.

The Board of Directors and the Audit Committee shall approve revisions to the remuneration of the Statutory Auditors for the remaining part of the tenure. The Board of Directors, in consultation with the audit committee, may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the statutory auditors.

Considering the evaluation of the past performance, experience and expertise of M/s. Kantilal Patel & Co. and based on the recommendation of the Audit Committee, it is proposed to re-appoint M/s. Kantilal Patel & Co., Chartered Accountants, Ahmedabad as one of the Joint Statutory Auditors of the Company for a second term of five consecutive years till the conclusion of the 20th AGM of the Company in terms of the aforesaid provisions.

Brief profile of M/s. Kantilal Patel & Co.

M/s. Kantilal Patel & Co., Chartered Accountants, Ahmedabad (Firm Registration No. 104744W), was established on April 2, 1964, and is a partnership firm. It has its office at KPC House, beside High Court Auditorium Gate, Sola, Ahmedabad. The Firm has a valid Peer Review certificate issued by the ICAI and is primarily engaged in audit and assurance services, which include multinational enterprises as well as Indian Listed Entities.

None of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financially or otherwise, in passing the proposed Resolution.

The Board recommends an Ordinary Resolution set out at Item No. 4 of the notice for the approval of the members.

Item No. 5

In terms of the provisions of Section 139 of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014, and other applicable provisions, the Company can appoint an individual as Statutory Auditor for not more than one term of five consecutive years. Accordingly, the term of M/s. Ms. Riddhi P. Sheth & Co. is due to expire in the ensuing 15th AGM of the company. Based on the recommendations of the Audit Committee, the Board of Directors, at its meeting held on July 27, 2023, approved the appointment of M/s. Prakash B Sheth & Co, Chartered Accountants, Ahmedabad (FRN: 108069W) as one of the Joint Statutory Auditors of the Company for a term of five consecutive years from the conclusion of the ensuing 15th AGM until the conclusion of the 20th AGM to be held in the year 2028, in place of retiring statutory auditor. The appointment is subject to approval of the shareholders of the Company.

The proposed remuneration to be paid to M/s. Prakash B Sheth & Co. for audit services for the financial year ending March 31, 2024, is ₹7,50,000 (Rupees Seven Lakhs Fifty Thousand Only) plus applicable taxes and out-of-pocket expenses for the remainder of the financial year 2023-24. Besides the audit services, the Company would also obtain certifications from the statutory auditors under various statutory regulations and certifications required by clients, banks, statutory authorities, audit related services and other permissible non-audit services as required from time to time, for which they may be remunerated separately on mutually agreed terms, as approved by the Board of Directors in consultation with the audit committee. There is no material change in the fees payable to M/s. Prakash B Sheth & Co. from that paid to the retiring Statutory Auditors.

The Board of Directors and the audit committee shall approve revisions to the remuneration of the Statutory Auditors for the remaining part of the tenure. The Board of Directors, in consultation with the audit committee, may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the statutory auditors.

Considering the evaluation of experience and expertise of M/s. Prakash B Sheth & Co., and based on the recommendation of the Audit Committee, it is proposed to appoint M/s. Prakash B Sheth & Co., Chartered Accountants, Ahmedabad as one of the Joint Statutory Auditors of the Company for a term of five consecutive financial years till the conclusion of the 20th AGM of the Company in terms of the aforesaid provisions.

Brief profile of M/s. Prakash B Sheth & Co.

M/s. Prakash B Sheth & Co., Chartered Accountants, is a Proprietorship Firm registered with the Institute of Chartered Accountants of India (ICAI) vide Firm Registration No: 108069W and having its office in Ahmedabad, Gujarat. Mr. Prakash Sheth, Proprietor of M/s. Prakash B Sheth & Co., holds Certificate of Practice since year 1985 and having rich experience of about 38 years in the spheres of audit and taxation. The Firm has a valid Peer Review certificate issued by the ICAI.

None of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financially or otherwise, in passing the proposed Resolution.

The Board recommends an Ordinary Resolution set out at Item No. 5 of the notice for the approval of the members.

