PSP Projects Ltd.

Challenging The Now

Embracing The New

Annual Report
2020-21

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 realized, 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 materialize, 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.

Contents

01

CORPORATE OVERVIEW

02

STATUTORY REPORTS

03

FINANCIAL STATEMENTS

Standalone

Consolidated

Challenging the Now, Embracing the New

Despite the challenging circumstances of the year due to the outbreak of COVID-19 and the resultant lockdowns, we remained focused on working smarter. In a year of survival, we not only expanded our business and geographical presence, but also worked relentlessly to leverage our innovative capabilities and move ahead to implement futuristic pre-cast technologies in project execution.

Our prestigious projects, such as the Surat Diamond Bourse, IIM Ahmedabad, beautification of Kashi Vishvanath Dham, among others, place us in the big league.

We thus stood strong in the face of the pandemic, challenging the 'now' and embracing the 'new'. Our constant endeavor has been to redirect our energies towards harnessing our inherent strengths to reinvent, reform and reimagine ourselves and embrace the new normal. We sharpened focus on our strategic priorities and adopted changing trends in the construction space.

With an approach of "Build to Last", we continue to be a firm believer of making robust constructions that survive the test of time. Being a hybrid business – a fusion of Industrial, Institutional, Government, Residential and Government Residential projects – with solid development expertise, we provide end-to-end solutions in multiple dimensions, creating new value propositions and unlocking the best land potential.

With our top-notch quality deliverables, strong work ethics and a robust critical project delivery system, we are the favorable and preferred choice for our clients.

Having completed 166 projects till March 31, 2021 and currently executing 42 and more projects, we are amongst the leading companies in the construction industry with a committed base of 1,223 employees. We continue to provide our valuable contribution to several prestigious projects across the country. Riding the ebb and the flow of economic cycles, we are taking confident strides towards a brighter tomorrow and strengthening the legacy of trust associated with the PSP brand.

View this report online
or download it at
www.pspprojects.com

Building a Powerhouse of Opportunities

We are a multi-disciplinary construction company offering a diversified range of construction and allied services. Today, we rank amongst India's fastest-growing construction companies, with a de-risked and growing order book. Leveraging our rich experience in the construction industry, we have emerged as a one-stop shop providing end-to-end and holistic services in the construction domain.

We are spearheaded by the visionary Mr. Prahaladbhai Shivrambhai Patel (aka P. S. Patel), ideating unique developmental avenues in the field of construction, with an impeccable and holistic experience of 23 years.

Engaged in diversified segments

Having embarked on our journey in 2008, today we extend a differentiated assortment of construction and allied services across diversified industry segments including Industrial, Institutional, Commercial and Residential, Hotels and Hospitality, Hospitals and high-profile Government projects. We work with more than 100 private and public clients across the country, with the repertoire of being one of India's top EPC companies.

Climbing up the value chain

Today, we are a pan-India player with presence across 6 states. Our end-to-end solutions encompass not just civil construction and MEP, but also providing design capabilities and aids PSP Projects with plentiful opportunities. Riding on the back of our financial discipline, multi-vertical presence, large equipment base and cutting-edge technologies, we have managed to create a strong brand recall synonymous with trust.

Our execution excellence

We have a proven track record in delivering on-time and quality projects across diverse industry segments and projects. The faith and confidence rested in us by our clients can be assessed by our esteemed projects and repeat orders secured over the years.

Our growing pan-India presence

Being headquartered in Ahmedabad, not only are we strategically located in the core market of Gujarat, but have gradually expanded our presence to six different states of India, establishing a pan-India presence.

Providing end-to-end solutions

PLANNING

DESIGN

CONSTRUCTION

MEP SERVICES

FIT-OUTS

Our certifications

- ISO 9001:2015
- ISO 14001:2015
- ISO 45001:2018

Our credit ratings

- CARE A+; Stable for our Long-term bank facilities
- Stable/CARE A1+ for our Long-term/Short-term bank facilities

Our ethos

An enthralling vision

To be recognized 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. Our promise.

Build to last

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

Explaining PSP in Numbers

13
Years of experience

42
Projects under execution
(As on March 31, 2021)

₹4,12,097 Lakhs
Highest ever order book
(As on March 31, 2021)

₹1,24,086 Lakhs
Standalone Revenue
(As on March 31, 2021)

₹8,088 Lakhs
Standalone Net Profit
(As on March 31, 2021)

₹13,481 Lakhs
EBITDA
(As on March 31, 2021)

166
Projects completed till March 31, 2021

61%
Order book from markets other than Gujarat
(As on March 31, 2021)

1,223
Number of employees
(As on March 31, 2021)

₹1,775 Crore
Largest order received
(For Surat Diamond Bourse)

₹181 Crore
Investment in Plant & Machinery
(As on March 31, 2021)

Our Core Competencies

1.

Track record of 166 projects completed

2.

Opportune and feature delivery

3.

Good hold on fundamental market

4.

Varied project resources

5.

Track record of successful project execution

6.

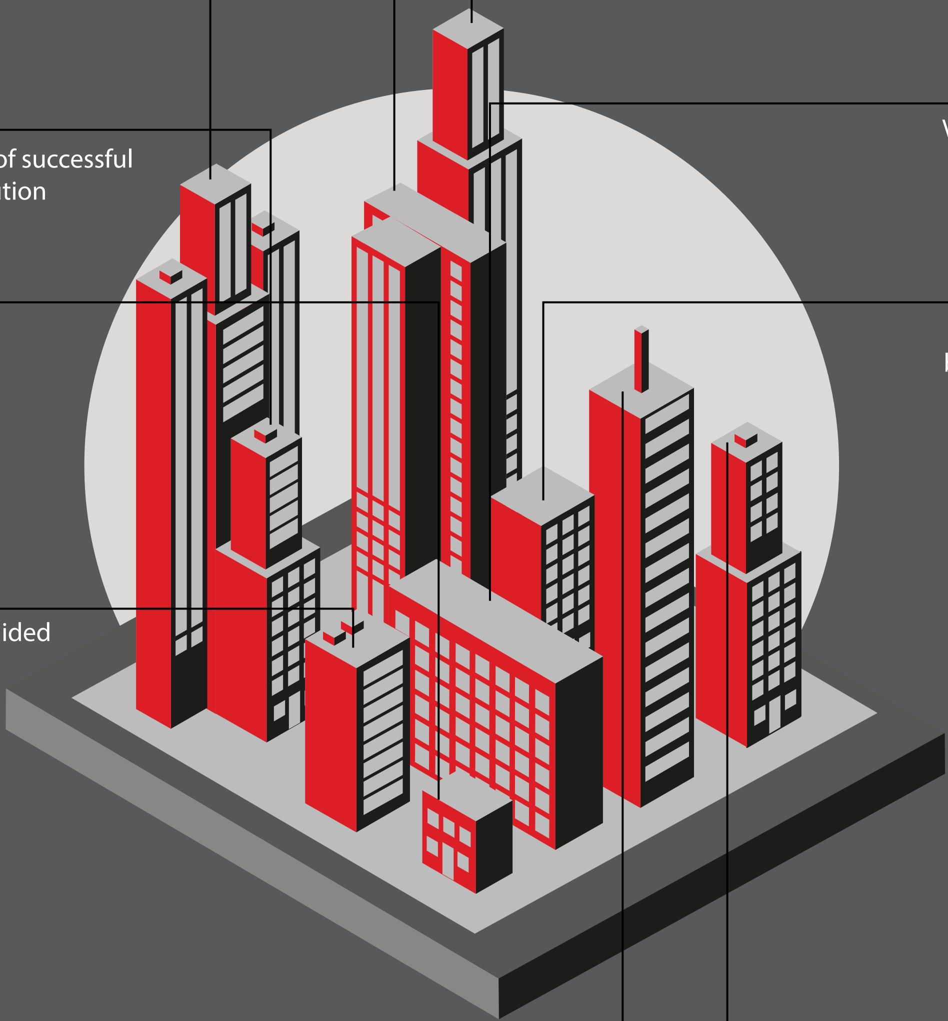
Robust and constantly growing pre-qualification credentials

7.

Cash-rich balance sheet

8.

Technology-aided operations



9.

Resilient customer focus

10.

Captive equipment bank

A Diversified Order Book

Despite operating in a year marked by disruption, FY21 turned out to be the best year for order additions and gave us the highest-ever order book. This was majorly driven by Government as well as Residential & Institutional projects. A historic high order book de-risked across segments, solutions and geographies helps us explore diverse market opportunities and drive future revenue visibility.

Diversified across segments

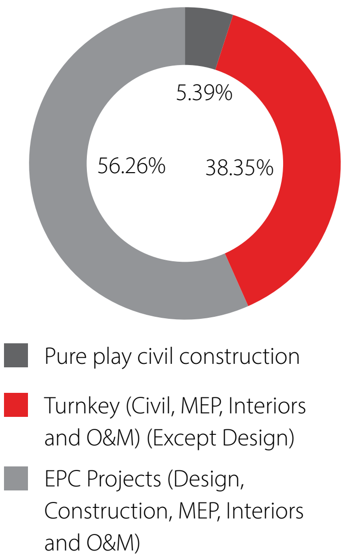
During the year under review, a major chunk of our order book comprised government projects. This validated our ability to diversify our order book and shift our focus to Government projects from an institutional construction-heavy mix. We leveraged our presence across multiple verticals to de-risk our business and convert the increasing investment in government projects as an opportunity to sustain business amidst the challenging times.

During the year, we were awarded work orders for construction of 7 medical colleges and hospitals at Uttar Pradesh, which showcased our expertise in handling a diversified range of projects, and helped de-risk the order book amidst the current uncertain times.

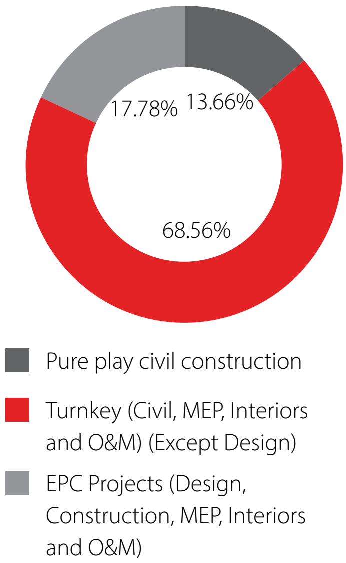
Diversified across solutions

The quality of the order book has also undergone a change as we continued to climb up the value chain. Our one-stop solution comprising of planning, design, construction and post-construction provides us with several opportunities. During FY21, a minimal percentage of our order book comprised of pure play civil construction, compared to the earlier year. The scope of work for the 7 medical college and hospital projects in Uttar Pradesh extends from designing to civil work and MEP. This has enhanced the wallet share of EPC work in aggregate order book.

FY 2020-21



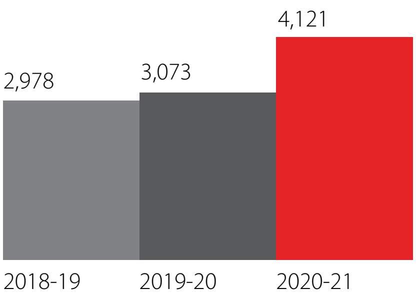
FY 2019-20



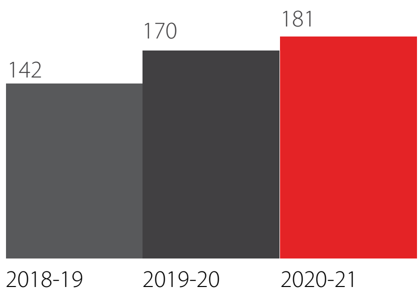
Diversified across geographies

Over the years, we have gradually moved outside of Gujarat, our core market, and set up a well-distributed all-India order book. Today, we have a presence across 6 different states in India including Gujarat, Maharashtra, Uttar Pradesh, Delhi, Rajasthan and Karnataka. A significant chunk of our under-execution projects is located at Uttar Pradesh, helping us moderate our order book.

Order Book (₹ in Crore)



Total Investments in Plant and Machinery (₹ in Crore)

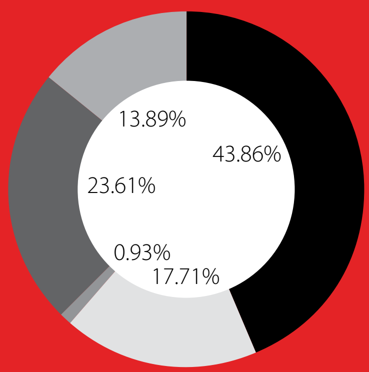


Projects Completed vis-à-vis Concurrent Projects

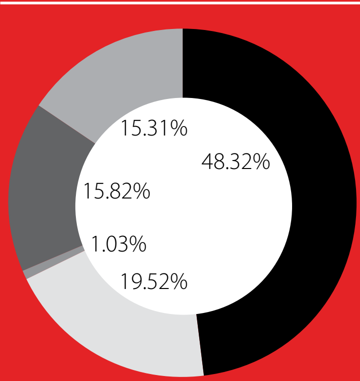
	2018-19	2019-20	2020-21
Completed	21	23	23
Concurrent	46	47	42

Category-wise order book segmentation (As on March 31, 2021)

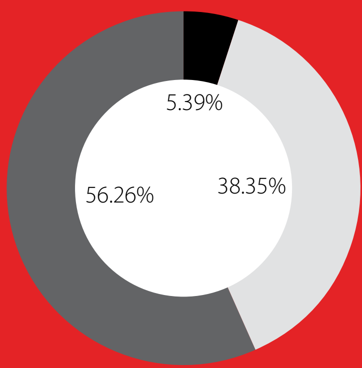
Including Surat Diamond Bourse



Excluding Surat Diamond Bourse



Diversified Mix of Projects



Manpower over the years

	Number of employees	Number of contractual labour
2020-21	1,223	17,000*
2019-20	1,447	13,000*
2018-19	1,229	10,000*

*Approximate

Expanding and Diversifying Our Footprint

We are continually focusing on augmenting our pan-India presence, de-risking our concentrated markets and foraying into newer geographies with potential, ensuring lesser dependence on the traditionally core markets. Our recent project wins in Uttar Pradesh, comprising a large chunk of our strong all-India order book, demonstrate our geographical de-risking.

Leveraging unrivaled reach

In the past few years, we have significantly right-sized our geographical footprint and increased our physical presence across the country. Our robust and growing nationwide presence enables us to stay close to our existing as well as potential customers and to address their needs efficiently and effectively.

Marquee projects awarded outside Gujarat in FY21

Medical colleges and hospitals at 7 locations in Uttar Pradesh valued at ₹ 1,491 Crore

Key projects outside Gujarat

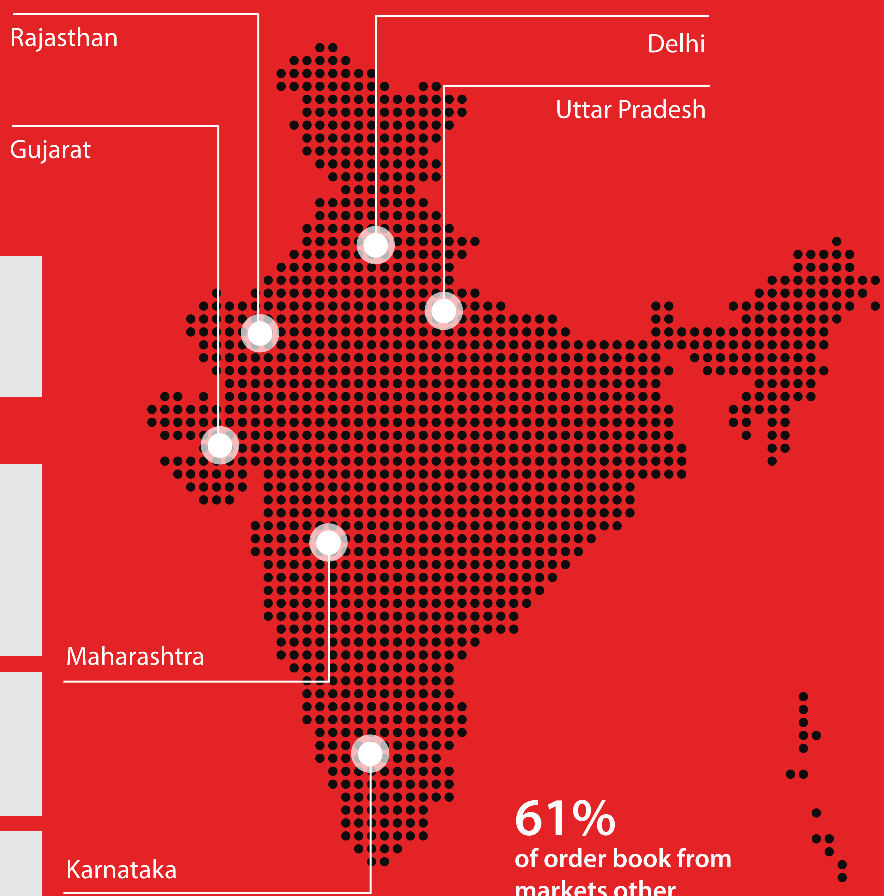
Development of Shri Kashi Vishwanath Dham and its Beautification Including All Development Works

EPC projects for Medical Colleges and Hospitals at 7 locations in Uttar Pradesh

Medical Colleges and Hospitals at 3 locations in Rajasthan

[redacted]

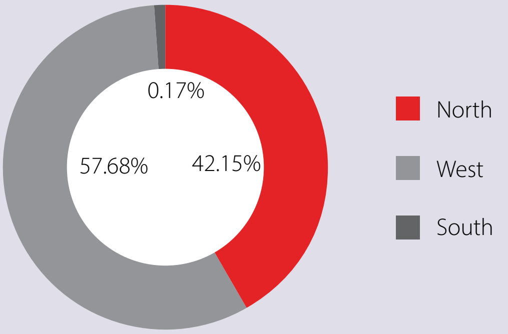
Building a pan-India presence



61%
of order book from markets other than Gujarat as on March 31, 2021

Map not to scale. For illustrative purposes only.

Geographical mix of order book in 2020-21



Major Ongoing Projects

Surat Diamond Bourse, Gujarat

Surat Diamond Bourse is the world's largest office building on a single basement. The smart city is also known as DREAM (Diamond Research and Mercantile) City. The project has 4,200 offices ranging from 300 sq. ft. to 75,000 sq. ft. Along with offices, SDB will also house allied businesses such as banks, safe deposit vaults, a museum, a customs office, an auction house, money transfer and travel desks, and a retail zone. It also has a diamond club with state-of-the-art amenities, security systems, a conference and banquet hall and a restaurant. This magnificent project encompasses 20 lakh sq. ft. of car and two-wheeler parking.

Project scope

This ₹ 1,775 Crore project is of a size is of 66 lakh sq. ft. with 9 towers of 75 meters length each of Ground+15. These are connected with a spine tower of 400 meters long with curvature elevation free stand walls. On completion, this will emerge as the world's largest office complex with common double basement of 10 lakh sq. ft. each. The project includes a lumpsum contract inclusive of civil and common area interior, MEP and a façade. It will also have 6 nos. of 75-meter heighted free-standing wall in curvature length of 60 meters.

Remarkable Achievements

- **5,00,000** cum concrete with average **670** cum per day
- **52,000** tons reinforcement steel with average **80** tons per day till 24 months
- **1,900** tons post-tensioning work
- **1,850** tons of structural steel
- Managed MEP works like HVAC, Electrical, Fire, Plumbing, LV, BMS with **128** high-speed lifts
- Façade works of **10,00,000 sq. ft.** glazing and **20,00,000 sq. ft.** of stone cladding, along with **1,500** fix windows, (Façade Fabrication Unit at Site)
- Finishing works with Italian, Granite, tile and lacquered glass and **11,000** doors
- RCC-Civil works of around ₹ **670 Crores**
- Managed **9,000** laborers at a single time at peak on progress with **450** staffs

Challenges faced during construction

- Mass excavation of **15 lakh** cmt footprint of **10,00,000 sq. ft.** and **12 meters** depth of land, with heavy groundwater pressure with the help of around **25** big excavators and **75** dumpers within **3** months
- **400 meters** of spine – Core structure in curvature connected with **9** towers
- **75 meters** heighted free-standing wall in curvature length around **60 meters**
- COVID-19 impact of around **10** months, labor demobilizing in lockdown and mobilizing them again during prevailing threat of Covid-19 with transportation facility not available
- Major material procurement like glass, granite, and aluminum started since the beginning to get the huge quantity on time

Setting the tone for the future

With this project, we have entered the big league of handling prestigious projects. The successful completion of this project sets the tone for us to leverage future opportunities. It also lends confidence on our capabilities and gives us the power to scale up further. Post-execution, this project is expected to enhance our pre-qualification and will enable us to bid for large-sized government projects.

Shri Kashi Vishwanath Dham, Varanasi

Shri Kashi Vishwanath Dham, Varanasi

Shri Kashi Vishwanath Dham corridor is one-of-its-kind marquee project developed in Varanasi, the pre-eminent historic center of India. It is one of the most famous Hindu temples dedicated to Lord Shiva, located in Vishwanath Galli of Varanasi. The Temple stands on the western bank of the holy River Ganga.

Valued at ₹ 339 Crores, the project involves development of the ancient temple and is being developed under the leadership of Yogi Adityanath government. It is currently in advanced stages of completion and is bringing large-scale transformation to the city. A majority of the infrastructure will be completed by December 2021, within 18 months of being awarded. The project enabled the Company to establish itself in the state of Uttar Pradesh.

Historic importance

The key aim of the turnkey project is that of restoring the historic landscape and conserving a heritage city. The objective is to preserve the existing heritage structure and redevelop the entire area in a manner that ensures visibility of the temple directly from Ganga Ghat. The project is getting conceptualized in old Hindu civilization and will retain the ancient design and structure of the city of earlier times.

Project scope

The scope includes expansion and beautification of the ancient Kashi Vishwanath temple, spread across 11.6 acres or 30,000 sq. meters. It comprises redevelopment of the entire stretch from the temple to River Ganga. It also involves building of upgraded amenities for the pilgrims including Yatri Suvidha Kendras, guesthouses, museums and

Mandir Chowk, among other structures. The project will also ease traffic and movement around the Jyotirlinga temple and connect it with nearby ghats.

The project also comprises restoration of 30 ancient temples rediscovered during excavation. These were hidden amongst residential and commercial structures in the ancient town. These structures of historic and religious significance came to light again due to the clearing work for the project. These temples will be restored and conserved to their ancient glory. The scope also includes external façade lighting works with significant architecture intent. The restoration work also includes 3D mapping of the present structure, conservation and strengthening of the temple.

Executional brilliance

The construction of Shri Kashi Vishwanath Dham corridor project presented several key challenges, being located in a densely populated area. Logistics posed a key challenge as the single main vehicular path to the site was only 4 meters wide throughout the project length. Construction work needed to be carried without interrupting the visitors coming to the temple. Another distinct challenge was the restoration of ancient temples. Monsoon floods from River Ganga also affected construction activities. Due to all the above reasons, construction was carried out in a planned and organized manner.

Striking architecture

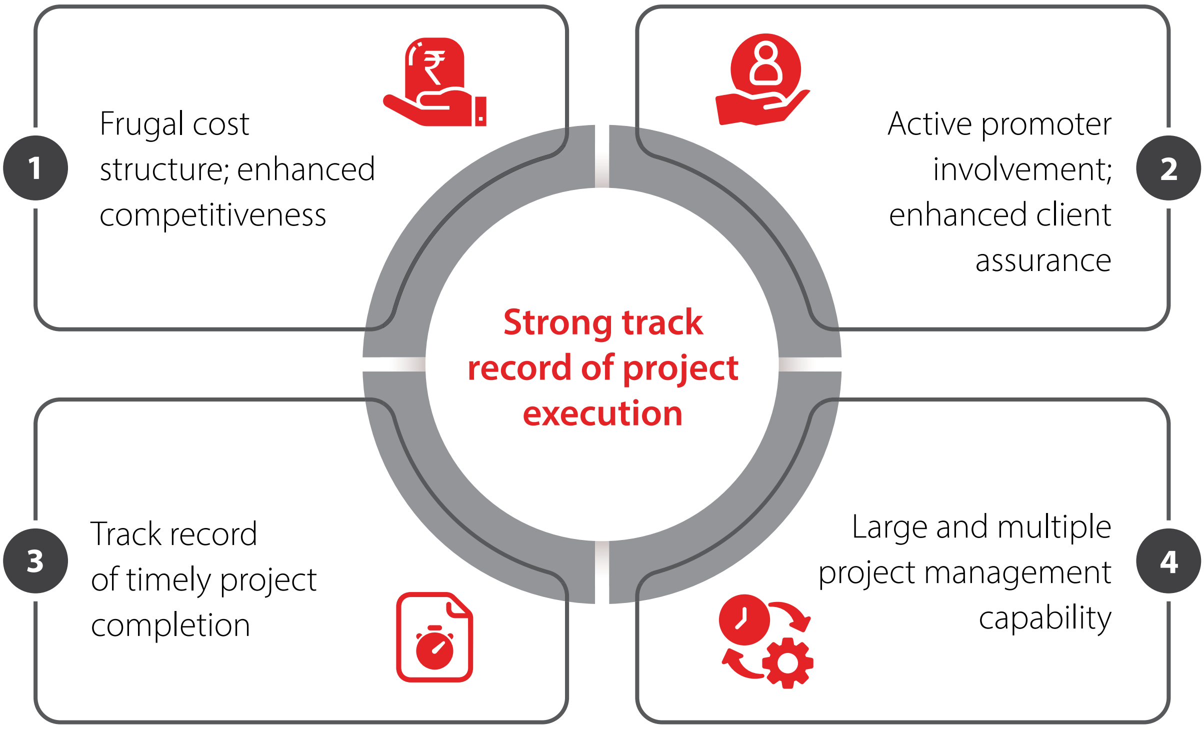
The project is an architectural wonder and one of the most impressive. More than 80,000 cu. feet stones have been used for decorative carving of the Mandir Parisar area and other areas around. In 30,000 sq. meters of general area and ghat area, 40 mm Kota Granite stone and Red Mandana stone have been used. Solid stone of 150 mm has been used for constructing stairs at the Ganga Ghat. There is 3,800 sq. meters of White Makrana used for flooring and cladding works in the Mandir Parisar area, with marble inlay. Nearly 35,000 sq. meters of drystone cladding works has been executed, merging with exposed RCC elements.

Leveraging on Execution Brilliance

Following an unfettered path of execution, we are setting new benchmarks of excellence with every new project we undertake. Our proven project management methodologies and accumulated experience in design, project execution and management led us to gain solid competencies to execute challenging and multi-disciplinary large-scale projects.

Our execution capabilities have grown significantly with time – both in terms of size of projects we bid for and execute, and the number of projects we execute simultaneously. We have a single-minded aim to rope in diverse and more value-added projects, over the past few years. Riding on the back of this focus, we strive to emerge as a composite and holistic solutions provider, and not just a civil construction player in the sector.

Strong track record of project execution



Marquee projects won in FY 2020-21

7 Medical Colleges and Hospitals in Uttar Pradesh	Residential Project for a Private Developer at Ahmedabad

Prominent projects completed in 2020-21

Beautification of CG Road, Ahmedabad

Interiors of Leela Hotel, Gandhinagar

Medical College and Hospital for Dharmsingh Desai University

Zydus Hospital, Sitapur (A CSR Project by Maruti Suzuki Foundation)

R&D and Research Centers, Gujarat

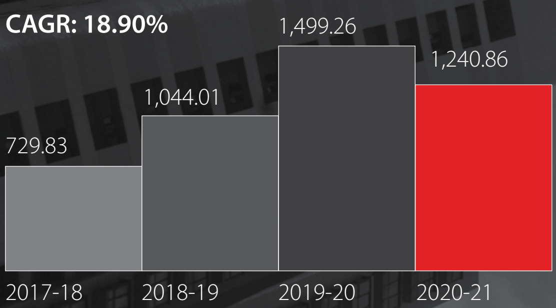
Medical College and Hospital, Dahod

On a Steady Growth Momentum

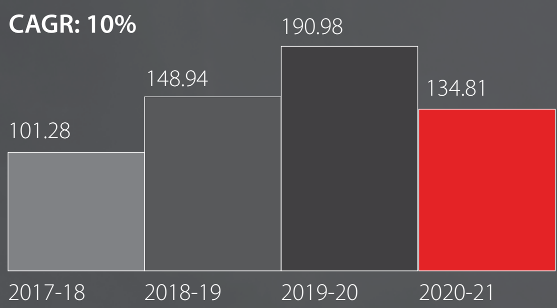
Within a span of three years, we have nearly doubled our revenues. Barring the unprecedented pandemic year, we continued the growth streak with significant year-on-year rise in revenues. Even in FY21, we maintained cost ratios and built the highest-ever order book. A strong order book, robust order pipeline and execution capabilities will further translate into further growth.

Profit and Loss indicators

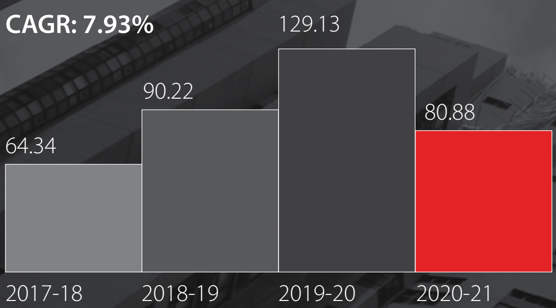
Revenues (₹ in Crore)



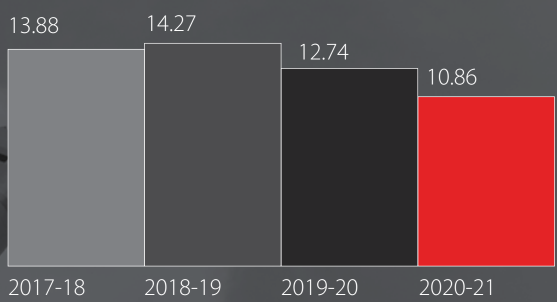
EBITDA (₹ in Crore)



Profit after Tax (PAT) (₹ in Crore)

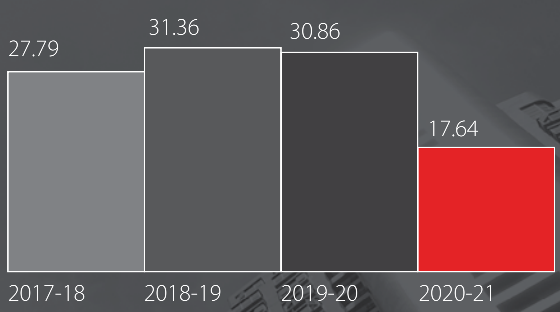


EBITDA Margin (%)

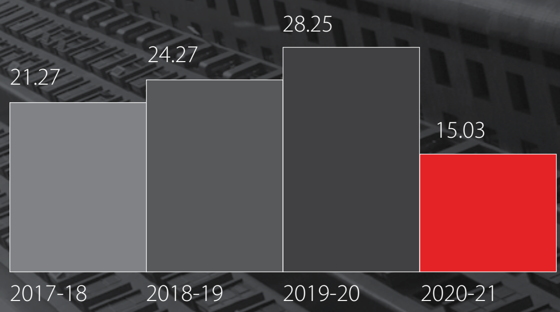


Balance Sheet indicators

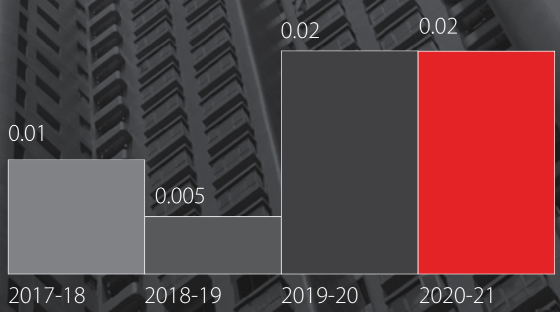
ROCE (%)



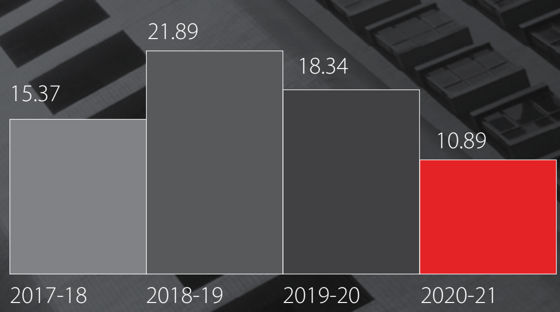
ROE (%)



Gearing Ratio (In Basis Points)



Interest coverage ratio



Letter from the Chairman

Dear Shareholders,

As we prepare this annual letter, the world continues to face an unprecedented situation of the COVID-19 crisis. The outbreak of this pandemic led to far-reaching socio-economic impact the world over. And India was no different, as it had a dramatic impact on lives and livelihoods.

We stand in solidarity with all the frontline workers who selflessly worked to fight the ongoing pandemic and serve the nation. In this unusually changed landscape, PSP Projects Limited has renewed its commitment to serve the needs and collaborate for the benefits of all its stakeholders.

COVID impact on construction

The pandemic significantly impacted the construction sector in India, which is sensitive to economic cycles. The industry suffered as construction sites faced disrupted supply chains and operational restrictions and also remained shut during the lockdown. Reduced economic activity led to less demand for commercial and industrial facilities. On the other hand, loss of income and lack of consumer confidence affected demand for housing construction.

However, on the upside, the construction sector holds the potential to stimulate recovery, thanks to its ability to create jobs. It always has had a vital role to play in the recovery of economies. In fact, during these difficult times, construction matters more than ever. From building hospitals to donating life-saving equipment, the industry plays a critical role in responding to the crisis and emerging stronger in the post-pandemic recovery.

Building a resilient and inclusive recovery

We are all adapting and responding in our own way. What we have learnt together has helped us all develop the best practices that are assisting us in our response to this global crisis. At PSP, we established operating procedures to ensure the safety of our employees at all our construction sites and also the corporate office. The employees at the corporate office were enabled work from home and were well-connected digitally, thanks to the SAP systems implemented by us. We followed all the guidelines and advisories issued by the government.

With a humanitarian mindset, we have been tirelessly keeping our foot forward during these difficult times through our activities targeted at the society's under-privileged sections. We connected with individuals needing empathy, and continued playing a role in helping individuals and communities emerge stronger.

At PSP, we ensured that we do everything to make the world a better place. We have been instrumental and proactive in providing essential help to individuals and donating medical kits to COVID-19 fighters. We also alleviated our own workers and laborers by providing them with food and shelter. Besides, we also arranged transport for the migrant laborers to help them move back to hometowns. And once the lockdown opened, we brought them back to their respective project sites.

PSP today

Through our 'build to last' approach, we are building powerful structures across the country. We are proud to have emerged as a state-of-the-art multi-disciplinary construction company today. We strive to provide structures par excellence through our robust operations. Spearheading several time-critical projects with well-performing deliverables has brought great pride to us.

Today, we are a well-diversified company offering a one-stop solution. We provide a wide range of construction and allied services across industrial, institutional, government, government residential and residential projects in different states. Till date, we have completed more than 166 projects under various industry segments, while 42 and more are under execution.

We are manifesting a clientele that trusts us and believes that their dream projects are safe with us. With a proven track record of quality of work, delivery of speed, technology and best industry practices, we have maintained long-standing relationships with our customers. We have also been getting repeat orders from all our major clients.

With a committed base of more than 1,200 employees and a labor force of around 17,000, we continue to provide our valuable contribution to several magnanimous projects across the country. With top-notch quality deliverables, today we are the most favorable choice of clients. And we attribute this to our strong work ethics and a robust critical project delivery system.

Our report card

Despite the tough circumstances of COVID-19 pandemic and given the backdrop of the tough environment operated within, we reported a resilient financial performance during FY 2020-21. Our revenue from operations for the year under review stood at ₹ 1,240.86 Crores, as compared to ₹ 1,499.25 Crores in the previous fiscal year. Our EBITDA stood at ₹ 134.81 Crores in FY 2020-21, as compared to ₹ 190.97 Crores in FY 2019-20. Profit before tax (after exceptional items) stood at ₹ 108.66 Crores, while Profit after tax was ₹ 80.88 Crores, as against ₹ 174.42 Crores and ₹ 129.13 Crores, respectively, in the previous financial year.

We continued to maintain a comfortable balance sheet position and managed an EBIDTA (earnings before interest, depreciation, taxes and amortization) margin of 10.86% in FY 2020-21.

Widening Horizon

We secured new work orders for institutional, residential and industrial projects from various clients during the year. Presently, our order book stands at ₹ 4,121 Crores as on March 31, 2021, tilted in favor of government projects, including construction of 7 medical colleges and hospitals at multiple locations in Uttar Pradesh, representing over 60% of the order book.

Total work orders received during FY 2020-21 on a standalone basis amounted to ₹ 2,441.17 Crores, while our outstanding order book stood at ₹ 4,121 Crores. With receipt of these orders, I am pleased to share that today we are sitting on the highest-ever consolidated order book, offering a strong revenue visibility. Our robust order book pipeline will ensure strong order flows in the next couple of years.

With a committed base of more than 1,200 employees and a labor force of around 17,000, we continue to provide our valuable contribution to several magnanimous projects across the country.

Our revenue from operations for the year under review stood at ₹ 1,240.86 Crores, as compared to ₹ 1,499.25 Crores in the previous fiscal year. Our EBITDA stood at ₹ 134.81 Crores in FY 2020-21, as compared to ₹ 190.97 Crores in FY 2019-20.

Our business model enables us to de-risk the order book by diversifying across solutions and segments. With a holistic experience in the construction industry, we are a one-stop solutions provider for all building construction needs. We are optimizing our project mix, yielding all kinds of services such as design, construction, MEP, Interior Fit-outs and post-construction.

Transforming for good

Having started as a civil engineering contracts firm, we have today diversified into multiple dimensions which includes marquee Industrial, Institutional, Government, Government Residential and Residential projects. We are strengthening the Company by de-risking the order book across geographies and slowly stepping out of Gujarat. Today, we have expanded our geographic footprint in other states such as Uttar Pradesh, Rajasthan, Delhi, Karnataka and Maharashtra.

Further, our business model enables us to de-risk the order book by diversifying across solutions and segments. With a holistic experience in the construction industry, we are a one-stop solutions provider for all building construction needs. We are optimizing our project mix, yielding all kinds of services such as design, construction, MEP, Interior Fit-outs and post-construction.

During the year, a big chunk of the order book comprised government projects. The scope of work for construction of 7 medical colleges and hospitals for the Uttar Pradesh government encompassed design, MEP (mechanical, engineering and plumbing), construction and post-construction. This made us an end-to-end solutions provider. Due to the order inflow of ₹ 1,491.34 Crores from these projects, the EPC share of our portfolio continues to be about 56%. In the remaining order book, about 38% of the portfolio is composite work, whereas only 5% is pure civil construction. This validates our ability to diversify our order book and leverage our presence across verticals. It helps us de-risk the business and sustain amidst challenging times.

Projects under execution

With an approach of 'build to last', we have established ourselves for making robust constructions that survive the test of time. Talking about some of our key projects – the ancient Shri Kashi Vishwanath Dham project at Varanasi in Uttar Pradesh is well on track. Scheduled to get completed by the end of calendar year 2021, the project has established ourselves well in the state. It offers direct view of the temple from the ghats of Varanasi. The scope includes expansion and beautification of the temple, spread across 11.6 acres or 30,000 sq. meters. It comprises redevelopment of the entire stretch from the temple to River Ganga.

Another breath-taking project is the Surat Diamond Bourse, the world's biggest office complex on a single basement. It is being constructed on a built-up area of 66 lakh sq. ft. It comprises 4,200 offices ranging from 300 sq. ft. to 75,000 sq. ft. We are proud to have set a new record of pouring 120 trucks of concrete daily for 400 days – continuously for 24 months. Now on the verge of completion, the project has strengthened our technical qualification, enabling us to bid for projects worth over ₹ 2,000 Crores.

Among the new orders received, work has already started on five medical colleges and hospital projects in different locations at Uttar Pradesh. Two other medical college projects have also received design approvals.

We are establishing our precast concrete manufacturing plant – our backward integration project. Once fully operational, the annual production capacity of this plant is expected to be 3 million square feet. However, initially under Phase I, the plant will have a production capacity of 1 million sq. ft. This futuristic solution aims at achieving the desired quality within the timeline for volumetric projects. Work on this facility is now on the verge of completion, while we are already under discussion on some potential orders. Using precast is aimed at decreasing the turnaround time of our projects, dealing with logistical issues, and increasing quality and operating efficiencies.

Opportunity ahead

The Indian infrastructure sector has a multiplier effect on several sectors.

Commitment, loyalty, responsibility, trustworthiness and punctuality has been well imbibed in our roots. Being a leader, I make it a prime point to inculcate all these values in my employees as well.

The country is expected to become the world's third-largest construction market by 2022. To strengthen the sector further, the government has announced several initiatives which are likely to have a remarkable impact on infrastructure. The government and private players are together giving a massive push to the construction sector and giving it a definite edge. This new decade seems to be a promising one.

Increased impetus to develop infrastructure plays a crucial role in accelerating India's overall development, thereby driving economic growth. High-speed bullet trains and metro rail, construction of Delhi-Mumbai Industrial Corridor, concept of sustainable smart cities like GIFT City, hospitals and greenfield industrial smart city projects are contributing to India's dynamic transformation. Institutions like IIMs and IITs will expose more Indians to world-class education and research. These infrastructure projects are supporting business environment, improving the quality of life and leading to futuristic development.

Pradhan Mantri Awas Yojana or Housing for All is a mission launched by the government with the aim of boosting home ownership. It aims at providing affordable housing loans to the urban poor by 2022. In the Union Budget 2021-22, the finance minister proposed the extension of the eligibility for affordable housing. The above interventions augur well for the construction industry. PSP Projects, with its capabilities and strengths, is well-poised to benefit from these emerging opportunities.

Being future-ready

With our frugal cost structure, enhanced competitiveness, track record of timely project completion and strong project management capabilities, we are building our muscle mass to become an enduring enterprise. As we earn accolades globally, we are notching up a faster pace of growth. To sustain a business of much greater size and complexity, we have made various investments and have a range of transformational processes in play to become 'future-ready'. We also hope to gain the ability to seamlessly integrate ourselves across the value chain. Commitment, loyalty, responsibility, trustworthiness and punctuality has been well imbibed in our roots. Being a leader, I make it a prime point to inculcate all these values in my employees as well.

In conclusion

In closing, I would like to warmly thank our employees, customers, partners, government agencies and shareholders for their support throughout the year. I would also like to extend my sincere appreciation to my fellow Board members and to the senior management for their leadership and guidance.

We look forward to continue working together and driving greater momentum to build a stronger company and a more robust industry for people depending on our solutions.

We thank you for your faith and confidence, and for being a part of our family of stakeholders.

Regards,

Prahaladbhai S. Patel
Chairman, Managing Director and CEO

Being the Harbinger of Progress

A showcase of our diverse projects

We are the most prolific development company with over 160 projects completed. Our proven track record of timely delivery, excellent quality and capabilities across diversified segments has enabled us to build an excellent reputation in the mid-sized EPC construction segment. Our market-leading status is validated by continual and repeat orders secured from marquee clients.

We have fortified our position as a key construction player for several sectors. With an impressive portfolio and strong brand recall, we are all set to capitalize on the unfolding prospects in the geographies we serve and boost our growth and performance. Due to our vision and strategic planning abilities to ensure swifter and efficient execution of projects, we are favorably placed to benefit from India's continuing infrastructure growth story.

Industrial Projects

Our niche in this segment: Handling the most challenging large-scale projects, with shorter timelines and excellent project execution capabilities

Under this segment, we undertake the construction of industrial buildings for pharmaceutical plants, food processing units, engineering units, as well as manufacturing and processing facilities.

59

Industrial Projects completed till March 31, 2021

03

Industrial Projects Ongoing

Key Projects

- Noodle Plant for an MNC (Virtually Completed)
- Factory building for MRF Ltd, Dahej
- Dairy plant for BAMUL Dairy at Kanakpura, Karnataka
- Punishka Healthcare Plant, Ahmedabad
- Pharmaceutical plants for Torrent Pharmaceuticals Ltd, Indrad
- Pharmaceutical plants for Cadila Healthcare Ltd, Ahmedabad
- Pharmaceutical plants for Nirlife Healthcare, Sachana
- Pharmaceutical plants for Intas Pharmaceuticals Ltd, Ahmedabad
- Pharmaceutical plants for Claris Injectables, Ahmedabad
- Pharmaceutical plant for Emcure Pharmaceuticals, Sanand
- Pharmaceutical plant for Corona Remedies, Ahmedabad
- Factory building for Inductotherm (India) Pvt. Ltd, Sanand
- Dairy plant for Amul Dairy, Khatraj
- Factory building for KHS Machinery Private Limited, Ahmedabad
- Manufacturing unit for JBM Auto Ltd, Sanand

Institutional Projects

Our niche in this segment: Sectors demanding high quality and efficient execution

As part of this vertical, we undertake construction of buildings for hospitals and healthcare sector, educational institutes, malls, hospitality services and corporate offices. These projects earlier comprised a bulk of our order book, before we increased the share of government projects to derisk and diversify the order book and counter the disruption propagated by COVID-19.

68

Institutional Projects Completed till March 31, 2021

16

Institutional Projects Ongoing

Key Projects

Completed Projects:

- Commercial Complex ONE42 at Ambli Bopal Road
- Zydus Hospital, Ahmedabad
- Gujarat Cancer Society – Medical College & Hospital, Ahmedabad
- CIMS Hospital (Phase - I & II), Ahmedabad
- U. N. Mehta Institute of Cardiology & Research Centre, Ahmedabad
- CEPT University Library Building, Ahmedabad
- Project inside GIFT City –
  - Brigade International Financial Center for Brigade Group
  - Grand Mercury Hotel for Brigade Group
  - The Signature by Hiranandani at GIFT City, Gandhinagar
  - Prestige Fintech
  - BSE Brokers Forum Building on EPC Basis (Ongoing)
- World Trade Center (Executed in JV)

Ongoing Projects:

- Surat Diamond Bourse
- IIM Ahmedabad Academic, Residential & Sports Complex
- Phoenix Mall at Ahmedabad
- Rehab & Rescue Project at Jamnagar
- Zydus Hospital at Baroda
- Student Activity Centre at Ahmedabad

Government Projects

Our niche in this segment: Only challenging, prestigious and marquee government projects

We undertake various challenging and prestigious real estate and infrastructure projects spearheaded by the government and PSUs. During the year under review, we consolidated and expanded our presence in this vertical by roping in 07 new projects.

22

Government Projects Completed till March 31, 2021

15

Government Projects Ongoing

Key Projects

Completed Projects:

- C.G. Road Refurbishment Project
- Renovation of Gujarat Vidhansabha, Gandhinagar
- Sabarmati Riverfront Development Co. Ltd. (SRFDCL) Office Building, Ahmedabad
- Sabarmati River Front, Ahmedabad
- Swarnim Sankul I & II (Chief Minister's Office), Gujarat

Ongoing Projects:

- Development & Beautification of Kashi Vishwanath Dham, Uttar Pradesh
- Medical Colleges & Hospitals at locations in Uttar Pradesh
- Interior of Leela Hotel above Gandhinagar Railway Station

[redacted]

Government Residential Projects

Our niche in this segment: Marquee residential projects of the Government & PSUs

Under this vertical, we undertake the execution of prestigious residential-cum-commercial projects, spearheaded by the government in the affordable housing category.

[redacted]

Residential Projects

Our niche in this segment: Private residential projects in group housing and townships and townships

Under this vertical, we undertake the construction of private residential buildings for group housing and townships and independent houses for select private customers.

3

Government Residential Projects Completed till March 31, 2021

02

Government Residential Projects Ongoing

14

Residential Projects Completed till March 31, 2021

06

Residential Projects Ongoing

Key Projects

Completed Projects:

- Design-build of affordable high-rise residential buildings cum commercial units at Naranpura in Gujarat under the Mukhya Mantri GRUH Yojana for Gujarat Housing Board
- Design-build of affordable high-rise residential buildings cum commercial units at Hathijan in Gujarat under the Mukhya Mantri GRUH Yojana for Gujarat Housing Board

Ongoing Projects:

- Planning, Designing and Construction of Flat Type High Rise Buildings cum Commercial units including on-site development with all infrastructure services for Economically Weaker Section (EWS), Pandharpur, Maharashtra
- Planning, Designing and Construction of Flat Type High Rise Buildings cum Commercial units including on-site development with all infrastructure services for Economically Weaker Section (EWS), Bhiwandi, Maharashtra

Key Projects

Completed Projects:

- Safal Seventy, Ahmedabad
- Anutham, Ahmedabad
- Venus Parkland, Ahmedabad
- Dharnidhar Pride, Ahmedabad
- Irish Exotica, Ahmedabad
- Gulmohar Mall, Ahmedabad
- Green Blossom, Ahmedabad
- Godrej Garden City, Ahmedabad

Ongoing Projects:

- Residential Township for a developer at Ahmedabad
- Residential township at Dahod for a Pharmaceutical Company

The 'NOW' of the Construction Space

FY21 was a unique year, scarred by unprecedented and unforeseen circumstances propagated by the COVID-19 pandemic. The construction sector, although it suffered setbacks, remained resilient amidst the barrage of economic disruptions. Activity is rebounding positively in the sector, which holds the key to revive the economy ravaged from the fall-out of COVID-19.

As with most parts of the world, India too responded to the challenges posed by the outbreak of COVID-19, which defined a new normal for the economy and the society at large. To contain the spread of the virus, India implemented a nationwide lockdown, which brought forth restrictions in operations and trade. This led to labor shortages and supply chain disruption and extensive economic turmoil. Low economic activity in other sectors also impacted construction services through forward linkages.

Impact of COVID-19

Lack of timely execution due to lockdowns contributed to cost overruns, significant delays and cancelation of projects. Uncertainty linked with COVID-19, dismal business and consumer sentiments and loss of income heavily weighed on the construction industry, with activities coming to a standstill in the first quarter of FY 2020-21.

Consequently, the construction industry's value-add fell by 49.4% in real terms in Q1 2020-21 and 7.2% in Q2 2020-21, as stated by the Ministry of Statistics and Program Implementation (MOSPI). Further, with the shutdown of operations owing to lockdown, the manufacturing industry was in doldrums, which translated into a decline in the demand for the construction space.

While the industry faced headwinds from the pandemic, it manifested an eagerness within industry players to learn from events that unfolded. While the second wave of COVID-19 raged with greater ferocity, the industry anticipated and dealt with factors including mass migration of laborers and clampdown on construction work.

Sectoral outlook

However, shrugging off the slowdown, the sector is poised for good times due to a strong pipeline of projects. Riding on the back of a strong Union Budget 2021-22 favoring the construction sector and the beginning of mass vaccination campaigns across the country, India's construction sector is heading for a recovery. With lower base and cheap labor costs, the sector is expected to post a sharp rebound and grow by 11.6% in Calendar Year 2021, according to forecasts.

The trend is also in sync with the overall pattern of Indian economic growth for the next 12 months. A combination of factors such as the global scramble to move supply lines from China, a raft of government housing schemes, a large captive market and massive pent-up demand due to COVID-19 restrictions is seen driving India's construction industry to make a strong recovery.

PSP – Emerging stronger

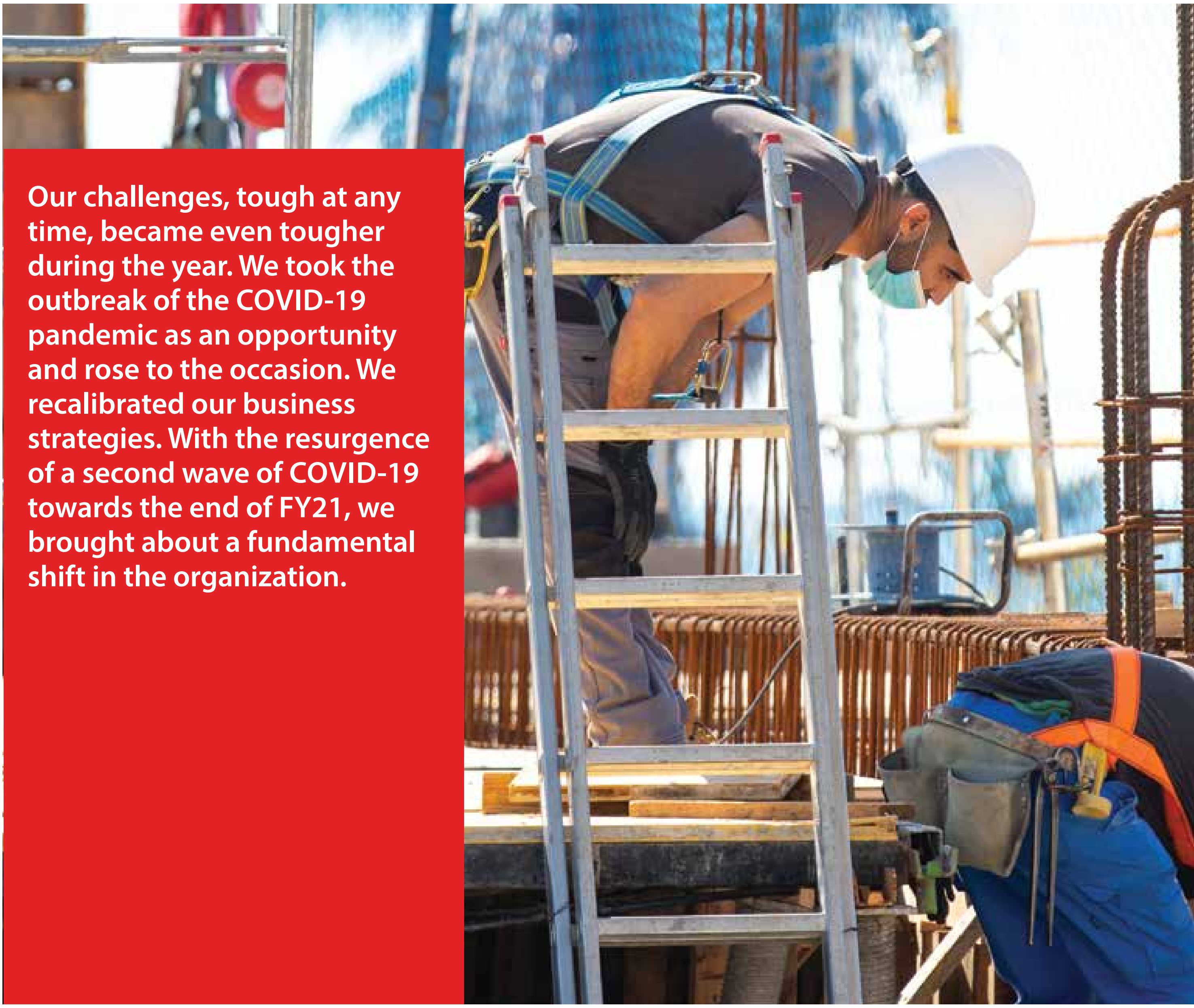
The impact of COVID-19 pandemic took its toll on our revenues and margins. In the first quarter of FY21, there was a 65%, 97% and 109% y-o-y contraction in revenues, EBITDA and PAT, respectively. The decline moderated in the second quarter at 22%, 43% and 56%, and further by 8%, 13% and 24% y-o-y in the third quarter. This not only impacted performance in FY21, but also affected the consistent growth trajectory of the past five years. Leveraging the industry optimism, we witnessed a healthy recovery by the fourth quarter. Revenues, EBITDA and PAT rising 10%, 23% and 20% y-o-y, respectively. Moving ahead, we remain poised to grow in the foreseeable future.

Towards sustainable value creation

The pandemic accorded an opportunity for PSP to chart a path that empowers us to face the future with confidence. Despite the disruption, sustainable and consistent value creation continues to be our key motto. We have consistently demonstrated this in the past decade, and the decades ahead will be no different. We shall continue to remain committed to growth, while the inherent robustness of our business model gives us the confidence to achieve a lot more in the decades to come.

Challenging the 'NOW'

We combated the COVID-19 crisis with an agile and resilient mindset – by challenging the 'Now' and adapting to the new normal, with a key focus on employee health & safety and cohesive stakeholder engagement. Our pragmatic approach gives us the confidence that when market conditions rebound, our solid foundation will see us advantageously into the future.



Our challenges, tough at any time, became even tougher during the year. We took the outbreak of the COVID-19 pandemic as an opportunity and rose to the occasion. We recalibrated our business strategies. With the resurgence of a second wave of COVID-19 towards the end of FY21, we brought about a fundamental shift in the organization.

We increased our resilience, established new competencies and implemented systematic and planned use of resources. With this, we constantly eliminated non-productive costs and reduced cycle times. With an undeterred focus, we explored opportunities that came up during the downturn to gain further market share, acquire new capabilities and emerge as one of India's most valuable companies. We are looking at improved growth with strategic building blocks in place – strengthening the core, broadening our portfolio and investing in people and process capability.

Employee safety – A key priority

Safety and security of our employees was our key priority amidst the global health pandemic. During the pandemic, there was an increased focus on overall well-being, health and safety of the employees. Besides prioritizing employee health and well-being, all our project sites were operated with strict adherence to the COVID-19 guidelines prescribed by the government authorities. We ensured regular temperature checks and sanitization, and also maintained all the social distancing norms. We not only ensured safety of our permanent employees, but also the contract labor force, taking the responsibility of transporting the migrant laborers safely to the project sites. In addition to this, we also undertook self-assessment of practices across customer sites, and identified gaps and opportunities to improve labor practices.

Adopting smarter ways of working

We adopted a pragmatic and cautious approach to navigate through turbulent times. Amidst a macro environment marked by a liquidity crunch, we trimmed our overheads, moderated control on costs and improved our operational efficiencies. We cut down on wastages and optimally stretched the available resources. Not only this, we showcased our execution excellence by improvizing on project turnaround times amidst an increasingly competitive market scenario.

Engaging with customers effectively

Our keen focus was on reimagining customer experience and leveraging our capabilities to adapt to a fast-changing environment. We stayed connected with our customers remotely, enabled constant communication and provided our uninterrupted support. We leveraged our digital-led experience, innovated our delivery model and capitalized on digitization to help our clients navigate the pandemic safely and effectively.

Recalibrating our strategies

By leveraging our multi-segmentation presence, we increased our focus on Government projects to cushion the risk of demand contraction from the institutional segment which suffered the blow of COVID. We further derisked our business by expanding and diversifying our order book across geographies, segments and solutions. We maintained our emphasis on moderating our dependence on the core market of Gujarat and western India by roping in projects from other states as well, thus establishing a pan-India presence.

During the pandemic, there was an increased focus on overall well-being, health and safety of the employees.

Embracing the 'NEW'

Enhancing capabilities. Exploring newer technologies.

With highly automated precast concrete factories changing the face of the construction industry, we are unfolding our digital potential to drive future growth by setting up a state-of-the-art manufacturing plant of precast concrete building. Our key objective is to eliminate labor-intensive traditional building methods by way of maximum prefabrication and use of cutting-edge technology.

We believe that offsite modular construction technology is the future to achieve seamless quality, speed in delivery and larger volumes in a controlled environment. Also, during the past decade, there has been a drastic transformation in the industry, with the scope of work having been gradually increased from being just a civil contractor to an EPC partner. Quality expectations of end-customers is constantly increasing and project timelines are getting shorter. Given this scenario, the desired volume with quality cannot be achieved through conventional methods.

Inculcating operational efficiency

As the construction industry moves forward, we are setting up our own precast concrete factory at Sanand, Gujarat, using futuristic technology. The plant is spread across 60 acres of land and includes a factory shed of 2 lakh sq. ft. The annual production capacity of the plant is expected to be 3 million sq. ft. once fully operational, however, initially we have set up a plant with 1 million sq. ft. as Phase I, and is a futuristic solution to achieve the desired quality within the timeline for volumetric projects. The Company will be able to manufacture all elements with regards to building and infrastructure industry, which includes (but may not be limited to) Beams, Columns, Slabs, Load Bearing Walls, Partition Walls, Staircase, and Lift Cores, among others.

As a construction player, using precast will decrease turnaround time of projects and help us operate in challenging terrains with ease. Our Company believes that setting up our own manufacturing unit of precast concrete elements/products will help us to increase our operating efficiency and margins, eliminate the dependence on laborers over time, reduce the safety concerns, allow faster delivery and better quality of work as compared to in situ work and such other benefits.

This futuristic technology, which is accepted and proven worldwide, will help us deliver larger volumes, reduce labor dependence and manpower requirement, and operate more efficiently amidst restrictions on number of people working at the sites. It will also optimize land use, increase productivity, improve quality and create attractive and environment-friendly and durable spaces.

Raking in dual benefits

With a balanced order book of ₹ 4,120.97 Crores comprising of 42 projects in various stages of completion, our backward integration through the concrete plant will strengthen our capabilities by converting a portion of work to off-site manufacturing. Further, the plant will produce a wide range of products for infrastructure and general development projects including precast slabs, beams and columns, viaduct segments and piers, noise barrier walls, underground water-tanks, among others, which can be sold directly to infrastructure companies, EPC contractors and other real estate players, further adding to our revenues.

Growing opportunities

As per the McKinsey report in June 2020, the permanent modular construction market share of North American real estate construction projects grew by 50% during 2015 to 2018. On the other hand, R&D spending among the top 2,500 construction companies globally rose by approximately 77% since 2013.

As a construction player, using precast is aimed at decreasing the turnaround time of our projects, dealing with logistical issues, and increasing quality and operating efficiencies.

Awards & Recognition

"India's Top Challengers of 2019-20" for third time in a row at the 18th Construction World Global Awards, 2020	Second Fastest Growing Construction Company in Small Category in India for second consecutive year at the 18th Construction World Global Awards, 2020	Times Inspiring Entrepreneur Award for the fastest growing construction company of the year 2020	Patidar Udyog Ratna Award by Sardardham 2020
ICI-Ultratech outstanding structure 2020 (regional) in the category of "Mass Housing" awarded to our project GHB Naranpura	ICI-Ultratech outstanding structure 2020 (regional) in the category of "Institutional" awarded to our project Lilavati Library at CEPT	The ACE Achievers Award by TV9 Gujarati 2019	CXO of the Year by Realty Plus Excellence Awards 2019
Felicitation of our project Gujarat Vidhansabha as IGBC New Building Gold 2019	Second fastest growing construction company and Top Challengers Awards 2019	Most respected Entrepreneur Award (Construction) by HURUN Report India, 2018	Quality Mark Award 2017
Construction World's Top Challengers of 2017-18	Hercules Award by 2017 by Gujarat Innovation Society (GIS)	Most admired multi-disciplinary company of the year (Gujarat) 2015-16	Excellent contractor of the Year 2015-16
Affordable Housing Project of the Year to our Project GHB – Naranpura, 2016	Excellence in delivery to our project – The Signature by Hiranandani	CSR excellence for outstanding contribution	Jury award by Gujarat Contractor Association
Company of the year – construction by Zee Business Dare to Dream Awards	Fastest growing construction and engineering company by Credai, Gujarat	Special recommendation for building high quality and innovative infrastructure by CNBC Bajar	

Our Marquee Clientele

Over the years, we made our mark in the EPC space with our expertise and adroitness, consolidated strengths and integrated presence. Our commitment to service quality and delivery is reflected in our long-standing relationships with our customers, a growing client base and our strong execution capabilities.

Today, with our 'build to last' approach and an impeccable, rich and holistic experience of nearly three decades, we are proving our mettle across multiple dimensions.

[redacted]

Key Clientele over the years

- Surat Diamond Bourse
- Reliance Industries
- Zydus Cadila
- Torrent Pharmaceuticals
- IIM Ahmedabad
- MRF
- Maruti Suzuki
- The Gujarat Cancer Society, Ahmedabad
- Dharmsinh Desai University
- Ahmedabad University
- Pandit Deendayal Petroleum University
- Brigade Group
- Manmul Bangalore
- Prestige Group
- Puniska Healthcare
- Pandharpur Municipal Corporation
- Bangalore Milk Union Ltd.
- CEPT University
- Farpoint Properties LLP
- SGH Realty
- Bsafal Group
- Dalal Street

Being a Responsible Corporate Citizen

We believe in creating value for the communities around us by creating maximum positive impact and building a better future for them. With the ultimate objective of uplifting every strata of the society, we work towards strengthening their capabilities, building capacities and ensuring inclusive development.

Majorly, our CSR efforts entails promotion of education, animal welfare and healthcare. This year, we also extended our support to COVID-19 relief initiatives.

₹ 2.67 Crore
Total CSR Spend in 2020-21

Education

We partnered with an institution to support the under-privileged students of the society. As a part of this initiative, we granted scholarships to the meritorious students and funded their future education expenses. These scholarships will help students in pursuing their undergraduate programs and completing their education.

Animal Welfare

Through our association with Jiydaya Charitable Trust, a non-government animal welfare organization, we continue to focus on animal welfare. With the help of this organization, we provide medical care to stray and unowned domestic animals. In addition to this, we also run a rehabilitation center for birds and small mammals.

Healthcare

We have extended our full-fledged support to an NGO to provide healthcare facilities to the less-privileged. With this, we are contributing towards providing these facilities to this segment of the society at affordable rates.

COVID-19 Initiative

During the challenging pandemic times, we collaborated with 'Live to Inspire Charitable Trust' in order to serve the society and promote preventive healthcare and sanitation. As part of this initiative, we distributed free kits to the economically backward sections of the society. The kit included sanitary napkins, groceries and foodgrains for those affected by the pandemic situation.

Incorporation of PSP Foundation

During the year under review, the Company incorporated a wholly-owned subsidiary under Section 8 of the Companies Act, 2013 in the name and style of 'PSP Foundation' as our CSR arm. PSP Foundation will act as an impetus to support the various CSR initiatives of the company.

A Culture Synonymous with People-centricity

The value of a company is determined by the quality of its employees. At PSP Projects Limited, we recognize the importance of having a workforce which is performance-driven and future capable. In achieving this, we continue to focus on not only motivating and engaging with our employees, but to training and retaining them effectively.

1,223

employees as on March 31, 2021

We have undertaken significant initiatives to increase the effectiveness and efficiency of its employees through our E-learning programs to enhance not only our employee's skills and capabilities but their personal effectiveness.

Our key emphasis is to proactively engage with our employees to ensure they are well motivated and feel included in the decision-making of the organization.

Ensuring employee well-being during COVID-19

The pandemic has been an unprecedented event, which disrupted our way of life and caused increased stress and anxiety for the employees.

During the pandemic, we offered a variety of resources to help our employees cope with work during the challenging times, which included physical, financial and emotional health support. We helped them stay focused, but also offered work from home. Further, timely support was provided in the form of doctor consultation, testing, home care treatment and hospitalization, besides offering virtual suggestions from expert doctors, interactive sessions and counseling.

After the operations were resumed, strict COVID-19 guidelines and SOPs were adopted to ensure the safety of the employees and workers at sites.

Ensuring COVID-appropriate behavior

During COVID-19, meticulous monitoring and support was provided to all the employees. We also offered support in providing accommodation to them amidst the crisis. In addition, we ensured regular medical check-ups and sanitization and followed all the COVID protocols on social distancing.

Moreover, small group interactions were organized to continuously drive the message of safe social distancing, usage of masks and need for self-isolation in case of any COVID symptoms.

In addition, we also aided our workers with timely wages and essential support, besides providing meals to them. Further, we also helped migrant workers move back to their hometowns by providing them with adequate transportation facilities.

Growth Empowered by Leadership

At PSP Projects Limited, our predominant focus has been to create an all-encompassing governance framework on the back of values and fairness. In creating such a framework, we have been constantly strengthening the transparency, accountability and fairness quotient across all our functions.

Leveraging our undivided focus on governance, we have created a governance framework, with the Board of Directors sitting at the apex of the framework. The Board guides the Committees of the Board for specific functions, who further have senior leadership teams and junior leadership teams as their ear to the ground, thus, enabling informed decision-making at the Company level.

A diversified Board

We have seven Board members, of whom four are Independent Directors, thereby validating the unbiasedness and fairness of our Board. Further, we also have two female Board members, driving gender inclusion not just at a corporate level, but also at the management level.

Mr. Prahaladbhai Shivrambhai Patel

Chairman, Managing Director and Chief Executive Officer

1 4 5

He has a bachelor's degree in civil engineering from Saurashtra University, and has been working in the civil construction space by way of a proprietorship business, before the incorporation of PSP Projects Limited. He has an experience of 23 years in the construction space, and has played a significant role in the growth of PSP Projects since its incorporation. Aged 58 years, he has been featured in the book titled 'Business Game Changers: Shoonya se Shikhar' authored by Prakash Biyani.

Ms. Pooja Patel

Whole Time Director

3 5

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 28 years, she has been actively involved in planning of projects, procurement of materials and execution of projects for PSP Projects Limited since 2015. She has also represented PSP Projects in Indian Concrete Institute Chapter-1, Ahmedabad.

Mr. Sagar Patel

Executive Director

3 4

He has a bachelor's degree in civil engineering from Gujarat Technological University. Aged 25 years, presently, he is actively involved in project planning, project tendering, contracts, and execution of projects.

Mr. Chirag Shah

Independent Director

2 3 4

He has a bachelor's degree in pharmacy from Gujarat University, and has a rich experience in the manufacturing and trading of laboratory equipment. With an established career, he is the director of Accumax Lab Devices Private Limited and Neuation Technologies Private Limited at the age of 54 years.

Mr. Sandeep Shah

Independent Director

1 2 5

He has a double bachelor's degree in commerce and law from Gujarat University. Aged 60 years, he is currently a director of Creative Infotech Private Limited. He has many years of experience in the business of information technology products and services.

Mr. Vasishtha Patel

Independent Director

1 2

He has a bachelor's degree in business administration from Sardar Patel University and a master's degree in business administration from South Gujarat University. Over the 20 years of experience he has had in management and exports, he has held managerial positions in international division of several companies. Aged 58 years, he is currently a Managing Director of Multico Exports Private Limited, which is involved in the export of pharmaceuticals and raw materials.

Mrs. Zarana Patel

Independent Director

1 4

She has a bachelor's degree in commerce and a master's degree in commerce from the Gujarat University. Aged 33 years, she also has more than 9 years of experience in audit as a chartered accountant, leveraging which, she is a partner with Shah & Bhandari, Chartered Accountants.

Legends

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders Relationship Committee
4. Risk Management Committee
5. CSR Committee

Red color indicates Chairman of Committee
Black color indicates Member of Committee

Key Management Team

Mr. Prahaladbhai Shivrambhai Patel
Chairman, Managing Director and CEO

Ms. Pooja Patel
Whole Time Director

Mr. Sagar 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

Ms. Mittali Christachary

Company Secretary and Compliance Officer

Mr. Ramjibhai Parmar

General Manager – Tender

Mr. Pratik Thakkar

General Manager – Business Development

Mr. Dhananjay Mori

Senior Manager – Human Resources

Mr. Sanjay Kumar Rai

Senior Manager – IT

Mr. Pushpesh Singh

Deputy General Manager – Contracts

Corporate Information

BOARD OF DIRECTORS

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

Ms. Pooja P. Patel
Whole Time Director
DIN: 07168083

Mr. Sagar P. Patel
Executive Director
DIN: 07168126

Mr. Sandeep H. Shah
Independent Director
DIN: 00807162

Mr. Chirag N. Shah
Independent Director
DIN: 02583300

Mr. Vasishtha P. Patel
Independent Director
DIN: 00808127

Mrs. Zarana P. Patel
Independent Director
DIN: 08580937

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Mittali M. Christachary

CHIEF FINANCIAL OFFICER

Mrs. Hetal Y. Patel

BOARD COMMITTEES

AUDIT COMMITTEE

Mr. Vasishtha P. Patel
Chairman

Mr. Sandeep H. Shah

Mrs. Zarana P. Patel

Mr. Prahaladbhai S. Patel

NOMINATION AND REMUNERATION COMMITTEE

Mr. Chirag N. Shah
Chairman

Mr. Vasishtha P. Patel

Mr. Sandeep H. Shah

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Chirag N. Shah
Chairman

Mr. Sagar P. Patel

Ms. Pooja P. Patel

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Sandeep H. Shah
Chairman

Mr. Prahaladbhai P. Patel

Ms. Pooja P. Patel

RISK MANAGEMENT COMMITTEE

Mr. Prahaladbhai S. Patel
Chairman

Mr. Sagar P. Patel

Mrs. Zarana P. Patel

Mr. Chirag N. Shah

JOINT STATUTORY AUDITORS

M/s. Kantilal Patel & Co.
Chartered Accountants, Ahmedabad
FRN: 104744W

M/s. Riddhi P. Sheth & Co.
Chartered Accountants, Ahmedabad
FRN: 140190W

SECRETARIAL AUDITOR

Rohit Shantilal Dudhela
Practicing Company Secretaries,
Ahmedabad
COP: 7396

INTERNAL AUDITOR

Manubhai & Shah LLP
Chartered Accountants, Ahmedabad
LLP Identification No.: AAG-0878

COST AUDITOR

M/s. K.V. Melwani & Associates
Cost Accountants, Ahmedabad
FRN: 100497

BANKERS

State Bank of India

The Kalupur Commercial Co-operative Bank Limited

Kotak Mahindra Bank Limited

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 Private 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

Management Discussion and Analysis

GLOBAL ECONOMY

The global economic growth was severely impacted by the COVID-19 pandemic during 2020. The policy actions taken by the central banks and the fiscal stimulus by the government across the globe supported an economic recovery across regions in the second half of 2020. According to International Monetary Fund (IMF) World Economic Outlook, April 2020, the global economy is estimated to contract 3.3% in 2020.

The global economy is projected to grow 6% in 2021 moderating to 4.4% in 2022. Additional policy support in selected large economies, improved access to vaccine is expected to drive the growth. The fiscal support announced for 2021 in some countries, including the United States and Japan and roll out of next generation of EU funds are expected to benefit the growth in advanced economies.

However, the continued spread of COVID-19 and closures across many regions could limit the expected recovery. The strength of the recovery could vary across countries based on the severity of the restriction to economic activity due to pandemic. The uncertain scenario could lead to change in the projected growth.

Global Economic Growth

	2020 (A)	2021 (P)	2022 (P)
Global Economy	-3.3%	6.0%	4.4%
Advanced Economies	-4.7%	5.1%	3.6%
USA	-3.5%	6.4%	3.5%
Euro Area	-6.6%	4.4%	3.8%
UK	-9.9%	5.3%	5.1%
Emerging and Developing Economies	-2.2%	6.7%	5.0%
China	2.3%	8.4%	5.6%
India	-8.0%	12.5%	6.9%
Russia	-3.1%	3.8%	3.8%
Brazil	-4.1%	3.7%	2.6%
Saudi Arabia	-4.1%	2.9%	4.0%

Source: IMF World Economic Outlook, April 2021
**A-Actual, P-Projected*

INDIAN ECONOMY

Indian economy was in severe slowdown especially in the mid-2020 due to the COVID-19 and lockdown. Indian economy contracted by 22.4% in Q1 2020 and 7.3% in Q2 2020 as social distancing and lockdown impacted the manufacturing, consumer sentiment and the supply chain. Responding to the slowdown, Reserve Bank of India provided liquidity and other support (including forbearance measures) and the government announced fiscal support to recover the economy. Based on the stimulus, the GDP growth returned to positive territory, rising by 1.0% in Q3 FY21 and 3.7% in Q4 FY21 over the same period last year. The recovery was driven by good performance in farm, service and construction sectors. Real GVA in construction improved to 6.5% in Q3 FY21 and 14.5% in Q4 FY21 from a contraction of 49.5% in Q1 FY21.

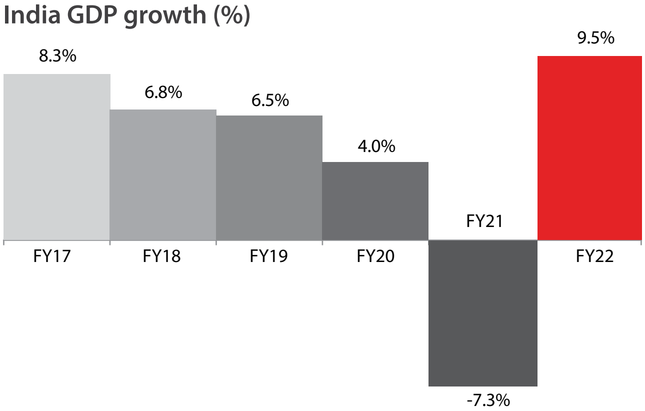
CPI inflation eased to 6.26% in June 2021 (new base 2012=100), compared with 6.3% in May 2021 even though fuel and food price rose. WPI inflation eased to 12.07% in June 2021 from 12.94% in May 2021.

The RBI consumer confidence survey in May 2021 mentioned that the consumer confidence index fell to 48.5 in May 2021 from 53.1 in March 2021 on the back of COVID-19 outbreak in India. The lowering in consumer confidence index was driven by moderate expectation on growth, and employment.

Outlook

Indian economy is estimated to contract by 7.3% in FY21 as per the provisional estimates of National Statistical Office (NSO). Construction is estimated to contract 8.6% in FY21 compared to 1.0% growth in FY20. The RBI estimated the Indian economy to grow 9.5% in FY22 on the basis that the impact of second wave of COVID-19 will be transient. However, the second wave of pandemic could impact the economic activity lowering the growth projection.

India GDP growth (%)



Source: NSO, RBI

INDIAN CONSTRUCTION INDUSTRY OVERVIEW

The nationwide lockdown restrictions imposed in late March 2020 have heavily weighed on the construction industry, as activities came to a standstill during most of April and May 2020.

The Centre announced a slew of relief measures to support players, including relaxation on EMD (earnest money deposit) and performance security, relaxation of bidding eligibility criterion and increased frequency of payments for government tenders.

The construction sector is expected to be on a strong growth route in FY22 due to large pipeline of projects across manufacturing, infrastructure and housing and various government measures aiding growth. The new order inflows are expected to be strong driven by a huge pipeline of projects to be awarded in the infrastructure sector through National Infrastructure Pipeline (NIP). A major part of the NIP is towards transportation (roads, railway, etc.), energy/ power and urban infrastructure. Growth will also be driven by the newly-announced Affordable Rental Housing Complex (ARHC) scheme and investments in the industrial segment due to Indian government's push towards 'Atmanirbhar Bharat'.

Government initiatives to drive the infrastructure, manufacturing and housing are expected to propel the Indian construction market. The Gross Value Added (GVA at Current Prices) by the construction sector in India is estimated to be about ₹ 12.8 lakh crore in 2020-21 as compared to ₹ 13.7 lakh crore in 2019-20. According to the Ministry of Statistics and Programme Implementation (MOSPI), the Indian construction industry grew by 6.2% year-on-year (YoY) in Q3 FY21 ending December 2020- up from Y-o-Y declines of 7.2% in Q2 FY21 and 49.5% in Q1 FY21. As per the Mordor Intelligence Report, the Construction market is expected to register a CAGR of 7.4% over the forecast period, 2021-24. However, the resurgence spread of COVID-19 in May 2021 could be dampener to the expected recovery.

Source: Constructionweekonline

Industry Structure and Developments

Industrial Construction

The industrial sector experienced a sharp decline during the period of the lockdown. The manufacturing declined as the coronavirus lockdown imposed by the government forced factories to shut down and consumers to stay indoors. In a weak economic scenario, the government announced the production linked incentive scheme in 2020 to boost domestic manufacturing and attract large investments. The program announced by the government in April 2020 and extended in November 2020 is designed with four objectives: 1) Target-specific product areas; 2) Introduce non-tariff measures in order to compete more effectively with cheap imports; 3) Blend domestic and export sales to make manufacturing competitive and sustainable; and 4) Promote manufacturing at home while encouraging investment from within and outside India. The scheme aims at remunerating manufacturers for increasing total output incrementally, for the Indian and foreign market. The eligible manufacturers will be distributed with a total of USD 20 Bn. The manufacturing sector also received a fillip in Union Budget 2021-22 through an allocation of ₹ 1.97 lakh crore.

The Union Budget 2021-22 has also provided large allocation for infrastructure sector including ₹ 1.18 lakh crore for Ministry of Road Transport and Highways and ₹ 1.1 lakh crore for railways. Addressing the need of external funding in infrastructure sector, the government also announced to set up a Development Finance Institution (DFI) for the long-term financing of its ambitious ₹ 111 lakh crore National Infrastructure Pipeline (NIP). The DFI will have a lending portfolio of at least ₹ 5 lakh crore in three years' time with government allocated a sum of ₹ 20,000 crore to capitalize this institution.

The government support for the manufacturing and infrastructure sector will drive the growth for this sectors benefiting the industrial construction market.

Residential Construction

The realty sector has been witnessing steady recovery in its residential demand across categories – affordable housing, mid-income and premium housing – since June 2020. The growth was primarily driven by a gradual unlocking of the economy, improved affordability on the back of reduced home loan rates and attractive payment schemes/discounts. On August 26, 2020, the state government of Maharashtra decided to temporarily reduce stamp duty on housing units from 5% to 2% until December 31, 2020. Stamp duty from January 1, 2021, until March 31, 2021, was at 3%. Given the current economic climate, the reduction in stamp duty charges not just galvanized homebuyers' sentiments but also enabled the industry to spearhead the state's economic revival in the post-COVID era as well.

As per "Real Insight – Q1CY21", a quarterly report by online property brokerage firm PropTiger.com, housing sales in eight prime residential markets reached to 66,176 units in Q4 FY21 from 58,914 units in Q3 FY21, growing at 12% on quarterly basis.

The various initiatives taken by the government will drive the growth for the housing sector. The allocation of sizable funding for housing in Union Budget 2021-22 reflected the strong government support at the national level for housing sector. The budget allocated ₹ 54,581 crore to the Ministry of Housing and Urban Development (MoHUA).

Pradhan Mantri Awas Yojana (PMAY) program, which aims to provide affordable housing to all urban poor by 2022 through initiatives like financial support, is expected to be a driver of growth. The extension of tax holiday up to March 2022 announced by the Finance Minister to increase the supply of affordable housing units will encourage developers to launch new projects under this category. According to real estate consultant ANAROCK, affordable housing accounted for 30% of the supply in 2020 across the top seven cities in the country. Smart Cities Mission, an urban program, designed to build new infrastructure to improve management and safety will benefit from considerable funding in the Union Budget 2021-22. The government has allocated ₹ 6,450 crore in Union Budget 2021-22 for the Smart Cities Mission, an increase from ₹ 3,400 crore, as per the revised estimate of 2020-21.

The 'Special Window for Completion of Construction of Affordable and Mid-Income Housing Projects" (SWAMIH) fund to complete stalled housing projects will deliver its first finished apartments in 2021. In 2019, India had an estimated USD 63 Bn of such stalled projects as an economic slowdown and a credit crisis cascaded through the sector. Builders were unable to service their loans, forcing banks to write off the debts. The SWAMIH fund announced in 2019 with a size of USD 3.5 Bn was launched with the plan to pace up the stalled projects providing relief to large number of affected home buyers and developers.

Commercial Construction

The commercial real estate market was severely impacted due to the closure of offices during the lockdown. As per the Colliers report, the commercial office gross absorption was about 34 million square feet across the top six cities in India in CY2020, a decline of about 41% from 2019. Demand picked up in H2 2020 with gross absorption rising 25% over H1 2020. However, the increase in gross absorption was driven by pre-commitments in new completions during H2 2020.

Leasing from IT companies was weak as some of the IT companies did not renew their leases. An increase in consumer spending witnessed during the festive season led to renewed optimism from both shoppers and retailers enhancing the recovery prospect in the mall segment. Brands that left the malls across India during April-September 2020, have begun to return to those malls that have the potential to attract footfall.

In the commercial segment, the high-street concept has gained momentum as compared to malls and this will continue in 2021. The model that provides all amenities to consumers under one roof, i.e. mixed use property, has emerged as a preferred trend for the commercial segment owing to its self-sustainability.

The work from home trend is expected to impact the office market in the medium to long term. This dip will be counter-balanced by increasing demand for office spaces from emerging sectors like healthcare, e-commerce and data centres. In the near term, with rising cases and the anticipation of another lockdown in some of the top cities, commercial leasing activity is expected to remain weak.

Earlier this year, Finance Minister Nirmala Sitharaman announced an ambitious project: adding 100 new airports by 2024. These include heliports as well as seaports and would see the number of operational aerodromes double from the 100 or so operational airports during pre-COVID era in India. This initiative taken by the government will drive growth for the construction sector.

Source: Colliers report

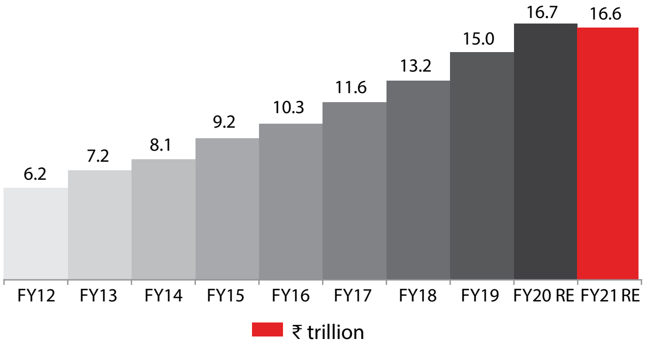
Outlook

The range of reforms taken by the government including production linked incentive scheme, large budget allocation for manufacturing, infrastructure and housing are expected to drive the construction market growth in FY22. While the vaccination drive across countries and in India is gathering pace, the current second wave and the possibility of a third wave in different countries are a cause of concern.

INDUSTRIAL DEVELOPMENT IN GUJARAT

Gujarat is one of the highly industrialized states in India with its reputation of being a highly investor-friendly state. The Gross State Domestic Product (GSDP) of Gujarat for FY21 contracted 0.7% to ₹ 16.6 trillion from ₹ 16.7 trillion in FY20. Gujarat has topped the Export Preparedness Index released in 2020 by NITI Aayog with a strong display in various sub-pillars such as export promotion policy, business environment and infrastructure.

GSDP of Gujarat at Current Price



Source: IBEF, PRS India ** RE-Revised Estimate*

In August 2020, the State Government of Gujarat announced the New Gujarat Industrial Policy (GIP) 2020. The policy is designed to strengthen Gujarat's manufacturing ecosystem as well as provide a thrust to the 'up and coming' sectors of India's dynamic business ecosystem. Some of the key reforms announced are special incentives to businesses, investing in less developed industrial areas, incremental incentives to key sectors, providing capital and interest subsidies to Micro, Small and Medium Enterprises (MSME) based on the taluka in which the MSME unit is located, offering financial support to set up industrial infrastructures, such as construction and upgradation of roads, warehousing facilities, underground utilities, etc., at 80% of the project cost up to ₹ 250 million. The policy also aims at providing various fiscal incentives for ensuring greater compliance with environmental standards and developing sustainable manufacturing and industrial infrastructure.

Government of Gujarat has developed 'Gujarat Sustainable Vision 2030', which allocates responsibility to various key departments of the Government of Gujarat to develop roadmaps for meeting Sustainable Development Goals in the State.

The secondary sector of economy has become the largest contributor to Gujarat economy. Its share in state economy has increased to 45.3% in FY19 from 40.5% in FY12 reflecting its growing importance.

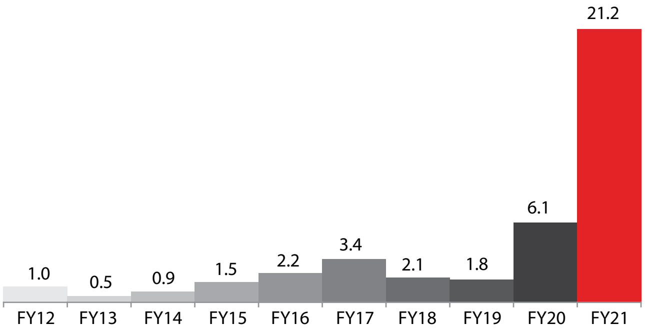
Distribution of GSVA

	FY12	FY19	CAGR (FY12-FY19)
Primary	22.8%	19.0%	10.3%
Secondary	40.5%	45.3%	15.0%
Tertiary	36.7%	35.6%	12.7%

Source : Socio-Economic Review 2019-2020, Gujarat State

Gujarat received FDI of USD 21.2 Bn between April 2020 and December 2020, highest ever in a year, despite subdued global economic and investment environment, which was hampered on account of COVID-19 pandemic.

FDI Inflows in Gujarat (USD Bn)



Source: Department for Promotion of Industry and Internal Trade, IBEF
Note: FY21 data is from April 2020-December 2020

Advantages

Economic Growth	• Gujarat enjoys the status of industrially developed state of India with 16.8% share to Country's industrial output. GSDP of Gujarat grew at a CAGR of 11.6% during FY12-FY21. • During FY21 (April-November), Gujarat accounted for about 21.74% share to total India's export.
Rich Labor	• Gujarat ranks 2nd in terms of knowledge workers as per NITI Aayog's India Innovation Index 2019. • Kaushalya Vardhan Kendra Project has been started to train various skills to the youth of the state.
Infrastructure	• The state has developed 49 ports, 17 domestic airports & 2 international airports. • A 2,600 km gas grid supplies gas to the industrial areas.

Key Government policies and objectives	
IT Policy 2014-19	• Accumulate USD 15 Bn from IT sector in Gujarat by 2020
Garment and Apparel Policy 2017	• Creation of 1,00,000 jobs in the state
Gujarat New Industrial Policy 2020	• Strengthen Gujarat's manufacturing ecosystem as well as provide a thrust to the 'up and coming' sectors of India's dynamic business ecosystem
Solar Policy 2015	• Promote generation of green and clean power in the state using solar energy and reduce the cost of energy
E-Government Policy, 2014-19	• Provide cost-efficient services in Gujarat through information and communication technologies

Key Gujarat Projects

The upcoming mega projects planned by GIDB are:

- Dholera SIR & Dholera Airport
- Mandal-Becharaji Special Investment Region (MBSIR)
- Petroleum, Chemicals and Petrochemicals Investment Region (PCPIR)
- Ahmedabad-Mumbai High Speed Rail
- Greenfield Ports Development
- Coastal Employment Zones (CEZs)
- Sea water desalination plants in various locations in Gujarat
- Dream City Surat

Key Sectors

Agriculture

As per the Socio-Economic Review 2020-21, Gujarat, production of foodgrains during FY21 is estimated at 88.38 lakh tons compared to 93.28 lakh tons in last year in Gujarat. The drop in production in FY21 is largely attributed to decline in sowing compared to last year. The area covered by foodgrains such as rice, wheat, jowar and bajra in FY20 was 41.19 lakh hectares, while this year the acreage fell to 40 lakh hectares.

The Animal Husbandry and Dairy sector of Gujarat also contributes significantly to socio-economic development of the rural economy of the state and it provides sustainable livelihood. Agriculture Organic Market Scheme will allow farmers to directly sell organic farm produce in urban areas of Ahmedabad, Vadodara, Surat, and Rajkot. Kisan Suryodaya Yojana was introduced to provide day-time power supply to farmers in 2020. The state government has allocated ₹ 8,752 crore for FY22 in Budget 2021-22 for agriculture sector compared to ₹ 8,616 crore in 2020-21.