Item No. 6 & 7

The Board of Directors of a Company shall not, except with the consent of Company by Special Resolution borrow money together with the money already borrowed, if any (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), exceeding the aggregate of the paid up capital and its free reserves as per the provisions of Section 180(1)(c) of the Companies Act, 2013 ("the Act") and rules made thereunder.

The members by way of a Special Resolution passed at the Extra Ordinary General Meeting held on December 13, 2016 had, inter alia, authorised the board to borrow upto ₹1500 Crore (Rupees One Thousand Five Hundred Crore Only) which was above the aggregate of the then paid up capital of the Company and its free reserves.

The borrowings of the Company are in general required to be secured by suitable mortgage or charge on all or any of the movable or immovable properties of the Company, in such form, manner and ranking as may be determined by the Board of Directors of the Company from time to time, in consultation with the lender(s).

The members, by way of a Special Resolution passed at the Extra Ordinary General Meeting held on December 13, 2016 had, inter alia, authorised the board to secure its borrowing by mortgage / charge on any of the movable and/or immovable properties and/or the whole or any part of the undertaking(s) of the Company.

The provisions of the Companies Act, 2013 and rules made thereunder, require the Company to seek the approval of the Members by way of Special Resolution, to borrow money from time to time for its business activities, through issue of debentures, bank borrowings, etc. and to secure such borrowings by mortgage / charge on any of the movable and/or immovable properties and/or the whole or any part of the undertaking(s) of the Company.

Looking to the progress of the company in past few years and also keeping in view the current and anticipated/ forthcoming projects of the company, the company will be in need of availing various facilities from banks, financial institutions etc. in addition to the existing facilities being availed by the company.

None of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financially or otherwise, in passing the proposed Resolution.

The Board recommends Special Resolutions set out at Item Nos. 6 and 7 of the notice for the approval of the Members.

Item No. 8

With the enactment of the Companies (Amendment) Act, 2015, the use of Common Seal has been made optional. In order to facilitate administrative convenience for execution of documents on behalf of the Company, it is proposed to alter the existing Articles of Association ("AOA") of the Company by removing/amending the relevant clauses in the Articles of Association of the Company pertaining to the common seal. Accordingly, Article 2(v), 152 and 153 shall be deleted and Article 29(a), 147(20) and 174 shall be amended. Pursuant to Section 14 of the Companies Act, 2013, the said alteration can be effected only with the approval of Shareholders by passing a Special Resolution.

None of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financially or otherwise, in passing the proposed Resolution.

The Board recommends Special Resolutions set forth in

Item No. 8 of the notice for the approval of the members.

Item No. 9

The Board of Directors of the company, on the recommendation of the Audit Committee in their meeting held on July 27, 2023 had approved the appointment of M/s. K V M & Co., Cost Accountants (Firm Registration No. 000458) as Cost Auditors to conduct the audit of the Cost records of the Company for the financial year ending March 31, 2024 at a remuneration of ₹ 93,000/- (Rupees Ninety-Three Thousand Only) plus applicable taxes and reimbursement of out of pocket expenses at actuals, if any, incurred in connection with the audit.

In accordance with the provisions of section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules 2014, the remuneration payable to the Cost Auditors shall be ratified by the shareholders of the Company.

M/s. K V M & Co have furnished a certificate regarding their eligibility and consent for reappointment as Cost Auditors of the Company.

None of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financially or otherwise, in passing the proposed Resolution.

The board recommends an Ordinary Resolution set forth in Item no. 9 of the Notice for the approval of members.