Oil and gas

As per Ministry of Petroleum and Natural Gas, Gujarat accounted for 29% of total onshore crude oil production and 13% of onshore gas production in India in FY21 (up to December 2020).

Chemical

Gujarat state is known as the 'Petro Capital' of India, and plays a vital role in the India's petrochemicals production, chemicals production. Gujarat is one of the four states in India with a Petroleum, Chemicals and Petrochemicals Investment Region, PCPIR which is spread over 44,445.18 hectares of area in Dahej, Bharuch near Gulf of Khambhat in South Gujarat.

ITES

IT clusters in Gujarat are spread across the cities of Ahmedabad, Gandhinagar, Vadodara and Surat. Most of the IT firms in Gujarat are service providers and engaged in outsourcing and project based businesses.

Others

Other important industries in Gujarat are include textiles, automobiles, food processing, gems and jewelry, general and electrical engineering, vegetable oils, chemicals, soda ash, and cement.

Industrial Infrastructure

Gujarat has robust infrastructure including a wide network of connectivity. It includes:

- 1,57,470 km roads which includes national highways, state highway and district roads
- 49 large ports including 1 major port and 48 non-major ports
- 17 operational airports and airstrips with 2 International airports

The growth of Gujarat will be driven by mega industrial infrastructure projects, such as Delhi-Mumbai Industrial Corridor (DMIC), Dholera Special Investment Region (D-SIR), Mandal Becharaji Special Investment Region (MBSIR), and Ahmedabad-Mumbai High Speed Rail.

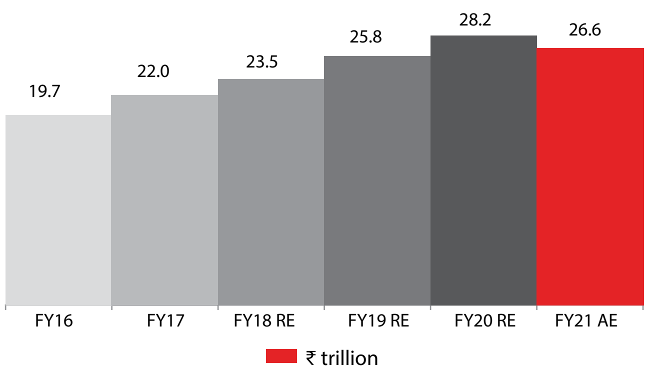
Major Investors

Adani Group, Amul, Clarins, Paris, Cadbury, Cadila, Conagra Brands, Ford Motor Company, Honda Motor Company, Gionee, IBM, Kelloggs, L&T, Linde, Reliance Industries, McCain India, Oracle, Pepsi, Siemens, Suzuki, Sintex, Zydus *(Source: Invest India)*.

INDUSTRIAL DEVELOPMENT IN MAHARASHTRA

As per the "Economic Survey of Maharashtra 2020-21" report, the GSDP of Maharashtra contracted 5.3% to ₹ 26.6 trillion in FY21 from ₹ 28.2 trillion in FY20.

GSDP of Maharashtra at Current Price



Source: Directorate of Economics and Statistics, Maharashtra
AE-Advance Estimate, RE-Revised Estimate

As per Department for Promotion of Industry and Internal Trade (DPIIT), the total FDI inflows in the State was ₹ 8,18,522 crore between April 2000 and September 2020. Total exports from the state stood at USD 33.93 Bn in FY21 (up to November 2020).

Maharashtra Industrial Development Corporation (MIDC) is the premier industrial infrastructure development agency of the government of Maharashtra which develops industrial areas for planned and systematic industrial development and functions as a special planning authority in the development of industrial areas. In March 2021, MIDC announced to offer over 40,000 acres land at various locations. The land will be complete with utilities and available at an affordable pricing structure with sectoral tailoring.

Government of Maharashtra through MIDC has promoted many industrial sectors for the cluster growth and also provided various incentives to the industries in these sectors. Electronics, biotechnology, Textile, pharmaceutical, chemical, defense, IT/ITES, automobile are some of the large sectors in Maharashtra.

Source: American Society of Concrete Concentrators (ASCC)

Advantages

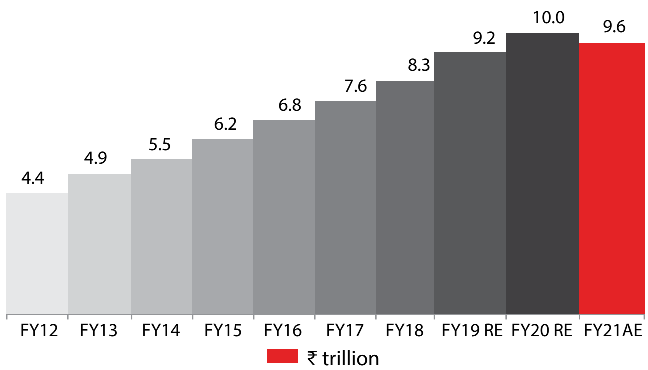
Operational Support	• MIDC is special planning authority to grant permissions for industries above 10 acres across Maharashtra
Talent Pool	• One of the largest talent pools in India which enrolls more than 1.6 million students a year
Connectivity	• Strong connectivity through ports including two major ports, airports including 3 international airports, large rail and road network
Agricultural and Industrial hub	• Largest producer of cotton and one of the largest producers of sugarcane and pomegranate in India • Diverse Industry base with 9 SEZs

INDUSTRIAL DEVELOPMENT IN RAJASTHAN

Rajasthan has rich mineral resources, world-renowned handicrafts, handloom and outstanding skills. Large numbers of MSMEs are active in gems and jewelry, handicrafts, food processing, auto components, textiles, leather. The manufacturing sector received fillip from the government announcement to set up 17 new industrial areas in Rajasthan in October 2020. The government also aims to set up a fintech park in Jaipur over 4.08 lakh sqm area offering large workspaces and developing basic infrastructure.

As per the advance estimate, the GSDP of Rajasthan at current price declined 4.0% in FY21 from FY20.

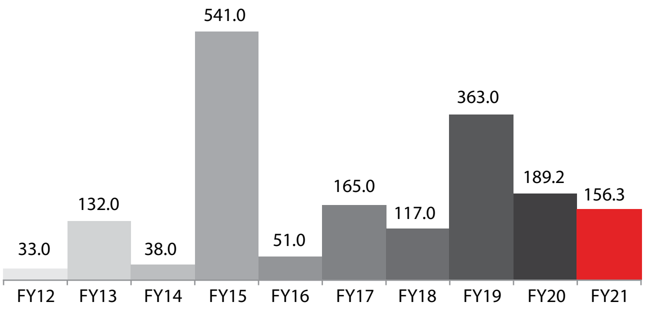
GSDP of Rajasthan at Current Price



Source: IBEF, Economic Review, 2020-21
AE-Advance Estimate, RE- Revised Estimate

As per Department for Promotion of Industry and Internal Trade (DPIIT), FDI inflow in Rajasthan stood at USD 2.15 Bn between April 2000 and September 2020.

FDI Inflows in Rajasthan (USD million)



**FY20 (October 2019-March 2020) and FY21 (March 2020-December 2020)*
Source: Department for Promotion of Industry and Internal Trade

Advantages

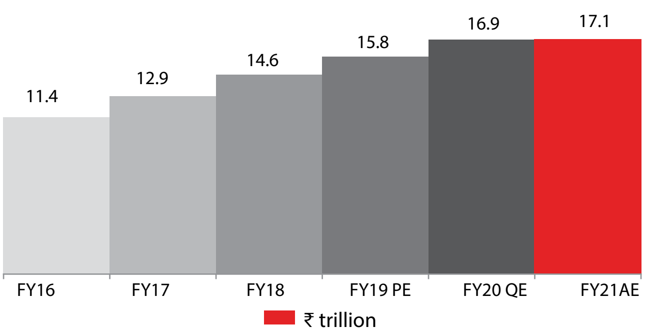
Talent Pool	Rajasthan has many educational institutes producing skilled individuals
Infrastructure and Connectivity	Special purpose industrial park and special economic zones for exports of handicraft, IT and electronic goods Natural corridor between northern and western states
Mineral resources	Variety of mineral resources including calcite, natural gypsum, asbestos, copper conc., ochre, phosphorite
Policy support	Various incentives and concessions for investment

INDUSTRY DEVELOPMENT IN UTTAR PRADESH

As per Economic Survey 2020-21, GSDP of Uttar Pradesh contracted at 1.1% to reach ₹ 17.1 trillion in FY21 from ₹ 16.9 trillion in FY20.

The state has a well-developed social, physical, and industrial infrastructure. It also has good connectivity through 48 national highways, six airports and rail links to all major cities. The state cabinet approved UP Defense and Aerospace Units and Employment Promotion Policy 2018 with an intention to generate 250 thousand jobs and attract investment worth ₹ 50,000 crore (USD 7.46 Bn) over the next five years. In February 2020, the state organised Defence Expo-2020 and received proposals worth ₹ 5 lakh crore (USD 70.93 Bn) for investment.

GSDP of Uttar Pradesh at Current Price



Source: Directorate of Economics and Statistics, UP, IBEF
AE-advance estimate, QE-quick estimate, PE-provisional estimate

In FY21, tertiary sector contributed 48.9% to the GSVA of Uttar Pradesh. Primary sector accounted for 27.4% and secondary sector had a share of 23.6%. The tertiary sector was the fastest growing sector recording a CAGR of 10.9% between FY12 and FY21.

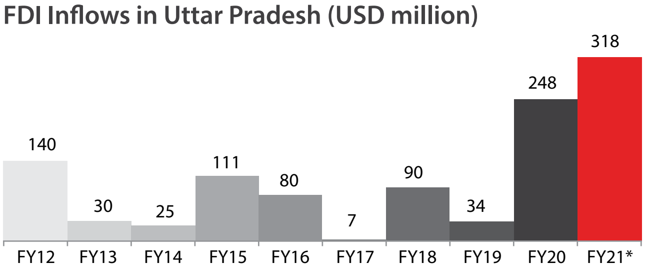
GSVA Composition

	FY12	FY21	CAGR
Primary	27.83%	27.4%	9.7%
Secondary	26.66%	23.6%	8.3%
Tertiary	45.51%	48.9%	10.9%

Source: Directorate of Economics and Statistics, UP, IBEF

The state attracted FDI equity inflow worth USD 318 million in FY21 (till December 2020) according to the data released by DPIIT.

FDI Inflows in Uttar Pradesh (USD million)



Source: Department for Promotion of Industry and Internal Trade, IBEF
**FY21 is till December 2020*

Advantages

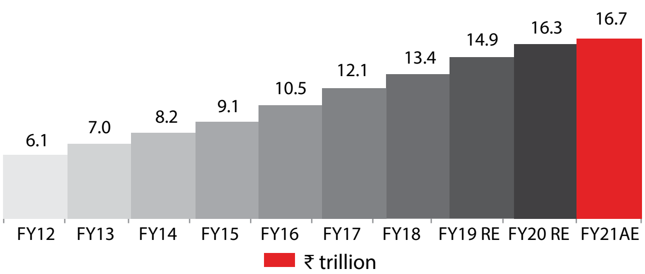
Geographical Advantage	Connected to nine neighboring states through 48 national highways
Labor pool	Large number of semi-skilled and unskilled labor
Agricultural hub	Largest producers of foodgrains including rice, and wheat, in India
Growing semiconductor industry	Presence of many semiconductor players

Source: Economics and Statistics Division, UP

INDUSTRY DEVELOPMENT IN KARNATAKA

GSDP at current price for Karnataka grew 2.3% to reach ₹ 16.7 trillion in FY21 from ₹ 16.3 trillion in FY20 due to strong performance by agricultural sector. The state attracted FDI equity inflow worth USD 7,948.53 million between October 2019 and September 2020 according to the data released by DPIIT.

GSDP of Karnataka at Current Price



Source: Economic Survey 2020-21, Karnataka
AE-advance estimate, Re-revised estimate

In July 2020, the government announced the New Industrial Policy 2020-25 that aims to attract ₹ 5 lakh crore worth investments over the next five years, and create about 2 million jobs. The policy relaxed several laws governing industries, land and even diluted labor laws in Karnataka to attract big and medium ticket investments.

The tertiary sector is the largest sector of economy of Karnataka contributing 66.5% of the GSVA in FY21. It is also the fastest growing sector, recording a CAGR of 13.7% between FY12 and FY21.

GSVA Composition

	FY12	FY21	CAGR
Primary	14.5%	13.7%	11.0%
Secondary	28.7%	19.8%	7.2%
Tertiary	56.8%	66.5%	13.7%

Source: Economic Survey 2020-21, Karnataka

Advantages

Economy	Buoyant services (IT, tourism) and industries driving economic growth
Talent Pool	Karnataka is termed as the Knowledge Capital of India. The state has successfully attracted skilled labor, especially, in the knowledge sector
Infrastructure	Well-developed infrastructure including road, rail, water and air connectivity and substantial port infrastructure
Policy Support	Investor-friendly sector-specific policies to promote industries such as IT, biotechnology, tourism and manufacturing

INDUSTRY GROWTH DRIVERS

Young population: India's population is among the youngest in the world. As per "The Youth in India" report by Ministry of Statistics and Programme Implementation (MOSPI), by 2021, the median age in India will be about 28 years compared to about 38 years in China and the USA. The young population represents about 28% of the total population and the working age population has been higher than its non-working age population. Realization of demographic dividend is expected to result in acceleration of the economy driving higher growth for every segment of economy.

Industrial Investment: The government initiatives including easy access to land, relaxation in labour laws, simplified tax regime will be helpful for the industries. The PLI scheme announced by the government in 2020 providing incentive on the incremental sales of goods in selected segments has attracted many local and foreign manufacturers. Regulatory reforms aided with incentive polices is expected to drive industrial growth.

Infrastructure Investment: Infrastructure is the key for improving the manufacturing competitiveness of a country. The National Infrastructure Pipeline (NIP) for FY 2020-25 aimed at improving business environment in India will strengthen the infrastructure status. The program initially earmarked for 6,835 projects and expanded to 7,400 projects in 2021 is focused on building roads, housing, urban development, railways, conventional power, renewable energy, and irrigation.

Urbanization: The proper management of urbanization is key to India's growth. The various initiatives including smart cities mission, housing for all, Atal Mission for Rejuvenation and Urban Transformation (AMRUT) taken by the government will transform the cities for sustainable habitat. Planned urbanization will support higher economies of agglomeration driving steady growth.

FDI: The infrastructure and construction sector is allowed for 100% foreign investment through automatic route. In 2020, the government has increased the FDI limits in several sectors such as defense, civil aviation, and insurance. Relaxation of FDI limit in selected sectors will attract foreign investors driving higher investment opportunity.

IMPACT OF COVID-19 ON CONSTRUCTION INDUSTRY IN INDIA

The construction sector faced intense effect during the first wave of COVID-19. The pandemic led to a halt in construction activities and abrupt closure of construction sites and interruption in supply chains. The construction sector was affected due to weak business sentiment, lower incomes, diversion of funds towards social obligation by the government.

As per ICRA report, before the second wave of COVID-19, the construction sector had started witnessing a recovery, and the pace of execution had crossed the pre-pandemic levels. The recovery was driven by healthy pace of execution, supported by favorable policies from the Government in terms of lowering the bank guarantee requirement, faster clearance of bills, and speedier clearances/approvals. The construction sector will be less affected during the second wave of COVID-19 due to the improved preparedness of the players related to labor and raw material availability. At present, most of the companies are focused on non-urban infrastructure projects – roads, railways, irrigation, among others, which are primarily located in remote areas or at a distance from the metros. The localized lockdown restrictions with exemption for construction work and no nationwide lockdown as announced during the first wave of COVID-19 benefited the construction sector. However, projects which are located within the urban areas such as metro-rail projects, building construction etc. are likely to feel a greater impact due to localized restrictions and reverse migration of labor.

OPPORTUNITES AND THREATS

Opportunities

Industrial Corridor

The government is developing various Industrial Corridor Projects as part of National Industrial Corridor Programme which is aimed at development of greenfield industrial cities in India. The development of these corridors is aimed to expand the industrial output, increasing employment opportunities, provide better living and social facilities for the new and growing workforce. The government has provided approval for 11 corridors to support industrialization.

Policy Reforms

Government has taken various initiatives to drive growth for infrastructure and real estate sectors. The production linked incentive scheme in 2020 to boost domestic manufacturing, allocation of sizable funding for housing in Union Budget 2021-22, Pradhan Mantri Awas Yojana (PMAY) program for affordable housing to all urban poor by 2022 through initiatives like financial support, and the extension of tax holiday up to March 2022 to increase the supply of affordable housing units are expected to benefit the construction sector.

Growth in real estate and infrastructure

The construction industry will grow due to growth in real estate and infrastructure. The urban infrastructure in India is not properly developed to meet the demands of the existing and increasing urban population and migration from rural to urban areas.

Threats

Safety

Infrastructure safety is highly important in the construction industry. Ensuring all-round safety is an ongoing challenge for companies.

Political and Economic Instability

The present economic situation may have an adverse impact on the construction industry. Political instability and insecurity conditions may be a concern to any industry in India. Lack of political support on promoting new policies may limit the growth of the sector.

Natural Calamity and Pandemic

Natural calamities including earthquake, floods and pandemic such as COVID-19 may affect the growth of the construction sector.

COMPANY OVERVIEW

PSP Projects Limited (hereafter referred as "PSP"/"the Company") is a multidisciplinary construction company offering a diversified range of construction and allied services across industrial, institutional, government, and residential projects in India. It provides its services across the construction value chain, ranging from planning and design to construction and post-construction activities, including MEP work and other interior fit-outs to private and public sector enterprises. It was incorporated in August 2008. The Company has completed 166 projects since its inception and has an order book of ₹ 4,120.97 crore as on March 31, 2021.

The Company has strong presence in Gujarat and till now has expanded its geographical footprint to other states such as Maharashtra, Karnataka, Uttar Pradesh, Rajasthan and Delhi.

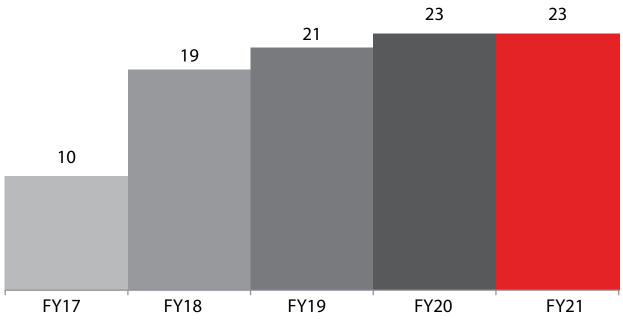
Key Strengths:

- **Track record of timely project completion**

  The Company has strong track record of timely project completion driven by large and multiple project management capability, active promoter involvement, enhanced competitiveness

  The number of completed projects was 23 in FY21 compared to 10 in FY17. Moreover, the Company completed similar number of Projects in FY21 compared to FY20 despite challenges presented by COVID-19 pandemic.

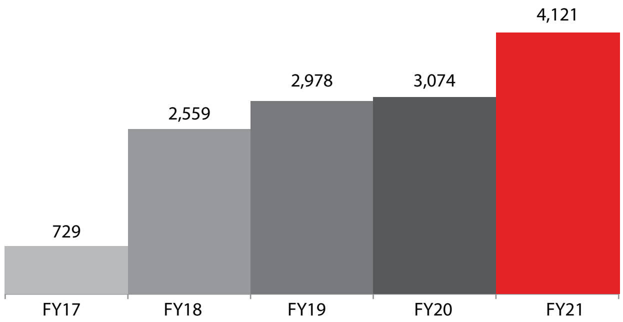
Projects completed in a year



- **Strong Order Book**

  The Company has a strong order book increasing on every year. The order book reached to ₹ 4,120.97 crore in FY21 from ₹ 729 crore in FY17

Order Book (₹ Crore)



- **Long-Standing Relationships with Customers**

  The Company focuses on building long-standing relationships with customers. It builds strong relationships with the clients by quality services. The customer-focused approach helps the Company to receive repeat business.

- **One-stop shop solution**

  The Company has transformed it as a one-stop shop solution for construction-related solutions supported by its various services. It started as a civil construction operator and expanded to mechanical, engineering and plumbing (MEP), interior and operation and maintenance (O&M) services. The expanded service offerings help the Company to provide its customers a host of services ranging from design to construction to fit-out.

- **Experienced Team**

  The promoter of the Company has many decades of experience in construction industry. The management team has rich experience of various domains including construction, finance and human resources. The Company is led by the experienced promoter supported by the team of key executives.

- **Strong Financial Performance**
  The strong financial performance helps the Company to expand to new market and services. Its revenue and profit has been on a strong note maintaining a healthy profitability margin. The strong financial performance has strengthened its position and led to expansion.

COVID-19 IMPACT

The COVID-19 pandemic and the nationwide lockdown caused significant operational disturbances for the Company. During the initial phase of the lockdown, unprecedented disruption was witnessed in raw material and labor supply. Due to the lockdown by March 2020 followed by migration of workers, the Company could manage few days to perform at site. The Company had to manage the regular operation cost, salaries, and rents along with additional expenses like facilitating food, essentials, masks and sanitizers to workers at all the projects, arranging the transportation for the workers to send them to their hometown during the initial lockdown period and the same expenses to bring them back after the lockdown. The increased expenses and stalled work at the project sites affected the performance of the Company in Q1 FY21. The construction work restarted in Q2 FY21 with return of workers in the project sites. The Company followed COVID-19 guidelines as per the respective local authority at its project sites. The Company recovered quickly from the impact of COVID-19 with work at most of its project sites pacing up from H2 FY21 supported by the return of majority of the workers. The second wave of COVID-19 has not affected the construction work due to the localized lockdown allowing normal activities in less affected regions.

SEGMENTWISE PERFORMANCE

Industrial

The Company builds industrial building including pharmaceutical plants, food processing units, and manufacturing and processing units. It has strong experience in pharmaceutical projects.

As of March 31, 2021, it has constructed 59 industrial projects across various sectors including pharmaceutical, tyre, dairy, engineering etc.

Institutional

The Company constructs building for hospitals and healthcare services, educational institutes, malls, hospitality services, and corporate services. It has constructed many hospitals across Gujarat, and educational and hostel buildings for educational institutes. As of March 31, 2021, it has constructed 68 institutional projects.

Government

The Company focuses on building prestigious government projects. Chief minister's office, riverfront development projects, renovation of Vidhansabha building are some of the marquee government projects completed by the Company. As of March 31, 2021, it has completed 22 government projects.

Government residential

The Company has designed and built affordable high-rise residential cum commercial buildings under the Mukhya Mantri GRUH Yojana. As of March 31, 2021, it has completed 3 government residential projects.

Residential

It constructs residential buildings for group housing and township and independent residences for selected private customers. As of March 31, 2021, it has completed 14 residential projects.

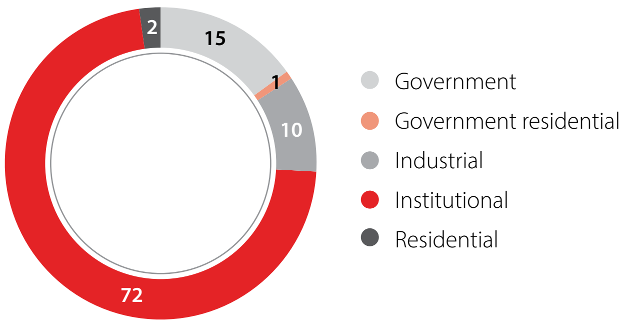
New Work Orders received

Some of the prestigious projects received during the year are as follows:

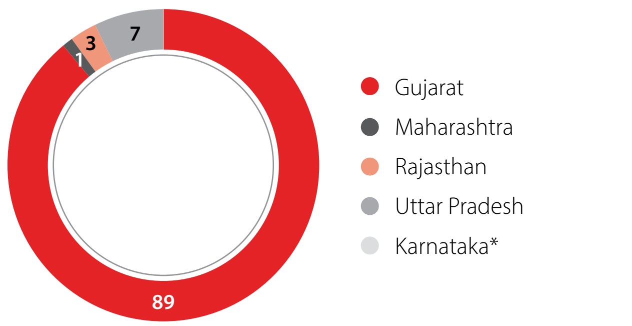
- Development of a Rescue and Rehabilitation Center for Reliance Industries Limited worth ₹ 8,010 Lakhs at Gujarat
- Construction of a Commercial building at Ahmedabad, Gujarat worth ₹ 10,109.09 Lakhs
- A residential project for a private real estate developer at Ahmedabad, Gujarat worth ₹ 49,883 Lakhs
- Construction of medical colleges and hospitals at multiple locations at Uttar Pradesh worth ₹ 1,49,134 Lakhs

REVENUE BREAK-UP FOR FY21 (STANDALONE)

Sector-wise (%)



Region-wise (%)



**The revenue contribution from Karnataka state was 0.4%.*

Outlook

The Company will keep focusing on commercial, residential, industrial and institutional construction work. It will improve its operational capability by keeping track of new construction technologies and adopting it. Customer relation and optimization of project mix will be the major areas of focus for the Company. The Company will take higher initiatives towards strengthening its customer-centric approach to improve the customer experience, and maintain strong relationship with the customers. The Company will focus on winning large projects and maintain a mix of all sectors. Establishing a diversified geographic presence by expanding outside of Gujarat will be a priority area for the Company. The human capital will be strengthened by intake of new resources and capability building of people through knowledge and skill enhancement programs allowing increased participation of people in the growth of organization. Growth for the Company will be supported by a strong focus on higher adoption of technologies, improved customer relation, winning projects across sectors and geographies and talented pool of manpower.

We are also driving future growth by setting a state-of-the-art manufacturing plant for precast concrete using futuristic technology. Our Company believes that setting up our own manufacturing unit of precast concrete elements/products will help us to increase our operating efficiency, eliminate the dependence on labors over time, reduce the safety concerns, allow faster delivery and better quality of work as compared to in situ work and such other benefits.

STANDALONE FINANCIAL OVERVIEW

(₹ in Lakhs)

	FY 2020-21	FY 2019-20	Variation %
Revenue from Operations	1,24,086.24	1,49,925.77	(17)%
Other Income	1,692.09	2,477.53	(32)%
Total Income	1,25,778.33	1,52,403.30	(17)%
Cost of Construction Material Consumed	39,813.29	52,665.93	(24)%
Changes in Inventories of Work-in-Progress	(236.52)	839.41	(128)%
Construction Expenses	64,442.68	70,042.26	(8)%
Employee Benefits Expense	5,089.37	5,944.04	(14)%
Finance Costs	1,469.12	1,463.80	0.4%
Depreciation and Amortisation Expense	2,563.76	2,669.17	(4)%
Other Expenses	1,496.09	1,336.50	12%
Total Expenses	1,14,637.79	1,34,961.11	(15)%
Profit Before Exceptional Item and Tax	11,140.54	17,442.19	(36)%

Revenue from Operations

During the year ended March 31, 2021, on Standalone basis, your Company registered revenue from operations of ₹ 1,24,086.24 Lakhs as against ₹ 1,49,925.77 Lakhs in FY20, a decrease of 17%, mainly due to decrease in revenue from contracts with customers on account of impact of the COVID-19 pandemic.

Other Income

Other income for the year ended March 31, 2021 stood at ₹ 1,692.09 Lakhs as compared to ₹ 2,477.53 Lakhs in FY20, a decrease of 32%. It primarily constitutes interest income on fixed deposits, interest income from Subsidiary & Joint venture, Dividend income, Interest on mobilization advance and other net gains.

Cost and Expenses

Cost of Construction Material Consumed and Changes in Inventories of Work-in-Progress

There was a significant drop of 24% and 128% in the cost of construction material consumed and changes in inventories of work-in-progress respectively in accordance with the decrease in revenue from operations.

Employee Benefit Expenses

The employee benefit expenses for FY21 was ₹ 5,089.37 Lakhs, a decrease from ₹ 5,944.04 Lakhs in FY20. The decrease is due to reduction in head count during the year.

Other Expenses

Other expenses has increased by 12% in FY21 as compared to the previous financial year mainly due to provision for impairment of loan foreign exchange loss, increase in CSR expenses and decrease in rent. The other expenses mainly comprise of rent, rates and taxes, insurance, repairs and maintenance, traveling and conveyance, legal & professional expenses, donation etc.

Depreciation

Depreciation was ₹ 2,563.76 Lakhs in FY21 compared to ₹ 2,669.17 Lakhs in FY20, a decline of 3.9% from the previous financial year.

Finance Costs

The finance cost marginally increased by 0.4% in FY21 as compared to previous financial year due to increase in interest cost on loans and decrease in bank guarantee charges. The finance cost comprises of interest on term loan, working capital loan, bank guarantee charges and other borrowing costs.

EBIDTA Margins

The EBIDTA margins stood at 10.9% in FY21 as compared to 12.7% in FY20.

Tax Expenses

Tax expenses in FY21 was ₹ 2,787.39 Lakhs in FY21 compared to ₹ 4,516.16 Lakhs in FY20. The decline is in accordance with decline in revenue from operations.

Profit after Tax

During the year under review, the profit after tax stood at ₹ 8,079.04 Lakhs, a decrease of 37% over FY20 mainly due to the impact of the COVID-19 pandemic.

Net Worth

The net worth of the Company has increased from ₹ 45,711.01 Lakhs as on March 31, 2020 to ₹ 53,799.27 Lakhs as on March 31, 2021, an increase of 18%. The increase is mainly due to profit made during FY21.

Borrowings

The total borrowings of the Company decreased from ₹ 7,255.99 Lakhs as on March 31, 2020 to ₹ 7,083.21 Lakhs as on March 31, 2021. During the year under review, CARE Ratings Limited reaffirmed the Company's Long term bank facilities and Long term/short term bank facilities and assigned rating of CARE A+; Stable and CARE A+; Stable / CARE A1+ to Long term bank facilities and Long term/ Short term bank facilities respectively.

Capital Expenditure

Total capex for the financial year ended March 31, 2021 was ₹ 7,595.87 Lakhs. This mainly includes ₹ 2,004.48 Lakhs of Purchase of Land, ₹ 1,123.03 Lakhs of Plant & Machinery and ₹ 4,164.72 Lakhs for Capital Work-in-Progress.

Working Capital

Current assets was ₹ 69,113.63 Lakhs in FY21 compared to ₹ 69,198.42 Lakhs in FY20. Current assets consist of inventories, trade receivables, cash and cash equivalents, bank balance and others, loans, other financial assets and other current assets.

Current liabilities was ₹ 44,881.42 Lakhs in FY21 compared to ₹ 49,773.77 Lakhs in FY20. Current liabilities consist of borrowing, trade payables, other current liabilities and provisions.

CONSOLIDATED FINANCIAL OVERVIEW

Revenue from Operations

Revenue from operations declined to ₹ 1,24,086.24 Lakhs in FY21 compared to ₹ 1,49,925.93 Lakhs in FY 20 due to decrease in revenue from contracts with customers on account of halt in construction work in project sites on the backdrop of COVID-19.

Cost and Expenses

The cost of construction material consumed and changes in inventories of work-in-progress declined to 24% and 128% in FY21 compared to FY20 respectively in line with the decrease in revenue from operations.

Employee Benefit expenses

The employee benefit expenses declined to ₹ 5,089.71 Lakhs in FY21 from ₹ 5,948.66 Lakhs in FY20 due to reduction in head count during the year.

Profit after Tax

The profit after tax declined to ₹ 8,336.57 Lakhs in FY21 from 12,820.18 Lakhs in FY20 mainly due to the impact of the COVID-19 pandemic.

Net worth

The net worth increased from ₹ 45,486.84 Lakhs as on March 31, 2020 to ₹ 53,589.95 Lakhs as on March 31, 2021, an increase of 18%.

Total Borrowings

The total borrowings of the Company decreased from ₹ 7,725.01 Lakhs as on March 31, 2020 to ₹ 7,373.66 Lakhs as on March 31, 2021.

KEY FINANCIAL RATIOS

Particulars	Standalone		Consolidated	
	FY21	FY20	FY21	FY20
EBITDA/Turnover	0.11	0.13	0.11	0.13
Debtor Turnover (days)	65.31	54.53	66.64	57.25
Inventory Turnover (days)	26.24	23.57	26.24	23.57
Interest Coverage ratio	10.89	18.34	10.33	17.49
Current ratio	1.54	1.39	1.53	1.39
Debt equity ratio	0.84	1.10	0.85	1.12
Operating profit margin (%)	8.80	10.96	8.61	10.94
EBITDA/net interest	13.44	21.32	12.81	20.34
Net profit margin (%)	6.43	8.47	6.44	8.41
Return on average net worth (%)	15.02	28.28	15.10	28.21
Book value per share	149.44	126.98	148.86	126.35
Earnings per share	22.44	35.91	22.65	35.69

EBITDA/Net interest declined 36.9% on standalone basis and 37% on consolidated basis. The decline was due to decrease in EBITDA in accordance with decrease in revenue from operations.

Return on average net worth declined 46.9% on standalone basis and 46.47% on consolidated basis. The decline is due to decline in net profit on account of impact of COVID-19.

Earnings per share declined 37.5% on standalone basis and 36.5% on consolidated basis. The decline is due to decline in net profit on account of impact of COVID-19.

Interest Coverage Ratio declined 40.62% on standalone basis and 40.94% on consolidated basis. The decline was due to decrease in EBITDA in accordance with decrease in revenue from operations.

RISK AND MITIGATION

Risk	Mitigation Measures
Economic Risk	
The economic slowdown could slow the order inflow affecting the business operations of the Company and its performance	The Company assesses the economic scenario on a periodic basis to sense the impending weakness in the economy and construction market. The early assessment helps the Company to take necessary action ahead of start of an economic slowdown. The diversified offerings and presence across geographies also reduce its dependence on any segment or region and limit the impact of slowdown
Competition Risk	
Increasing competition could lead to lower number of projects awarded	The vast experience, market reputation and relationship with customers and various government authorities helps the Company to win new projects
Competence Risk	
The inability to deliver on-time and quality construction could impact the reputation of the Company	The Company has strong experience of construction work and enhances its knowledge from the new projects. This helps the Company to detect the issues and take pre-emptive actions for on-time delivery
Currency Risk	
The Company is exposed to currency risk to the extent of the loans granted to its foreign subsidiary. The volatility in forex rate could adversely affect the profitability of the Company	Measures such as hedging are adopted as and when required to offset the risk of currency fluctuation
Financing Risk	
Increased financing cost and lower debt servicing ability could impact the performance of the Company	The Company can manage its existing debt as it has strong working capital policy aided with timely debtor management and healthy profitability margin keeping the cash flow steady
Human Resource Risk	
The inability to recruit skilled manpower and retain them could affect the performance of the Company	The Company has a strong HR policy to hire the best talent from the market and retain them by providing the opportunity for ongoing learning, healthy work environment, and personal improvement
Technology Risk	
Inability to keep pace with new technology could impact the growth	The Company uses innovative construction technology enabling massive improvements in the safety, efficiency and productivity of large-scale construction projects. Use of advanced technology helps the Company to provide enhanced quality construction work at a competitive rate
Cyber-attack could access the IT system leading to disclosure of information	The Company has a strong security system supported by application of technologies, processes and controls to protect systems, networks, programs, devices and data from cyber attacks. Further, the Company has adopted various cyber security measures such as adoption of password strength policy, adequate precaution while entering passwords, email and browsing security etc. to prevent cyber-attacks

ENVIRONMENT, HEALTH, SAFETY

The health and safety of workers and environmental protection are an integral part of Company's activity. The health and safety management of the Company is designed as per the International Standard practices of 45001:2018.

The employees are educated about the health and safety hazards and the preventive measures. The Company plans to reduce risk at construction through safety-oriented technology. It focuses on improved work process to minimize the environmental impact of construction. The environmental, health and safety measures taken by the Company helps in sustainable development.

The Company is committed towards a safety culture by organizing various training and awareness programs throughout the year. The Company has taken up various initiatives to monitor and review all safety and quality-related aspects at site.

The Company took the following health and safety measures for its workers during the COVID-19:

- thermal imaging to monitor the temperature of workers and visitors
- providing the workers with protective suits, gloves, masks and sanitizers for use
- inculcating the practice of handwashing for 20 seconds after relevant intervals among the workers
- health checkups were provided for the safety of workers
- sanitization of construction sites as per the hygienic and cleanliness standards
- providing instructions to the workers by the engineers over the internet and phone

Further, the company provided proper health and hygiene measures for its workers during the first wave of COVID-19. Shelter to the workers, resources for food, and mask and sanitizer were provided to maintain safety for the workers. Transportation arrangement was made for migrant workers to return to their home during the initial period of lockdown. The Company followed COVID-19 guidelines as per the local authorities at its project sites after the lockdown. It provided higher focus on the health and safety measures at workplace during the second wave of COVID-19 adopted during the first wave.

HUMAN RESOURCE MANAGEMENT

PSP Projects believes that employees are the strength of the organization. It has established a well-defined HR policy to drive the employees to perform on the organizational vision by providing talent development, and constantly improving on employee engagement.

During the unprecedented COVID-19 situation in FY 2020-21, the Company focused on the safety and wellbeing of its employees and workers across its Head office and sites by taking a proper health and hygiene approach. Other necessary supports including arrangement of shelter and transportation were provided by the Company. Strengthening its HR processes and practices helped the Company to perform the expanded set of rolls for its employees and workers.

With the adoption of SAP 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 organized 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 dialog with every person to keep strong employee engagement.

The Company encourages employee participation in various socio-economic activities to help the less privileged people. As on March 31, 2021, the total employee strength of the Company stood at 1,223.

The Company believes in the importance of better management of industrial relations for achieving the organizational goal. The Company ensures that employees' right to join a union is respected and that no worker is subject to any form of discrimination as a result of their status as a union member or otherwise. It also complies with the regulations that govern industrial relations. The industrial relations of the Company in FY21 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 timely sharing of details of the construction work with the management improving the project visibility.

The SAP HANA database management system developed by SAP SE installed by the Company allows real-time data processing to analyze 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 utilizing this technology enhances the ability of the Company to shift its plan or keep the existing plan in place.

The strengthened security measures adopted by the Company on the backdrop of heightened cybersecurity risks globally has enabled it to keep the data safe from security threats. The Company will continue to invest in building security over cyberattacks. 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 also implemented an Inventory management software to rapidly track and trace the assets at its project sites on real-time basis leading to improved asset utilization at site by proper allocation. The adoption of GPS based vehicle tracking system helps the Company to locate and monitor its vehicles efficiently.

INTERNAL CONTROL AND ITS ADEQUACY

Internal Financial Controls means 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 its 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 authorized, 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 requirements of the Companies Act, 2013.

The Management have approved, adopted and implemented various policy documents/standard operating procedures which assists the various departments of the Company in ensuring accountability, accuracy, controls and transparency within the organization.

The internal audit plan is approved by Audit Committee in 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 also 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 expectation 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 Thirteenth (13th) 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, 2021

1. Financial Highlights

The standalone and consolidated performance for the financial year ended March 31, 2021 is as under:

(₹ in Lakhs, except per equity share data)

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Revenue from operations	1,24,086.24	1,49,925.77	1,24,086.24	1,49,925.93
Other income (net)	1,692.09	2,477.53	1,665.78	2,416.63
Total Income (A)	**1,25,778.33**	**1,52,403.30**	**1,25,752.02**	**1,52,342.56**
Cost of Construction Material Consumed	39,813.29	52,665.93	39,813.29	52,665.93
Changes in Inventories of Work-In-Progress	(236.52)	839.41	(236.52)	839.41
Construction Expenses	64,442.68	70,042.26	64,442.86	70,044.68
Employee benefits expense	5,089.37	5,944.04	5,089.71	5,948.66
Finance costs	1,469.12	1,463.80	1,500.79	1,505.58
Depreciation and amortization expense	2,563.76	2,669.17	2,563.76	2,669.55
Other expenses	1,496.09	1,336.50	1,483.23	1,344.08
Total Expenses (B)	**1,14,637.79**	**1,34,961.11**	**1,14,657.12**	**1,35,017.89**
Profit/ (Loss) Before tax (PBT) (A-B) = (C)	**11,140.54**	**17,442.19**	**11,094.90**	**17,324.67**
Exceptional Gain/ (Loss) (Net of tax) (D)	**(274.11)**	**0.00**	**0.00**	**0.00**
Profit / (Loss) Before tax and after Exceptional item (C-D)	**10,866.43**	**17,442.19**	**11,094.90**	**17,324.67**
Less Total Tax Expense	2787.39	4,516.16	2,758.33	4,504.49
Net Profit After Tax (PAT) before share in profit/ (loss) of joint venture	**8,079.04**	**12,926.03**	**8,336.57**	**12,820.18**
Share of Profit/(Loss) from JV	-	-	(241.94)	10.74
Other Comprehensive Income	9.22	(13.14)	9.78	(20.17)
Total Comprehensive Income	**8,088.26**	**12,912.89**	**8,104.41**	**12,810.75**
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	50,199.27	42,111.01	49,989.95	41,818.16
Earnings per share (₹ 10/- each)				
a) Basic	22.44	35.91	22.65	35.69
b) Diluted	22.44	35.91	22.65	35.69

Figures relating to previous year have been regrouped/ rearranged, wherever necessary to make them comparable to current period's figures.

2. Financial Performance Review

(i) Summary of Standalone Financial Performance

(₹ in Lakhs)

Particulars	Standalone		
	2020-21	2019-20	YOY growth (%)
Revenue from operations	1,24,086.24	1,49,925.77	(17%)
Total Operating Expenses	1,10,604.91	1,30,828.14	(15%)
EBITDA	13,481.33	19,097.63	(29%)
EBITDA Margin (%)	**10.86%**	**12.74%**	-
Profit Before Tax and after Exceptional Item	10,866.43	17,442.19	(38%)
Profit After Tax	8,088.26	12,912.89	(37%)
PAT Margin (%)	**6.43%**	**8.47%**	-

(ii) Summary of Consolidated Financial Performance

(₹ in Lakhs)

Particulars	Consolidated		
	2020-21	2019-20	YOY growth (%)
Revenue from operations	1,24,086.24	1,49,925.93	(17%)
Total Operating Expenses	1,10,834.51	1,30,832.02	(15%)
EBITDA	13,251.73	19,093.91	(31%)
EBITDA Margin (%)	**10.68%**	**12.72%**	-
Profit Before Tax	10,852.96	17,335.41	(37%)
Profit After Tax	8,104.41	12,810.75	(37%)
PAT Margin (%)	**6.44%**	**8.41%**	

Overall, the standalone results are almost identical to the consolidated results as the impact of consolidation of subsidiaries results with standalone results is insignificant.

3. Operational Performance review

During the year under review, your company received new work orders worth ₹ 2,44,117.03 Lakhs.

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

- Development of a Rescue and Rehabilitation centre for Reliance Industries Limited worth ₹ 8,010 Lakhs at Gujarat.
- Construction of a Commercial building at Ahmedabad, Gujarat worth ₹ 10,109.09 Lakhs.
- A residential project by for a private real estate developer at Ahmedabad, Gujarat worth ₹ 49,883 Lakhs.
- Construction of medical colleges and hospitals at multiple locations at Uttar Pradesh worth ₹ 1,49,134 Lakhs.

Till March 31, 2021, your company had successfully completed 166 projects out of which 23 projects were completed during the period under review.

The Major projects completed during the year includes Zydus Hospital at Sitapur, Gujarat, Construction of Medical College and Hospital at Dahod, Gujarat, Construction of R & D and Research centre at Vadodara Gujarat and C.G road Beautification Project at Ahmedabad, Gujarat.

As of March 31, 2021, the value of work on hand stands at ₹ 4,12,097 Lakhs, including 42 projects under execution spread over Gujarat, Rajasthan, Karnataka, Maharashtra 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	23.61%
Government	43.86%
Residential	13.89%
Government Residential	17.71%
Industrial	0.93%

Geographical Break up

Category	% of order book
Gujarat	39.26%
Maharashtra	17.71%
Uttar Pradesh	42.15%
Rajasthan	0.71%
Karnataka	0.17%

During the year under review, your company has set up a state-of-the-art manufacturing plant of Precast Concrete Building and allied Infrastructure elements near Sanand, Gujarat. The annual production capacity of the plant is expected to be 3 Mn square feet once fully operational, however initially your company is to set up the plant with a production capacity of 1 Mn Square Feet as Phase-I. Till March 31, 2021, your company has incurred a total capital expenditure of ₹ 5,862.74 Lakhs towards the precast plant.

4. COVID-19 Pandemic

Due to the COVID-19 outbreak globally and in India, there was a significant disruption in the economic activities. In order to control the spread of COVID-19 virus, the government of India announced a nationwide lockdown of 21 days with effect from March 25, 2020 which was extended from time to time. In view of the same and in order to safeguard the health of the employees and workers of the company, the operations at project sites and offices were closed and a 'Work from Home' policy was adopted for our employees at our corporate office during that period.

During lockdown, the company made all the arrangements to provide food, stay and health care facilities for all the labourers at various project site. Moreover, after ease in travel restrictions, migrant workers were sent back to their homes on the transportation facility arranged by the Company.

After the phase wise relaxation of restrictions imposed by the government, the site operations resumed gradually. With the migration of interstate labourers to their native places, the available labourers were deployed at major project sites for their optimum utilisation and the sites were working at a reduced labour strength. The company deployed special vehicles to bring back the migrant labourers. The operations of the company returned to normalcy by Q2FY21.

Further, the price of various construction materials such as steel, cement, sand aggregates etc. increased significantly impacting the overall cost of our projects.

The overall situation impacted the tight timelines of some of our projects and impacted the sales and profitability of the company for the first quarter of the year.

The Company's management has made assessment of likely impact on business and financial risks based on internal and external sources. In order to mitigate any significant adverse impact of the pandemic, the company had sufficient cash funds in the form of fixed deposits and partially unutilised fund based credit facilities to meet short term financial shortfalls.

Morever, during such unprecedented situation of COVID-19, your Company put its remarkable endeavor by completing a project of an addition and alteration work specially being used as a COVID-19 hospital with 1400 beds in total at the New Civil Hospital Campus, Surat, Gujarat by following proper safety measures. The said project was completed within a quick span of 15 days.

5. Awards and Recognitions

During the period under review, your company was felicitated with being the Second Fastest Growing Construction Company in Small Category in India for second consecutive year and as one of "India's Top Challengers of 2019-20" for third time in a row at the 18th Construction World Global Awards, 2020 via virtual platform.

6. 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 safe work practices for sustainable development.

During the period under review, your company was extra careful towards the safety and health of its employees at office and workers at project sites and adopted necessary social distancing and safety guidelines at all its sites and office to minimise the adverse impact of COVID-19 pandemic.

7. Change in the nature of business, if any

During the year under review, there has been no change in the nature of business of your company.

8. Material changes and commitment 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 affect 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 except the following:

- The Company has 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 June 17, 2021 have granted an interim relief injunction (stay) against Bhiwandi Nizampur Municipal Corporation (BNMC) till the reply is being filed by the opposing party viz BNMC; returnable till June 25, 2021.

9. Dividend

Your directors are pleased to recommend a dividend of ₹ 4/- (40%) per equity share of face value of ₹ 10/- each (previous year Interim dividend of ₹ 5/- per equity share) for the financial year ended March 31, 2021.

If the dividend, as recommended above, is approved by the Members at the ensuing 13th Annual General Meeting, the outflow towards dividend on equity shares would be ₹ 1,440 Lakhs.

The dividend pay-out is in accordance with the Company's Dividend Distribution Policy, which is annexed to this report as **Annexure A** and also available on the website of the company at:
(https://www.pspprojects.com/wp-content/uploads/2017/10/Dividend-Distribution-Policy-1.pdf)

Unpaid/Unclaimed Dividend

The total amount lying in the Unpaid Dividend Account of the company as on March 31, 2021:

Dividend for the Financial Year	Amount of Unpaid/ Unclaimed Dividend as on	Amount of Unpaid/ Unclaimed Dividend (in ₹ in lakhs)
2019-20	March 31, 2021	0.74
2018-19	March 31, 2021	0.50
2017-18	March 31, 2021	0.57
2016-17	March 31, 2021	0.15

The Statement containing the names and last known addresses and amount of dividend to be paid to the members and due date of transfer to the fund is available on the website of the company at:

Details of unpaid/unclaimed dividend for the financial year 2019-20:
(https://www.pspprojects.com/wp-content/uploads/2017/09/Statement-of-Unpaid-Dividend-19-20-31.3.2021-Interim-Dividend.pdf)

Details of unpaid/unclaimed dividend for the financial year 2018-19:
(https://www.pspprojects.com/wp-content/uploads/2017/09/Statement-of-Unpaid-Dividend-18-19-31.3.2021.pdf)

Details of unpaid/unclaimed dividend for the financial year 2017-18:
(https://www.pspprojects.com/wp-content/uploads/2017/09/Statement-of-Unpaid-Dividend-17-18-31.3.2021.pdf)

Details of unpaid/unclaimed dividend for the financial year 2016-17:
(https://www.pspprojects.com/wp-content/uploads/2017/09/Statement-of-Unpaid-Dividend-16-17-31.3.2021-2.pdf)

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

Transfer of unclaimed dividend to investor education and protection fund:

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 Companies Act, 2013 does not attract to your company.

10. Appropriation

a) Transfer to Reserves

During the year under review, your Company has not transferred any amount to the reserves.

b) Public Deposits

During the year under review, your Company has not accepted any deposits under Chapter V of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014 from public / members.

11. Credit Rating

During the year under review, CARE Ratings Limited has reaffirmed its Credit rating of your company's Long term/Short term bank facilities as under:

Facilities	Amount (₹ in Lakhs)	Rating	Rating Action
Long-term Bank Facilities	4,500.00	CARE A+; Stable [Single A Plus; Outlook: Stable]	Reaffirmed
Long-term/ Short-term Bank Facilities	56,500.00	CARE A+; Stable / CARE A1+ [Single A Plus; Outlook: Stable, A One Plus]	Reaffirmed
Total Facilities	61,000.00 [Rupees Sixty One Thousand Lakhs Only]		

12. Share Capital

During the year under review, there was no change in the share capital structure of your company.

As on March 31, 2021, the Authorized Share Capital of the company stood at ₹ 50,00,00,000/- representing 5,00,00,000 shares of face value of ₹ 10/- each and the paid up share capital stood at ₹ 36,00,00,000/- representing 3,60,00,000 shares of face value of ₹ 10/- each.

As on March 31, 2021, 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.

13. Performance of Subsidiaries/Joint Venture

The Company has three Subsidiaries and one joint venture as on March 31, 2021. There is no associate company that fall within the meaning of Section 2(6) of the Companies Act, 2013 ("Act").

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 INC
As on March 31, 2021, there was no revenue from the operations of the foreign subsidiary, while the other income stood at ₹ 186.25 Lakhs and further incurred a net loss of ₹ 215.23 Lakhs.

PSP Projects & Proactive Constructions Private Limited
During the year under review, PSP Projects & Proactive Constructions Private Limited became a wholly owned subsidiary of the company pursuant to acquisition of the remaining 26% shareholding of the company at a token value of ₹ 1.30 Lakhs only.

Prior to this acquisition of shares, your company was holding 74% of the equity shares of PSP Projects & Proactive Constructions Private Limited.

As on March 31, 2021, there was no revenue from operations of PSP Projects & Proactive Constructions Private Limited, while the other income stood at ₹ 41.17 Lakhs and further it incurred a net loss of ₹ 204.11 Lakhs.

PSP Foundation
During the year under review, your company incorporated a wholly owned subsidiary under section 8 of the Act in the name and style of 'PSP Foundation' to promote and support CSR activities of your company.

Your Company holds 100% shareholding in PSP Foundation with one nominee shareholder holding one share on behalf of the company.

GDCL & PSP Joint Venture
As on March 31, 2021, GDCL & PSP Joint Venture incurred a net loss ₹ 94.46 lakhs, out of which net loss of ₹ 46.28 lakhs forms part of the consolidated financials of your company. The turnover of the JV is not shown in consolidated financial statements of your company.

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 forms part of consolidated financial statements.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements 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, 2021, your Company does not have any material subsidiary and pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Policy for determining material subsidiaries is available on the website of the company at: (https://www.pspprojects.com/wp-content/uploads/2017/10/Policy-on-Material-Subsidiary-April-2019.pdf)

14. 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, 2021 is available on the website of the company at: (https://www.pspprojects.com/financial-performance/)

15. Committees of the Board

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

a) Audit Committee
b) Nomination and Remuneration committee
c) Stakeholder Relationship Committee
d) Corporate Social Responsibility Committee
e) Fund Raising committee
f) Risk Management Committee
g) Management Committee

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

16. Directors and Key Managerial Personnel

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of your company, Mr. Sagar P. Patel (DIN: 07168126), Executive Director of the company, retires by rotation at the 13th Annual General meeting and being eligible offers himself for re-appointment. The board recommends his re-appointment.

Pursuant to the provisions of the Companies Act, 2013, the members at the 12th Annual General meeting of the company held on September 18, 2020 approved re-appointment of Ms. Pooja P. Patel (DIN: 07168083), as the WholeTime Director of the company, for a further period of 5 (five) years with effect from September 01, 2020 to August 31, 2025.

During the year under review, Mrs. Shilpaben P. Patel (DIN: 02261534), Whole Time Director of the company resigned from the directorship of the company w.e.f. August 05, 2020 due to personal reasons. The Board placed on record its appreciation for her invaluable contribution and guidance.

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 placed on the website of the company at: (https://www.pspprojects.com/wp-content/uploads/2017/10/Terms-and-Conditions-for-Independent-Directors-22.10.2019.pdf)

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

Neither the Managing Director, Whole-time Director/ Executive Director of the Company receive any remuneration or commission from any of its subsidiaries.

As on date, Mr. Prahaladbhai S. Patel, Chairman, Managing Director & Chief Executive Officer, Ms. Pooja P. Patel, Whole Time Director, Mr. Sagar P. Patel, Executive Director, Mrs. Hetal Patel, Chief Financial Officer and Ms. Mittali Christachary, Company Secretary and Compliance Officer are the Key Managerial Personnel of the company.

17. Meetings of the Board

During the year under review, the Board met four times viz. on June 09, 2020, August 05, 2020, November 09, 2020 and January 27, 2021. The necessary quorum was present for 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 and relaxations prescribed therein. All the recommendations made by the Audit Committee were accepted by the Board of Directors in its meeting.

18. Programme for familiarisation of Directors

The policy and details of the Familiarisation Programme imparted to the Independent Directors of the company are placed on the website of the company at: (https://www.pspprojects.com/wp-content/uploads/2017/10/Policy-on-Familirisation-Programme-20-21.pdf)

19. 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 cases has been reported or investigated under the Whistle Blower policy 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/2017/10/Whistle-Blower-Policy-April-2019.pdf)

20. 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 Directors confirm that:

a) in the preparation of the annual accounts for the financial year ended March 31, 2021, 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, 2021 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.

21. 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 till the conclusion of 15th Annual General Meeting to be held in the year 2023.

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.

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, 2021.

b) **Secretarial Auditor:**

The Board of Directors had appointed Mr. Rohit S. Dudhela, Practicing Company Secretary (COP: 7396), as the Secretarial Auditor to conduct Secretarial Audit for the financial year 2020-21 under the provisions of section 204 of the Companies Act, 2013. The Secretarial Audit Report is annexed to this report as **Annexure B**. 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.

Based on the recommendation of the Audit Committee, the Board of Directors of the Company in its meeting held on July, 19, 2021 has appointed M/s. Chirag Shah & Associates, Practicing Company Secretaries, Ahmedabad as the Secretarial Auditors of the Company for the financial year ending March 31, 2022. Your Company has received consent for their appointment as the Secretarial Auditors of the company for the financial year ending March 31, 2022.

Further, the wholly-owned 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, do not apply to such subsidiaries.

c) **Cost Auditor:**

In terms of Section 148 of the Companies Act, 2013 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 made and records have been maintained. M/s. K.V. Melwani & Associates, Practicing Cost Accountants (FRN: 100497) carried out the Cost Audit for the financial year under review.

Further, as per section 148 read with Companies (Audit and Auditors) Rules, 2014, the board of directors on recommendation of the Audit committee has approved re-appointment of M/s. K.V. Melwani & Associates, Practicing Cost Accountant (FRN: 100497) as the Cost Auditor of your Company for the financial year ending March 31, 2022. Your Company has received consent for their re-appointment as the Cost Auditors of the Company for the financial year ending March 31, 2022.

As required under Companies Act, 2013, the ratification of the remuneration payable to the Cost Auditor is recommended to the members at the ensuing 13th 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 under the provision of Section 138 of the Companies Act, 2013 for conducting the internal audit of the company for the financial year 2020-21. The Internal Audit Report issued by Manubhai & Shah LLP is submitted to the Audit Committee and Board of directors.

22. Corporate Social Responsibility

During the year under review, Mrs. Shilpaben P. Patel resigned from the directorship w.e.f August 05, 2020 and accordingly, the Corporate Social responsibility committee was reconstituted with induction of Ms. Pooja P. Patel as the member of the committee and Mr. Sandeep H. Shah as the Chairperson of the committee.

Presently, the Corporate Social Responsibility committee of the company comprises of Mr. Sandeep H. Shah, Independent Director (Chairperson), Mr. Prahaladbhai S. Patel, Chairman and Managing Director and Ms. Pooja P. Patel, Executive Director of the company.

Other details regarding CSR Committee has been included in the Corporate Governance Report, which forms part of this Annual Report.

During the year under review, your company has spent ₹ 267.32 Lakhs (excluding the amount to be transferred to a fund specified under Schedule VII of the Companies Act, 2013), towards CSR activities which is 1.91% of average net profit of last three years computed as per the provision of the Companies Act, 2013.

Annual Report on CSR activities of your company as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed to the Board's Report as **Annexure C**.

The CSR Policy is available on the website of your company at: (https://www.pspprojects.com/wp-content/uploads/2017/09/CSR-Policy.pdf)

23. Significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

During the year under review, no significant or material orders were passed by the Regulators or Courts or Tribunals which impacts the going concern status and Company's operations in future.

However, Members attention is drawn to the Statement on Contingent Liabilities and commitments in the notes forming part of the Financial Statements.

24. Secretarial Standards

Your company complies with all the applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Companies Act, 2013.

25. 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.

26. Corporate Governance Report

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

27. Business Responsibility Report

A Business Responsibility Report as stipulated under Regulation 34(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, detailing the various initiatives taken by the Company from an environmental, social and governance perspective, is presented in a separate section, which forms part of this Annual Report.

28. 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/2017/10/Policy-of-Nomination-and-Remuneration-22nd-October-19.pdf)

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

29. 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.

The exercise was carried out based on the criteria prescribed by the Nomination and Remuneration committee and in accordance with the guidance note issued by SEBI on Annual Performance Evaluation of Board, committees and Directors.

The Board evaluation was conducted through questionnaire designed with qualitative parameters and feedback based on ratings.

Evaluation of the Board and Committees as a whole was based on criteria such as Size, structure, composition and expertise of the Board and its Committees, Adequacy of Frequency of Meetings, functioning effectively and perform its duties as prescribed under the law and as per terms of reference, Monitoring the company's internal controls and compliance with applicable laws and regulations etc. Evaluation of Individual Directors was based on criteria 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.

After seeking inputs from individual directors, a consolidated report was presented before the board of directors, on the basis of which the evaluation was carried out.

In a separate meeting of independent directors, performance of non-independent directors and the board as a whole 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.

30. 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.

31. Particulars of contracts or arrangements with Related parties

Your Company has formulated a policy on related party transactions which is available on the website of the company at: (https://www.pspprojects.com/wp-content/uploads/2017/10/Policy-on-Related-Party-Transactions-April-2019.pdf)

During the year under review, prior omnibus approval of the Audit Committee has been obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and at an arm's length basis. All related party transactions are placed before the Audit Committee for review and approval on a quarterly basis.

During the year under review, there were no material related party transactions entered by your Company. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to your Company.

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.

32. 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 any business operations of the Company and provides guidelines to define, measure, report, control and mitigate the identified risks.

During the year under review, your company constituted a Risk management committee to assist the board in monitoring and reviewing of the risk management plan, 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 and such other functions.

The board reviews significant risks and decisions that could have a material impact on the company, which interalia includes risks related to management of foreign exchange exposure, cyber security, financial and other internal and external business risks.

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

The Board of your Company has laid down internal financial controls 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, 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 disclosures.

Pursuant to Regulation 17 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the CEO and CFO provides 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 observation received from the Auditors of the Company for inadequacy or ineffectiveness of such controls during the period under review.

More 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.

33. 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 received regarding sexual harassment comprising of two senior women employees, one male employee and one external member. All employees (permanent, temporary, trainees) are covered under this policy.

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

34. 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.

35. Particulars of employees

The information pertaining to 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 D**.

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

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 E**.

37. Acknowledgements

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

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

For & on behalf of the Board of Directors

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

Ahmedabad
July 19, 2021

Annexure A

Dividend Distribution Policy

I. Background:

SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations dated July 8, 2016 introduced a new regulation 43A which prescribed that the top five hundred listed entities based on market capitalization (calculated as on March 31 of every financial year) shall formulate a dividend distribution policy which shall be disclosed in their annual reports and on their websites.

The amendment further prescribed that the companies other than the top five hundred listed entities based on market capitalization may disclose their dividend distribution policies on a voluntary basis in their annual reports and on their websites.

The Board of Directors of PSP Projects Limited has adopted this Dividend Distribution Policy in its meeting held on August 9, 2018 with an objective to enable investors, potential investors and analysts to take a view on the likely dividend payout by a company.

This Policy sets out the parameters and circumstances that will be taken into account by the Board of Directors of the Company in determining the distribution of dividend to its shareholders and/or retaining profits earned by the Company. The Board of Directors may in extraordinary circumstances, deviate from the parameters listed in this policy.

II. Parameters:

a. The circumstances under which the shareholders may or may not expect dividend:

The Company shall comply with the relevant statutory requirements that are applicable to the Company in declaring dividend or retained earnings.

Some unforeseen circumstances under which the shareholders may or may not expect a dividend are:

- Adverse Market Conditions and business uncertainty;
- Inadequacy of profits earned during fiscal year;
- Inadequacy of cash balance;
- Large forthcoming capital requirements to be funded through internal accruals;
- Changing Regulations.

b. The financial /internal parameters that shall be considered while declaring dividend:

Currently, the Board considers the yearly dividend based on the Net Profit after Tax (PAT) available for distribution as reported in the Standalone statutory financial statements prepared in accordance with the applicable Indian Accounting Standards.

The Company has a track record of steady increases in dividend declarations over its history. The current dividend policy is to distribute a minimum of 20% of the Net Profits after Tax (Standalone) each year under normal circumstances. The Board has the discretion to recommend a lower dividend in case the business demands it. The Board may also recommend special dividend as and when it deems fit.

Other Internal Parameters:

- Present and future capital requirements of the business (example – day to day requirements, funding of business acquisitions, investment in new business/initiatives, etc);
- Additional investments in the subsidiaries/ associates of the Company, by way of loans or subscription to their securities;
- Cash flow required to meet contingencies;
- Borrowings outstanding;
- Trends of declaration of dividends in the past;
- Any other significant developments that require cash investments.

c. External factors considered for declaration of dividend:

The Board of Directors of the Company shall consider the following external parameters while declaring dividend or recommending dividend to shareholders:

- Any significant changes in macro-economic environment affecting India or the geographies in which the Company operates, or the business of the Company or its clients;
- Any political, tax and regulatory changes in the geographies in which the Company operates;
- Any significant change in the business or technological environment resulting in the Company making significant investments to effect the necessary changes to its business model;
- Any changes in the competitive environment requiring significant investment.

d. How the retained earnings shall be utilized:

Retained Earnings may be used for corporate actions in accordance with applicable law and for investments towards growth of the business.

e. Provisions in regard to various classes of shares:

The Company has only a single class of shares (Equity) and this policy shall be applicable only in this respect.

In future, if the company issue multiple classes of shares, the parameters of the dividend distribution policy will be appropriately addressed.

III. Review:

The Board of Directors may review this policy periodically, by taking into account various circumstances and in accordance with regulatory requirements.

IV. Amendment:

The Board of Directors reserve(s) the right to alter, modify, add, delete or amend any of the provisions of the Policy.

In case of any amendment(s) and/or clarification(s) to the Regulatory Provisions, the Policy shall stand amended accordingly from the effective date specified as per the Regulatory Provisions.

Annexure B

Secretarial Audit Report

for the Financial Year ended March 31, 2021

Form No. MR – 3

[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.

I 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 my opinion thereon.

Based on my verification of the 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, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021, 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 hereinafter:

I 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, 2021 and made available to me, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made thereunder as applicable;

(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 there under; to the extent of Overseas Direct Investment.

(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, as amended from time to time;

   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time;

   c) 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;

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

(vi) I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied with the following laws applicable specifically to the Company namely:

   (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.

(vii) I have also examined compliance with the applicable clauses of the following:

   (a) Secretarial Standards issued by the Institute of Company Secretaries of India (SS -1 and SS - 2);

   (b) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, pursuant to the Uniform Listing Agreement of the Company entered into with BSE Limited and National Stock Exchange of India Limited;

During the period under review, the Company has generally complied with the all material aspects of applicable provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

During the Period under review, provisions of the following Acts, Rules, Regulations, Guidelines, etc. were not applicable to the Company:

   i. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase

Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share based employee benefits) Regulations,2014;

ii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

iii. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

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

vi. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018

I further report that –
The Compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory auditors and other designated professionals.

I further report that -
Based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, in my opinion, adequate systems and processes and control mechanism exist in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, standards and guidelines and general laws like various labour laws, environmental laws and such other laws as applicable to the company.

I 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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent 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.

As per verification of the minutes of the Meetings duly recorded and signed by the chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

The Company has obtained all necessary approvals under the various provisions of the Act; and there was no prosecution initiated during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.

However, there was a delay in compliance pertaining to Regulation 27 (2)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with regard to filing of Corporate Governance Report for the quarter ended June 30, 2020 with BSE due to some system issue. The said report was later submitted with BSE on 18th August, 2020. The company had made timely submission of the said report with NSE. The Company had filed an application for waiver of penalty levied by BSE.

Pertaining to Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with regard to Constitution of Risk Management Committee, the Company was asked for a clarification from the National Stock Exchange of India Limited for non -constitution of the Risk Management Committee. The Company accordingly submitted a clarification that as the Company was one of the top 500 companies as per market capitalization on NSE but not among the top 500 Companies as per Market capitalisation on BSE, the said committee was not formed. The board of directors of the company later constituted a Risk management committee in its meeting held on August 05, 2020.

Further, pertaining to Regulation 7 (2) of SEBI (Prohibition of Insider Trading) Regulations, 2015 with regard to Continual Disclosure, there was a delay of one working day in reporting of Disclosure on NSE. The required disclosure was filed with delay of one working day on NSE portal, however timely submission of the same was made on BSE portal.

The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Conduct for Board of Directors and Senior Management.

I further report that during the period under review, approval of shareholders has been taken by passing the following Special Resolution through postal ballot dated December 22, 2020:

- Alteration of the Objects and Liability Clause of the Memorandum of Association of the Company.

There were no other specific events/actions in pursuance of the above-referred laws, rules, regulations, guidelines etc. having a major bearing on the Company affairs.

Rohit S Dudhela
Practising Company Secretary
Membership No. : FCS 9808 — July 19, 2021
C.O.P No. : 7396 — Ahmedabad

UDIN: F009808C000649865

Note: This Report is to be read with my letter of above date which is annexed as **Annexure A** and forms an integral part of this report.

Annexure A to the Secretarial Audit Report

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

My report of the above date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done based on the records and documents provided, on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices followed by me provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to verification of procedures on test basis.

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

Rohit S Dudhela
Practising Company Secretary
Membership No. : FCS 9808
C.O.P No. : 7396
UDIN: F009808C000649865

July 19, 2021
Ahmedabad

Annexure C

Annual Report on Corporate Social Responsibilities (CSR) Activities

for the financial year ended March 31, 2021

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 of the Company 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*	Chairperson/ Independent Director	3	2
2.	Mr. Prahaladbhai S. Patel	Member/ Chairman and Managing Director	3	3
3.	Ms. Pooja P. Patel*	Member/ Whole Time Director	3	Nil
4.	Mrs. Shilpaben P. Patel*	NA	3	2

*Mrs. Shilpaben P. Patel resigned from the directorship w.e.f August 05, 2020 and accordingly, the Corporate Social responsibility committee was reconstituted with induction of Ms. Pooja P. Patel as the member of the committee and Mr. Sandeep H. Shah as the Chairperson of the committee.

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.

Web-link of Composition of CSR Committee: (https://www.pspprojects.com/composition-of-various-committees-of-board-of-directors/)

Web-link of CSR Policy: (https://www.pspprojects.com/wp-content/uploads/2017/09/CSR-Policy.pdf)

Web- Link of CSR Activities: (https://www.pspprojects.com/wp-content/uploads/2017/10/Annual-Action-Plan-CSR-FY-21-22.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 (attach the report)

Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No	Financial year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the financial year, if any (in ₹)
		Nil	

6. Average net profit of the company as per section 135(5): ₹ 13,965.42 Lakhs

7. (a) **Two percent of average net profit of the company as per section 135(5)** – ₹ 279.31 Lakhs

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

(c) **Amount required to be set off for the financial year, if any** - Nil

(d) **Total CSR obligation for the financial year (7a+7b-7c)** – ₹ 279.31 Lakhs

8. (a) 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
267.32	Nil	NA	PM CARES Fund	11.99	To be transferred on or before September 30, 2021

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
Not Applicable												

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (₹ In lakhs)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.	Contribution towards welfare and protection of Animals	Ensuring Animal Welfare - Schedule VII(iv)	Yes	Gujarat	Ahmedabad	10	No	Through Jivdaya Charitable Trust	CSR00003907
2.	Grant of scholarship to meritorious students towards their education	Promoting education and enhancing vocational skills especially amongst children - Schedule VII (ii)	Yes	Gujarat	Ahmedabad	4.32	No	Through CEPT University	In process of registration
3.	Contribution towards providing healthcare facilities	Promoting health care including preventive health care – Schedule VII (i)	Yes	Gujarat	Surat	250	No	Through Samast Patidar Aarogya Trust	CSR00001121
4.	Contribution towards COVID-19 activities to promote preventive health care and sanitation	Promoting health care including preventive health care – Schedule VII (i)	Yes	Gujarat	Ahmedabad	3	No	Through Live to Inspire Charitable Trust	CSR00010574
		Total				**267.32**			

(d) Amount spent in Administrative Overheads – Nil

(e) Amount spent on Impact Assessment, if applicable - Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) - ₹ 267.32 Lakhs

(g) Excess amount for set off, if any - Nil

Sl. No	Particular	Amount (₹ in Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	279.31
(ii)	Total amount spent for the Financial Year	267.32
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. 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	
Nil							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed / Ongoing
Not Applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

(asset-wise details).

(a) Date of creation or acquisition of the capital asset(s). – N.A.

(b) Amount of CSR spent for creation or acquisition of capital asset. – N.A.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. – N.A.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). – N.A.

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

During the financial year 2020-21, the Company has spent ₹ 267.32 Lakhs out of the total CSR obligation of ₹ 279.31 Lakhs towards various CSR activities. The unspent balance of ₹ 11.99 Lakhs will be transferred to PM CARES Fund, a fund specified under Schedule VII as per section 135(6) of the Companies Act, 2013 read with CSR Amendment Rules within a period of six months of the expiry of the financial year.

Ahmedabad
July 19, 2021

Sandeep Shah
(DIN: 00807162)
Chairperson of CSR Committee

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

Annexure D

Particulars of Employees as on March 31, 2021

The information required under Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are given below:

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:**

Sr. 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)	169.31	(7.33%)
ii.	Mrs. Shilpaben Patel ** (Whole Time Director)	-	-
iii.	Ms. Pooja P. Patel # (Whole Time Director)	41.45	20.12%
iv.	Mr. Sagar P. Patel ## (Executive Director)	7.52	Not Comparable
v.	Mrs. Zarana Patel* (Independent Director)	0.15	-
vi.	Mr. Sandeep Shah* (Independent Director)	0.15	-
vii.	Mr. Vasishtha Patel* (Independent Director)	0.20	-
viii.	Mr. Chirag Shah* (Independent Director)	0.20	-
ix.	Mrs. Hetal Patel (Chief Financial Officer)	Not applicable	(9.16%)
x.	Ms. Mittali Christachary (Company Secretary)	Not applicable	(9.67%)

* 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.

** Mrs. Shilpaben P. Patel, WholeTime Director of the company resigned with effect from August 05, 2020.

\# Ms. Pooja P. Patel was reappointed as the Whole Time Director of the company with effect from September 01, 2020.

\## Mr. Sagar Patel was appointed as an Executive Director of the company w.e.f November 01, 2019.

b. The percentage increase in the median remuneration of employees in the financial year is **7.46%**

c. The number of permanent employees on the rolls of Company as on March 31, 2021: **1223**

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 2020-21 was 9.61%, whereas the average percentage increase in the managerial remuneration was 4.96%, 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.

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

Your 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, 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, 2021	Relation with Director or Manager if any
1.	Mr. Prahalad bhai S. Patel	Chairman, Managing Director & CEO	500.40	B.E (Civil)	26/08/2008	58	-	51.46%	Father of Ms. Pooja P. Patel and Mr. Sagar P. Patel
2.	Ms. Pooja P. Patel	Executive Director	122.52	B.E (Civil)	24/04/2015	28	-	2.78%	Daughter of Mr. Prahaladbhai S. Patel and Sister of Mr. Sagar 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
(DIN: 00037633)

Ahmedabad
July 19, 2021

Annexure E

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 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 registered office and some major project sites to promote renewable source of energy. More details are included in the Business Responsibility Report which forms part of this Annual Report.
(iii)	The Capital investment on energy conservation equipment	Nil

(B) Technology Absorption:

(i)	The effort made towards technology absorption	Your company a forward looking company with early adoption of informative technology that can benefit operations.
(ii)	The benefits derived like product improvement cost reduction, product development or import substitution	The deployment of SAP HANA Technology has enabled your company to have a faster access to data on real time basis in all its business processes such as Accounts and Finance, procurement, stores, HR etc. and provides complete transparency and timely sharing of key project-related details with the management, enabling them to monitor projects at frequent intervals and preserve a solid financial structure. Through its web and mobile based NCR Management Tool, the management of the company can seamlessly track progress of NCRs on each and every site and provides accurate quality assurance at site. The Inventory management software adopted by your company helps to rapidly track and trace the assets at its project sites on 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.
(iii)	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:	N.A.
(iii)	The expenditure incurred on Research and Development	Nil

(C) Foreign Exchange Earning and Outgo:

(₹ In Lakhs)

Particulars	Financial year 2020-21	Financial year 2019-20
Foreign Exchange earned	203.73	181.94
Foreign Exchange used / outgo	1,410.37	828.65

For & on behalf of the Board of Directors

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

Ahmedabad
July 19, 2021

Corporate Governance Report

1. Company's Philosophy on Corporate Governance

At PSP Projects Limited, the Corporate Governance stands strong on the pillars of ethics, values and professionalism which leads to sustainable, value-driven growth for the Company.

Your Company emphasise on its commitment towards adoption of best governance practices and its adherence in the true spirit at all times and envisages the attainment of a high level of transparency, fairness and accountability in the functioning of the Company both internally and externally in order to protect the interests of all its stakeholders.

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 (" SEBI Listing Regulations") is given below:

2. Board of Directors

a. Composition

Your company has a balanced and diversified board of directors ('the Board') with an appropriate blend of Executive and Non-Executive Directors in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Companies Act, 2013.

As on March 31, 2021, the Board comprises of 7 (Seven) Directors, which include 4 (Four) Non-Executive Independent Directors and 3 (Three) Executive Directors including 1 (One) Executive Women Director and 1(One) Non-Executive Woman Director. The Managing Director, Chief Executive Officer, and Chairman is an Executive director in 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, 2021 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 are circulated to the Directors well in advance. In case of business exigencies or urgency of matters, resolutions are also passed by way of circulation.

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

Sr. No	Date of Board Meeting	Total Strength of Board	No. of Directors Present
1.	June 09, 2020	8	8
2.	August 05, 2020	8	7
3.	November 09, 2020	7	6
4.	January 27, 2021	7	6

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

c. The composition of the Board, Directorships/Membership of Committee of other Companies as on March 31, 2021, no. of meetings held and attended during the financial year are as under:

Sr. 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 18, 2020	No. of Directorships**	Committee membership held in other Companies***		Sitting Fees Paid for attending board/ committee meetings (₹ in Lakhs)	No. of Equity shares held as on March 31,2021
							Chairman	Member		
1.	Mr. Prahaladbhai S. Patel* Chairman, Managing Director & CEO (DIN:00037633)	Promoter & Executive Director	4	4	Yes	0	0	0	Nil	1,85,24,308

Sr. 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 18, 2020	No. of Directorships**	Committee membership held in other Companies***		Sitting Fees Paid for attending board/ committee meetings (₹ in Lakhs)	No. of Equity shares held as on March 31,2021
							Chairman	Member		
2.	Mrs. Shilpaben P. Patel WholeTime Director# (DIN: 02261534)	Promoter & Executive Director	2	2	N.A.	0	0	0	Nil	51,84,000
3.	Ms. Pooja P. Patel WholeTime Director## (DIN: 07168083)	Promoter Group Member & Executive Director	4	3	Yes	0	0	0	Nil	10,00,000
4.	Mr. Sagar P. Patel* Executive Director (DIN: 07168126)	Promoter Group Member & Executive Director	4	4	Yes	0	0	0	Nil	20,00,000
5.	Mr. Chirag N. Shah (DIN: 02583300)	Non-Executive -Independent Director	4	4	Yes	0	0	0	0.60	Nil
6.	Mr. Sandeep H. Shah (DIN: 00807162)	Non-Executive -Independent Director	4	3	Yes	0	0	0	0.45	Nil
7.	Mr. Vasishtha P. Patel (DIN: 00808127)	Non-Executive -Independent Director	4	4	Yes	0	0	0	0.60	Nil
8.	Mrs. Zarana P. Patel (DIN: 08580937)	Non-Executive -Independent Director	4	3	N.A.	0	0	0	0.45	Nil

Notes:

* Mr. Prahaladbhai S. Patel is husband of Mrs. Shilpaben P. Patel and father of Ms. Pooja P. Patel and Mr. Sagar P. Patel and are thus related.

** 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.

*** 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.

Mrs. Shilpaben P. Patel has resigned as director of the company w.e.f. August 05, 2020 citing personal reasons.

Ms. Pooja P. Patel has been reappointed as Whole time Director w.e.f. September 1, 2020

d. Independent Directors

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

Further, the Independent Directors have also registered their names in the Data bank 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/2017/10/Terms-and-Conditions-for-Independent-Directors-22.10.2019.pdf)

e. Separate meeting of Independent directors:

During the year under review, in compliance with the requirements of Regulation 25(3) of SEBI Listing Regulations read with Schedule IV of the Companies Act, 2013, one separate meeting of the Independent Directors was held on January 27, 2021. The said meeting was led by Mr. Sandeep H. Shah and all independent directors except Mrs. Zarana P. 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 2020-21 and carried out assessment of the quality, quantity and functions of flow of information between the Company 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 Pursuant to Regulation 25(7) of the SEBI Listing Regulations, your Company conducted familiarisation programmes for its Independent Directors including various regulatory updates for CSR, Labour Laws, MSME rules, Industrial Policy and understanding of precast concrete technology.

Pursuant to Regulation 46 of the SEBI 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/2017/10/Policy-on-Familirisation-Programme-20-21.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 by 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

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. Chirag N. Shah	Mr. Sandeep H. Shah	Mr. Vasishtha P. Patel	Mrs. Zarana P. Patel
Knowledge 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	√	√	√	√	√	√	√
Understanding of Government Legislation	√	√	√	√	√	√	√
Corporate Governance	√	√	√	√	√	√	√

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 SEBI Listing Regulations. Your company as on March 31, 2021 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. Other Committees

a. Audit Committee

The Company has an independent Audit Committee, 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 SEBI Listing Regulations. As on March 31, 2021 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. The Committee is governed by a Charter that is in line with the regulatory requirements mandated by the Act and SEBI Listing Regulations.

Composition, Meetings and Attendance:

The Audit Committee met 4 (Four) times during the Financial Year 2020-21 on June 09, 2020, August 05, 2020, November 09, 2020 and January 27, 2021. The intervening gap between two meetings were within the period as prescribed under the Companies Act, 2013 and SEBI Listing Regulations and relaxations prescribed therein.

The present composition of the Audit Committee of the Board along with the details of the meetings held and attended during the financial year 2020-21 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	3
3.	Mrs. Zarana P. Patel	Member	Non-Executive-Independent Director	4	3
4.	Mr. Prahaladbhai S. Patel	Member	Executive Director	4	4

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

Meetings of the Audit Committee are also attended by Chief Executive Officer, 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 12th Annual General Meeting of the Company held on September 18, 2020.

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 SEBI Listing Regulations read with Schedule II Part C, 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 statement is 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's with related parties;

8. Approval or any subsequent modification of transactions of the company with related parties;

9. Scrutiny of inter-corporate loans and investments;

10. Valuation of undertakings or assets of the company, wherever it is necessary;

11. Evaluation of internal financial controls and risk management systems;

12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

13. 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;

14. Discussion with internal auditors of any significant findings and follow up there on;

15. 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;

16. 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;

17. 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;

18. To review the functioning of the whistle blower mechanism;

19. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

21. 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 will 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 SEBI 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 2 (Two) times during the Financial Year 2020-21 on June 09, 2020 and August 05, 2020.

The present composition of the Nomination and Remuneration Committee of the Board along with the details of the meetings held and attended during the financial year 2020-21 are detailed below:

Sr. No.	Name	Designation in the committee	Category of Director	No. of meetings held	No. of meetings attended
1.	Mr. Chirag N. Shah	Chairman	Non-Executive - Independent Director	2	2
2.	Mr. Vasishtha P. Patel	Member	Non-Executive - Independent Director	2	2
3.	Mr. Sandeep H. Shah	Member	Non-Executive - Independent Director	2	1

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

The Chairman of the Nomination and Remuneration Committee, Mr. Chirag N. Shah was present at the 12th Annual General Meeting of the Company held on September 18, 2020.

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 SEBI Listing Regulations read with Schedule II Part C thereunder, 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 2020-21 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/2017/10/Policy-of-Nomination-and-Remuneration-22nd-October-19.pdf)

Remuneration of Directors:

- **Executive Directors**

  Details of Remuneration paid to Executive Directors of the company for the financial year 2020-21 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	500.40	-	-	500.40
2	Mrs. Shilpaben P. Patel*	Whole-Time Director	49.22	-	-	49.22
3	Ms. Pooja P. Patel	Whole-Time Director	122.52	-	-	122.52
4	Mr. Sagar P. Patel	Executive Director	22.24	-	-	22.24

* Mrs. Shilpaben P. Patel resigned from the directorship of the company w.e.f. August 05, 2020.

- **Non-Executive Directors**

  The Sitting fees paid to the Non-Executive Independent Directors for the financial year 2020-21 are as under:

(₹ in Lakhs)

Sr. No.	Name of Director	Designation	Sitting fees paid
1	Mr. Chirag N. Shah	Non-Executive Independent Director	0.60
2	Mr. Vasishtha P. Patel	Non-Executive Independent Director	0.60
3	Mr. Sandeep H. Shah	Non-Executive Independent Director	0.45
4	Mrs. Zarana P. Patel	Non-Executive Independent Director	0.45

- 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.

- None of the Directors of the company have received any performance linked incentives or any stock options in the financial year 2020-21.

- Mr. Prahaladbhai S. Patel, Chairman, Managing Director & CEO has been 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 WholeTime 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 the 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.

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 SEBI Listing Regulations.

Composition, Meeting and Attendance:
The Stakeholder Relationship Committee met 1 (One) time during the Financial Year 2020-21 on June 09, 2020.

During the year under review, there was a change in the composition of the stakeholder relationship committee. The details of the changes in the composition of the Stakeholder Relationship Committee of the Board along with the details of the meetings held and attended during the financial year 2020-21 are detailed below:

Sr. No.	Name	Designation in the committee	Category of Director	No. of meetings held	No. of meetings attended
1.	Mr. Chirag N. Shah	Chairman	Non-Executive -Independent Director	1	1
2.	Mr. Prahaladbhai S. Patel*	Member	Executive Director	1	1
3.	Ms. Pooja P. Patel	Member	Executive Director	1	1
4.	Mr. Sagar P. Patel**	Member	Executive Director	0	0

* Resigned as member w.e.f June 9, 2020.

** Inducted as member w.e.f June 9, 2020.

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

The Chairman of the Stakeholders Relationship Committee, Mr. Chirag N. Shah was present at the 12th Annual General Meeting of the Company held on September 18, 2020.

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 Regulations. 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, 2020	Nil
Complaints Received during the year	Nil
Complaints Resolved during the year	Nil
Total Pending Complaints as on March 31, 2021	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 Private Limited or may also write to the 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 2020-21 on June 09, 2020, August 05, 2020 and November 09, 2020.

During the year under review, there was a change in the composition of the CSR committee.

The details of the changes in the composition of the Corporate Social Responsibility Committee of the Board along with the details of the meetings held and attended during the financial year 2020-21 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	2
2.	Mr. Prahaladbhai S. Patel	Member	Executive Director	3	3
3.	Ms. Pooja P. Patel**	Member	Executive Director	1	0
4.	Mrs. Shilpaben P. Patel***	-	Executive Director	2	2

* Appointed as Chairman w.e.f August 5, 2020

** Appointed as member w.e.f. August 05, 2020

***Resigned as member and chairperson w.e.f August 5, 2020.

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 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

During the year under review, your company has constituted a Risk Management Committee, in compliance with the provision of regulation 21 of the SEBI Listing Regulations.

Composition, Meeting and Attendance:

The Risk Management Committee met 1 (One) time during the Financial Year 2020-21 on February 19, 2021.

The present composition of the Risk Management Committee of the Board along with the details of the meetings held and attended during the financial year 2020-21 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	Executive Director	1	1
2.	Mr. Sagar P. Patel	Member	Executive Director	1	1
3.	Mrs. Zarana P. Patel	Member	Non-Executive-Independent Director	1	1
4.	Mr. Chirag N. Shah	Member	Non-Executive - Independent Director	1	1

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

Terms of Reference:

1. To formulate a detailed risk management policy which shall include:
   (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
   (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
   (c) Business continuity plan.

2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
7. To perform such other functions as may be delegated by the board of directors of the company.

f. Other Committees

The Board had constituted a Management Committee on August 05, 2020 to smoothly manage day to day affairs of business of the company and fund raising Committee on October 22, 2019 for fund raising activities, if any of the Company.

4. 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
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 WholeTime Director of the company 2. Revision in the terms of Remuneration payable to Mr. Sagar P. Patel (DIN: 07168126), Executive Director of the company
2018-19	Wednesday, September 18, 2019 11:00 A.M	H.T Parekh Convention Centre, Ahmedabad Management Association (AMA) Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad-380015	1. Approval for remuneration payable to Mr. Prahaladbhai S. Patel (DIN: 00037633), Chairman, Managing Director and CEO, Promoter of the Company 2. Approval for remuneration payable to Mrs. Shilpaben P. Patel (DIN: 02261534), WholeTime Director, Promoter of the Company 3. Approval for remuneration payable to Ms. Pooja P. Patel (DIN: 07168083), Executive Director, Member of Promoter Group of the Company 4. Re-appointment of Mr. Prahaladbhai S. Patel (DIN: 00037633), as the Chairman, Managing Director and CEO of the company 5. Re-appointment of Mr. Vasishtha P. Patel (DIN: 00808127), as a Non-Executive Independent Director of the company 6. Re-appointment of Mr. Sandeep H. Shah (DIN: 00807162), as a Non-Executive Independent Director of the company 7. Re-appointment of Mr. Chirag N. Shah (DIN: 02583300), as a Non-Executive Independent Director of the company 8. Approval of conversion of loan into equity
2017-18	Thursday, September 27, 2018 11.00 A.M.	H.T Parekh Convention Centre, Ahmedabad Management Association (AMA) Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad-380015	1. Loan to Subsidiary u/s 185 of the Companies Act, 2013

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, under Section 110 of the Companies Act, 2013 read with Companies Management and Administration Rules, 2014, the Company passed the following Special Resolution by postal ballot:

Date of Postal Ballot Notice: November 09, 2020

Voting Period: November 23, 2020 to December 22, 2020

Date of Approval: December 22, 2020

Date of Declaration of Result: December 23, 2020

Sr. No.	Particulars	No of Votes received	No and % of votes in favour	No. and % of votes against
1.	Alteration of the Objects Clause and Liability Clause of the Memorandum of Association of the Company (Special Resolution)	2,89,18,365	2,89,18,258 (99.99%)	107 (0.01%)

Mr. Rohit S. Dudhela, Practicing Company Secretaries, Ahmedabad (M.No.: FCS-9808, COP No.: 7396) was appointed as Scrutinizer for conducting the postal ballot in a fair and transparent manner. The voting was conducted through electronic mode. The Company had engaged the services of National Securities Depository Limited ("NSDL") to provide e-voting facility to its Members.

Voting right was reckoned on the paid-up value of shares registered in the name of the member as on the cut-off date.The Special Resolution is deemed to have been passed on the last date of e-voting/ receipt of Postal Ballot forms with requisite majority i.e. on Tuesday, December 22, 2020. The aforesaid voting results along with the Scrutinizer's Report has been displayed on the website of the Company viz. (www.pspprojects.com) and as that of NSDL viz. (www.evoting.nsdl.com) and that of the Stock exchanges viz BSE Limited (www.bseindia.com) and National Stock Exchange of India Limited (www.nseindia.com)

c. Means of communication:

The quarterly and yearly financial results of the Company in compliance with Regulation 33 of the SEBI Listing Regulations are submitted to the Stock Exchanges on timely manner and are also published in 'Financial Express' both in English and regional Language (Gujarati). 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 and transcripts of 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	13th
	Day & Date	**Friday, September 18, 2021**
	Time	11:00 A.M.
	Venue	Through video conferencing/other audio visual means (Deemed venue - 'PSP House', Opp. Celesta Courtyard, Opp. Lane of Vikramnagar Colony, Iscon-Ambli Road, Ahmedabad – 380058)
2.	Financial Year	April 1, 2020 to March 31, 2021.
3.	Dividend Payment Date	Your company has recommended a Final Dividend of ₹ 4/- per share on equity shares of face value of ₹ 10/- subject to approval by shareholders at the 13th 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. September 11, 2021. The Dividend would be paid/dispatched on or after September 24, 2021 but within a period of 30 days from the date of the Annual General Meeting.