By **Order of the Board of Directors**
PSP Projects Limited

Date: July 27, 2023
Place: Ahmedabad

Kenan Patel
Company Secretary
Membership No.: FCS 12641

Registered office:
'PSP House', Opp. Celesta Courtyard,
Opp. Lane of Vikramnagar Colony,
Iscon-Ambli Road, Ahmedabad – 380058
CIN: L45201GJ2008PLC054868

Synopsis of AGM information

Mode	Video Conference and Other Audio-Visual Means (VC/ OAVM)
Time and date of Annual General Meeting	11:00 a.m., Saturday, September 9, 2023
Participation through video-conferencing	https://www.evoting.nsdl.com/
Cut-off date for e-voting	Saturday, September 2, 2023
E-voting start time and date	Wednesday, September 6, 2023 (9:00 A.M)
E-voting end time and date	Friday, September 8, 2023 (5:00 P.M)
E-voting website of NSDL	https://www.evoting.nsdl.com/
Name, address and contact details of e-voting service provider	Contact person: Ms. Pallavi Mhatre - Assistant Manager National Securities Depository Limited, 4th Floor, A Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg,Lower Parel, Mumbai- 400013, India Email id: evoting@nsdl.co.in Contact number: 1800-1020-990, 1800-224-430
Name, address and contact details of Registrar and Transfer Agent	Contact person: Mr. Suresh Babu D Manager- Corporate Registry KFin Technologies Limited Selenium Tower B, Plot Nos. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500032 Email id: suresh.d@kfintech.com, einward.ris@kfintech.com Contact number: +91- 40-67161517 Toll Free number: 1- 800-309-4001

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Prahaladbhai S. Patel
Chairman, Managing Director & CEO

Ms. Pooja P. Patel
Whole Time Director

Mr. Sagar P. Patel
Executive Director

Mr. Sandeep H. Shah
Independent Director

Mr. Vasishtha P. Patel
Independent Director

Mrs. Achala M. Patel
Independent Director

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Kenan S. Patel

CHIEF FINANCIAL OFFICER

Mrs. Hetal Y. Patel

BOARD COMMITTEES

Audit Committee

Mr. Vasishtha P. Patel
Chairman

Mr. Sandeep H. Shah

Mrs. Achala M. Patel

Mr. Prahaladbhai S. Patel

Nomination and Remuneration Committee

Mrs. Achala M. Patel
Chairperson

Mr. Sandeep H. Shah

Mr. Vasishtha P. Patel

Stakeholders Relationship Committee

Mr. Vasishtha P. Patel
Chairman

Mr. Sagar P. Patel

Ms. Pooja P. Patel

Corporate Social Responsibility Committee

Mr. Sandeep H. Shah
Chairman

Mr. Prahaladbhai S. Patel

Ms. Pooja P. Patel

Risk Management Committee

Mr. Prahaladbhai S. Patel
Chairman

Mr. Sagar P. Patel

Mr. Vasishtha P. Patel

JOINT STATUTORY AUDITORS

M/s. Kantilal Patel & Co.
Chartered Accountants,
Ahmedabad

M/s. Riddhi P. Sheth & Co.
Chartered Accountants,
Ahmedabad

SECRETARIAL AUDITOR

Chirag Shah & Associates
Practicing Company Secretaries,
Ahmedabad

INTERNAL AUDITOR

Manubhai & Shah LLP
Chartered Accountants,
Ahmedabad

COST AUDITOR

M/s. K V M & Co.
Cost Accountants, Ahmedabad

BANKERS

State Bank of India

The Kalupur Commercial Co-operative Bank Limited

Kotak Mahindra Bank Limited

Bank of Baroda

ICICI Bank Limited

Axis Bank Limited

Yes Bank Limited

IDFC First Bank Limited

IndusInd Bank Limited

HDFC Bank Limited

DCB Bank Limited

REGISTERED OFFICE

PSP Projects Limited
'PSP House',
Opp. Celesta Courtyard, Opp. Lane of Vikramnagar Colony,
Iscon-Ambli Road,
Ahmedabad – 380058
Tel: 079-26936200/ +91-9512044646
Email: grievance@pspprojects.com
Website: www.pspprojects.com
CIN: L45201GJ2008PLC054868

REGISTRAR AND TRANSFER AGENT

KFin Technologies Limited
Selenium Tower B, Plot Nos. 31-32,
Financial District, Nanakramguda,
Serilingampally Mandal,
Hyderabad – 500032
Tel: 040-67161517,
1-800-309-4001
Website: www.kfintech.com
Email: einward.ris@kfintech.com

PSP

Build to Last

PSP Projects Limited