Sr. No	Salient Items of Interest	Particulars
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, 05th Floor, Plot No.1/G Block, Bandra-Kurla Complex, Bandra (E)- Mumbai- 400051 The company has paid Annual Listing fees with both Exchanges for the F.Y 2020-21 and 2021-22 within stipulated time period.
5.	Stock Code	BSE: 540544 NSE: PSPPROJECT

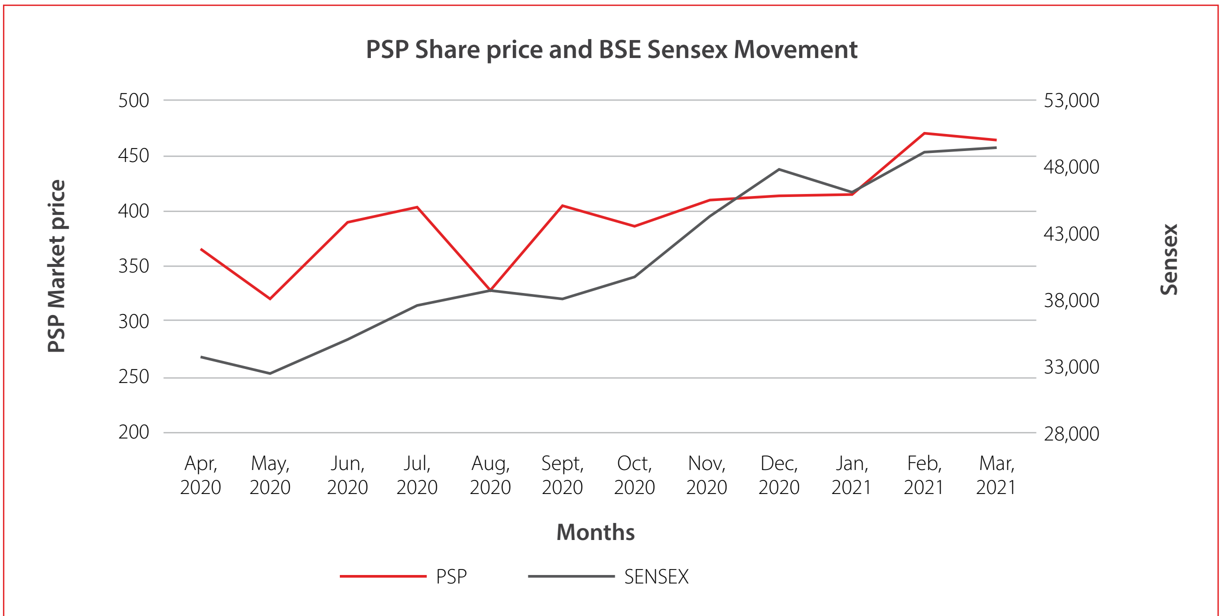
6. Market Price Data

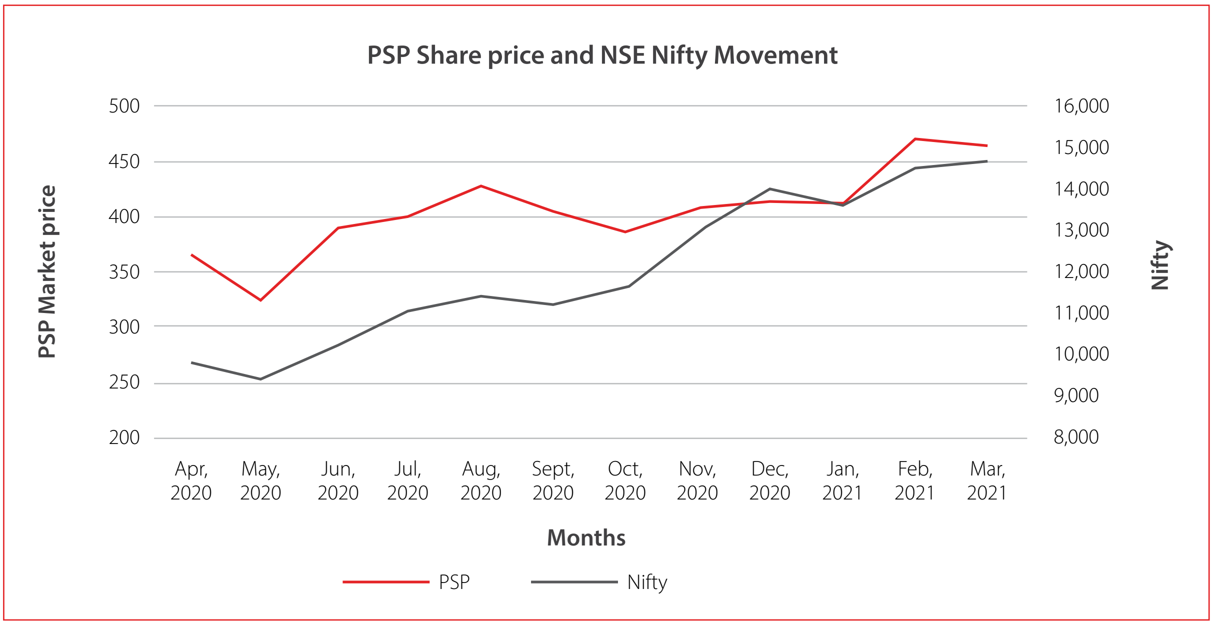
Monthly high and low prices along with the closing price of the Company's shares at BSE and NSE for the financial year ended March 31, 2021 are as below:

Months	PSP on BSE (in ₹)			PSP on NSE (in ₹)		
	High	Low	Closing	High	Low	Closing
April, 2020	375.00	305.00	364.70	375.00	303.00	363.55
May, 2020	362.00	305.00	320.00	370.75	304.25	325.15
June, 2020	405.00	336.75	390.00	406.10	330.00	389.95
July, 2020	444.80	381.45	401.10	434.70	380.50	400.35
August, 2020	479.05	336.75	328.30	478.80	390.10	426.70
September, 2020	452.00	383.25	403.15	463.80	387.25	404.05
October, 2020	420.00	380.00	387.00	424.80	380.05	387.05
November, 2020	419.45	375.00	409.00	438.30	378.05	408.85
December, 2020	429.45	393.75	414.95	428.50	391.00	413.95
January, 2021	442.05	398.00	415.10	442.70	398.00	414.70
February, 2021	506.00	412.30	470.25	531.30	412.55	470.85
March, 2021	505.00	452.50	463.40	509.30	451.75	463.30

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, 2021.





8. Registrar and Transfer Agent

Name of Registrar and Transfer Agent	**KFin Technologies Private Limited (Formerly known as Karvy Fintech Private 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, 2021, 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. For transfer of physical shares, if any, power to approve share transfer and other related requests has been delegated to Stakeholders' Relationship Committee of the company and such requests, if any are resolved or dealt within stipulated time period.

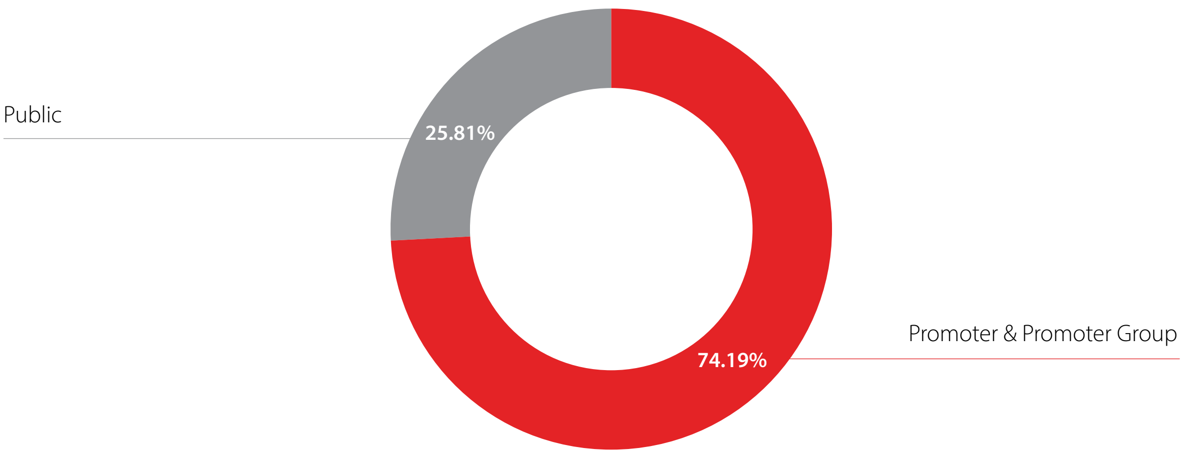
10. Distribution of shareholding:

The distribution of shareholding of the Company as on March 31, 2021 is as follows:

Sr. No.	Category	No. of Shareholders	Total Shareholders (%)	Amount (in ₹)	Total Amount (%)
1	1 - 5000	13,215	91.68	94,81,810.00	2.63
2	5001 - 10000	526	3.65	40,20,740.00	1.12
3	10001 - 20000	299	2.07	42,52,040.00	1.18
4	20001 - 30000	123	0.85	30,41,010.00	0.84
5	30001 - 40000	49	0.34	17,78,160.00	0.49
6	40001 - 50000	30	0.21	13,73,160.00	0.38
7	50001 - 100000	76	0.53	54,52,120.00	1.51
8	100001 and above	97	0.67	33,06,00,960.00	91.83
	Total	**14,415**	**100.00**	**36,00,00,000.00**	**100.00**

Category-vise Shareholding:

Sr. No.	Category	No. of Equity Shares	% of Total no of Shareholding
1	**Promoters and Promoter Group**		
	Indian Individuals	2,67,08,308	74.19
	Total (1)	**2,67,08,308**	**74.19**
2	**Public Shareholding:**		
a.	**Institutions**		
	Mutual Funds	13,88,861	3.86
	Foreign Portfolio Investors	4,64,710	1.29
	Insurance Companies	3,80,000	1.06
	Alternative Investment Funds	2,18,826	0.61
b.	**Non-Institutions**		
	Indian Individuals	37,44,772	10.40
	NBFCs Registered with RBI	17,000	0.05
	Non Resident Indians	2,38,294	0.66
	Non Resident Indians (Non Repatriable)	1,47,392	0.41
	Clearing Members	80,985	0.22
	Bodies Corporates	24,08,185	6.69
	HUF	2,02,667	0.56
	Total (2)	**92,91,692**	**25.81**
	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, 2021 is as under:

Sr. No.	Particulars	No. of Equity Shares	% of Equity Shares
1.	Demat		
	NSDL	3,38,12,670	93.92
	CDSL	21,87,330	6.08
2.	Physical	0.00	0.00
	Total	3,60,00,000	100

12. Reconciliation of Share Capital Audit:

In compliance with 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. 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 and in physical form, if any.

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 does not have any manufacturing plant.

16. Address for correspondence:

Mittali Christachary 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 / 9512044644 Email: grievance@pspprojects.com Website – www.pspprojects.com	KFin Technologies Private Limited (Formerly known as Karvy Fintech Private Limited) "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 received credit ratings from CARE Rating Limited, a reputed Credit Rating Agency for its Long term and Short term Bank Facilities and during the year under review, the Credit Rating Agency has reaffirmed its rating of CARE A+; Stable [Single A Plus; Outlook: Stable] for its Long-term Bank Facilities aggregating to ₹ 4500.00 Lakhs and CARE A+; Stable / CARE A1+ [Single A Plus; Outlook: Stable, A One Plus] for its Long-term/ Short-term Bank Facilities aggregating to ₹ 56,500.00 Lakhs.

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 SEBI 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.

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 on a consolidated basis are done on timely basis with the stock exchanges on which the shares of your company is listed and the same are published on the website of the Company.

The details of Related Party Transactions are disclosed in financial statements which forms part of this Annual Report.

- Policy on Related Party Transactions

  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/2017/10/Policy-on-Related-Party-Transactions-April-2019.pdf).

(b) Statutory Compliance, Penalties and Strictures:

Your Company has complied with all the requirements of the Stock Exchanges/the Regulations and guidelines of 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 since its listing on the Stock Exchanges.

(c) CEO and CFO Certification:

The Managing Director & CEO and the Chief Financial Officer have certified to the Board in accordance with Regulation 17(8) read with Part B of Schedule II to the SEBI Listing Regulations pertaining to the accuracy of the financial statements and adequacy of internal controls for the financial year ended March 31, 2021 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 SEBI 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 Rule framed thereunder and Regulation 23 of SEBI 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 are 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/2017/10/Whistle-Blower-Policy-June-18-2021.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 SEBI 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:

- As the quarterly and half yearly financial performance along with significant events are published in newspapers and are also available on the Company's website, the same are not being sent personally to the shareholders.
- The Company's financial statements of financial year 2020-21 does not contain any modified audit opinion.
- The Internal Auditor of the Company is an invitee to the Audit Committee Meeting and regularly attends the Meeting for reporting their findings of the internal audit to the Audit Committee Members.

(f) Policy on Material Subsidiaries

Your company does not have any material subsidiary, 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/2017/10/Policy-on-Material-Subsidiary-April-2019.pdf)

(g) Disclosure of commodity price risks and commodity hedging activities

Your Company is engaged into the business of Construction of buildings. Thus, 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/2017/10/Code-of-Fair-Disclosure-June-18-2021.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/2017/10/Code-of-Conduct-for-Board-and-Senior-Management-9.6.2020.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, 2021. A declaration to this effect signed by the Chairman & Managing Director 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) and rule 14(a) of Companies (Appointment and Qualification of Director) Rules, 2014 that none of the directors on the board of the company have 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 regarding the same is annexed herewith this report.

(l) Details of non-acceptance of recommendation of any committee by the board

During the period under review, there are no such instance of non-acceptance of 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. Provided that 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 SEBI Listing Regulations.

(m) Details of fees paid to statutory auditor by company and its subsidiaries

During the year under review, the total fees for all the services paid by your company and its subsidiaries, on consolidated basis to the statutory auditors amounts to ₹ 20.20 Lakhs (Rupees Twenty Lakhs Twenty Thousand Only) . 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 (hereinafter referred as "the said Act") 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, 2021.

(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 Act.

(p) Details of Compliance with Corporate Governance Requirements

Compliance of Corporate Governance requirements specified in Regulation 17 to 27 and Regulation 46(2) (b) to (i) of SEBI Listing Regulations are as under:

Particulars	Regulation number	Compliance Status (Yes/No/NA)
Board composition	17(1), 17(1A), 17(1B)	Yes
Meeting of Board of directors	17(2)	Yes
Quorum of Board Meeting	17(2A)	Yes
Review of Compliance Reports	17(3)	Yes
Plans for orderly succession for appointments	17(4)	Yes
Code of Conduct	17(5)	Yes
Fees/compensation	17(6)	Yes
Minimum Information	17(7)	Yes
Compliance Certificate	17(8)	Yes
Risk Assessment & Management	17(9)	Yes
Performance Evaluation of Independent Directors	17(10)	Yes
Recommendation of Board	17(11)	Yes
Maximum number of Directorship	17A	Yes
Composition of Audit Committee	18(1)	Yes
Meeting of Audit Committee	18(2)	Yes
Role of Audit Committee	18 (3)	Yes
Composition of nomination & remuneration committee	19(1) & (2)	Yes
Quorum of nomination & remuneration committee	19(2A)	Yes
Meeting of nomination & remuneration committee	19(3A)	Yes
Role of Nomination & remuneration committee	19(4)	Yes
Composition of Stakeholder Relationship Committee	20(1), 20(2), 20(2A)	Yes
Meeting of Stakeholder Relationship Committee	20(3A)	Yes
Role of the Stakeholder relationship committee	20 (4)	Yes
Composition of Risk management committee	21(1),(2),(3)	Yes
Meeting of risk management committee	21(3A)	Yes
Role of Risk management committee	21 (4)	Yes
Vigil Mechanism	22	Yes
Policy for related party Transaction	23(1)(5),(6),(7) & (8)	Yes
Prior or Omnibus approval of Audit Committee for all related party transactions	23(2), (3)	Yes
Approval for material related party transactions	23(1A) & 23(4)	NA

Particulars	Regulation number	Compliance Status (Yes/No/NA)
Disclosure of Related Party Transactions on Consolidated basis	23(9)	Yes
Composition of Board of Directors of unlisted material Subsidiary	24(1)	NA
Other Corporate Governance requirements with respect to subsidiary of listed entity	24(2),(3),(4), (5) & (6)	Yes
Annual Secretarial Compliance Report	24(A)	Yes
Alternate Director to Independent Director	25(1)	NA
Maximum Tenure	25(2)	Yes
Meeting and review of performance of independent directors	25(3) & (4)	Yes
Filling the vacancy of Independent Director created by resignation or removal	25 (6)	N.A.
Familiarization of independent directors	25(7)	Yes
Declaration from independent directors	25(8) & (9)	Yes
D & O Insurance for independent directors	25(10)	Yes
Memberships & Chairmanships in Committees	26(1) & (2)	Yes
Affirmation with compliance to code of conduct from members of Board of Directors and Senior management personnel	26(3)	Yes
Disclosure of Shareholding by Non-Executive Directors	26(4)	Yes
Disclosures by Senior Management about potential conflict of interest	26(5)	Yes
Agreement in connection with dealings in the securities	26(6)	N.A.
Compliance of discretionary requirements	27(1)	Yes
Filing of quarterly Compliance Report on Corporate Governance	27 (2)	Yes
Terms and conditions of appointment of Independent Directors	46(2)(b)	Yes
Composition of various Committees of Board of Directors	46(2)(c)	Yes
Code of Conduct of Board of Directors and Senior Management Personnel	46 (2) (d)	Yes
Details of establishment of Vigil Mechanism / Whistle Blower Policy	46 (2) (e)	Yes
Criteria of making payments to Non-Executive directors	46 (2) (f)	Yes
Policy on dealing with related party transactions	46 (2) (g)	Yes
Policy for determining 'Material' Subsidiaries	46 (2) (h)	Yes
Details of familiarization programmes imparted to Independent Directors	46 (2) (i)	Yes
Any other information to be provided	None of the subsidiaries incorporated in India is a material non- listed subsidiary. Hence the Corporate Governance Requirements as per Regulation 24(1), 24(5) and 24(6) is Not Applicable to the company.	

(q) 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.

For & on behalf of the Board of Directors

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

Ahmedabad
July 19, 2021

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/CFO Certification

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 financial statements and the cash flow statement (Standalone & Consolidated) for the year ended March 31, 2021 of the company 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, 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) significant changes in internal control over financial reporting during the year;

  (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

  (iii) any 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.

Date: June 18, 2021
Place: Ahmedabad

Prahaladbhai Patel
Managing Director & CEO
(DIN: 00037633)

Hetal Patel
Chief Financial Officer

Declaration Regarding Affirmation of Code of Conduct

In accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that the Company has obtained affirmations regarding compliance with the Code of Conduct for Board of Directors and Senior Management for the Financial Year ended March 31, 2021 from all the members of the Board and senior management of the company.

Ahmedabad
July 19, 2021

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

Certificate on Corporate Governance

To,
The Members of
PSP Projects Limited

I have examined the compliance of conditions of Corporate Governance by PSP Projects Limited ('the Company'),for the year ended on March 31, 2021, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paras C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. My examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given by the Directors and the management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, I certify that the Company has compiled with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

I further state that 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.

Rohit S Dudhela
Practicing Company Secretaries
Membership No. FCS 9808
COP: 7369
UDIN: F009808C000649909

Place: Ahmedabad
Date : July 19, 2021

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

I 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 (hereinafter referred to as 'the Company'), produced before me 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 my opinion and to the best of my 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 me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2021 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.	Pooja Prahladbhai Patel	07168083	24/04/2015
3.	Sagar Prahladbhai Patel	07168126	24/04/2015
4.	Sandeepbhai Himatbhai Shah	00807162	01/09/2015
5.	Vasishtha Pramodbhai Patel	00808127	01/09/2015
6.	Chirag Narendra Shah	02583300	01/09/2015
7.	Zarana Patel	08580937	22/10/2019

Ensuring the eligibility of 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.

Rohit S Dudhela
Practicing Company Secretaries
Membership No. FCS 9808
COP: 7369
UDIN: F009808C000649909

Place: Ahmedabad
Date : July 19, 2021

Business Responsibility Report

Section A: General Information about the Company

1. Corporate Identity Number (CIN) of the Company: **L45201GJ2008PLC054868**

2. Name of the Company: **PSP Projects Limited**

3. Registered address: **"PSP House", Opp. Celesta Courtyard, Opp. lane of Vikram Nagar Colony, Iscon- Ambli Road Ahmedabad GJ 380058**

4. Website: **www.pspprojects.com**

5. E-mail id: **grievance@pspprojects.com**

6. Financial Year reported: **April 01, 2020 to March 31, 2021**

7. Sector(s) that the Company is engaged in (industrial activity code-wise):

Group	Class	Sub Class	Description
410	4100	41001	Construction of buildings carried out on own-account basis or on a fee or contract basis
410	4100	41002	Activities relating to alteration, addition, repair, maintenance carried out on own-account basis or on a fee or contract basis
410	4100	41003	Assembly and erection of prefabricated constructions on the site
239	2395	23955	Manufacture of hume pipes and other pre-fabricated structural components of cement and/or concrete for building or civil engineering

8. **List three key products/services that the Company manufactures/provides (as in balance sheet)**

   i) Construction of Buildings

9. **Total number of locations where business activity is undertaken by the Company**

   (a) Number of International Locations (Provide details of major 5): Nil

   (b) Number of National Locations: 05

   Currently, the Company has projects located in the following five states of the country:

Sr.no.	Name of the states
1.	Gujarat
2.	Maharashtra
3.	Karnataka
4.	Rajasthan
5.	Uttar Pradesh

10. **Markets served by the Company** – Local/State/National

Section B: Financial Details of the Company (On Standalone Basis)

1. **Paid up Capital (INR) :** 3,600 Lakhs

2. **Total Turnover (INR):** 1,24,086.24 Lakhs

3. **Total profit after taxes (INR):** 8,079.04 Lakhs

4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):**
   The Company has spent ₹ 267.32 Lakhs on CSR activities, which is 1.91% of the average net profit of last three years computed as per the provisions of the Companies Act, 2013. The unspent amount of ₹ 11.99 Lakhs will be transferred to PM CARES Fund, a fund specified under Schedule VII as per section 135(6) of the Companies Act, 2013 read with CSR Amendment Rules.

5. **List of activities in which expenditure in 4 above has been incurred:**
   During the year under review, CSR expenditure was incurred for the following activities:

   a) Ensuring Animal Welfare

   b) Promoting Education and enhancing vocational skills

   c) Promoting Health and Preventive Care

   More details are included in the Annual Report on Corporate Social Responsibilities (CSR) Activities which forms part of this Annual Report.

Section C: Other Details

1. **Does the Company have any Subsidiary Company/ Companies?**

   Yes, as on March 31, 2021, the Company has one foreign wholly owned subsidiary (PSP Projects INC) and two Domestic Wholly owned Subsidiaries (PSP Projects & Proactive Constructions Private Limited and PSP Foundation).

2. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s):**

   The BR initiatives of the parent company are applicable to the subsidiary companies to the extent that they are material in relation to the business operations of the subsidiaries.

3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]:**

   No other entities are mandated to participate in the BR initiative of the company.

Section D: BR Information

1. **Details of Director/Directors responsible for BR**

   (a) Details of the Director/Director responsible for implementation of the BR policy/policies

   1. DIN Number: 00037633
   2. Name: Prahaladbhai S. Patel
   3. Designation: Chairman, Managing Director and CEO

   (b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	00037633
2	Name	Prahaladbhai S. Patel
3	Designation	Chairman, Managing Director and CEO
4	Telephone number	079-26936200
5	e-mail id	grievance@pspprojects.com

2. **Principle-wise (as per NVGs) BR Policy/policies**

   Ministry of Corporate Affairs has revised the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business, 2011 (NVGs) and formulated the National Guidelines on Responsible Business Conduct (NGRBC). It has specified nine areas of business responsibility/business conduct as follows:

P1	Businesses should conduct and govern themselves with integrity in a manner that is Ethical, Transparent and Accountable.
P2	Businesses should provide goods and services in a manner that is sustainable and safe.
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains.
P4	Businesses should respect the interests of and be responsive to all their 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.

(a) Details of compliance (Reply in Y/N)

		Business Ethics, Transparency and Accountability	Product Life Responsibility	Employee Well-being	Stakeholder Engagement	Human Rights	Environmental Protection	Public Policy	Inclusive Growth and equitable development	Customer Value
No.	**Questions**	**P1**	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**
1.	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	N	Y	N
2.	Has the policy being formulated in consultation with the relevant stakeholders? (Refer note 1)	Y	Y	Y	Y	Y	Y	NA	Y	NA

		Business Ethics, Transparency and Accountability	Product Life Responsibility	Employee Well-being	Stakeholder Engagement	Human Rights	Environmental Protection	Public Policy	Inclusive Growth and equitable development	Customer Value
No.	**Questions**	**P1**	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words) (Refer note 2)	Y	Y	Y	Y	Y	Y	NA	Y	NA
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director? (Refer note 3)	Y	Y	Y	Y	Y	Y	NA	Y	NA
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	NA	Y	NA
6.	Indicate the link for the policy to be viewed online?	https://www.pspprojects.com/policies-code-conduct/ https://www.pspprojects.com/corporate-policies/								NA
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	NA
8.	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	NA	Y	NA
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	NA	Y	NA
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency? (Refer note 4)	Y	Y	Y	Y	Y	Y	NA	Y	NA

Note:

1. The policies have been communicated to relevant key stakeholders. The communication is an ongoing process to cover all internal & external shareholders.

2. The policies confirm to the provisions of the Companies Act, 2013. In addition, relevant policies are also in conformity with international standards such as ISO 14001, ISO 45001: 2018, Sustainability Development Goals (SDGs) and its related targets, as applicable to respective policies.

3. The Policies are being signed by the Managing Director and CEO of the Company.

4. While the Company has not carried out independent audit of the policies, the Board and its committees evaluate the working of certain policies. The implementation of the HR Policies and practices is overseen by the Senior Manager- Human Resources. Moreover, the internal audit function carries out an audit of processes and practices across functions of the Company.

Principle wise Policies:

	Principle	Reference Document
P1	Business Ethics, Transparency and Accountability	• Code of Conduct for Board of Directors and senior management • Whistle blower policy • Policy on Related Party Transactions • Code of Practices and Procedures for Fair Disclosure of Unpublished price sensitive information(UPSI) • Code of Conduct to Regulate, Monitor and Report Trading by Insiders • Policy on Sexual Harassment (Prevention, Prohibition & Redressal) at workplace Also, there is a Report on Corporate Governance which forms part of the Annual report.
P2	Product Life Responsibility	• EHS Policy • Corporate Social Responsibility policy.
P3	Wellbeing of employees	• HR policies and practices • Policy on Sexual Harassment (Prevention, Prohibition & Redressal) at workplace. • Nomination and Remuneration Policy • Whistle blower policy. • EHS Policy
P4	Stakeholders Engagement	• Corporate Social responsibility policy • Dividend Distribution Policy.
P5	Human rights	• Whistle blower policy • Policy on Sexual Harassment (Prevention, Prohibition & Redressal) at workplace. Further, it complies with applicable regulations.
P6	Environmental Protection	• EHS policy. Corporate Social Responsibility Policy
P7	Public Policy	There is no specific policy, however the company is a member of many industry associations such as Confederation of Indian Industry, Gujarat Safety Council, Indian Green Building Council and Gujarat Chamber of Commerce and Industry.
P8	Inclusive growth and equitable development.	• Corporate Social Responsibility Policy • Policy on Sexual Harassment (Prevention, Prohibition & Redressal) at workplace.
P9	Customers Value	Not Applicable

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the Principles	-	-	-	-	-	-	-	-	-
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3.	The company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4.	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6	Any other reason (please specify)								Refer note 1	Refer note 2

Notes:

1. The company does not have a specific policy for public advocacy. The company is a member of industry associations such as Confederation of Indian Industry, Gujarat Safety Council, Indian Green Building Council and Gujarat Chamber of Commerce and Industry.

2. The company does not have a separate policy for customer value.

3. **Governance related to BR**

   (a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year**

   The BR performance of the Company is assessed annually.

   (b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

   This is the second Business Responsibility Report of the Company as per the National Voluntary Guidelines on Social, Environmental and Economic Responsibility of Business (NVG) and as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is published as a part of this Annual report. The Business Responsibility Report of Financial year 2019-20 can be assessed at: (https://www.pspprojects.com/wp-content/uploads/2017/09/BRR.pdf)

   Presently, the Company does not publish a separate sustainability report.

Section E: Principle-Wise Performance

Principle 1: Businesses should conduct and govern themselves with integrity in a manner that is Ethical, Transparent and Accountable

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs / Others?**

   The Company has adopted a Code of Conduct for Board of Directors and Senior Management Personnel to enhance the ethical standards and transparent process in managing the affairs of the company and thus to sustain the trust and confidence shown in the Management by the shareholders of the Company and to develop a culture of honesty and accountability. This Code does not extend to other entities.

   The members of the Board of Directors and Senior Management Personnel of the Company annually affirm compliance of this code.

   The Company also has in place a Whistle Blower Policy 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, in line with the company's commitment to the highest possible standards of ethical, moral and legal business conduct and its commitment to open communication. This policy provides for adequate safeguards against victimisation of whistle blower i.e. a person who uses such mechanism and also provides for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.

   Further, the Company also has a Code of Conduct to regulate, monitor and report trading by Designated Persons and immediate relatives of Designated Persons and Code of Practices and Procedures for fair disclosure of unpublished price sensitive information (UPSI) and to preserve the confidentiality and prevent misuse of such information. The Code is applicable to all the designated employees of the Company, its subsidiaries and joint ventures, who may be deemed to have access to unpublished price sensitive information.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

   No stakeholder complaints were received in the past financial year. The status of investor complaints received and resolved during the financial year are disclosed in the Corporate Governance report which forms part of this Annual report.

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   Management and Execution of Residential, Commercial, Industrial, Institutional buildings and infrastructure projects.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):**

   (a) **Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**

   During the construction lifecycle, the Company incorporates and encourages various practices which helps to optimize carbon footprint , including but not limited to:

   - Procure the major construction materials locally to avoid fuel wastage
   - The illumination in our site infrastructure are totally LED and we encourage clients also to follow the same for the project.
   - Usage of Fly ash up to permissible limit to reduce cement usage in concrete.
   - Usage of AAC block (Green Build Certified) instead of the Clay Bricks.
   - Most of our projects have Solar Rooftop which generates energy.
   - Sprinkling water at site to avoid dust pollution.

   There are many such practices and products which includes Sewage Treatment plant (STP), Water Treatment Plant (WTP), rainwater harvesting, Glass façade, Gypsum plaster instead of the Cement Plaster used in the sustainability projects.

(b) **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

Not Applicable. The Company is not in the business of manufacturing goods or consumable products. Hence, reduction during the usage by the consumer/ end user is not applicable.

3. **Does the company have procedures in place for sustainable sourcing (including transportation)? (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

The Company has 42 ongoing projects in India. The first and foremost practice is to procure locally to support the sustainable sourcing & generating employment for the locals as well as eliminating unnecessary transportation. Also during the project lifecycle, we encourage our clients to adopt Green Certification and sustainable design. We also encourage them to select the material certified by Green Rating for Integrated Habitat Assessment or Indian Green Building Council.

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

Yes, during the time of execution of projects, we prioritize to procure materials to the extent possible and permitted from local suppliers/ vendors, which includes major construction materials, such as sand, stone aggregates, bricks, etc. thereby creating direct and indirect economic impact in the surrounding regions.

5. **The Company also prioritizes to recruit permanent as well as contractual manpower from local area where the project is to be executed which leads to creation of employment of the local population and improves their capacity and capability. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.-**

Not Applicable. The Company is not in the business of manufacturing goods or consumable products. Hazardous wastes, if any are disposed as per the statutory provisions.

Principle 3 : Businesses should respect and promote the well-being of all employees, including those in their value chains.

1. **Please indicate the Total number of employees.**

The Company has a total of 1223 number of employees as on March 31, 2021.

2. **Please indicate the Total number of employees hired on temporary/contractual/casual basis.**

The Company has a total of 2 employees hired on contractual basis as on March 31, 2021.

3. **Please indicate the Number of permanent women employees:**

The Company has 34 permanent women employees as on March 31, 2021.

4. **Please indicate the Number of permanent employees with disabilities:**

There are no permanent employees with disabilities as on March 31, 2021.

5. **Do you have an employee association that is recognized by management?**

The Company does not have any employee association recognized by the Management.

6. **What percentage of your permanent employees is members of this recognized employee association?**

Not applicable

7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

During the period under review, no complaints relating to child labour/forced labour/involuntary labour or sexual harassment or discriminatory employment has been received by the Company.

Sr. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8. **What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?**

During the year under review, the Company has conducted E – Learning training programs of various modules relating to skill development for its selected permanent employees as per percentage given below:

(a)	Permanent Employees	:	5%
(b)	Permanent Women Employees	:	21%
(c)	Casual/Temporary/Contractual Employees	:	50%
(d)	Employees with Disabilities	:	Not applicable

Moreover, the Company follows the practice of conducting mandatory safety induction trainings for all its new personnel across its sites. The Company also provides special trainings such as trainings for work at height, Scaffolding, Electric Safety, Fire Fighting equipment, Hot work, tool box training and such others.

During the last financial year, the Company also provided training for Covid-19 awareness to all its employees and workers at its sites.

Principle 4: Businesses should respect the interests of and be responsive to all their stakeholders.

1. **Has the company mapped its internal and external stakeholders?**

   Yes. Employees are its internal stakeholders and shareholders, suppliers, vendors, clients, regulators and its local communities around its site operations are the external stakeholders of the Company.

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.**

   Yes, the Company has identified the disadvantaged, vulnerable, and marginalized stakeholders, particularly for internal stakeholders and within its local communities around its site operations.

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.**

   Yes, the Company's CSR initiatives focus on promoting sustainable growth of the society and communities in which it operates. During the period under review, the Company identified and implemented projects in the areas of education and enhancement of vocational skills by providing scholarship support to meritorious students and health and preventive care by providing healthcare facilities at affordable prices and contributed towards COVID-19 relief measures.

   During the year under review, the Company has incorporated its CSR arm in the name and style of PSP Foundation for promotion of its CSR activities of the Company.

   More details are included in the Annual Report on CSR activities which forms part of this Annual Report.

Principle 5: Businesses should respect and promote human rights.

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?**

   The Company has adopted Whistle Blower policy, Prevention of Sexual Harassment policy and HR policy within the organization, which majorly covers all the aspects pertaining to human rights. Moreover, the Company abides by all the applicable labour laws and other statutory requirements to maintain the highest labour standards and take necessary protection measures. The Company does not hire child labour, forced labour or involuntary labour. and the practice extends to its subsidiaries, JV andgroup companies. The Suppliers / Contractors / NGOs dealing with the Company are encouraged to maintain ethical standards in all their practices.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   No stakeholder complaints were received during the last financial year.

Principle 6: Businesses should respect and make efforts to protect and restore the environment.

1. **Does the policy relate to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others?**

   The Company has adopted an EHS Policy as these aspects are integral to the Company's business values. The JV, group companies, suppliers, contractors dealing with the Company are encouraged to maintain ethical standards in all their practices and adhere to the best environmental practices.

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

   Yes, the Company takes initiatives to address environmental issues. There are two stages where the Company plays major role to implement & achieve. First are the Company's internal processes during the site construction/implementation stage where it has adopted many practices such as Procuring Material locally, Site illumination in LED, Usage of Fly ash, Usage of AAC block, Solar Rooftop, Sewage Treatment plant (STP), Water Treatment Plant (WTP), rainwater harvesting, Glass façade, Gypsum plaster etc. and still explores new opportunities towards sustainable practices. At the second stage, the Company endeavours to encourage clients to adopt green practices up to a certain level.

   With this approach, the Company has already completed 7 projects having Green Building certifications by IGBC/GRIHA and is currently executing 7 more projects which will achieve the same kind of certifications. The green concepts and techniques helps to address issues like water efficiency, energy efficiency, reduction in fossil fuel use in commuting, handling of consumer waste and conserving natural resources.

3. **Does the company identify and assess potential environmental risks? Y/N**

   Yes, the Company identifies and assess risks including environmental risks. The Company conforms to the ISO 14001:2015 certification for its environmental management systems, SO 9001:2015 for quality management systems and ISO 45001-2018 for occupational health and safety management.

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

   Not Applicable

5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

   The Company has taken various initiatives for energy efficiency and renewable energy such as :

   - Installation of Solar panels at its corporate office
   - Usage of LED Lights at office premises and LED Flood Lights instead of Halogens at all sites.

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**
   Not Applicable

7. **Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.** – NIL

Principle 7 : Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

   Yes. The Company is a member of the following associations:

   (a) Confederation of Indian Industry

   (b) Gujarat Contractors Association

   (c) Gujarat Safety Council

   (d) Indian Green Building Council

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

   No.

Principle 8: Businesses should promote inclusive growth and equitable development.

1. **Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

   Yes, the Company has formulated a Corporate Social Responsibility Policy in line with the requirement of Section 135 of the Companies Act, 2013.

   The CSR Policy is available on the website of the company at: (https://www.pspprojects.com/wp-content/uploads/2017/09/CSR-Policy.pdf)

   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 of the Company and to impact the society with its efforts towards CSR.

   Major thrust areas of the Company's CSR initiatives are Promotion of Education, ensuring Animal Welfare and Promotion of Health care.

   The Annual Report on CSR activities of the company is annexed as Annexure C to Board's Report.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

   Yes, the Company has undertaken projects on its own while it also collaborates with credible NGOs, charitable foundations and other institutions for implementation of the CSR initiatives.

3. **Have you done any impact assessment of your initiative?**

   No, the formal impact assessment of the CSR initiatives has been done by the Company. However, the CSR activities undertaken are periodically monitored and reviewed by the CSR Committee of the Board.

4. **What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**

   For the financial year 2020-21, the Company's CSR obligation was ₹ 279.31 Lakhs, of which the Company has spent ₹ 267.32 Lakhs on the CSR activities in the areas of animal welfare, promoting education, and health care including preventive care implemented through various implementing agencies.

   The Annual Report on CSR activities of the Company is annexed as Annexure C to Board's Report.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

   The CSR initiatives are carried out in accordance with the CSR Policy of the Company. The projects undertaken are internally reviewed and assessed by the CSR committee of the Company. The NGOs and charitable foundations are periodically tracked to determine the outcomes and benefits of the contributions made by the Company.

Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner.

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year?**

   All customer concerns and grievances are promptly addressed and dealt directly by the senior managerial personnel of the Company.

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)**

   Not applicable. The Company is not in the business of manufacturing goods or consumable products.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.**

   Nil

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**

   No

For & on behalf of the Board of Directors,

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

Ahmedabad
July 19, 2021

Financial Statements

Independent Auditors' 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, 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred as the "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 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, 2021, the profit and 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'), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *'Auditors' 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone Financial Statements.

Emphasis of Matter

We draw attention to Note 45 of the Standalone Financial Statements, as regards the Board of Directors' evaluation of COVID-19 impact on the future performance of the Company. Our opinion is not modified in respect of this matter.

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 for 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.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Standalone Financial Statements.

Key audit matters	How our audit addressed the Key Audit Matter
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.

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 in the current year due to the significance of the amount and element of judgement involved in overall management assessment of the customers' ability to repay the outstanding balance during COVID 19 disruption. Refer to note number 2.15, 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 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 ongoing business relationship with the customers, past payment history of customers and any impact on those customers because of COVID 19 pandemic.

Information Other than the Standalone Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the 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 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 during the course of our 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'.

Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and the accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' 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 auditors' 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' 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.

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, 2021, 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 (Auditors' Report) Order, 2016 (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.

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

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account;

   (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 these Standalone 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 Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 38 to the Standalone Financial Statements;

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

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

For **Kantilal Patel & Co.**
Chartered Accountants
ICAI Firm registration number: 104744W

Jinal A. Patel
Partner
Membership No.: 153599
Place: Ahmedabad

Date: June 18, 2021
UDIN: 21153599AAAAET7213

For **Riddhi P. Sheth & Co.**
Chartered Accountants
ICAI Firm registration number: 140190W

Riddhi P. Sheth
Proprietor
Membership No.: 159123
Place: Ahmedabad

Date: June 18, 2021
UDIN: 21159123AAAAAM6011

Annexure A to the Independent Auditors' Report

(Referred to in paragraph 1 under *'Report on Other Legal and Regulatory Requirements'* section of our report to the members PSP Projects Limited of even date)

The Annexure referred to in Independent Auditors' Report to the members of the Company on the Standalone Financial Statements for the year ended March 31, 2021.

We report that:

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

(b) According to the information and explanations given to us, the Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified on an annual basis. In accordance with this programme, fixed assets were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings are held in the name of the company as at the balance sheet date.

(ii) As explained to us, inventories have been physically verified at reasonable intervals by the management during the period. In our opinion, the frequency of such verification is reasonable. No material discrepancies were noticed during such verification.

(iii) According to the information and explanations given to us, the company has granted unsecured loan to a wholly owned foreign subsidiary company and an Indian subsidiary company covered in the register maintained u/s 189 of the Companies Act, 2013 in respect of which:

(a) The terms and conditions of the loans granted are prima facie not prejudicial to the Company's interest.

(b) The borrower has been regular in the payments of the interest as stipulated. The terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand.

(c) There is no overdue amount remaining outstanding as at the year end.

(iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Act in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given, have been complied with by the Company, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit from the public within the meaning of section 73 to 76 of the Act and the Rules framed under. Therefore, the provision of clause 3(v) of the Order is not applicable.

(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, related to the projects of the company, and are of the opinion that prima facie, the specified accounts and records have generally been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employee state insurance, income-tax, duty of customs, goods and services tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, duty of customs, goods and services tax and other material statutory dues were in arrears as at March 31, 2021, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues of income tax, duty of custom, duty of excise and goods and services tax which have not been deposited as on March 31, 2021, on account of disputes are as follows:

Sr. No.	Name of the statute	Nature of the dues	Forum where the dispute is pending	Period to which the amount relates	Amount involved (₹ in Lakhs)	Amount Unpaid (₹ in Lakhs)
1	Gujarat Value Added Tax Act, 2003	Sales tax liability on the reason being non-production of custom authority endorsed bills of SEZ supply	Commissioner Appeals	2016-17 & 2017-18	252.55	220.08
2	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	CESTAT	2012-13 to 2014-15	158.78	158.78

(viii) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any bank as at the balance sheet date. The company did not have any outstanding dues to debenture holders during the period.

(ix) Based on the information and explanations given by the management and on an overall examination of the balance sheet, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and that the term loans have been applied for the purposes for which they were raised.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practice in India, and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.

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

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

(xv) Based on the examinations of the records and according to the information and explanations given by the management, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

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

For **Kantilal Patel & Co.**
Chartered Accountants
ICAI Firm registration number: 104744W

Jinal A. Patel
Partner
Membership No.: 153599
Place: Ahmedabad

Date: June 18, 2021
UDIN: 21153599AAAAET7213

For **Riddhi P. Sheth & Co.**
Chartered Accountants
ICAI Firm registration number: 140190W

Riddhi P. Sheth
Proprietor
Membership No.: 159123
Place: Ahmedabad

Date: June 18, 2021
UDIN: 21159123AAAAAM6011

Annexure B to the Independent Auditors' Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of PSP Projects Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of the Company as of March 31, 2021, 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 Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 respective 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.

Auditors' 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 on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, 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 of the Company.

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 includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) 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 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 and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Kantilal Patel & Co.**
Chartered Accountants
ICAI Firm registration number: 104744W

Jinal A. Patel
Partner
Membership No.: 153599
Place: Ahmedabad

Date: June 18, 2021
UDIN: 21153599AAAAET7213

For **Riddhi P. Sheth & Co.**
Chartered Accountants
ICAI Firm registration number: 140190W

Riddhi P. Sheth
Proprietor
Membership No.: 159123
Place: Ahmedabad

Date: June 18, 2021
UDIN: 21159123AAAAAM6011

Standalone Balance Sheet

as at March 31, 2021

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
(1) Non current Assets			
(a) Property, Plant and Equipment	3	11,494.34	10,645.34
(b) Capital Work-In-Progress	4	4,164.72	-
(c) Other Intangible Assets	5	124.34	143.66
(d) Financial Assets			
(i) Investments	6	78.37	442.37
(ii) Loans	7	2,574.55	2,751.59
(iii) Other Financial Assets	8	9,922.36	11,916.56
(e) Deferred Tax Asset (Net)	9	919.04	578.99
(f) Other Non Current Assets	10	646.72	251.35
Total Non-Current Assets		**29,924.44**	**26,729.86**
(2) Current Assets			
(a) Inventories	11	8,920.91	9,683.35
(b) Financial Assets			
(i) Trade receivables	12	22,203.74	22,400.00
(ii) Cash and cash equivalents	13	11,533.18	4,121.16
(iii) Bank Balances other than (ii) above	13	11,342.34	15,552.17
(iv) Loans	7	854.50	1,191.04
(v) Other Financial Assets	8	10,722.39	12,843.37
(c) Other Current Assets	10	3,536.57	3,407.33
Total Current Assets		**69,113.63**	**69,198.42**
Total Assets		**99,038.07**	**95,928.28**
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	14	3,600.00	3,600.00
(b) Other Equity	15	50,199.27	42,111.01
Total Equity		**53,799.27**	**45,711.01**
LIABILITIES			
(2) Non-Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	278.33	403.69
(b) Provisions	17	79.05	39.81
Total Non-Current Liabilities		**357.38**	**443.50**
(3) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	6,804.88	6,822.30
(ii) Trade Payables	18		
- Total outstanding dues of micro enterprises and small enterprises		1,014.65	757.37
- Total outstanding dues of creditors other than micro enterprises and small enterprises		24,973.75	20,871.50
(iii) Other Financial Liabilities	19	2,838.25	2,053.75
(b) Other Current Liabilities	20	8,457.11	19,113.98
(c) Provisions	17	99.94	69.66
(d) Current Tax Liabilities (Net)	21	692.84	85.21
Total Current Liabilities		**44,881.42**	**49,773.77**
Total Liabilities		**45,238.80**	**50,217.27**
Total Equity and Liabilities		**99,038.07**	**95,928.28**

The Notes on Account form Integral part of the Financial Statements 1 to 48 (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.**
Chartered Accountants
ICAI Firm Reg. No. : 140190W

Riddhi P. Sheth
Proprietor
Membership No. : 159123

Place: Ahmedabad
Date : June 18, 2021

For and on behalf of the Board of Directors

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

Pooja P. Patel
Whole Time Director
(DIN: 07168083)

Hetal Patel
Chief Financial Officer

Mittali Christachary
Company Secretary

Place: Ahmedabad
Date : June 18, 2021

Standalone Statement of Profit and Loss

for the year ended on March 31, 2021

(₹ in Lakhs)

	Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
I	Revenue From Operations	22	1,24,086.24	1,49,925.77
II	Other Income	23	1,692.09	2,477.53
III	**Total Income (I+II)**		**1,25,778.33**	**1,52,403.30**
IV	**EXPENSES**			
	Cost of Construction Material Consumed	24	39,813.29	52,665.93
	Changes in Inventories of Work-In-Progress	25	(236.52)	839.41
	Construction Expenses	26	64,442.68	70,042.26
	Employee Benefits Expense	27	5,089.37	5,944.04
	Finance Costs	28	1,469.12	1,463.80
	Depreciation and Amortization Expense	29	2,563.76	2,669.17
	Other Expenses	30	1,496.09	1,336.50
	Total Expenses (IV)		**1,14,637.79**	**1,34,961.11**
V	**Profit Before Excceptional Item & Tax (III-IV)**		**11,140.54**	**17,442.19**
VI	Exceptional Gain/(Loss)(net of tax)	43	(274.11)	-
VII	**Profit Before Tax (V-VI)**		**10,866.43**	**17,442.19**
VIII	**Tax Expense:**			
	(a) Current Tax	33	3,035.25	4,608.22
	(b) Deferred Tax	33	(247.86)	(92.06)
IX	**Profit for the year (VII-VIII)**		**8,079.04**	**12,926.03**
X	**Other Comprehensive Income**			
	Items that will not be reclassified to profit or loss			
	- Remeasurement expenses of Defined benefit plans		12.32	(17.56)
	- Income tax expenses relating to items that will be reclassified to profit or loss		(3.10)	4.42
XI	**Total Other Comprehensive Income (X)**		**9.22**	**(13.14)**
XII	**Total Comprehensive Income for the year (IX+X)**		**8,088.26**	**12,912.89**
XIII	**Earnings per equity share:**			
	Basic and Diluted (Face value ₹ 10 per equity share)	31	22.44	35.91

The Notes on Account form Integral part of the Financial Statements 1 to 48 (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.**
Chartered Accountants
ICAI Firm Reg. No. : 140190W

Riddhi P. Sheth
Proprietor
Membership No. : 159123

Place: Ahmedabad
Date : June 18, 2021

For and on behalf of the Board of Directors

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

Pooja P. Patel
Whole Time Director
(DIN: 07168083)

Hetal Patel
Chief Financial Officer

Mittali Christachary
Company Secretary

Place: Ahmedabad
Date : June 18, 2021

Statement of Standalone Cash Flows

for the year ended on March 31, 2021

(₹ in Lakhs)

	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
A	**Cash flow from operating activities**		
	Profit before tax	10,866.43	17,442.19
	Adjustments for :		
	Finance costs	822.06	682.24
	Depreciation and amortisation expense	2,563.76	2,669.17
	Expected credit loss allowance	34.14	33.00
	Provision For Loss on Impairment of Loan	214.95	-
	Provision For Loss on Impairment of Investment	274.11	-
	Dividend	-	(3.16)
	Interest Income	(1,677.81)	(2,198.03)
	Loss / (Gain) on sale of Property, Plant & Equipment (Net)	28.70	-
	Operating Profit before working capital changes	**13,126.34**	**18,625.41**
	Movements in working capital:		
	(Increase) / Decrease in Inventories	762.44	(2,183.18)
	(Increase) / Decrease in trade receivable	162.12	(8,175.84)
	(Increase) / Decrease in other assets	2,109.51	(11,378.45)
	Increase / (Decrease) in trade payables	3,991.06	5,830.78
	Increase / (Decrease) in other liabilities	(10,719.61)	4,683.18
	Increase / (Decrease) in provisions	78.74	64.97
	Cash generated from operations:	**9,510.60**	**7,466.87**
	Direct taxes paid (net)	(2,427.62)	(5,562.98)
	Net cash generated/(used) from operating activities (A)	**7,082.98**	**1,903.89**
B	**Cash flows from investing activities**		
	Payment for Property, Plant and Equipment (PPE), Intangible assets & Capital Work-in-Progress	(7,926.77)	(3,307.31)
	Proceeds from sale of Property, Plant and Equipment (PPE)	9.01	0.93
	(Purchase) / Proceeds of term deposits (Net)	6,819.50	345.79
	Loan given to Subsidiary(Net)	(37.91)	(365.18)
	Purchase of shares of subsidiary / Section 8 company	(2.30)	-
	Dividend received	-	3.16
	Interest received	1,677.81	2,198.03
	Net cash generated/(used) in Investing activities (B)	**539.34**	**(1,124.58)**
C	**Cash flow from financing activities :**		
	Proceeds from / (Repayment) of non-current borrowings	629.18	493.74
	Proceeds from / (Repayment) of current borrowings	(17.42)	4,365.66
	Dividend and dividend tax paid	-	(4,339.99)
	Interest paid	(822.06)	(682.24)
	Net cash generated/(used) in Financing activities (C)	**(210.30)**	**(162.83)**
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS [(A) + (B) + (C)]	**7,412.02**	**616.48**
	Add: Cash and cash equivalents as at beginning of the year	**4,121.16**	**3,504.68**
	Cash and Cash Equivalents as at the end of the year	**11,533.18**	**4,121.16**

Note to Cash Flow Statement:

1 The above Cash Flow Statement has been prepared under the 'Indirect method' as set out in the Ind AS - 7 Statement of Cash Flow.

2 The Company has total sanctioned limit (fund & non-fund based) of ₹ 1,04,700 lakhs (P.Y. ₹ 61,000 lakhs) with banks, out of which ₹ 43,098.31 lakhs (P.Y. ₹ 42,618.43 lakhs) has been utilised.

3 Cash And Cash Equivalents comprises of:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Cash on hand	27.38	45.98
Balances with banks		
In current accounts	11.10	1,051.45
In cash credit accounts (debit balance)	7,445.14	276.33
In deposit accounts (Maturity less than 3 months)	4,049.56	2,747.40
CASH AND CASH EQUIVALENTS AS PER NOTE 13	**11,533.18**	**4,121.16**

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

Reconciliation of liabilities arising from financing activities

As at March 31, 2021

(₹ in Lakhs)

Particulars	Opening Balance	Cash Flows	Non Cash Changes	Closing Balance
Non-current Borrowings	662.23	629.18	-	1,291.41
Current Borrowings	6,822.30	(17.42)	-	6,804.88
Total liabilities from financing activities	**7,484.53**	**611.76**	**-**	**8,096.29**

As at March 31, 2020

(₹ in Lakhs)

Particulars	Opening Balance	Cash Flows	Non Cash Changes	Closing Balance
Non-current Borrowings	168.49	493.74	-	662.23
Current Borrowings	2,456.64	4,365.66	-	6,822.30
Total liabilities from financing activities	**2,625.13**	**4,859.40**	**-**	**7,484.53**

The Notes on Account form Integral part of the Financial Statements 1 to 48 (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.**
Chartered Accountants
ICAI Firm Reg. No. : 140190W

Riddhi P. Sheth
Proprietor
Membership No. : 159123

Place: Ahmedabad
Date : June 18, 2021

For and on behalf of the Board of Directors

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

Pooja P. Patel
Whole Time Director
(DIN: 07168083)

Hetal Patel
Chief Financial Officer

Mittali Christachary
Company Secretary

Place: Ahmedabad
Date : June 18, 2021

Standalone Statement of Changes in Equity

for the year ended on March 31, 2021

a. Equity Share Capital:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
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 & Surplus			Debt instruments through OCI	Total
	General Reserve	Securities Premium	Retained Earnings		
Balance as at March 31, 2019 (A)	**936.10**	**13,488.68**	**19,113.33**	**-**	**33,538.11**
Additions during the year:					
Profit for the year	-	-	12,926.03	-	12,926.03
Remeasurement benefits of defined benefit plans (Net of Tax)	-	-	(13.14)	-	(13.14)
Total Comprehensive Income for the year 2019-20 (B)	**-**	**-**	**12,912.89**	**-**	**12,912.89**
Reductions during the year:					
Dividends	-	-	3,600.00	-	3,600.00
Dividend Distribution Tax Paid	-	-	739.99	-	739.99
Total (C)	**-**	**-**	**4,339.99**	**-**	**4,339.99**
Balance as at March 31, 2020 (D) = (A) + (B) - (C)	**936.10**	**13,488.68**	**27,686.23**	**-**	**42,111.01**
Additions during the year:					
Profit for the year	-	-	8,079.04	-	8,079.04
Remeasurement benefits of defined benefit plans (Net of Tax)	-	-	9.22	-	9.22
Total Comprehensive Income for the year 2020-21 (E)	**-**	**-**	**8,088.26**	**-**	**8,088.26**
Reductions during the year:					
Dividends	-	-	-	-	-
Dividend Distribution Tax Paid	-	-	-	-	-
Total (F)	**-**	**-**	**-**	**-**	**-**
Balance as at March 31, 2021 (G) = (D) + (E) - (F)	**936.10**	**13,488.68**	**35,774.49**	**-**	**50,199.27**

The Notes on Account form Integral part of the Financial Statements 1 to 48 (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.**
Chartered Accountants
ICAI Firm Reg. No. : 140190W

Riddhi P. Sheth
Proprietor
Membership No. : 159123

Place: Ahmedabad
Date : June 18, 2021

For and on behalf of the Board of Directors

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

Pooja P. Patel
Whole Time Director
(DIN: 07168083)

Hetal Patel
Chief Financial Officer

Mittali Christachary
Company Secretary

Place: Ahmedabad
Date : June 18, 2021

Notes to the Standalone Financial Statements
for the year ended March 31, 2021

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 Company's act 1956. The shares of the company are listed on National Stock Exchange of India Ltd. and Bombay Stock Exchange Ltd with effect from May 29, 2017.

The company offers construction services across industrial, institutional, residential, social infrastructure and commercial projects in India.

2. **Significant Accounting Policies, Key Accounting Estimates & Judgement:**

2.1 **Basis of preparation of standalone financial statements:**

These financial statements are the separate financial statements of the Company (also called standalone financial statements) 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 and Companies (Indian Accounting Standards) Amendment Rules, 2016 as amended and other relevant provisions of the Act.

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.

b) **Income taxes:**

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/ recovered for uncertain tax positions.

c) **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.

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

When the fair values of financials assets and financial liabilities recorded in the Balance Sheet

Notes to the Standalone Financial Statements
for the year ended March 31, 2021

cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

2.4 Current / Non-Current Classification:

Any asset or liability is classified as current if it satisfies any of the following conditions:

i. the asset/liability is expected to be realized/settled in the Company's normal operating cycle;

ii. the asset is intended for sale or consumption;

iii. the asset/liability is expected to be realized/settled within twelve months after the reporting period;

iv. the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;

v. In the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realization in cash and cash equivalents.

2.5 Property, Plant & Equipment:

a) Measurement at recognition:

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

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

Notes to the Standalone Financial Statements
for the year ended March 31, 2021

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 and assets representing investments in subsidiary and associate companies 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 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.

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 cost are disclosed under other current assets.

Notes to the Standalone Financial Statements
for the year ended March 31, 2021

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.

Financial Assets:

a) Initial recognition and measurement:

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

b) Subsequent measurement:

i. Financial assets measured at amortized cost:

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii. Financial assets measured at fair value through other comprehensive income (FVTOCI):

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii. Financial assets measured at fair value through profit & loss (FVTPL):

A financial asset which is not classified in any of the above categories are measured at FVTPL.

c) Impairment of financial assets:

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

1. The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

2. Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

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:

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

All assets and liabilities for which fair value is measured or disclosed in the 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 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

The amount of retention money held by the customers pending completion of performance milestone is disclosed as part of contract asset and is reclassified as trade receivables when it becomes due for payment.

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

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

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

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

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

Sale of goods:

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

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

Interest 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

Notes to the Standalone Financial Statements
for the year ended March 31, 2021

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.

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:

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with

Notes to the Standalone Financial Statements
for the year ended March 31, 2021

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

2.21 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.

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.

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 Accounting Pronouncements:

(a) Amendment to Ind AS 116 "Leases" – Insertion of practical expedient for COVID-19 related lease concessions

The amendment provides lessee with a practical expedient and an exemption to assess whether a COVID-19 related rent concession is a lease modification to payments originally due on or before June 30, 2021. Amendment also requires disclosure of the amount recognised in statement of profit and loss to reflect changes in lease payments that arise from such concession. The Company has not recognised any amount as reversal of lease liability in the statement of profit and loss.

(b) Amendment to Ind AS 109 "Financial Instruments" and Ind AS 107 "Financial Instruments: Disclosures"– Interest rate Benchmark Reform

The Company has applied the related amendments. The amendments provide relief from the specific hedge accounting requirements assuming that the interest rate benchmark is not altered as a result of the interest rate benchmark reform. The Company is currently evaluating the potential impact of replacement of interest rate benchmark and will accordingly manage the transition plan.

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, 2021

3 Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Land	Buildings	Furniture & Fixtures	Plant & Machinery	Office Equipments	Computers	Vehicles	Total
Gross Carrying amount								
As at March 31, 2019	**1,006.05**	**896.44**	**231.16**	**11,883.70**	**161.27**	**160.40**	**2,280.21**	**16,619.23**
Additions	-	-	27.92	2,219.29	33.19	176.34	619.25	3,075.99
Deductions / Disposals	-	-	-	-	-	0.50	15.08	15.58
As at March 31, 2020	**1,006.05**	**896.44**	**259.08**	**14,102.99**	**194.46**	**336.24**	**2,884.38**	**19,679.64**
Additions	2,004.48	-	1.00	1,123.03	18.11	42.83	221.32	3,410.77
Deductions / Disposals	-	-	51.43	242.04	7.07	35.65	29.01	365.20
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**
Accumulated depreciation								
As at March 31, 2019	**-**	**121.42**	**115.68**	**4,719.55**	**98.17**	**115.59**	**1,235.94**	**6,406.35**
Depreciation for the year	-	74.43	31.58	2,090.18	36.08	50.24	360.09	2,642.60
Deductions / Disposals	-	-	-	-	-	0.32	14.33	14.65
As at March 31, 2020	**-**	**195.85**	**147.26**	**6,809.73**	**134.25**	**165.51**	**1,581.70**	**9,034.30**
Depreciation for the year	-	67.09	29.00	1,913.69	30.48	88.39	400.27	2,528.92
Deductions / Disposals	-	-	48.74	217.71	6.54	33.87	25.49	332.35
As at March 31, 2021	**-**	**262.94**	**127.52**	**8,505.71**	**158.19**	**220.03**	**1,956.48**	**11,230.87**
Net carrying amount								
As at March 31, 2021	**3,010.53**	**633.50**	**81.13**	**6,478.27**	**47.31**	**123.39**	**1,120.21**	**11,494.34**
As at March 31, 2020	**1,006.05**	**700.59**	**111.82**	**7,293.26**	**60.21**	**170.73**	**1,302.68**	**10,645.34**
As at March 31, 2019	**1,006.05**	**775.02**	**115.48**	**7,164.15**	**63.10**	**44.81**	**1,044.27**	**10,212.88**

Notes:

(i) Vehicles amounting to ₹ Nil as disclosed in Gross Carrying Value as at March 31, 2021 (March 31, 2020 - ₹ 93.65 Lakhs) in Note 3 to the standalone Ind AS financial statements, are in the name of Mr. Prahaladbhai S. Patel, Managing Director and CEO of the company.

(ii) Refer to Note 16 for information on property, plant and equipment pledged as security by the Company.

(iii) For Capital Commitments, Refer Note 38.

Notes to the Standalone Financial Statements
for the year ended March 31, 2021

4 Capital Work In Progress

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening CWIP	-	-
Additions	4,164.72	-
Capitalised during the year	-	-
Total	**4,164.72**	**-**

5 Other Intangible assets

(₹ in Lakhs)

Particulars	Computer Software	Total
Gross Carrying amount		
As at March 31, 2019	**233.07**	**233.07**
Additions	66.58	66.58
Deductions	-	-
As at March 31, 2020	**299.65**	**299.65**
Additions	20.38	20.38
Deductions	97.06	97.06
As at March 31, 2021	**222.97**	**222.97**
Accumulated amortisation		
As at March 31, 2019	**129.42**	**129.42**
Amortisation for the year	26.57	26.57
Deductions		-
As at March 31, 2020	**155.99**	**155.99**
Amortisation for the year	34.84	34.84
Deductions	92.20	92.20
As at March 31, 2021	**98.63**	**98.63**
Net carrying amount		
As at March 31, 2021	**124.34**	**124.34**
As at March 31, 2020	**143.66**	**143.66**
As at March 31, 2019	**103.65**	**103.65**

6 Investments

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
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	370.00
50,00,000 (Previous Year : 37,00,000) 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)	-
	5.00	**370.00**

Notes to the Standalone Financial Statements
for the year ended March 31, 2021

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(b) PSP Projects Inc.	6.69	6.69
10,000 (Previous Year : 10,000) Equity Shares of Face Value US$ 1 Each (Refer Note No. 37)		
(c) PSP Foundation**	1.00	-
10,000 (Previous Year : Nil) Equity Shares of Face Value ₹ 10 Each (Previous Year: ₹ Nil) (Refer Note No.37)		
(ii) Joint Venture (Measured at Cost, Refer Note No. 34)		
(a) M/s. GDCL and PSP Joint Venture (Refer Note 6.1)	44.59	44.59
(Share of profit of Ganon Dunkerley & 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	**78.37**	**442.37**
Aggregate Carrying Value of unquoted investment	**78.37**	**442.37**

*Pursuant to the approval from the Board of Directors on November 09, 2020, the Company has acquired the remaining 26% stake (13,00,000 Equity shares) in its 74% subsidiary viz PSP Projects & Proactive Constructions Private Limited ('PPPC'), for a consideration of ₹ 1,30,000/-.

Pursuant to the said transaction, PSP Projects & Proactive Constructions Private Limited is now a wholly owned subsidiary (100%) 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 & 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 2020-21 was same as compared to 2019-20.

7 Loans

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Non Current		
Loan to related parties (Refer note no. 37)	2,574.55	2,751.59
Total	**2,574.55**	**2,751.59**
Current		
Loan to related parties (Refer note no. 37)	840.03	1,163.44
Loans and advances to employees	14.47	27.60
Total	**854.50**	**1,191.04**

Notes to the Standalone Financial Statements
for the year ended March 31, 2021

Break up of security details

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Non Current		
Loan Receivables considered good- Secured	-	-
Loan Receivables considered good- Unsecured	2,574.55	2,751.59
Loan Receivables which have significant increase in Credit Risk	-	-
Loan Receivables impaired	214.95	-
Less: Allowance for credit losses (Refer note no. 37)	(214.95)	-
Total	**2,574.55**	**2,751.59**
Current		
Loan Receivables considered good- Secured	-	-
Loan Receivables considered good- Unsecured	854.50	1,191.04
Loan Receivables which have significant increase in Credit Risk	-	-
Loan Receivables impaired	-	-
Total	**854.50**	**1,191.04**

8 Other Financial Assets

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Non Current		
Unsecured, considered good		
Security deposits	407.93	409.20
Other Deposits	85.78	54.17
Deposits with Banks (Maturity more than 12 months)	2,776.23	5,386.90
Contract Assets		
Retention money receivable from customers	6,652.42	6,066.29
Total	**9,922.36**	**11,916.56**
Current		
Other deposits	350.79	611.05
Contract Assets		
Retention money receivable from customers	2,649.45	637.59
Amount due from customers (Unbilled Revenue)	7,722.15	11,594.73
Total	**10,722.39**	**12,843.37**

9 Deferred Tax Assets

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred Tax Asset	919.04	578.99
Total	**919.04**	**578.99**

Notes to the Standalone Financial Statements
for the year ended March 31, 2021

Deferred tax asset/(liabilities) in relation to:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance		
Non deductible expenses for tax purpose	68.41	45.20
Property, plant and equipment	510.58	441.73
Total	**578.99**	**486.93**
Recognised in Profit or loss		
Non deductible expenses for tax purpose*	172.38	23.21
Property, plant and equipment	167.67	68.85
Total	**340.05**	**92.06**
Closing balance		
Non deductible expenses for tax purpose	240.79	68.41
Property, plant and equipment	678.25	510.58
Total	**919.04**	**578.99**

*During the financial year 2020-21, the company has created deferred tax of ₹ 92.19 lakhs in regards to impairment of investments in PSP Projects & Proactive Constructions Pvt. Ltd. which is shown as exceptional item in the statement of profit and loss.

10 Other assets

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Unsecured, considered good		
Capital Advances	625.89	202.29
Prepaid Expenses	20.83	49.06
Total	**646.72**	**251.35**
Current		
Unsecured, considered good		
Advances to Vendors	1,627.15	1,258.68
Balance with Government Authorities	1,144.69	820.82
Site Establishment Cost	445.88	904.53
Prepaid Expenses	318.85	423.30
Total	**3,536.57**	**3,407.33**

11 Inventories

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Construction Materials	6,674.07	7,673.03
Work in Progress	2,246.84	2,010.32
Total	**8,920.91**	**9,683.35**

(The cost of inventories recognised as an expense during the year is disclosed in Note No. 24 & 25)

Notes to the Standalone Financial Statements
for the year ended March 31, 2021

12 Trade Receivables

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
From others	22,400.24	22,562.36
Total	**22,400.24**	**22,562.36**
Less: Expected credit loss allowance	(196.50)	(162.36)
Total	**22,203.74**	**22,400.00**

Break up of security details

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	22,203.74	22,400.00
Trade receivables which have significant increase in credit risk	196.50	162.36
Trade receivables - credit impaired	-	-
Total	**22,400.24**	**22,562.36**
Provision for expected credit loss	(196.50)	(162.36)
Total Trade Receivables	**22,203.74**	**22,400.00**

13 Cash and Bank Balances

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Cash and Cash Equivalents		
Cash on Hand	27.38	45.98
Balances with banks		
In current accounts	11.10	1,051.45
In cash credit accounts (debit balance)	7,445.14	276.33
In deposit accounts(Refer Note 13.1 below)	18,166.17	23,683.51
Sub Total	**25,649.79**	**25,057.27**
Less: Fixed deposits having maturity more than 3 months & less than 12 months shown under other bank balances	11,340.38	15,549.21
Less: Fixed deposits having maturity more than 12 months shown under other financial assets (refer Note 8)	2,776.23	5,386.90
Total	**11,533.18**	**4,121.16**
Other Bank Balances		
Unpaid dividend accounts*	1.96	2.96
In deposit accounts (Maturity more than 3 months & less than 12 months)	11,340.38	15,549.21
Total	**11,342.34**	**15,552.17**

* The company can utilise these balances only towards settlement of unclaimed dividend.

Notes to the Standalone Financial Statements
for the year ended March 31, 2021

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

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Fixed deposits pledged with banks as security against credit facilities	12,408.77	16,638.60
Fixed deposits pledged with bank as security against overdraft facility for subsidiary company	338.40	452.70
Fixed deposits pledged with clients as security	704.35	1,495.35
Total	**13,451.52**	**18,586.65**

14 Equity Share Capital

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
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:

Particulars	As at March 31, 2021		As at March 31, 2020	
	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 & 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, 2021		As at March 31, 2020	
	No. of Shares	%	No. of Shares	%
Prahaladbhai S. Patel	1,85,24,308	51.46%	1,83,90,914	51.09%
Shilpaben P. Patel	51,84,000	14.40%	51,84,000	14.40%
Sagar P. Patel	20,00,000	5.56%	20,00,000	5.56%

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

15 Other equity

(₹ in Lakhs)

Particulars	Reserves & Surplus			Debt instruments through OCI	Total
	General Reserve	Securities Premium	Retained Earnings		
Balance as at March 31, 2019(A)	**936.10**	**13,488.68**	**19,113.33**	**-**	**33,538.11**
Additions during the year:					
Profit for the year	-	-	12,926.03	-	12,926.03
Remeasurement benefits of defined benefit plans	-	-	(13.14)	-	(13.14)
Total Comprehensive Income for the year 2019-20 (B)	**-**	**-**	**12,912.89**	**-**	**12,912.89**
Reductions during the year:					
Dividends	-	-	3,600.00		3,600.00
Dividend Distribution Tax Paid	-		739.99		739.99
Total (C)	**-**	**-**	**4,339.99**	**-**	**4,339.99**
Balance as at March 31, 2020 (D) = (A) + (B) - (C)	**936.10**	**13,488.68**	**27,686.23**	**-**	**42,111.01**
Additions during the year:					
Profit for the year	-	-	8,079.04		8,079.04
Remeasurement benefits of defined benefit plans (Net of Tax)	-	-	9.22		9.22
Total Comprehensive Income for the period 2020-21 (E)	**-**	**-**	**8,088.26**	**-**	**8,088.26**
Reductions during the year:					-
Dividends			-		-
Income Tax on Dividend			-		-
Total (F)	**-**	**-**	**-**	**-**	**-**
Balance as at March 31, 2021 (G) = (D) + (E) - (F)	**936.10**	**13,488.68**	**35,774.49**	**-**	**50,199.27**

Nature & 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.

Debt Instruments through OCI

The company has elected to recognise changes in the fair value of certain investments in debt securities in other comprehensive income. These changes are accumulated within other equity. The transfer amounts from reserves to profit and loss when relevant debt securities are derecognised.

Notes to the Standalone Financial Statements
for the year ended March 31, 2021

16 Borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Non - Current		
Secured (At Amortised Cost)		
Term Loans		
From Banks	1,291.41	662.23
Less: Current Maturities of long term borrowings	(1,013.08)	(258.54)
Total	**278.33**	**403.69**
Current		
Secured (At Amortised Cost)		
Working Capital Loans		
From Banks	6,804.88	6,822.30
Total	**6,804.88**	**6,822.30**

Nature of Borrowing	Terms of Repayment	Interest Rate	Nature of Security
Non-current Borrowing Term loan for Plant, Machinery & Vehicles	Repayable in 35 to 60 equated monthly installments	7.40% to 9.50%	Assets acquired under term loan
Current Borrowing Working Capital Loans	Repayable on Demand	6.95% to 11.00%	Refer note below

Note:

(i) Working Capital Loans are secured against Inventory, Book Debts, Plant & Machinery, land and Fixed Deposits held in the name of company. Such loans are repayable on demand.

(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.

17 Provisions

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Non - Current		
Provision for employee benefits (Refer Note No. 32)	79.05	39.81
Total	**79.05**	**39.81**
Current		
Provision for employee benefits (Refer Note No. 32)	99.94	69.66
Total	**99.94**	**69.66**

Notes to the Standalone Financial Statements
for the year ended March 31, 2021

18 Trade Payables

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of micro enterprises and small enterprises	1,014.65	757.37
Due to Related Parties (Refer Note No. 37)	170.28	130.30
Total outstanding dues of creditors other than micro enterprises and small enterprises	24,803.47	20,741.20
Total	**25,988.40**	**21,628.87**

19 Other Financial Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Current maturities of Non-current Borrowings (Refer Note No. 16)	1,013.08	258.54
Others		
Trade deposits	466.80	584.83
Payable for capital expenditure	242.78	150.08
Other Payables	1,113.63	687.34
Proposed Dividend	-	370.00
Unpaid dividend*	1.96	2.96
Total	**2,838.25**	**2,053.75**

*This figure does not include any amount due and outstanding, to be credited to Investor Education and Protection Fund.

20 Other Current Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory Payables	1,216.60	236.10
Contract Liabilities		
Advance received from Customers	1,754.94	6,459.28
Amount due to customers	2,313.19	963.73
Mobilisation Advance received from Customers	3,172.38	11,454.87
Total	**8,457.11**	**19,113.98**

21 Current Tax Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Current Tax Liabilities (Net)	692.84	85.21
Total	**692.84**	**85.21**

Notes to the Standalone Financial Statements
for the year ended March 31, 2021

22 Revenue from Operations

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from Contracts with Customers	1,23,413.94	1,49,279.54
Other Operating Revenue	672.30	646.23
Total	**1,24,086.24**	**1,49,925.77**

23 Other Income

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
a) Interest Income		
On Fixed Deposits	1,248.50	1,678.09
On Investments	2.28	19.96
From Subsidiary & Joint Venture (Refer Note no. 37)	330.30	365.58
Others	96.73	134.40
	1,677.81	**2,198.03**
b) Dividend income	**-**	**3.16**
c) Other gains and losses		
Net Gain on Foreign Exchange Fluctuations	-	238.30
Net Gain on sale of Property, Plant & Equipment	-	1.24
Profit from Joint Venture	-	28.41
Others	14.28	8.39
	14.28	**276.34**
Total (a+b+c)	**1,692.09**	**2,477.53**

24 Cost of Construction Material Consumed

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Opening Stock	7,673.03	4,650.44
Add: Purchases	38,814.33	55,688.52
	46,487.36	**60,338.96**
Less: Closing Stock	6,674.07	7,673.03
Total	**39,813.29**	**52,665.93**

Notes to the Standalone Financial Statements
for the year ended March 31, 2021

25 Changes in inventories of Work-In-Progress:

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Inventories at the end of the year:		
Work In Progress	2,246.84	2,010.32
	2,246.84	**2,010.32**
Inventories at the beginning of the year:		
Work In Progress	2,010.32	2,849.73
	2,010.32	**2,849.73**
Net (increase) / decrease in Inventories	**(236.52)**	**839.41**

26 Construction Expenses

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Labour expenses	18,187.06	28,831.95
Sub-Contracting Expenses	42,286.30	35,550.11
Stores, spares & other consumables	341.42	498.72
Power & Fuel	1,458.10	1,851.67
Site Expenses	179.83	288.48
Machinery Rent	861.50	1,969.39
Insurance	264.67	255.34
Repairs & Maintenance:		
Machineries	27.55	37.99
Vehicles	18.11	22.71
Transportation expenses	352.58	313.68
Security Expenses	465.56	422.22
Total	**64,442.68**	**70,042.26**

27 Employee benefits expense

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries and Wages	3,741.89	4,285.55
Managerial Remuneration	694.38	832.00
Contributions to Provident Fund and Other Funds	207.06	235.08
Staff Welfare Expenses	446.04	591.41
Total	**5,089.37**	**5,944.04**

Notes to the Standalone Financial Statements
for the year ended March 31, 2021

28 Finance costs

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest costs:		
(i) Interest on		
Term Loan	49.05	30.82
Working Capital Loan	773.01	651.42
(ii) Others	180.90	213.56
Bank Guarantee Charges	298.26	399.98
Other Borrowing costs	167.90	168.02
Total	**1,469.12**	**1,463.80**

29 Depreciation and Amortization Expense

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation expenses	2,528.92	2,642.60
Amortization expenses	34.84	26.57
Total	**2,563.76**	**2,669.17**

30 Other Expenses

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Rent	171.55	260.55
Rates & Taxes	14.22	34.10
Electricity expenses	18.32	14.48
Insurance	60.06	54.87
Repairs & Maintenance:		
Vehicle	60.31	59.72
Computers	81.36	99.77
Building	0.25	0.14
Printing & Stationery expenses	56.76	85.36
Communication expenses	28.56	27.50
Auditor's Remuneration	20.20	16.00
Legal & Professional expenses	154.52	162.87
Directors' Sitting Fees	2.10	2.70
Travelling & Conveyance	36.10	74.02
Advertisement expenses	17.79	60.56
Sponsorship Fees	1.12	16.47
Allowances for Expected Credit Loss	34.14	33.00
Provision For Loss on Impairment of Loan	214.95	-
Loss From Joint Venture	46.28	-
Corporate Social Responsibility Expenses	279.31	219.24
Donation	10.05	66.15
Net Loss on PPE written off	27.91	-
Net Loss on sale of Assets	0.79	-
Net Loss on Foreign Exchange Fluctuations	133.82	
Miscellaneous Expenses	25.62	49.00
Total	**1,496.09**	**1,336.50**

Notes to the Standalone Financial Statements
for the year ended March 31, 2021

30.1 Remuneration to Auditors

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Payment to Statutory Auditors		
For Audit Fees	20.20	16.00
Total	**20.20**	**16.00**

31 Earnings per share (EPS)

(₹ in Lakhs)

Particulars	Unit	Year ended March 31, 2021	Year ended March 31, 2020
(i) Net Profit after Tax attributable to equity holders of the Company	In ₹	8,079.04	12,926.03
(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 ₹	22.44	35.91

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, 2021	Year ended March 31, 2020
Contribution to Labour Welfare Fund	0.29	0.32
Contribution to Employee State Insurance Corporation Fund	32.55	43.81
Contribution to Provident Fund	106.83	130.98
Total	**139.67**	**175.11**

[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 gratuity on termination of their employment 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, 2021

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, 2021

a) Reconciliation in present value of defined benefit obligation

(₹ in Lakhs)

Particulars	2020-21	2019-20
Defined benefit obligations as at beginning of the year	304.59	218.51
Current service cost	64.74	58.15
Past service cost	-	-
Interest cost	20.77	17.02
Actuarial (Gains)/Losses	(16.04)	13.67
Benefits paid	(40.58)	(2.76)
Defined benefit obligations as at end of the year	**333.48**	**304.59**

b) Reconciliation of fair value of Plan Assets

(₹ in Lakhs)

Particulars	2020-21	2019-20
Fair Value of Plan Assets at the Beginning of the Period	240.08	187.15
Contributions by the Employer	13.16	45.00
Interest Income	16.37	14.58
Benefit Paid from the Fund	(20.58)	(2.76)
Return on Plan Assets, Excluding Interest Income	(3.72)	(3.89)
Fair Value of Plan Assets at the End of the Period	**245.31**	**240.08**

c) Amount recognised in balance sheet

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
PVO at the end of period	333.48	304.59
Fair value of planned assets at end of year-Insurance Fund	245.31	240.08
Funded status - Deficit	(88.17)	(64.51)
Net asset/(liability) recognised in the balance sheet	**(88.17)**	**(64.51)**

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

d) Amount recognised in Statement of Profit and Loss

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current service cost	64.74	58.15
Interest cost	4.40	2.44
Past service cost	-	-
Total	**69.14**	**60.59**

e) Amount recognised in Other Comprehensive Income Remeasurements

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Actuarial (Gains)/ Losses	(16.04)	13.67
Return on Plan Assets, Excluding Interest Income	3.72	3.89
Total	**(12.32)**	**17.56**

f) Principal assumptions used in determining defined benefit obligations for the company

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Expected Return on Plan Assets (% per annum)	6.82%	6.82%
Discount rate (% per annum)	6.82%	6.82%
Salary escalation rate (% per annum)	7%	2% p.a for next 1 years, 7% p.a thereafter, starting from 2nd year.
Employee attrition rate (% per annum)	For service 4 year and below 12.00% p.a. For service 5 year and above 3.00% p.a.	For service 4 year and below 12.00% p.a. For service 5 year and above 3.00% p.a.
Mortality Rate (% per annum)	Indian Assured Lives Mortality (2006-08)	
Normal Retirement Age (In Years)	58	58
Average Future Service (In Years)	18	18

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.

Notes to the Standalone Financial Statements
for the year ended March 31, 2021

g) Expected Cash flow of Maturity Profile for following years of Defined Benefit Obligations

(₹ in Lakhs)

Particulars	As at March 31, 2021 Amount in ₹	As at March 31, 2020 Amount in ₹
Year 1	8.90	15.49
Year 2	12.98	28.96
Year 3	29.74	11.21
Year 4	14.50	13.49
Year 5	16.35	15.45
Year 6 to 10	99.10	113.90
Year 11 and above	841.23	642.16

h) Sensitivity analysis

Scenario	As at March 31, 2021		As at March 31, 2020	
	DBO	Change	DBO	Change
Under Base Scenario				
Discount Rates - Up by 1 %	(38.83)	-11.64%	(31.68)	-10.40%
Discount Rates - Down by 1 %	47.51	14.25%	38.40	12.61%
Salary Escalation - Up by 1 %	43.42	13.02%	35.07	11.51%
Salary Escalation - Down by 1%	(36.72)	-11.01%	(29.78)	-9.78%
Withdrawal Rates - Up by 1%	(1.14)	-0.34%	(1.26)	-0.41%
Withdrawal Rates - Down by 1 %	1.08	0.32%	1.23	0.40%

i) Category of Assets

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Insurance Fund	**245.31**	**240.08**

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	Year ended March 31, 2021	Year ended March 31, 2020
Provisions	**17**	**88.17**	**64.51**

Notes to the Standalone Financial Statements
for the year ended March 31, 2021

33 Tax Expense

(a) Amounts recognised in profit and loss

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current Tax Expense (A)		
Current year	3,035.25	4,608.22
Deferred Tax Expense (B)		
Origination and reversal of temporary differences	(247.86)	(92.06)
Tax Expense recognised in the income statement (A+B)	**2,787.39**	**4,516.16**

(b) Amounts recognised in profit and loss

(₹ in Lakhs)

Particulars	Year ended March 31, 2021			Year ended March 31, 2020		
	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	12.32	(3.10)	9.22	(17.56)	4.42	(13.14)
	12.32	**(3.10)**	**9.22**	**(17.56)**	**4.42**	**(13.14)**

(c) Reconciliation of effective tax rate

(₹ in Lakhs)

Scenario	Year ended March 31, 2021		Year ended March 31, 2020	
	%	Amount	%	Amount
Profit Before Tax		10,866.43		17,442.19
Tax using the Company's domestic tax rate	25.17%	2,734.86	25.17%	4,389.85
Tax effect of:				
Effect of Expenses that are not deductible in determining taxable profit	8.44%	917.30	4.80%	836.63
Effect of income that is exempt from taxation	0.11%	11.65	-0.04%	(7.46)
Effect of Expenses that are deductible in determining taxable profit	-5.62%	(611.13)	-3.50%	(610.79)
Effect of change in tax rate (Refer below Note)	-	-	0.94%	164.51
Others	-2.44%	(265.29)	-1.47%	(256.57)
Effective income tax rate/Income tax expense	25.65%	**2,787.39**	25.89%	**4,516.16**

The Company has elected to exercise the option permitted under section 115BAA of the Income Tax Act-1961 as introduced by the Taxation Laws (Amendment) Ordinance 2019. Accordingly, the Company has recognised tax expenses for the year ended March 31, 2020 and re-measured its deferred tax assets basis the rate prescribed in the said section. Profit for the year is lower by INR 164.51 lakhs due to remeasurement of deferred tax assets recognised upto March 31, 2019.

Notes to the Standalone Financial Statements
for the year ended March 31, 2021

34 Fair value measurement hierarchy

(₹ in Lakhs)

Particulars	As at March 31, 2021						
	Carrying amount	Amortised Cost	FVTOCI	FVTPL	Level of input used in		
					Level 1	Level 2	Level 3
Financial assets							
Investments*	21.09	21.09	-	-	-	-	-
Loans	3,429.05	3,429.05	-	-	-	-	-
Trade receivables	22,203.74	22,203.74	-	-	-	-	-
Cash and cash equivalents and Other Bank Balances	22,875.52	22,875.52	-	-	-	-	-
Other financial assets	20,644.75	20,644.75	-	-	-	-	-
	69,174.15	**69,174.15**	**-**	**-**	**-**	**-**	**-**
Financial liabilities							
Borrowings	7,083.21	7,083.21	-	-	-	-	-
Trade payables	25,988.40	25,988.40	-	-	-	-	-
Other Financial liabilities	2,838.25	2,838.25	-	-	-	-	-
	35,909.86	**35,909.86**	**-**	**-**	**-**	**-**	**-**

*Exclude investment in subsidiaries and joint venture amounting to ₹ 57.28 lakhs as it is carried at cost.

(₹ in Lakhs)

Particulars	As at March 31, 2020						
	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	3,942.63	3,942.63	-	-	-	-	-
Trade receivables	22,400.00	22,400.00	-	-	-	-	-
Cash and cash equivalents and Other Bank Balances	19,673.33	19,673.33	-	-	-	-	-
Other financial assets	24,759.93	24,759.93	-	-	-	-	-
	70,796.98	**70,796.98**	**-**	**-**	**-**	**-**	**-**
Financial liabilities							
Borrowings	7,225.99	7,225.99	-	-	-	-	-
Trade payables	21,628.87	21,628.87	-	-	-	-	-
Other Financial liabilities	2,053.75	2,053.75	-	-	-	-	-
	30,908.61	**30,908.61**	**-**	**-**	**-**	**-**	**-**

*Exclude investment in subsidiaries and joint venture amounting to ₹ 421.28 lakhs as it is carried at cost.

Notes to the Standalone Financial Statements
for the year ended March 31, 2021

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

The carrying amounts of trade receivables, loans, advances, cash and other bank balances are considered to be the same as their fair values due to their short term nature. The carrying amounts of long term loans given with fixed rate of interest are considered at fair value.

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

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.

The gearing ratio at the end of the reporting period are as under:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current borrowing	1,291.41	662.23
Current borrowing	6,804.88	6,822.30
Total Debt	**8,096.29**	**7,484.53**
Total equity	**53,799.27**	**45,711.01**
Adjusted net debt to adjusted equity ratio	**0.15**	**0.16**

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 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

Notes to the Standalone Financial Statements
for the year ended March 31, 2021

A. *Credit risk*

Credit risk is the risk of financial loss to the Company if a customer or counterparty fails to meet its contractual obligations.

Trade receivables

Concentrations of credit risk with respect to trade receivables are limited, due to the customer base being large, diverse and across sectors. All trade receivables are reviewed and assessed for default on a quarterly basis.

Historical experience of collecting receivables of the Company is supported by low level of past default and hence the credit risk is perceived to be low.

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

Movement in Expected Credit Loss Allowance

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Expected Credit Loss Allowance	162.36	129.36
Add: Additional provision made	34.14	33.00
Less: Reversal of provision	-	-
Closing provision	**196.50**	**162.36**

Other financial 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:

As at March 31, 2021

(₹ in Lakhs)

Particulars	Note No.	Carrying Amount	Less than 12 months	More than 12 months	Total
Non-current Borrowings (Incl. current maturities)	16	1,291.41	1,013.08	278.33	1,291.41
Current Borrowings	16	6,804.88	6,804.88	-	6,804.88
Trade Payables	18	25,988.40	25,988.40	-	25,988.40
Other Financial Liabilities	19	1,825.17	1,825.17	-	1,825.17
Total		**35,909.86**	**35,631.53**	**278.33**	**35,909.86**

As at March 31, 2020

(₹ in Lakhs)

Particulars	Note No.	Carrying Amount	Less than 12 months	More than 12 months	Total
Non-current Borrowings (Incl. current maturities)	16	662.23	258.54	403.69	662.23
Current Borrowings	16	6,822.30	6,822.30	-	6,822.30
Trade Payables	18	21,628.87	21,628.87	-	21,628.87
Other Financial Liabilities	19	1,795.21	1,795.21	-	1,795.21
Total		**30,908.61**	**30,504.92**	**403.69**	**30,908.61**

Notes to the Standalone Financial Statements
for the year ended March 31, 2021

C. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

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 INR. The currencies in which these transactions are primarily denominated is US dollars.

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:

(Amount in Lakhs)

Particulars	Assets (USD)	
	As at March 31, 2021	As at March 31, 2020
Loans	37.38	38.35

(₹ in Lakhs)

Particulars	Assets (INR)	
	As at March 31, 2021	As at March 31, 2020
Loans	2,747.72	2,891.03

Foreign currency sensitivity analysis

The Company is mainly exposed to the currency : USD

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 or loss and total equity

(Amount in Lakhs)

Particulars	Impact in USD	
	As at March 31, 2021	As at March 31, 2020
Increase in exchange rate by 5%	1.87	1.92
Decrease in exchange rate by 5%	(1.87)	(1.92)

Notes to the Standalone Financial Statements
for the year ended March 31, 2021

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, 2021	As at March 31, 2020
Fixed-rate instruments		
Financial Assets	3,429.05	3,942.63
Financial Liabilities	1,291.41	662.23
Variable-rate instruments		
Financial Assets	-	-
Financial Liabilities	6,804.88	6,822.30

Interest rate sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates. The following table demonstrates the sensitivity of floating rate financial instruments to a reasonably possible change in interest rates. The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

Impact on Profit / (loss) after tax

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Increase in 100 basis points	(50.92)	(51.05)
Decrease in 100 basis points	50.92	51.05

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 & Proactive Constructions Private Limited	Subsidiary
PSP Foundation	Subsidiary
PSP Projects INC	Foreign Subsidiary
M/s. GDCL and PSP Joint Venture	Joint Venture
P & J Builders LLC	Step down Foreign Joint Venture - Level-I
PSP Fremont LLC	Step down Foreign Joint Venture - Level-I
Guttenberg Projects LLC	Step down Foreign Joint Venture - Level-II

Notes to the Standalone Financial Statements
for the year ended March 31, 2021

(b) Key Management Personnel & Relatives

Name of the Key Management Personnel	Type
Mr. Prahaladbhai S. Patel	Chairman & Managing Director
Mrs. Shilpaben P. Patel	Whole Time Director (Resigned from August 05, 2020)
Ms. Pooja P. Patel	Whole Time Director
Mr. Sagar P. Patel	Executive Director (From October 22, 2019)
Mr. Chirag Narendra Shah	Independent Director
Mr. Sandeep Himmatlal Shah	Independent Director
Mr. Vasishtha Pramodbhai Patel	Independent Director
Mrs. Zarana Pratik Patel	Independent Director (From October 22, 2019)
Mrs. Hetal Patel	Chief Financial Officer
Ms. Mittali Christachary	Company Secretary
Name of the Relative	**Relation**
Mr. Dinubhai Patel	Brother of Chairman & Managing Director

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

Name of the Entities	
PSP Properties Private Limited	
Sprybit Softlabs LLP	M/s. A P Constructions
Shilp Products LLP	M/s. SIM Developers

(ii) Transactions with related parties

(₹ in Lakhs)

Particulars	2020-21	2019-20
Purchase of Assets - Land, Building, Plant & Machinery, Vehicle, Computers & Intangible Assets		
PSP Projects & Proactive Constructions Pvt. Ltd.	-	1.50
Shilp Products LLP	15.35	-
Sales of Assets / Others		
Shilp Products LLP	16.93	-
Rendering Services		
PSP Projects & Proactive Constructions Pvt. Ltd.	-	0.69
Interest Income		
PSP Projects Inc.	203.73	181.95
M/s. GDCL and PSP Joint Venture	76.57	133.63
PSP Projects & Proactive Constructions Pvt. Ltd.	50.00	50.00
Receipt of Services		
M/s. A P Constructions	858.83	901.04
Dinubhai Patel	25.00	25.00
Sprybit Softlabs LLP	13.83	4.92
Prahaladbhai S. Patel	58.48	53.72
Purchase of Concrete Mix		
Shilp Products LLP	62.72	-
Sale of Concrete Mix		
M/s. GDCL and PSP Joint Venture	-	4.64
Shilp Products LLP	32.83	13.33

Notes to the Standalone Financial Statements
for the year ended March 31, 2021

(iii) Transactions with related parties

(₹ in Lakhs)

Particulars	2020-21	2019-20
Reimbursements of Expenses		
M/s. GDCL and PSP Joint Venture	1.58	10.34
Share of Profit /(Loss) from Partnership Firm		
M/s. GDCL and PSP Joint Venture	(46.28)	28.41
Director's Sitting Fees Paid		
Chirag Narendra Shah	0.60	0.75
Sandeep Himmatlal Shah	0.45	0.75
Vasishtha Pramodbhai Patel	0.60	0.90
Mrs. Zarana Pratik Patel	0.45	0.30
Remuneration		
Prahaladbhai S. Patel	500.40	540.00
Shilpaben P. Patel	49.22	180.00
Pooja P. Patel	122.52	102.00
Sagar P. Patel	22.24	11.87
Hetal Patel	22.92	25.23
Mittali Christachary	6.07	6.72
Investment in Equity of Subsidiary		
PSP Projects & Proactive Constructions Pvt Ltd	1.30	-
PSP Foundation	1.00	-
Impairment on Loan / Investment		
PSP Projects Inc. (Loan)	(214.95)	-
PSP Projects & Proactive Constructions Pvt. Ltd. (Investment)	(366.30)	-
Loan Given / (Repaid)		
PSP Projects Inc.(Net)	37.91	365.54
M/s. GDCL and PSP Joint Venture (Net)	(425.24)	(404.50)
PSP Projects & Proactive Constructions Pvt. Ltd. (Net)	(200.00)	-

(iv) Outstanding balances arising from sales/purchases of goods/services with related Parties

(₹ in Lakhs)

Particulars	2020-21	2019-20
Investment		
PSP Projects & Proactive Constructions Pvt. Ltd.	5.00	370.00
PSP Foundation	1.00	-
PSP Projects Inc.	6.69	6.69
M/s. GDCL and PSP Joint Venture	44.59	44.59
Loans		
PSP Projects Inc.	2,574.55	2,751.59
M/s. GDCL and PSP Joint Venture	540.03	773.00
M/s. GDCL and PSP Joint Venture (Cr. Balance in current capital)	-	(109.56)
PSP Projects & Proactive Constructions Pvt. Ltd.	300.00	500.00
Trade Payables		

Notes to the Standalone Financial Statements
for the year ended March 31, 2021

(₹ in Lakhs)

Particulars	2020-21	2019-20
M/s. A P Constructions	102.22	80.55
Dinubhai Patel	6.25	6.25
Shilp Products LLP	28.00	-
Other Financial Assets (Interest Receivable)		
PSP Projects & Proactive Constructions Pvt. Ltd.	-	45.00
M/s. GDCL and PSP Joint Venture	-	301.83
PSP Projects Inc.	173.17	139.44
Remuneration Payable		
Prahaladbhai S. Patel	23.85	24.65
Shilpaben P. Patel	-	9.35
Pooja P. Patel	8.40	5.48
Sagar P. Patel	1.56	1.67
Hetal Patel	1.78	1.82
Mittali Christachary	0.55	0.53

(v) 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. ₹ 61,000 Lakhs) and Term loan of ₹ 1,291.41 Lakhs as on March 31, 2021 (₹ 662.63 Lakhs as on March 31, 2020) 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.

38 Contingent Liabilities and Capital Commitments

(i) Contingent Liabilities:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Claims against Company not acknowledged as debt		
- Tax matters in dispute under appeal*	411.33	10.95
- Dispute in relation to the payment of wages	15.77	15.77
Bank guarantees for Performance, Earnest Money & Security Deposits**	36,313.31	40,418.43
Total	**36,740.41**	**40,445.15**

* 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 guarantees of ₹ 196.87 Lakhs (March 31, 2020 ₹ 656.23 Lakhs) given on behalf of joint venture.

(ii) Capital Commitments:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for Property, Plant & Equipment (net of advances)	1,132.47	35.42
Total	**1,132.47**	**35.42**

Notes to the Standalone Financial Statements
for the year ended March 31, 2021

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.

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
India	1,23,413.94	1,49,279.54

(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, 2021	As at March 31, 2020
Trade Receivables	22,203.74	22,400.00
Contract assets		
Retention money receivable from customers	9,301.87	6,703.88
Amount due from customers	7,722.15	11,594.73
Contract liabilities		
Advance received from Customers	4,927.32	17,914.15
Amount due to customers	2,313.19	963.73

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, 2021	Year ended March 31, 2020
Due from contract customers		
At the beginning of the reporting period	11,594.73	2,300.10
Cost incurred plus attributable profits on contracts-in-progress	90,100.40	1,51,082.12
Progressive billings made towards contracts-in-progress	93,972.98	1,41,787.49
Due from contract customers impaired during the reporting period	-	-
Significant changes due to other reasons	-	-
At the end of the reporting period	7,722.15	11,594.73

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Due to contract customers		
At the beginning of the reporting period	(963.73)	-
Cost incurred plus attributable profits on contracts-in-progress	19,857.37	2,472.00
Progressive billings made towards contracts-in-progress	21,206.83	3,435.73
Due from contract customers impaired during the reporting period	-	-
Significant changes due to other reasons	-	-
At the end of the reporting period	(2,313.19)	(963.73)

(c) Movement of Expected Credit Loss during the year :

In March 2021, ₹ 34.14 lakhs (March 2020, ₹ 33.00 lakhs) was recognised as provision for expected credit losses on Trade Receivables.

(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 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 2021 is ₹ 4,12,097 lakhs (P.Y. ₹ 3,07,356 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-22	Mar-23	Mar-24
Contract revenue	1,86,758	1,88,275	37,064

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

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Contract price of the revenue recognised	1,23,413.94	1,49,279.54
Add : Performance Bonus		
Add : Incentives	-	-
Less : Liquidated damages	-	-
Revenue recognised in the statement of Profit and Loss	1,23,413.94	1,49,279.54

Notes to the Standalone Financial Statements
for the year ended March 31, 2021

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 are no delays in payment made to such suppliers and there is no overdue amount outstanding as at the Balance sheet date.

(₹ in Lakhs)

Sr. No.	Particulars	As at March 31, 2021	As at March 31, 2020
a)	(i) Principal amount remaining unpaid to supplier under the MSMED Act 2006	1,014.65	757.37
	ii) Interest on a) (i) above	1.17	0.43
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	1.17	0.43
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	-	-

41 Segment Information

There are no separate reportable segments as per Ind AS 108 as the entire operations of the company relate to single segment, viz Constructions / Project activities.

42 Corporate Social Responsibility (CSR) Expenditure

(a) CSR amount required to be spent by the Company as per Section 135 of the Companies Act, 2013 is ₹ 279.31 Lakhs for the year 2020-21. (P.Y. ₹ 204.22 Lakhs).

(b) Amount spent for CSR is ₹ 267.32 Lakhs (P.Y. ₹ 219.24 Lakhs), details of the same is as under:

Particulars	For the year ended March 31, 2021			For the year ended March 31, 2020		
	Paid in cash	Yet to be paid in cash	Total	Paid in cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	-	-	-	190.84	-	190.84
(ii) Purposes other than (i) above	267.32	11.99	279.31	28.40	-	28.40
Total	**267.32**	**11.99**	**279.31**	**219.24**	**-**	**219.24**

As per provisions of Companies Act, 2013, the Company is required to spend an amount of ₹ 279.31 Lakhs (P.Y. ₹ 204.22 Lakhs) towards various CSR activities. Of the said amount the Company has spent an amount of ₹ 267.32 Lakhs and balance unspent amount of ₹ 11.99 Lakhs is disclosed under the head ' Other Financial Liabilities' which will be transferred to PM CARES FUND, a fund specified under Schedule VII as per section 135(6) of the Companies Act, 2013 read with CSR Amendment Rules within a period of six months of the expiry of the financial year.

Notes to the Standalone Financial Statements

for the year ended March 31, 2021

43 Exceptional items

Exceptional items include provision for impairment in value of investment in PSP Projects & Proactive Constructions Pvt. Ltd. of ₹ 366.30 lakhs (₹ 274.11 lakhs net of tax).

44 Standards Issued but not yet effective

As at the date of issue of standalone financial statements, there are no new standards or amendments which have been notified by the MCA but not yet adopted by the Company.Hence, the disclosure is not applicable.

45 COVID-19 Estimation uncertainty

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of Property, Plant and Equipment, Investments, Inventories, Receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company as at the date of approval of these financial statements has used internal and external sources on the expected future performance of the Company. The Company has performed sensitivity analysis on the assumptions used and based on current estimates, expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

46 Events after the reporting period:

(a) The board of directors have recommended dividend of ₹ 4.00 per fully paid up equity share of ₹ 10/- each, which is subject to approval of members at Annual General Meeting.

(b) The Company has 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 housing project under Pradhan Mantri Awas Yojana at Bhiwandi, Maharashtra in the proceeding before the Hon'ble District Court of Thane, and have obtained an interim relief / injunction (stay) by order dated June 17, 2021 against Bhiwandi Nizampur Municipal Corporation (BNMC) till the reply is being filed by the opposing party viz BNMC.

47 Approval of Financial Statements:

The standalone financial statements are approved for issue by the Audit Committee and Board of Directors at their meetings held on June 18, 2021.

48 The figures of previous year have been regrouped/reclassified wherever necessary, to conform to the current year's classification.

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.**
Chartered Accountants
ICAI Firm Reg. No. : 140190W

Riddhi P. Sheth
Proprietor
Membership No. : 159123

Place: Ahmedabad
Date : June 18, 2021

For and on behalf of the Board of Directors

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

Pooja P. Patel
Whole Time Director
(DIN: 07168083)

Hetal Patel
Chief Financial Officer

Mittali Christachary
Company Secretary

Place: Ahmedabad
Date : June 18, 2021

Independent Auditors' Report

To the members of
PSP Projects Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of PSP Projects Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding company and its subsidiaries together referred to as "the Group") and its joint venture which comprise the Consolidated Balance Sheet as at March 31 2021, the Consolidated Statement of Profit and Loss (including the Statement of Other Comprehensive Income), the Consolidated Statement of Cash flows and the Consolidated Statement of Changes in Equity for the year ended on that date, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries and joint venture as were audited by the other auditors, 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 Consolidated state of affairs of the Group and its joint venture as at March 31, 2021, the 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 (SAs). Our responsibilities under those Standards are further described in the '*Auditors' Responsibilities for the Audit of the Consolidated Financial Statements'* section of our report. We are independent of the Group and its joint venture in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made there under, 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 opinion on the Consolidated Financial Statements.

Emphasis of Matter

We draw attention to Note 47 of the Consolidated Financial Statements, as regards the Board of Directors' evaluation of COVID-19 impact on the future performance of the Group. Our opinion is not modified in respect of this matter.

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 for 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.

Key audit matters	How our audit addressed the Key Audit Matter
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 Group 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.

Key audit matters	How our audit addressed the Key Audit Matter
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 in the current year due to the significance of the amount and element of judgement involved in overall management assessment of the customers' ability to repay the outstanding balance during COVID 19 disruption. Refer to note number 2.17, 12 and 40 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 Group 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 ongoing business relationship with the customers, past payment history of customers and any impact on those customers because of COVID 19 pandemic.

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, 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 during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed and based on the work done/ audit report of other auditors, 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'.

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated state of affairs, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its joint venture in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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, the respective Board of Directors of the companies included in the Group and of its joint venture are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and its joint venture or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint venture is also responsible for overseeing the financial reporting process of each company.

Auditors' 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 auditors' 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 financial controls 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 with reference to Consolidated Financial Statements 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 ability of the Group and its joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' 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 such entities or business activities within the Group and its joint venture to express an opinion on the Consolidated Financial Statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraphs (a) and (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 financial statements.

We communicate with those charged with governance of the Holding Company 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, 2021, 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 Matters

1) 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 INR 651.89 lakh as at March 31, 2021, total revenue (before consolidation adjustments) of INR 41.17 lakh, total net loss after tax (before consolidation adjustments) of INR 204.11 lakh, total comprehensive loss of INR 204.11 lakh and net cash inflow of INR 0.72 lakh for the year ended March 31, 2021, 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 INR 46.28 lakh for the year ended March 31, 2021, 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 are as stated in the paragraph above.

2) The accompanying Consolidated Financial Statements includes the unaudited financial statements and other unaudited financial information of 1 (one) subsidiary, whose financial statements and other financial information reflects total assets (before consolidation adjustments) of INR 2,640.07 lakh as at March 31, 2021, total revenue (before consolidation adjustments) of INR 186.25 lakh, total net loss after tax (before consolidation adjustments) of INR 215.23 lakh and net cash inflows of INR 15.30 lakh for the year ended March 31, 2021. These unaudited financial statements and other unaudited financial information has been approved and furnished to us by the Management of the Holding Company and our opinion, in-so far as it relates to the amounts and disclosures included in respect of this entity, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management of the Holding Company, these financial statements and other financial information are not material to the Group.

   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 and the financial statements and financial information certified by the Management of the Holding Company.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of other auditors on the separate financial statements and other financial information of the subsidiaries and joint ventures, referred to in the Other Matters section above we report to the extent applicable, that:

   (a) We/ the other auditors whose reports we have relied upon 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 of the aforesaid Consolidated Financial Statements.

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors.

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

   (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and its subsidiaries incorporated in India and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2021 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 and the operating effectiveness of such controls with reference to these Consolidated Financial Statements of the Holding Company and its subsidiaries incorporated in India, refer to our separate Report in "Annexure A" to this report;

(g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and joint venture, as noted in the 'Other Matters' paragraph:

i. The Consolidated Financial Statements disclose impact of pending litigations on the consolidated financial position of the Group and its joint venture - Refer Note 39 to the Consolidated Financial Statements.

ii. The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and

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

For **Kantilal Patel & Co.**
Chartered Accountants
ICAI Firm registration number: 104744W

Jinal A. Patel
Partner
Membership No.: 153599
Place: Ahmedabad

Date: June 18, 2021
UDIN: 21153599AAAAEV3301

For **Riddhi P. Sheth & Co.**
Chartered Accountants
ICAI Firm registration number: 140190W

Riddhi P. Sheth
Proprietor
Membership No.: 159123
Place: Ahmedabad

Date: June 18, 2021
UDIN : 21159123AAAAAO9447

Annexure A to the Independent Auditors' Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of PSP Projects Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of PSP Projects Limited (hereinafter referred to as "Holding Company") and its subsidiary company (together referred to as "the Group"), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company and its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (" 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 respective 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its subsidiary company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these Consolidated Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these 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 these 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 auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary company 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 internal financial controls over financial reporting with reference to these Consolidated Financial Statements.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors as referred to in Other Matters paragraph below, the Holding Company and its subsidiary company, which are companies incorporated in India, have maintained, in all material respects, an adequate internal financial controls system over financial reporting with reference to these Consolidated Financial Statements and such internal financial controls over financial reporting with reference to these Consolidated Financial Statements were operating effectively as at March 31, 2021, 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 issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these Consolidated Financial Statements of the Holding Company, in so far as it relates to one subsidiary company which is company incorporated in India, is based solely on the corresponding reports furnished to us by the auditors of such company incorporated in India.

For **Kantilal Patel & Co.**
Chartered Accountants
ICAI Firm registration number: 104744W

Jinal A. Patel
Partner
Membership No.: 153599
Place: Ahmedabad

Date: June 18, 2021
UDIN: 21153599AAAAEV3301

For **Riddhi P. Sheth & Co.**
Chartered Accountants
ICAI Firm registration number: 140190W

Riddhi P. Sheth
Proprietor
Membership No.: 159123
Place: Ahmedabad

Date: June 18, 2021
UDIN : 21159123AAAAAO9447

Consolidated Balance Sheet
as at March 31, 2021

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
(1) Non current Assets			
(a) Property, Plant and Equipment	3	11,494.34	10,645.34
(b) Capital Work-In-Progress	4	4,164.72	-
(c) Other Intangible Assets	5	124.34	143.66
(d) Financial Assets			
(i) Investments	6	66.68	65.68
(ii) Loans	7	2,472.98	2,668.28
(iii) Other Financial Assets	8	9,922.54	11,916.74
(e) Deferred Tax Asset (Net)	9	973.14	696.40
(f) Other Non Current Assets	10	646.72	251.35
Total Non-Current Assets		**29,865.46**	**26,387.45**
(2) Current Assets			
(a) Inventories	11	8,920.91	9,683.35
(b) Financial Assets			
(i) Trade receivables	12	22,653.74	23,517.51
(ii) Cash and cash equivalents	13	11,560.36	4,132.33
(iii) Bank Balances other than (ii) above	13	11,342.34	15,552.17
(iv) Loans	7	554.50	691.04
(v) Other Financial Assets	8	10,698.57	12,828.44
(c) Other Current Assets	10	3,536.69	3,407.33
(d) Current Tax Assets (Net)	14	-	94.87
Total Current Assets		**69,267.11**	**69,907.04**
Total Assets		**99,132.57**	**96,294.49**
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	15	3,600.00	3,600.00
(b) Other Equity	16	49,989.95	41,818.16
Equity attributable to owners of Holding Company		**53,589.95**	**45,418.16**
Non-Controlling Interests		-	68.68
Total Equity		**53,589.95**	**45,486.84**
LIABILITIES			
(2) Non-Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	278.33	403.69
(b) Provisions	18	79.05	39.81
Total Non-Current Liabilities		**357.38**	**443.50**
(3) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	7,095.33	7,321.32
(ii) Trade Payables	19		
- Total outstanding dues of micro enterprises and small enterprises		1,014.65	757.37
- Total outstanding dues of creditors other than micro enterprises and small enterprises		24,973.76	20,923.29
(iii) Other Financial Liabilities	20	2,838.50	2,056.46
(b) Other Current Liabilities	21	8,465.02	19,115.70
(c) Provisions	18	105.14	104.80
(d) Current Tax Liabilities (Net)	22	692.84	85.21
Total Current Liabilities		**45,185.24**	**50,364.15**
Total Liabilities		**45,542.62**	**50,807.65**
Total Equity and Liabilities		**99,132.57**	**96,294.49**

The Notes on Account form Integral part of the Financial Statements 1 to 50 (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.**
Chartered Accountants
ICAI Firm Reg. No. : 140190W

Riddhi P. Sheth
Proprietor
Membership No. : 159123

Place : Ahmedabad
Date : June 18, 2021

For and on behalf of the Board of Directors

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

Pooja P. Patel
Whole Time Director
(DIN: 07168083)

Hetal Patel
Chief Financial Officer

Mittali Christachary
Company Secretary

Place : Ahmedabad
Date : June 18, 2021

Consolidated Statement of Profit and Loss

for the year ended on March 31, 2021

(₹ in Lakhs)

	Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
I	Revenue From Operations	23	1,24,086.24	1,49,925.93
II	Other Income	24	1,665.78	2,416.63
III	**Total Income (I+II)**		**1,25,752.02**	**1,52,342.56**
IV	**EXPENSES**			
	Cost of Construction Material Consumed	25	39,813.29	52,665.93
	Changes in Inventories of Work-In-Progress	26	(236.52)	839.41
	Construction Expenses	27	64,442.86	70,044.68
	Employee Benefits Expense	28	5,089.71	5,948.66
	Finance Costs	29	1,500.79	1,505.58
	Depreciation and Amortization Expense	30	2,563.76	2,669.55
	Other Expenses	31	1,483.23	1,344.08
	Total Expenses (IV)		**1,14,657.12**	**1,35,017.89**
V	**Profit Before Tax & Share of profit/(loss) from Joint Venture (III-IV)**		**11,094.90**	**17,324.67**
VI	**Tax Expense:**			
	(a) Current Tax	34	3,035.26	4,608.22
	(b) Deferred Tax	9	(276.93)	(103.73)
VII	**Profit for the year before Share of profit/(loss) from Joint Venture (V-VI)**		**8,336.57**	**12,820.18**
VIII	**Share of profit / (loss) from Joint Venture (Net)**	38(ii)	**(241.94)**	**10.74**
IX	**Other Comprehensive Income/(Loss)**			
	(i) Items that will not be reclassified to profit or loss			
	- Remeasurement expenses of Defined benefit plans		12.32	(17.56)
	- Income tax expenses relating to items that will be reclassified to profit or loss		(3.10)	4.42
	(ii) Items that will be reclassified to profit or loss			
	- Exchange difference arising on translation of foreign subsidiary		0.75	(7.58)
	- Income tax expenses relating to items that will be reclassified to profit or loss		(0.19)	0.55
	Total Other Comprehensive Income/(Loss) (IX(i) + IX(ii))		**9.78**	**(20.17)**
X	**Total Comprehensive Income for the year (VII+VIII+IX)**		**8,104.41**	**12,810.75**
	Profit for the year attributable to:			
	- Owners of the Holding Company		8,152.65	12,847.61
	- Non-controlling Interest		(58.02)	(16.69)
	Other comprehensive income for the year attributable to:			
	- Owners of the Holding Company		9.78	(20.17)
	- Non-controlling Interest		-	-
	Total comprehensive income for the year attributable to:			
	- Owners of the Holding Company		8,162.43	12,827.44
	- Non-controlling Interest		(58.02)	(16.69)
XI	**Earnings per equity share:**			
	Basic and Diluted (Face value Rs. 10 per equity share)	32	22.65	35.69

The Notes on Account form Integral part of the Financial Statements 1 to 50 (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.**
Chartered Accountants
ICAI Firm Reg. No. : 140190W

Riddhi P. Sheth
Proprietor
Membership No. : 159123

Place : Ahmedabad
Date : June 18, 2021

For and on behalf of the Board of Directors

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

Pooja P. Patel
Whole Time Director
(DIN: 07168083)

Hetal Patel
Chief Financial Officer

Mittali Christachary
Company Secretary

Place : Ahmedabad
Date : June 18, 2021

Statement of Consolidated Cash Flows
for the year ended on March 31, 2021

(₹ in Lakhs)

	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
A	**Cash flow from operating activities**		
	Profit before tax	10,852.96	17,335.41
	Adjustments for :		
	Finance costs	841.58	711.92
	Depreciation and amortisation expense	2,563.76	2,669.55
	Expected credit loss allowance	34.14	33.00
	Bad debts	246.18	-
	Dividend	-	(3.16)
	Interest Income	(1,620.04)	(2,165.53)
	Loss / (Gain) on sale of Property, Plant & Equipment (Net)	28.70	0.01
	Operating Profit before working capital changes	**12,947.28**	**18,581.20**
	Movements in working capital:		
	(Increase) / Decrease in Inventories	762.44	(2,183.18)
	(Increase) / Decrease in trade receivable	583.45	(8,762.00)
	(Increase) / Decrease in other assets	2,122.56	(11,101.11)
	Increase / (Decrease) in trade payables	3,939.27	5,809.11
	Increase / (Decrease) in other liabilities	(10,714.88)	4,677.94
	Increase / (Decrease) in provisions	39.58	79.60
	Cash generated from operations:	**9,679.70**	**7,101.56**
	Direct taxes paid (net)	(2,332.76)	(5,550.71)
	Net cash generated/(used) from operating activities (A)	**7,346.94**	**1,550.85**
B	**Cash flows from investing activities**		
	Payment for Property, Plant and Equipment (PPE), Intangible assets & CWIP	(7,926.77)	(3,307.32)
	Proceeds from sale of Property, Plant and Equipment (PPE)	9.01	2.44
	(Purchase)/Proceeds on sale of current investments (Net)	-	(7.83)
	(Purchase) / Proceeds of term deposits (Net)	6,819.50	345.79
	Purchase of shares of subsidiary / Section 8 company	(2.30)	-
	Dividend received	-	3.16
	Interest received	1,620.04	2,165.53
	Net cash generated/(used) in Investing activities (B)	**519.48**	**(798.23)**
C	**Cash flow from financing activities :**		
	Proceeds from / (Repayment) of non-current borrowings	629.18	493.74
	Proceeds from / (Repayment) of current borrowings	(225.99)	4,383.06
	Dividend and dividend tax paid	-	(4,339.99)
	Interest paid	(841.58)	(711.92)
	Net cash generated/(used) in Financing activities (C)	**(438.39)**	**(175.11)**
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS [(A) + (B) + (C)]	**7,428.03**	**577.51**
	Add: Cash and cash equivalents as at beginning of the year	**4,132.33**	**3,554.82**
	Cash and Cash Equivalents as at the end of the year	**11,560.36**	**4,132.33**

Note to Cash Flow Statement:

1 The above Cash Flow Statement has been prepared under the 'Indirect method' as set out in the Ind AS - 7 Statement of Cash Flow.

2 The Group has total sanctioned limit (fund & non-fund based) of ₹ 1,04,700 lakhs (P.Y. ₹ 61,000 lakhs) with banks, out of which ₹ 43,098.31 lakhs (P.Y. ₹ 42,618.43 lakhs) has been utilised.

3 Cash and Cash Equivalents comprises of:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Cash on hand	27.45	46.06
Balances with banks		
In current accounts	38.21	1,062.54
In cash credit accounts (debit balance)	7,445.14	276.33
In deposit accounts (Maturity less than 3 months)	4,049.56	2,747.40
CASH AND CASH EQUIVALENTS AS PER NOTE 13	**11,560.36**	**4,132.33**
CASH AND CASH EQUIVALENTS AS PER CASH FLOW STATEMENT	**11,560.36**	**4,132.33**

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

Reconciliation of liabilities arising from financing activities

As at March 31, 2021

(₹ in Lakhs)

Particulars	Opening Balance	Cash Flows	Non Cash Changes	Closing Balance
Non-current Borrowings	662.23	629.18	-	1,291.41
Current Borrowings	7,321.33	(225.99)	-	7,095.34
Total liabilities from financing activities	**7,983.56**	**403.19**	**-**	**8,386.75**

As at March 31, 2020

(₹ in Lakhs)

Particulars	Opening Balance	Cash Flows	Non Cash Changes	Closing Balance
Non-current Borrowings	168.49	493.74	-	662.23
Current Borrowings	2,938.27	4,383.06	-	7,321.33
Total liabilities from financing activities	**3,106.76**	**4,876.80**	**-**	**7,983.56**

The Notes on Account form Integral part of the Financial Statements 1 to 50 (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.**
Chartered Accountants
ICAI Firm Reg. No. : 140190W

Riddhi P. Sheth
Proprietor
Membership No. : 159123

Place : Ahmedabad
Date : June 18, 2021

For and on behalf of the Board of Directors

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

Pooja P. Patel
Whole Time Director
(DIN: 07168083)

Hetal Patel
Chief Financial Officer

Mittali Christachary
Company Secretary

Place : Ahmedabad
Date : June 18, 2021

Consolidated Statement of Changes in Equity

for the year ended on March 31, 2021

a. Equity Share Capital:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
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 & Surplus			Foreign Currency Translation Reserve	Debt instruments through OCI	Total attributable to owners of the Holding Company	Non - controlling interests	Total
	General Reserve	Securities Premium	Retained Earnings					
Balance as at March 31, 2019 (A)	**936.10**	**13,488.68**	**18,908.39**	**(2.46)**	**-**	**33,330.71**	**85.37**	**33,416.08**
Additions during the year:								
Profit for the year	-	-	12,847.61	(7.03)	-	12,840.58	(16.69)	12,823.89
Remeasurement benefits of defined benefit plans (Net of Tax)	-	-	(13.14)	-	-	(13.14)	-	(13.14)
Total Comprehensive Income for the year 2019-20 (B)	**-**	**-**	**12,834.47**	**(7.03)**	**-**	**12,827.44**	**(16.69)**	**12,810.75**
Reductions during the year:								
Dividends	-	-	3,600.00	-	-	3,600.00	-	3,600.00
Income Tax on Dividend	-	-	739.99	-	-	739.99	-	739.99
Total (C)	**-**	**-**	**4,339.99**	**-**	**-**	**4,339.99**	**-**	**4,339.99**
Balance as at March 31, 2020 (D) = (A) + (B) - (C)	**936.10**	**13,488.68**	**27,402.87**	**(9.49)**	**-**	**41,818.16**	**68.68**	**41,886.84**
Additions during the year:								
Profit for the year	-	-	8,152.65	0.56	-	8,153.21	(58.02)	8,095.19
Remeasurement benefits of defined benefit plans (Net of Tax)	-	-	9.22	-	-	9.22	-	9.22
Acquisition of Non-controlling interest	-	-	(1.30)	-	-	(1.30)	-	(1.30)
Share of Non-controlling Interest	-	-	10.66	-	-	10.66	(10.66)	-
Total Comprehensive Income for the year 2020-21 (E)	**-**	**-**	**8,171.23**	**0.56**	**-**	**8,171.79**	**(68.68)**	**8,103.11**
Reductions during the year:								
Dividends	-	-	-	-	-	-	-	-
Income Tax on Dividend	-	-	-	-	-	-	-	-
Total (F)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Balance as at March 31, 2021 (G) = (D) + (E) - (F)	**936.10**	**13,488.68**	**35,574.10**	**(8.93)**	**-**	**49,989.95**	**-**	**49,989.95**

The Notes on Account form Integral part of the Financial Statements 1 to 50 (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.**
Chartered Accountants
ICAI Firm Reg. No. : 140190W

Riddhi P. Sheth
Proprietor
Membership No. : 159123

Place : Ahmedabad
Date : June 18, 2021

For and on behalf of the Board of Directors

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

Pooja P. Patel
Whole Time Director
(DIN: 07168083)

Hetal Patel
Chief Financial Officer

Mittali Christachary
Company Secretary

Place : Ahmedabad
Date : June 18, 2021

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

1. Group's Overview:

The consolidated financial statements comprise financial statements of PSP Projects Limited (the Parent), its subsidiaries and joint ventures (collectively, the Group) for the year ended March 31, 2021. The Parent 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 Company's Act, 1956. The shares of the company are listed on National Stock Exchange of India Ltd. and Bombay Stock Exchange Ltd with effect from May 29, 2017.

The Group offers construction services across industrial, institutional, residential, social infrastructure and commercial projects in India and USA.

2. Significant Accounting Policies, Key Accounting Estimates & 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 and Companies (Indian Accounting Standards) Amendment Rules, 2016 as amended and other relevant provisions of the Act.

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 (INR), 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, 2021. 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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

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:

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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

b) **Income taxes:**
Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

c) **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.

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.

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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

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.

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 and assets representing investments in Joint Venture 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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

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.

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 cost 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.

Financial Assets:

a) Initial recognition and measurement:

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2021

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 Group applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward-looking estimates are analysed.

For other assets, the 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.

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 & 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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

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 INR (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:

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

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 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

Notes to the Consolidated Financial Statements
for the year ended March 31, 2021

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.

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

Notes to the Consolidated Financial Statements
for the year ended March 31, 2021

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.

2.20 Provision & 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:

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

current and future economic conditions, the Group has concluded that no changes are required to lease period relating to the existing lease contracts.

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.

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.

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 Accounting Pronouncements:

(a) Amendment to Ind AS 116 "Leases" – Insertion of practical expedient for COVID-19 related lease concessions

The amendment provides lessee with a practical expedient and an exemption to assess whether a COVID-19 related rent concession is a lease modification to payments originally due on or before June 30, 2021. Amendment also requires disclosure of the amount recognised in statement of profit and loss to reflect changes in lease payments that arise from such concession. The Group has not recognised any amount as reversal of lease liability in the statement of profit and loss.

(b) Amendment to Ind AS 109 "Financial Instruments" and Ind AS 107 "Financial Instruments: Disclosures"– Interest rate Benchmark Reform

The Group has applied the related amendments. The amendments provide relief from the specific hedge accounting requirements assuming that the interest rate benchmark is not altered as a result of the interest rate benchmark reform. The Group is currently evaluating the potential impact of replacement of interest rate benchmark and will accordingly manage the transition plan.

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.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2021

3 Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Land	Buildings	Furniture & Fixtures	Plant & Machinery	Office Equipments	Computers	Vehicles	Total
Gross Carrying amount								
As at March 31, 2019	**1,006.05**	**896.44**	**231.18**	**11,886.45**	**161.26**	**160.66**	**2,280.22**	**16,622.26**
Additions	-	-	27.90	2,219.29	33.21	176.34	619.25	3,075.99
Deductions / Disposals	-	-	-	2.75	-	0.77	15.08	18.60
As at March 31, 2020	**1,006.05**	**896.44**	**259.08**	**14,102.99**	**194.47**	**336.23**	**2,884.39**	**19,679.65**
Additions	2,004.48	-	1.00	1,123.03	18.11	42.83	221.32	3,410.77
Deductions / Disposals	-	-	51.43	242.04	7.07	35.65	29.01	365.20
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**
Accumulated depreciation								
As at March 31, 2019	**-**	**121.42**	**115.68**	**4,720.41**	**98.16**	**115.84**	**1,235.96**	**6,407.47**
Depreciation for the year	-	74.43	31.58	2,090.56	36.08	50.24	360.09	2,642.98
Deductions / Disposals	-	-	-	1.24	-	0.57	14.33	16.14
As at March 31, 2020	**-**	**195.85**	**147.26**	**6,809.73**	**134.24**	**165.51**	**1,581.72**	**9,034.31**
Depreciation for the year	-	67.09	29.00	1,913.69	30.48	88.39	400.27	2,528.92
Deductions / Disposals	-	-	48.74	217.71	6.54	33.87	25.49	332.35
As at March 31, 2021	**-**	**262.94**	**127.52**	**8,505.71**	**158.18**	**220.03**	**1,956.50**	**11,230.88**
Net carrying amount								
As at March 31, 2021	**3,010.53**	**633.50**	**81.13**	**6,478.27**	**47.33**	**123.38**	**1,120.20**	**11,494.34**
As at March 31, 2020	**1,006.05**	**700.59**	**111.82**	**7,293.26**	**60.23**	**170.72**	**1,302.67**	**10,645.34**
As at March 31, 2019	**1,006.05**	**775.02**	**115.50**	**7,166.04**	**63.10**	**44.82**	**1,044.26**	**10,214.79**

Notes:

(i) Vehicles amounting to ₹ Nil as disclosed in Gross Carrying Value as at March 31, 2021 (March 31, 2020 - ₹ 93.65 Lakhs) are in the name of Mr. Prahaladbhai S. Patel, Managing Director and CEO of the Holding Company.

(ii) Refer to Note 17 for information on property, plant and equipment pledged as security by the Group.

(iii) For Capital Commitments, Refer Note 39.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2021

4 Capital Work In Progress

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening CWIP	-	-
Additions	4,164.72	-
Capitalised during the year	-	-
Total	**4,164.72**	**-**

5 Other Intangible assets

(₹ in Lakhs)

Particulars	Computer Software	Total
Gross Carrying amount		
As at March 31, 2019	**233.07**	**233.07**
Additions	66.58	66.58
Deductions	-	-
As at March 31, 2020	**299.65**	**299.65**
Additions	20.38	20.38
Deductions	97.06	97.06
As at March 31, 2021	**222.97**	**222.97**
Accumulated amortisation		
As at March 31, 2019	**129.42**	**129.42**
Amortisation for the year	26.57	26.57
Deductions		-
As at March 31, 2020	**155.99**	**155.99**
Amortisation for the year	34.84	34.84
Deductions	92.20	92.20
As at March 31, 2021	**98.63**	**98.63**
Net carrying amount		
As at March 31, 2021	**124.34**	**124.34**
As at March 31, 2020	**143.66**	**143.66**
As at March 31, 2019	**103.65**	**103.65**

6 Investments

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Non Current		
Investment in Equity Instruments / Capital of Partnership Firm		
Unquoted		
(i) Subsidiaries (Measured at Cost, Refer Note No. 35)		
(a) PSP Foundation*	1.00	-
10,000 (Previous Year : Nil) Equity Shares of Face Value ₹ 10 Each (Previous Year: ₹ Nil) (Refer Note No. 38)		

Notes to the Consolidated Financial Statements
for the year ended March 31, 2021

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(ii) Joint Venture (Measured at Cost, Refer Note No. 35)		
(a) M/s. GDCL and PSP Joint Venture (Refer Note 6.1)	44.59	44.59
(Share of profit of Ganon Dunkerley & Company Limited and PSP Projects Limited in the entity is 51:49) (Refer Note No. 38)		
(iii) Others		
(Measured at Cost, Refer Note No. 35)		
(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**	**65.68**
Aggregate Carrying Value of unquoted investment	**66.68**	**65.68**

*PSP Foundation is incorporated as a wholly owned subsidiary of the parent 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 parent 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 & 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 2020-21 was same as compared to 2019-20.

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, 2021	As at March 31, 2020
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	(46.28)	28.41
Other comprehensive income for the year	-	-
Total comprehensive income/(loss) for the year	**(46.28)**	**28.41**

Notes to the Consolidated Financial Statements
for the year ended March 31, 2021

7 Loans

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Non Current		
Loan to related parties (Refer note no. 38)	2,472.98	2,668.28
Total	**2,472.98**	**2,668.28**
Current		
Loan to related parties (Refer note no. 38)	540.03	663.44
Loans and advances to employees	14.47	27.60
Total	**554.50**	**691.04**

Break up of security details

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Non Current		
Loan Receivables considered good- Secured	-	-
Loan Receivables considered good- Unsecured	2,472.98	2,668.28
Loan Receivables which have significant increase in Credit Risk	-	-
Loan Receivables impaired	-	-
Total	**2,472.98**	**2,668.28**
Current		
Loan Receivables considered good- Secured	-	-
Loan Receivables considered good- Unsecured	554.50	691.04
Loan Receivables which have significant increase in Credit Risk	-	-
Loan Receivables impaired	-	-
Total	**554.50**	**691.04**

8 Other Financial Assets

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Non Current		
Unsecured, considered good		
Security deposits	408.11	409.38
Other Deposits	85.78	54.17
Deposits with Banks (Maturity more than 12 months)	2,776.23	5,386.90
Contract Assets		
Retention money receivable from customers	6,652.42	6,066.29
Total	**9,922.54**	**11,916.74**
Current		
Other deposits	326.97	567.66
Contract Assets		
Retention money receivable from customers	2,649.45	637.59
Amount due from customers (Unbilled Revenue)	7,722.15	11,623.19
Total	**10,698.57**	**12,828.44**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

9 Deferred Tax Assets

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred Tax Asset	973.14	696.40
Total	**973.14**	**696.40**

Deferred tax asset/(liabilities) in relation to:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance		
Non deductible expenses for tax purpose	68.41	45.20
Property, plant and equipment	510.59	441.25
Losses Brought Forward	43.36	32.18
Investments carried at FVTOCI	1.86	1.32
MAT Credit Entitlement	72.18	72.18
Total	**696.40**	**592.13**
Recognised in Profit or loss		
Non deductible expenses for tax purpose	26.09	23.21
Property, plant and equipment	167.67	69.34
Losses Brought Forward	83.17	11.18
Total	**276.93**	**103.73**
Recognised in Other comprehensive income		
Exchange difference arising on translation of foreign subsidiary	(0.19)	0.55
Total	**(0.19)**	**0.55**
Closing balance		
Non deductible expenses for tax purpose	94.50	68.41
Property, plant and equipment	678.26	510.59
Losses Brought Forward	126.53	43.36
Investments carried at FVTOCI	1.67	1.86
MAT Credit Entitlement	72.18	72.18
Total	**973.14**	**696.40**

10 Other assets

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Unsecured, considered good		
Capital Advances	625.89	202.29
Prepaid Expenses	20.83	49.06
Total	**646.72**	**251.35**

Notes to the Consolidated Financial Statements
for the year ended March 31, 2021

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Current		
Unsecured, considered good		
Advances to Vendors	1,627.16	1,258.68
Balance with Government Authorities	1,144.80	820.81
Site Establishment Cost	445.88	904.54
Prepaid Expenses	318.85	423.30
Total	**3,536.69**	**3,407.33**

11 Inventories

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Construction Materials	6,674.07	7,673.03
Work in Progress	2,246.84	2,010.32
Total	**8,920.91**	**9,683.35**

(The cost of inventories recognised as an expense during the year is disclosed in Note No. 25 & 26)

12 Trade Receivables

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
From related parties (Refer note no. 38)	-	-
From others	22,850.24	23,679.87
Total	**22,850.24**	**23,679.87**
Less: Expected credit loss allowance	(196.50)	(162.36)
Total	**22,653.74**	**23,517.51**

Break up of security details

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	22,653.74	23,517.51
Trade receivables which have significant increase in credit risk	196.50	162.36
Trade receivables - credit impaired	-	-
Total	**22,850.24**	**23,679.87**
Provision for expected credit loss	(196.50)	(162.36)
Total Trade Receivables	**22,653.74**	**23,517.51**

Notes to the Consolidated Financial Statements
for the year ended March 31, 2021

13 Cash and Bank Balances

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Cash and Cash Equivalents		
Cash on Hand	27.45	46.06
Balances with banks		
In current accounts	38.21	1,062.54
In cash credit accounts (debit balance)	7,445.14	276.33
In deposit accounts (Refer Note 13.1 below)	18,166.17	23,683.51
Sub Total	**25,676.97**	**25,068.44**
Less: Fixed deposits having maturity more than 3 months & less than 12 months shown under other bank balances	11,340.38	15,549.21
Less: Fixed deposits having maturity more than 12 months shown under other financial assets (refer Note 8)	2,776.23	5,386.90
Total	**11,560.36**	**4,132.33**
Other Bank Balances		
Unpaid dividend accounts*	1.96	2.96
In deposit accounts (Maturity more than 3 months & less than 12 months)	11,340.38	15,549.21
Total	**11,342.34**	**15,552.17**

* 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, 2021	As at March 31, 2020
Fixed deposits pledged with banks as security against credit facilities	12,408.77	16,638.60
Fixed deposits pledged with bank as security against overdraft facility for subsidiary company	338.40	452.70
Fixed deposits pledged with clients as security	704.35	1,495.35
Total	**13,451.52**	**18,586.65**

14 Current Tax Assets

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Current Tax Asset (Net)	-	94.87
Total		

Notes to the Consolidated Financial Statements
for the year ended March 31, 2021

15 Equity Share Capital

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
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:

Particulars	As at March 31, 2021		As at March 31, 2020	
	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, 2021		As at March 31, 2020	
	No. of Shares	%	No. of Shares	%
Prahaladbhai S. Patel	1,85,24,308.00	51.46%	1,83,90,914.00	51.09%
Shilpaben P. Patel	51,84,000.00	14.40%	51,84,000.00	14.40%
Sagar P. Patel	20,00,000.00	5.56%	20,00,000.00	5.56%

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

16 Other equity

(₹ in Lakhs)

	Reserves & Surplus			Items of Other comprehensive income (OCI)				
Particulars	**General Reserve**	**Securities Premium**	**Retained Earnings**	**Foreign Currency Translation Reserve**	**Debt instruments through OCI**	**Total attributable to owners of the Holding Company**	**Non - controlling interests**	**Total**
Balance as at March 31, 2019 (A)	**936.10**	**13,488.68**	**18,908.39**	**(2.46)**	**-**	**33,330.71**	**85.37**	**33,416.08**
Additions during the year:								
Profit for the year	-	-	12,847.61	(7.03)		12,840.58	(16.69)	12,823.89
Remeasurement benefits of defined benefit plans	-	-	(13.14)	-		(13.14)	-	(13.14)
Total Comprehensive Income for the year 2019-20 (B)	**-**	**-**	**12,834.47**	**(7.03)**		**12,827.44**	**(16.69)**	**12,810.75**
Reductions during the year:								
Dividends	-	-	3,600.00	-	-	3,600.00	-	3,600.00
Income Tax on Dividend	-	-	739.99	-	-	739.99	-	739.99
Total (C)	**-**	**-**	**4,339.99**	**-**	**-**	**4,339.99**	**-**	**4,339.99**
Balance as at March 31, 2020 (D) = (A) + (B) - (C)	**936.10**	**13,488.68**	**27,402.87**	**(9.49)**	**-**	**41,818.16**	**68.68**	**41,886.84**
Additions during the year:								
Profit for the year	-	-	8,152.65	0.56	-	8,153.21	(58.02)	8,095.19
Remeasurement benefits of defined benefit plans (Net of Tax)	-	-	9.22	-	-	9.22	-	9.22
Acquisition of Non-controlling interest	-	-	(1.30)	-	-	(1.30)	-	(1.30)
Share of Non-controlling Interest	-	-	10.66	-	-	10.66	(10.66)	-
Total Comprehensive Income for the year 2020-21 (E)	**-**	**-**	**8,171.23**	**0.56**	**-**	**8,171.79**	**(68.68)**	**8,103.11**
Reductions during the year:								
Dividends	-	-	-	-	-	-	-	-
Income Tax on Dividend	-	-	-	-	-	-	-	-
Total (F)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Balance as at March 31, 2021 (G) = (D) + (E) - (F)	**936.10**	**13,488.68**	**35,574.10**	**(8.93)**	**-**	**49,989.95**	**-**	**49,989.95**

Nature & 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.

Debt Instruments through OCI

The Holding Company has elected to recognise changes in the fair value of certain investments in debt securities in other comprehensive income. These changes are accumulated within other equity. The transfer amounts from reserves to profit and loss when relevant debt securities are derecognised.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

17 Borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Non - Current		
Secured (At Amortised Cost)		
Term Loans		
From Banks	1,291.41	662.23
Less: Current Maturities of long term borrowings	(1,013.08)	(258.54)
Total	**278.33**	**403.69**
Current		
Secured (At Amortised Cost)		
Working Capital Loans		
From Banks	7,095.33	7,221.32
Unsecured		
From Related Parties (Refer Note 38)	-	100.00
Total	**7,095.33**	**7,321.32**

Nature of Borrowing	Terms of Repayment	Interest Rate	Nature of Security
Non-current Borrowing Term loan for Plant, Machinery & Vehicles	Repayable in 35 to 60 equated monthly installments	7.40% to 9.50%	Assets acquired under term loan
Current Borrowing Working Capital Loans	Repayable on Demand	6.95% to 11.00%	Refer note below

Note:

(i) Working Capital Loans are secured against Inventory, Book Debts, Plant & Machinery, land and Fixed Deposits held in the name of holding company. Such loans are repayable on demand.

(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.

18 Provisions

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Non - Current		
Provision for employee benefits (Refer Note No. 33)	79.05	39.81
Total	**79.05**	**39.81**
Current		
Provision for employee benefits (Refer Note No. 33)	99.94	69.66
Provision for loss of Joint Venture (Refer Note 38)	5.20	35.14
Total	**105.14**	**104.80**

Notes to the Consolidated Financial Statements
for the year ended March 31, 2021

19 Trade Payables

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of micro enterprises and small enterprises	1,014.65	757.37
Due to Related Parties (Refer Note No. 38)	170.28	182.08
Total outstanding dues of creditors other than micro enterprises and small enterprises	24,803.48	20,741.21
Total	**25,988.41**	**21,680.66**

20 Other Financial Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Current maturities of Non-current Borrowings (Refer Note No. 17)	1,013.08	258.54
Others		
Trade deposits	466.80	584.83
Payable for capital expenditure	242.78	150.08
Other Payables	1,113.88	690.05
Proposed Dividend	-	370.00
Unpaid dividend*	1.96	2.96
Total	**2,838.50**	**2,056.46**

*This figure does not include any amount due and outstanding, to be credited to Investor Education and Protection Fund

21 Other Current Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory Payables	1,224.51	237.82
Contract Liabilities		
Advance received from Customers	1,754.94	6,459.28
Amount due to customers	2,313.19	963.73
Mobilisation Advance received from Customers	3,172.38	11,454.87
Total	**8,465.02**	**19,115.70**

22 Current Tax Liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Current Tax Liabilities (Net)	692.84	85.21
Total	**692.84**	**85.21**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

23 Revenue from Operations

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from Contracts with Customers	1,23,413.94	1,49,279.70
Other Operating Revenue	672.30	646.23
Total	**1,24,086.24**	**1,49,925.93**

24 Other Income

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
a) Interest Income		
On Fixed Deposits	1,248.50	1,679.24
On Investments	2.28	19.96
From Subsidiary & Joint Venture (Refer Note no. 38)	262.82	307.60
Others	106.44	158.73
	1,620.04	**2,165.53**
b) Dividend income	**-**	**3.16**
c) Other gains and losses		
Net Gain on Foreign Exchange Fluctuations	-	238.30
Net Gain on sale of Property, Plant & Equipment	-	1.24
Others	45.74	8.40
	45.74	**247.94**
Total (a+b+c)	**1,665.78**	**2,416.63**

25 Cost of Construction Material Consumed

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Opening Stock	7,673.03	4,650.44
Add: Purchases	38,814.33	55,688.52
	46,487.36	**60,338.96**
Less: Closing Stock	6,674.07	7,673.03
Total	**39,813.29**	**52,665.93**

Notes to the Consolidated Financial Statements
for the year ended March 31, 2021

26 Changes in inventories of Work-In-Progress:

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Inventories at the end of the year:		
Work In Progress	2,246.84	2,010.32
	2,246.84	**2,010.32**
Inventories at the beginning of the year:		
Work In Progress	2,010.32	2,849.73
	2,010.32	**2,849.73**
Net (increase) / decrease in Inventories	**(236.52)**	**839.41**

27 Construction Expenses

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Labour expenses	56,984.37	28,831.95
Sub-Contracting Expenses	3,488.99	35,550.11
Stores, spares & other consumables	341.42	498.93
Power & Fuel	1,458.10	1,851.67
Site Expenses	180.01	288.49
Machinery Rent	861.50	1,969.39
Insurance	264.67	255.36
Repairs & Maintenance:		
Machineries	27.55	37.99
Vehicles	18.11	22.71
Transportation expenses	352.58	313.68
Security Expenses	465.56	424.40
Total	**64,442.86**	**70,044.68**

28 Employee benefits expense

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries and Wages	3,742.21	4,289.90
Managerial Remuneration	694.38	832.00
Contributions to Provident Fund and Other Funds	207.08	235.35
Staff Welfare Expenses	446.04	591.41
Total	**5,089.71**	**5,948.66**

Notes to the Consolidated Financial Statements
for the year ended March 31, 2021

29 Finance costs

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest costs:		
(i) Interest on		
Term Loan	49.41	30.82
Working Capital Loan	792.17	681.10
(ii) Others	192.90	225.56
Bank Guarantee Charges	298.26	399.98
Other Borrowing costs	168.05	168.12
Total	**1,500.79**	**1,505.58**

30 Depreciation and Amortization Expense

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation expenses	2,528.92	2,642.98
Amortization expenses	34.84	26.57
Total	**2,563.76**	**2,669.55**

31 Other Expenses

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Rent	171.55	260.55
Rates & Taxes	14.84	35.87
Electricity expenses	18.32	14.48
Insurance	60.06	54.87
Repairs & Maintenance:		
Vehicle	60.31	59.72
Computers	81.36	99.77
Building	0.25	0.14
Printing & Stationery expenses	56.76	85.36
Communication expenses	28.56	27.50
Auditor's Remuneration	20.45	16.15
Legal & Professional expenses	155.84	168.51
Directors' Sitting Fees	2.10	2.70
Travelling & Conveyance	36.10	74.02
Advertisement expenses	17.79	60.56
Sponsorship Fees	1.12	16.47
Bad Debts written off	246.18	-
Allowances for Expected Credit Loss	34.14	33.00
Corporate Social Responsibility Expenses	279.31	219.24
Donation	10.05	66.15
Net Loss on PPE written off	27.91	0.01
Net Loss on sale of Assets	0.79	-
Net Loss on Foreign Exchange Fluctuations	133.82	-
Miscellaneous Expenses	25.62	49.01
Total	**1,483.23**	**1,344.08**

Notes to the Consolidated Financial Statements
for the year ended March 31, 2021

31.1 Remuneration to Auditors

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Payment to Statutory Auditors		
For Audit Fees	20.45	16.10
For Taxation Matters	-	0.05
Total	**20.45**	**16.15**

32 Earnings per share (EPS)

(₹ in Lakhs)

Particulars	Unit	Year ended March 31, 2021	Year ended March 31, 2020
(i) Net Profit after Tax attributable to equity holders of the Company	In ₹	8,152.65	12,847.61
(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 ₹	22.65	35.69

33 Employee benefits

[A] Defined contribution plans:

TThe 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)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Contribution to Labour Welfare Fund	0.29	0.32
Contribution to Employee State Insurance Corporation Fund	32.55	43.81
Contribution to Provident Fund	106.83	130.98
Total	**139.67**	**175.11**

[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 employment 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, 2021

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, 2021

a) Reconciliation in present value of defined benefit obligation

(₹ in Lakhs)

Particulars	2020-21	2019-20
Defined benefit obligations as at beginning of the year	304.59	218.51
Current service cost	64.74	58.15
Past service cost	-	-
Interest cost	20.77	17.02
Actuarial (Gains)/Losses	(16.04)	13.67
Benefits paid	(40.58)	(2.76)
Defined benefit obligations as at end of the year	**333.48**	**304.59**

b) Reconciliation of fair value of Plan Assets

(₹ in Lakhs)

Particulars	2020-21	2019-20
Fair Value of Plan Assets at the Beginning of the Period	240.08	187.15
Contributions by the Employer	13.16	45.00
Interest Income	16.37	14.58
Benefit Paid from the Fund	(20.58)	(2.76)
Return on Plan Assets, Excluding Interest Income	(3.72)	(3.89)
Fair Value of Plan Assets at the End of the Period	**245.31**	**240.08**

c) Amount recognised in balance sheet

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
PVO at the end of period	333.48	304.59
Fair value of planned assets at end of year-Insurance Fund	245.31	240.08
Funded status - Deficit	(88.17)	(64.51)
Net asset/(liability) recognised in the balance sheet	**(88.17)**	**(64.51)**

Notes to the Consolidated Financial Statements
for the year ended March 31, 2021

d) Amount recognised in Statement of Profit and Loss

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current service cost	64.74	58.15
Interest cost	4.40	2.44
Past service cost	-	-
Total	**69.14**	**60.59**

e) Amount recognised in Other Comprehensive Income Remeasurements

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Actuarial (Gains)/ Losses	(16.04)	13.67
Return on Plan Assets, Excluding Interest Income	3.72	3.89
Total	**(12.32)**	**17.56**

f) Principal assumptions used in determining defined benefit obligations for the group

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Expected Return on Plan Assets (% per annum)	6.82%	6.82%
Discount rate (% per annum)	6.82%	6.82%
Salary escalation rate (% per annum)	7%	2% p.a for next 1 years, 7% p.a thereafter, starting from 2nd year.
Employee attrition rate (% per annum)	For service 4 year and below 12.00% p.a. For service 5 year and above 3.00% p.a.	For service 4 year and below 12.00% p.a. For service 5 year and above 3.00% p.a.
Mortality Rate (% per annum)	Indian Assured Lives Mortality (2006-08)	
Normal Retirement Age (In Years)	58	58
Average Future Service (In Years)	18	18

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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

g) Expected Cash flow of Maturity Profile for following years of Defined Benefit Obligations

(₹ in Lakhs)

Particulars	As at March 31, 2021 Amount in ₹	As at March 31, 2020 Amount in ₹
Year 1	8.90	15.49
Year 2	12.98	28.96
Year 3	29.74	11.21
Year 4	14.50	13.49
Year 5	16.35	15.45
Year 6 to 10	99.10	113.90
Year 11 and above	841.23	642.16

h) Sensitivity analysis

Scenario	As at March 31, 2021		As at March 31, 2020	
	DBO	Change	DBO	Change
Under Base Scenario				
Discount Rates - Up by 1%	(38.83)	-11.64%	(31.68)	-10.40%
Discount Rates - Down by 1%	47.51	14.25%	38.40	12.61%
Salary Escalation - Up by 1%	43.42	13.02%	35.07	11.51%
Salary Escalation - Down by 1%	(36.72)	-11.01%	(29.78)	-9.78%
Withdrawal Rates - Up by 1%	(1.14)	-0.34%	(1.26)	-0.41%
Withdrawal Rates - Down by 1%	1.08	0.32%	1.23	0.40%

i) Category of Assets

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Insurance Fund	**245.31**	**240.08**

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	Year ended March 31, 2021	Year ended March 31, 2020
Provisions	18	88.17	64.51

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

34 Tax Expense

(a) Amounts recognised in profit and loss

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current Tax Expense (A)		
Current year	3,035.26	4,608.22
Deferred Tax Expense (B)		
Origination and reversal of temporary differences	(276.93)	(103.73)
Tax Expense recognised in the income statement (A+B)	**2,758.33**	**4,504.49**

(b) Amounts recognised in other comprehensive income

(₹ in Lakhs)

Particulars	Year ended March 31, 2021			Year ended March 31, 2020		
	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	12.32	(3.10)	9.22	(17.56)	4.42	(13.14)
Items that will be reclassified to profit or loss						
Net fair value gain on investment in debt instruments through OCI	0.75	(0.19)	0.56	(7.58)	0.55	(7.03)
	13.07	**(3.29)**	**9.78**	**(25.14)**	**4.97**	**(20.17)**

(c) Reconciliation of effective tax rate

(₹ in Lakhs)

Scenario	Year ended March 31, 2021		Year ended March 31, 2020	
	%	Amount	%	Amount
Profit Before Tax		**10,852.96**		**17,335.41**
Tax using the Company's domestic tax rate	25.17%	2,731.47	25.17%	4,362.98
Tax effect of:				
Effect of Expenses that are not deductible in determining taxable profit	8.45%	917.30	4.83%	836.72
Effect of income that is exempt from taxation	0.14%	15.05	-0.05%	(7.87)
Effect of Expenses that are deductible in determining taxable profit	-5.63%	(611.13)	-3.52%	(610.79)
Effect of change in tax rate (Refer below Note)	-	-	0.95%	164.51
Others	-2.71%	(294.36)	-1.39%	(241.06)
Effective income tax rate/Income tax expense	25.42%	**2,758.33**	25.98%	**4,504.49**

The Group has elected to exercise the option permitted under section 115BAA of the Income Tax Act-1961 as introduced by the Taxation Laws (Amendment) Ordinance 2019. Accordingly, the Group has recognised tax expenses for the year ended March 31, 2020 and re-measured its deferred tax assets basis the rate prescribed in the said section. Profit for the year is lower by INR 164.51 lakhs due to remeasurement of deferred tax assets recognised upto March 31, 2019.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

35 Fair value measurement hierarchy

(₹ in Lakhs)

Particulars	As at March 31, 2021						
	Carrying amount	Amortised Cost	FVTOCI	FVTPL	Level of input used in		
					Level 1	Level 2	Level 3
Financial assets							
Investments*	21.09	21.09	-	-	-	-	-
Loans	3,027.48	3,027.48	-	-	-	-	-
Trade receivables	22,653.74	22,653.74	-	-	-	-	-
Cash and cash equivalents and Other Bank Balances	22,902.70	22,902.70	-	-	-	-	-
Other financial assets	20,621.11	20,621.11	-	-	-	-	-
	69,226.12	**69,226.12**	**-**	**-**	**-**	**-**	**-**
Financial liabilities							
Borrowings	7,373.66	7,373.66	-	-	-	-	-
Trade payables	25,988.41	25,988.41	-	-	-	-	-
Other Financial liabilities	2,838.50	2,838.50	-	-	-	-	-
	36,200.57	**36,200.57**	**-**	**-**	**-**	**-**	**-**

*Exclude Group investment amounting to ₹ 45.59 lakhs as it is carried at cost.

(₹ in Lakhs)

Particulars	As at March 31, 2020						
	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	3,359.32	3,359.32	-	-	-	-	-
Trade receivables	23,517.51	23,517.51	-	-	-	-	-
Cash and cash equivalents and Other Bank Balances	19,684.50	19,684.50	-	-	-	-	-
Other financial assets	24,745.18	24,745.18	-	-	-	-	-
	71,327.60	**71,327.60**	**-**	**-**	**-**	**-**	**-**
Financial liabilities							
Borrowings	7,725.01	7,725.01	-	-	-	-	-
Trade payables	21,680.66	21,680.66	-	-	-	-	-
Other Financial liabilities	2,056.46	2,056.46	-	-	-	-	-
	31,462.13	**31,462.13**	**-**	**-**	**-**	**-**	**-**

*Exclude Group investment amounting to ₹ 44.59 lakhs as it is carried at cost.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2021

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

The carrying amounts of trade receivables, loans, advances, cash and other bank balances are considered to be the same as their fair values due to their short term nature. The carrying amounts of long term loans given with fixed rate of interest are considered at fair value.

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

36 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 gearing ratio at the end of the reporting period are as under:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current borrowing	1,291.41	662.23
Current borrowing	7,095.33	7,321.32
Total Debt	**8,386.74**	**7,983.55**
Total equity	**53,589.95**	**45,486.84**
Adjusted net debt to adjusted equity ratio	**0.16**	**0.18**

37 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 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

Notes to the Consolidated Financial Statements
for the year ended March 31, 2021

A. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty fails to meet its contractual obligations.

Trade receivables

Concentrations of credit risk with respect to trade receivables are limited, due to the customer base being large, diverse and across sectors. All trade receivables are reviewed and assessed for default on a quarterly basis.

Historical experience of collecting receivables of the group is supported by low level of past default and hence the credit risk is perceived to be low.

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

Movement in Expected Credit Loss Allowance

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Expected Credit Loss Allowance	162.36	129.36
Add: Additional provision made	34.14	33.00
Less: Reversal of provision	-	-
Closing provision	**196.50**	**162.36**

Other financial 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 Group.

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:

As at March 31, 2021

(₹ in Lakhs)

Particulars	Note No.	Carrying Amount	Less than 12 months	More than 12 months	Total
Non-current Borrowings (Incl. current maturities)	17	1,291.41	1,013.08	278.33	1,291.41
Current Borrowings	17	7,095.33	7,095.33	-	7,095.33
Trade Payables	19	25,988.41	25,988.41	-	25,988.41
Other Financial Liabilities	20	1,825.42	1,825.42	-	1,825.42
Total		**36,200.57**	**35,922.24**	**278.33**	**36,200.57**

As at March 31, 2020

(₹ in Lakhs)

Particulars	Note No.	Carrying Amount	Less than 12 months	More than 12 months	Total
Non-current Borrowings (Incl. current maturities)	17	662.23	258.54	403.69	662.23
Current Borrowings	17	7,321.32	7,321.32	-	7,321.32
Trade Payables	19	21,680.66	21,680.66	-	21,680.66
Other Financial Liabilities	20	1,797.92	1,797.92	-	1,797.92
Total		**31,462.13**	**31,058.44**	**403.69**	**31,462.13**

Notes to the Consolidated Financial Statements
for the year ended March 31, 2021

C. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the 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 INR. The currencies in which these transactions are primarily denominated is US dollars.

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	Assets (USD) As at March 31, 2021	Assets (USD) As at March 31, 2020
Loans	33.64	35.39

(₹ in Lakhs)

Particulars	Assets (INR) As at March 31, 2021	Assets (INR) As at March 31, 2020
Loans	2,472.98	2,668.28

Foreign currency sensitivity analysis

The Group is mainly exposed to the currency : USD

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 or loss and total equity

(Amount in Lakhs)

Particulars	Impact in USD As at March 31, 2021	Impact in USD As at March 31, 2020
Increase in exchange rate by 5%	1.68	1.77
Decrease in exchange rate by 5%	(1.68)	(1.77)

Notes to the Consolidated Financial Statements
for the year ended March 31, 2021

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, 2021	As at March 31, 2020
Fixed-rate instruments		
Financial Assets	3,027.48	3,359.32
Financial Liabilities	1,291.41	762.23
Variable-rate instruments		
Financial Assets	-	-
Financial Liabilities	7,095.33	7,221.32

Interest rate sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates. The following table demonstrates the sensitivity of floating rate financial instruments to a reasonably possible change in interest rates. The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

Impact on Profit / (loss) after tax

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Increase in 100 basis points	(53.10)	(54.04)
Decrease in 100 basis points	53.10	54.04

38 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 & J Builders LLC	Step down Foreign Joint Venture - Level-I
PSP Fremont LLC	Step down Foreign Joint Venture - Level-I
Guttenberg Projects LLC	Step down Foreign Joint Venture - Level-II

Notes to the Consolidated Financial Statements
for the year ended March 31, 2021

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

Name of the Key Management Personnel	Type
Mr. Prahaladbhai S. Patel	Chairman & Managing Director
Mrs. Shilpaben P. Patel	Whole Time Director (Resigned From August 05, 2020)
Ms. Pooja P. Patel	Whole Time Director
Mr. Sagar P. Patel	Executive Director (From October 22, 2019)
Mr. Chirag Narendra Shah	Independent Director
Mr. Sandeep Himmatlal Shah	Independent Director
Mr. Vasishtha Pramodbhai Patel	Independent Director
Mrs. Zarana Pratik Patel	Independent Director (From October 22, 2019)
Mrs. Hetal Patel	Chief Financial Officer
Ms. Mittali Christachary	Company Secretary
Name of the Relative	**Relation**
Mr. Dinubhai Patel	Brother of Chairman & Managing Director

(d) **Entities controlled by Directors / Relatives of Directors:**

Name of the Entities		
PSP Properties Private Limited	Sprybit Softlabs LLP	Shilp Products LLP
M/s. A P Constructions	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 parent Company's share in PSP Foundation has not been considered in consolidated financial statement.

(ii) ***Transactions with related parties***

(₹ in Lakhs)

Particulars	2020-21	2019-20
Interest Income by Holding Company		
M/s. GDCL and PSP Joint Venture	76.57	133.63
Interest Income by Subsidiary		
P & J Builders LLC	37.04	89.23
PSP Fremont LLC	149.21	84.74
Interest Expenses by Subsidiary		
Prahaladbhai S. Patel	12.00	12.00
Receipt of Services		
M/s. A P Constructions	858.83	901.04
Dinubhai Patel	25.00	25.00
Sprybit Softlabs LLP	13.83	4.92
Prahaladbhai S. Patel	58.48	53.72
Sale of Concrete Mix		
M/s. GDCL and PSP Joint Venture	-	4.64
Shilp Products LLP	32.83	13.33
M/s. A P Constructions	9.81	-
Sale of Construction Materials / Assets		
Shilp Products LLP	16.93	-
Purchase of Construction Materials / Assets		
Shilp Products LLP	78.07	-

Notes to the Consolidated Financial Statements
for the year ended March 31, 2021

(₹ in Lakhs)

Particulars	2020-21	2019-20
Reimbursements of Expenses		
M/s. GDCL and PSP Joint Venture	1.58	10.34
Share of Profit / (Loss) from Joint Venture by Holding Company		
M/s. GDCL and PSP Joint Venture	(46.28)	28.41
Share of Profit / (Loss) from Joint Venture by Subsidiary		
P & J Builders LLC	(192.12)	(14.91)
PSP Fremont LLC	(3.53)	(2.76)
Director's Sitting Fees Paid		
Chirag Narendra Shah	0.60	0.75
Sandeep Himmatlal Shah	0.45	0.75
Vasishtha Pramodbhai Patel	0.60	0.90
Mrs. Zarana Pratik Patel	0.45	0.30
Remuneration / Salary		
Prahaladbhai S. Patel	500.40	540.00
Shilpaben P. Patel	49.22	180.00
Pooja P. Patel	122.52	102.00
Sagar P. Patel	22.24	11.87
Hetal Patel	22.92	25.23
Mittali Christachary	6.07	6.72
Provision for Loss of Investment		
P & J Builders LLC	192.12	14.91
PSP Fremont LLC	3.53	2.76
Investment by Holding Company		
PSP Foundation	1.00	-
Investment by Subsidiary		
PSP Fremont LLC	-	0.07
Loan Repaid to Director by Subsidiary		
Mr. Prahaladbhai S. Patel	(100.00)	-
Loans by Subsidiary		
P & J Builders LLC (Net)	(750.18)	(1,532.09)
PSP Fremont LLC (Net)	554.87	1,918.11
Loans by Holding Company		
M/s. GDCL and PSP Joint Venture (Net)	(425.24)	(404.50)

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

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Investment by Holding Company		
M/s. GDCL and PSP Joint Venture	44.59	44.59
PSP Foundation	1.00	-
Investment by Subsidiary		
P & J Builders LLC	228.74	1.79
PSP Fremont LLC	0.07	0.07

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Loans Receivable by Subsidiary		
P & J Builders LLC	-	750.18
PSP Fremont LLC	2,472.98	1,918.11
Loans Receivable by Holding Company		
M/s. GDCL and PSP Joint Venture	540.03	773.00
M/s. GDCL and PSP Joint Venture (Cr. Balance in current capital)	-	(109.56)
Loans Payable by Subsidiary		
Mr. Prahaladbhai S. Patel	-	100.00
Trade Payables		
M/s. A P Constructions	102.22	80.55
Dinubhai Patel	6.25	6.25
Shilp Products LLP	28.00	-
Other Financial Assets (Interest Receivable) by Holding Company		
M/s. GDCL and PSP Joint Venture	-	301.83
Other Financial Assets (Interest Receivable) by Subsidiary		
P & J Builders LLC	-	50.71
PSP Fremont LLC	147.76	90.13
Provision for Loss /Loss on investment by Subsidiary		
P & J Builders LLC	226.66	32.45
PSP Fremont LLC	6.22	2.69
Remuneration Payable		
Prahaladbhai S. Patel	23.85	24.65
Shilpaben P. Patel	-	9.35
Pooja P. Patel	8.40	5.48
Sagar P. Patel	1.56	1.67
Hetal Patel	1.78	1.82
Mittali Christachary	0.55	0.53

(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. ₹ 61,000 Lakhs) and Term loan of ₹ 1,291.41 Lakhs as on March 31, 2021 (₹ 662.63 Lakhs as on March 31, 2020) 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 ₹ 196.87 Lakhs (P.Y. ₹ 656.23 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.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2021

39 Contingent Liabilities and Capital Commitments

(i) Contingent Liabilities:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Claims against Group not acknowledged as debt		
- Tax matters in dispute under appeal*	411.33	10.95
- Dispute in relation to the payment of wages	15.77	15.77
Bank guarantees for Performance, Earnest Money & Security Deposits**	36,313.31	40,418.43
Total	**36,740.41**	**40,445.15**

* 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 ₹ 196.87 Lakhs (March 31, 2020 ₹ 656.23 Lakhs) given on behalf of joint venture.

(ii) Capital Commitments:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for Property, Plant & Equipment (net of advances)	1,132.47	35.42
Total	**1,132.47**	**35.42**

40 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.

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
India	1,23,413.94	1,49,279.70

(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, 2021	As at March 31, 2020
Trade Receivables	22,653.74	23,517.51
Contract assets		
Retention money receivable from customers	9,301.87	6,703.88
Amount due from customers	7,722.15	11,623.19
Contract liabilities		
Advance received from Customers	4,927.32	17,914.15
Amount due to customers	2,313.19	963.73

Notes to the Consolidated Financial Statements
for the year ended March 31, 2021

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, 2021	Year ended March 31, 2020
Due from contract customers		
At the beginning of the reporting period	11,623.19	2,395.67
Cost incurred plus attributable profits on contracts-in-progress	90,071.94	1,61,802.41
Progressive billings made towards contracts-in-progress	93,972.98	1,52,574.89
Due from contract customers impaired during the reporting period	-	-
Significant changes due to other reasons	-	-
At the end of the reporting period	7,722.15	11,623.19

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Due to contract customers		
At the beginning of the reporting period	(963.73)	-
Cost incurred plus attributable profits on contracts-in-progress	19,857.37	2,472.00
Progressive billings made towards contracts-in-progress	21,206.83	3,435.73
Due from contract customers impaired during the reporting period	-	-
Significant changes due to other reasons	-	-
At the end of the reporting period	(2,313.19)	(963.73)

(c) Movement of Expected Credit Loss during the year :

In March 2021, ₹ 34.14 lakhs (March 2020, ₹ 33.00 lakhs) was recognised as provision for expected credit losses on Trade Receivables.

(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

Notes to the Consolidated Financial Statements
for the year ended March 31, 2021

is performed are disclosed in the Balance Sheet as contract liability and termed as "Advances from customer". The amounts billed on customer for work performed and are unconditionally due for payment i.e. only passage of time is required before payment falls due, are disclosed in the Balance Sheet as trade receivables. The amount of retention money held by the customers pending completion of performance milestone is disclosed as part of contract asset and is reclassified as trade receivables when it becomes due for payment.

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2021 is ₹ 4,12,097 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-22	Mar-23	Mar-24
Contract revenue	1,86,758	1,88,275	37,064

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

(₹ in Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Contract price of the revenue recognised	1,23,413.94	1,49,279.70
Add : Performance Bonus		
Add : Incentives	-	-
Less : Liquidated damages	-	-
Revenue recognised in the statement of Profit and Loss	1,23,413.94	1,49,279.70

41 Disclosure of Creditors outstanding under MSMED Act, 2006

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

(₹ in Lakhs)

Sr. No.	Particulars	As at March 31, 2021	As at March 31, 2020
a)	(i) Principal amount remaining unpaid to supplier under the MSMED Act 2006	1,014.65	757.37
	ii) Interest on a) (i) above	1.17	0.43
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	1.17	0.43
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	-	-

42 Segment Information

There are no separate reportable segments as per Ind AS 108 as the entire operations of the Group relate to single segment, viz Constructions / Project activities.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2021

43 Corporate Social Responsibility (CSR) Expenditure

(a) CSR amount required to be spent by the Group as per Section 135 of the Companies Act, 2013 is ₹ 279.31 Lakhs for the year 2020-21. (P.Y. ₹ 204.22 Lakhs).

(b) Amount Spent for CSR is ₹ 267.32 Lakhs (P.Y. ₹ 219.24 Lakhs), details of the same is as under:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021			For the year ended March 31, 2020		
	Paid in cash	Yet to be paid in cash	Total	Paid in cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	-	-	-	190.84	-	190.84
(ii) Purposes other than (i) above	267.32	11.99	279.31	28.40	-	28.40
Total	**267.32**	**11.99**	**279.31**	**219.24**	**-**	**219.24**

As per provisions of Companies Act, 2013, the Group is required to spend an amount of ₹ 279.31 Lakhs (P.Y. ₹ 204.22 Lakhs) towards various CSR activities. Of the said amount the Group has spent an amount of ₹ 267.32 Lakhs and balance unspent amount of ₹ 11.99 Lakhs is disclosed under the head ' Other Financial Liabilities' which will be transferred to PM CARES FUND, a fund specified under Schedule VII as per section 135(6) of the Companies Act, 2013 read with CSR Amendment Rules within a period of six months of the expiry of the financial year.

44 Details of enterprises consolidated in accordance with Ind AS - 110 - Consolidated Financials Statements

(i) Subsidiaries

(₹ in Lakhs)

Sr. No.	Name of the Enterprise	Country of Incorporation	Proportion of Ownership Interest as at Year ended March 31, 2021	Proportion of Ownership Interest as at Year ended March 31, 2020	Accounting Period
1	PSP Projects & Proactive Constructions Private Limited	India	100.00%	74.00%	April 1, 2020 to March 31, 2021
2	PSP Projects Inc.	USA	100.00%	100.00%	April 1, 2020 to March 31, 2021

(ii) Joint Ventures

(₹ in Lakhs)

Sr. No.	Name of the Enterprise	Country of Incorporation	Proportion of Ownership Interest as at Year ended March 31, 2021	Proportion of Ownership Interest as at Year ended March 31, 2020	Accounting Period
1	GDCL and PSP Joint Venture	India	49.00%	49.00%	April 1, 2020 to March 31, 2021
2	P & J Builders LLC	USA	50.00%	50.00%	April 1, 2020 to March 31, 2021
3	PSP Fremont LLC	USA	50.00%	50.00%	April 1, 2020 to March 31, 2021

Notes to the Consolidated Financial Statements

for the year ended March 31, 2021

45 Additional Information as required under Schedule III to the Companies Act, 2013 of Enterprises Consolidated as Subsidiary as at March 31, 2021.

(₹ 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	₹
Parent								
PSP Projects Limited*	100.39%	53,799.27	105.18%	8,513.97	94.27%	9.22	105.17%	8,523.19
Subsidiaries								
Indian								
1 PSP Projects & Proactive Constructions Private Limited	0.11%	60.04	-2.52%	(204.11)	0.00%	-	-2.52%	(204.11)
Foreign								
1 PSP Projects Inc.	-0.50%	(269.36)	-2.66%	(215.23)	5.73%	0.56	-2.65%	(214.67)
Joint Ventures								
Indian								
1 M/s. GDCL and PSP Joint Venture (Refer Note below)	-	-	-	-	-	-	-	-
Foreign								
1 P&J Builders LLC (Refer Note below)	-	-	-	-	-	-	-	-
Total	**100%**	**53,589.95**	**100%**	**8,094.63**	**100%**	**9.78**	**100%**	**8,104.41**

*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 ₹ 46.28 Lakhs.

Loss of PSP Projects Inc. includes loss from P & J Builders of ₹192.12 Lakhs and loss from PSP Fremont LLC of ₹ 3.53 Lakhs.

46 Standards Issued but not yet effective

As at the date of issue of consolidated financial statements, there are no new standards or amendments which have been notified by the MCA but not yet adopted by the Group. Hence, the disclosure is not applicable.

47 COVID-19 Estimation uncertainty

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of Property, Plant and Equipment, Investments, Inventories, Receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group as at the date of approval of these financial statements has used internal and external sources on the expected future performance of the Group. The Group has performed sensitivity analysis on the assumptions used and based on current estimates, expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these financial statements.

Notes to the Consolidated Financial Statements
for the year ended March 31, 2021

48 Events after the reporting period

(a) The board of directors have recommended dividend of ₹ 4.00 per fully paid up equity share of ₹ 10/- each, which is subject to approval of members at Annual General Meeting.

(b) The Group has 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 housing project under Pradhan Mantri Awas Yojana at Bhiwandi, Maharashtra in the proceeding before the Hon'ble District Court of Thane, and have obtained an interim relief / injunction (stay) by order dated June 17, 2021 against Bhiwandi Nizampur Municipal Corporation (BNMC) till the reply is being filed by the opposing party viz. BNMC.

49 Approval of Financial Statements

The financial statements are approved for issue by the Audit Committee and Board of Directors at their meetings held on June 18, 2021.

50 The figures of previous year have been regrouped/reclassified wherever necessary, to conform to the current year's classification.

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.**
Chartered Accountants
ICAI Firm Reg. No. : 140190W

Riddhi P. Sheth
Proprietor
Membership No. : 159123

Place : Ahmedabad
Date : June 18, 2021

For and on behalf of the Board of Directors

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

Pooja P. Patel
Whole Time Director
(DIN: 07168083)

Hetal Patel
Chief Financial Officer

Mittali Christachary
Company Secretary

Place : Ahmedabad
Date : June 18, 2021

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	Details
1.	Sl. No.	1	2
2.	Name of the subsidiary	PSP Projects & Proactive Constructions Private Limited	PSP Projects Inc.
3.	The date since when subsidiary was acquired	07/01/2016 (Incorporated)	15/02/2016(Incorporated)
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.	USD (Exchange rate as on March 31, 2021 :73.5047)
6.	Share capital	500	7.35
7.	Reserves & surplus	(439.96)	(332.25)
8.	Total assets	651.89	2643.15
9.	Total Liabilities	591.85	2968.05
10	Investments	-	(2.12)
11	Turnover*	41.17	184.44
12	Profit/(Loss) before taxation	(287.28)	(213.14)
13	Provision for taxation	(83.17)	-
14	Profit/(Loss) after taxation	(204.11)	(213.14)
15	Proposed Dividend	-	-
16	Extent of shareholding (In percentage)	100%**	100%

*turnover includes other income.
** PSP Projects & Proactive Constructions Private Limited became a wholly owned subsidiary of the company pursuant to acquisition of the remaining 26% shareholding of the company at a token value of ₹ 1.30 Lakhs only.

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, 2021
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	301.82
7. Profit/(Loss) for the year	(94.46)
i. Considered in Consolidation	(46.28)
ii. Not Considered in Consolidation	(48.18)

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

Prahaladbhai S. Patel
Chairman & Managing Director
DIN: 00037633

Pooja P. Patel
Whole-time Director
DIN: 07168083

Hetal Patel
Chief Financial Officer

Mittali Christachary
Company Secretary

Date: June 18, 2021
Place: Ahmedabad

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 13th Annual General Meeting

Notice is hereby given that the Thirteenth (13th) Annual General Meeting ('AGM') of the members of PSP Projects Limited will be held on Saturday, September 18, 2021 at 11:00 a.m. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), 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 to transact the following business:

Ordinary Business

Item No. 1 - To receive, consider and adopt -

a. the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2021, 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, 2021, together with the Reports of Auditors thereon.

Item No. 2 - To declare a Final Dividend of ₹ 4/- per fully paid equity share for the financial year ended March 31, 2021.

Item No. 3 - To appoint a director in place of Mr. Sagar P. Patel (DIN: 07168126), who retires by rotation and being eligible, offers himself 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, Mr. Sagar P. Patel (DIN: 07168126) who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as a director of the company."

Special Business:

Item No. 4 - 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. Melwani & Associates., Practising Cost Accountants (Firm Registration No. 100497) 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, 2022 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**

For **PSP Projects Limited**
Mittali Christachary
Company Secretary

Ahmedabad, July 19, 2021

Registered office:
'PSP House', Opp. Celesta Courtyard,
Opp. Lane of Vikramnagar Colony,
Iscon-Ambli Road, Ahmedabad – 380058
CIN: L45201GJ2008PLC054868

NOTES:

1. In view of continuing outbreak of COVID-19 pandemic, and the need of ensuring social distancing and pursuant to the General Circular numbers 14/2020, 17/2020, 20/2020 and 02/2021 dated April 08, 2020, April 13, 2020, May 05, 2020 and January 13, 2021 respectively issued by the Ministry of Corporate Affairs (MCA) and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated May 12, 2020 and January 15, 2021 respectively issued by the Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold AGM through VC, without the physical presence of members at a common venue. Hence, the ensuing 13th AGM of the company is being conducted through VC/OAVM which does not require physical presence of members at a common venue.

2. A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a member of the Company. Since the AGM is being held in accordance with the Circulars through VC, the facility for appointment of proxies by the members will not be available for this 13th AGM and hence, the Attendance slip and Proxy form 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 there at and cast their votes through e-voting.

3. In compliance with the aforesaid MCA Circulars and SEBI 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.

4. Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per section 103 of the Companies Act, 2013 ("the Act").

5. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the special business under Item No. 4 of the Notice is annexed hereto. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this ensuing Annual General Meeting ("AGM") is also annexed.

6. All the applicable Statutory records and other documents, if any referred to in the accompanying notice of the 13th 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 18, 2021. 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 18, 2021. 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. 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).

9. Members are requested to address all correspondence, including on dividends, to the Registrar and Share Transfer Agent, KFin Technologies Private 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

10. 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/)

11. Members seeking any information with regard to the accounts are requested to write to the Company on or before Wednesday, September 15, 2021 through email at grievance@pspprojects.com

12. SEBI has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members are therefore, requested to submit their PAN to their depository participant(s).

13. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

14. 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.

15. 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 www.evoting.nsdl.com.

16. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Act read with MCA Circulars and SEBI Circulars.

17. The Record date for the purpose of payment of final dividend for the financial year ended March 31, 2021 and AGM is Saturday, September 11, 2021.

18. The dividend on equity shares, if approved at the AGM, subject to deduction of tax at source would be paid/dispatched on or after Friday, September 24, 2021 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 on Saturday, September 11, 2021 and in the list of Beneficial Owners on Saturday, September 11, 2021 to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited for this purpose.

19. 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.

20. Shares of the company being in 100% demat mode, 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 Private 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.

21. 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 2021-22 does not exceed ₹ 5,000/- and also in cases where members provide Form 15G / Form 15H (applicable to individuals aged 60 years or more) 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. Registered members 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).

    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). The aforesaid declarations and documents need to be submitted by the shareholders by Monday, September 06, 2021, 17:30 hours (IST).

22. A communication providing information and detailed instructions on deduction of tax at source on the final dividend declared for the financial year ended March 31, 2021 is already been sent separately to the Members through an email and the same is also available on the website of the company at (https://www.pspprojects.com/wp-content/uploads/2017/09/Communication-on-deduction-of-Tax-at-Source-on-dividend-20.8.2021-2.pdf).

23. 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.

24. **VOTING THROUGH ELECTRONIC MEANS:**

a) Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI Listing Regulations (as amended from time to time), and the Circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India (SEBI), the Company is providing facility of remote e-Voting to its Members in respect of the business 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 voting on the date of the AGM will be provided by NSDL.

b) The board of directors has appointed Mr. Rohit S. Dudhela, Practicing Company Secretaries (COP No. 7396) as the Scrutinizer to scrutinize the remote 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 11, 2021 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.

25. **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 15, 2021 at 9:00 A.M. and ends on Friday, September 17, 2021 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 record date (cut-off date) i.e. Saturday, September 11, 2021, 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, i.e. Saturday, September 11, 2021.

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. If you are already registered for **NSDL IDeAS facility,** please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the **"Beneficial Owner"** icon under "Login" which is available under **"IDeAS"** section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or **e-Voting service provider - NSDL** and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is 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

Type of shareholders	Login Method
	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 held 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 options available against company name or e-Voting service provider - 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.
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL.** Click on **NSDL** to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in 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 provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.
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. Once login, you will be able to see e-Voting option. Once you 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 options available against company name or **e-Voting service provider-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 toll free no.: 1800 1020 990 and 1800 22 44 30
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 022- 23058738 or 022-23058542-43

B) Login Method 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 General 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.

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. As 100% shares of the company 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.

2. 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.

3. 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 link" placed under **"Join General meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General 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.

General Guidelines for shareholders

1. 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.

2. 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 toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Sarita Mote at evoting@nsdl.co.in

ANNEXURES TO THE NOTICE

Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013.

Item No.4

The Board of Directors of the company, on the recommendation of the Audit Committee in their meeting held on July 19, 2021 had approved the re-appointment of M/s. K.V. Melwani & Associates., Practising Cost Accountants (Firm Registration No. 100497) as Cost Auditors to conduct the audit of the Cost records of the Company for the financial year ending March 31, 2022 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 has to be ratified by the shareholders of the Company.

Accordingly, the board of directors recommends the passing of an Ordinary Resolution as set forth in Item no. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial year ending March 31, 2022.

M/s. K.V. Melwani & Associates have furnished a certificate dated July 16, 2021 regarding their eligibility and consent for reappointment as Cost Auditors of the Company.

None of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

By **Order of the Board of Directors**

For **PSP Projects Limited**
Mittali Christachary
Company Secretary

Ahmedabad, July 19, 2021

Registered office:
'PSP House', Opp. Celesta Courtyard,
Opp. Lane of Vikramnagar Colony,
Iscon-Ambli Road, Ahmedabad – 380058
CIN: L45201GJ2008PLC054868

Additional Information on Director seeking re-appointment at the forthcoming 13th Annual General Meeting of the company as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2 on General Meeting.

Name of the Director:	Mr. Sagar P. Patel
DIN:	07168126
Age:	25 years
Nationality	Indian
Date of first appointment on the Board:	October 22, 2019
Qualifications :	B.E. Civil
Experience and nature of his expertise in specific functional areas/ Brief resume:	He is an Executive Director of your Company. He holds a bachelor's degree in civil engineering from Gujarat Technological University. Presently, he is actively involved in areas of project planning, tendering, contracts, and execution of projects in the company.
Terms and Conditions of re-appointment:	Executive Director, liable to retire by rotation
Remuneration last drawn (2020-21) (including sitting fees, if any) :	₹ 22.24 Lakhs
Memberships/ Chairmanships of committees of the company (PSP) (includes only Audit Committee and Stakeholders' Relationship Committee)	Member- Stakeholders' Relationship Committee
Directorships held in other public companies (excluding foreign companies and Section 8 companies) :	None
Memberships/ Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee):	None
Disclosure of inter-se relationship between directors and Key Managerial Personnel:	Son of Mr. Prahaladbhai S. Patel and Brother of Ms. Pooja P. Patel
Number of board meetings attended during the financial year (2020-21) :	4 out of 4
Number of shares held in the Company (as on 31-03-2021) :	20,00,000 shares

For more details, please refer to the corporate governance report which forms part of this Annual Report.

By **Order of the Board of Directors**

For **PSP Projects Limited**
Mittali Christachary
Company Secretary

Ahmedabad, July 19, 2021

Registered office:
'PSP House', Opp. Celesta Courtyard,
Opp. Lane of Vikramnagar Colony,
Iscon-Ambli Road, Ahmedabad – 380058
CIN: L45201GJ2008PLC054868

Synopsis of AGM information

Particulars	Details
Mode	Video conference and other audio-visual means
Time and date of Annual General Meeting	11:00 a.m., September 18, 2021
Participation through video-conferencing	https://www.evoting.nsdl.com/
Cut-off date for e-voting	September 11, 2021
E-voting start time and date	September 15, 2021 (9:00 A.M)
E-voting end time and date	September 17, 2021 (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. Sarita Mote- 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 Private 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

PSP

Build to Last

PSP Projects Ltd.

www.pspprojects.com